



Agenda for a meeting of the Executive (Budget) to be held on Tuesday, 5 March 2024 at 10.30 am in the Council Chamber - City Hall, Bradford

Members of the Executive – Councillors

| |
|---------------------|
| LABOUR |
| Hinchcliffe (Chair) |
| I Khan |
| Ross-Shaw |
| Ferriby |
| Jabar |
| Duffy |

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. **Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place.** Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- **Members of the public are respectfully reminded that this is a meeting that is being held in public NOT a public meeting. The attendance of the public to observe the proceedings is welcome.**
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

Jason Field

Interim Director of Legal and Governance

Agenda Contact: Yusuf Patel / Louis Kingdom

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A. PROCEDURAL ITEMS

1. DISCLOSURES OF INTEREST

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(Members Code of Conduct – Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) *Members must consider their interests, and act according to the following:*

| Type of Interest | You must: |
|---|--|
| <i>Disclosable Pecuniary Interests</i> | <i>Disclose the interest; not participate in the discussion or vote; and leave the meeting <u>unless</u> you have a dispensation.</i> |
| <i>Other Registrable Interests (Directly Related)</i> OR <i>Non-Registrable Interests (Directly Related)</i> | <i>Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak but otherwise not participate in the discussion or vote; and leave the meeting <u>unless</u> you have a dispensation.</i> |
| <i>Other Registrable Interests (Affects)</i> OR <i>Non-Registrable Interests (Affects)</i> | <i>Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being</i> <i>(a) to a greater extent than it affects the financial interests of a majority of inhabitants of the affected ward, and</i> <i>(b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest; in which case speak on the item <u>only if</u> the public are also allowed to speak but otherwise not do</i> |

not participate in the discussion or vote; and leave the meeting unless you have a dispensation.

- (2) *Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (3) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

2. MINUTES

Recommended –

That the minutes of the meeting held on 9 January 2024, 11 January 2024, and 6 February 2024 be signed as a correct record (previously circulated).

(Yusuf Patel / Louis Kingdom – 07970 411923 / 07890 416570)

3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Yusuf Patel / Louis Kingdom – 07970 411923 / 07890 416570)

4. RECOMMENDATIONS TO THE EXECUTIVE

To note any recommendations to the Executive that may be the subject

of report to a future meeting. (Schedule to be tabled at the meeting).

(Yusuf Patel / Louis Kingdom – 07970 411923 / 07890 416570)

B. STRATEGIC ITEMS

LEADER OF COUNCIL & CORPORATE

(Councillor Hinchcliffe)

5. THE COUNCIL'S REVENUE ESTIMATES FOR 2024-25

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The report of the Director of Finance (**Document “AL”**) provides Members with details of the Council’s Revenue Estimates for 2024/25. The report also outlines feedback received through the consultation undertaken on the budget proposals that Council Executive approved for consultation at their meeting of the 11 January 2024.

Recommended –

Executive is asked to approve the recommendations set out in Section 10 of Document “AL”.

Overview and Scrutiny Committee: Corporate

(Andrew Cross – 01274 436823)

6. ALLOCATION OF THE SCHOOLS' BUDGET 2024-25

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The report of the Director of Finance (**Document “AM”**) seeks Executive approval of the recommendations of Bradford’s Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2024/25 and subsequent recommendation to Full Council.

Recommended –

It is recommended that the Executive asks Council to:

- (1) Accept and approve the proposals for the allocation of the 2024/25 Dedicated Schools Grant, as set out in this report.**
- (2) Approve the total amount of £759.852m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2024/25.**
- (3) Note the forecasted High needs Block financial position as set out in the report and that Council raise with central**

Government the need for additional future funding for this area.

Overview and Scrutiny Area: Corporate

(Andrew Redding – 01274 432678)

7. THE CAPITAL INVESTMENT PLAN 2024-25 ONWARDS

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The report of the Director of Finance (**Document “AN”**) presents the Council’s Capital Investment Plan 2024-25 to 2027-28 in Section A. Section B presents an updated Capital Strategy for 2024-25. This strategy underpins the spending proposals within the Capital Investment Plan. Section C presents the Investment Strategy for 2024-25.

Recommended –

- (1) Executive are asked to note the contents of this report and to have regard to the information contained within this report when considering the recommendations to make to Council on the CIP for 2024-25.**
- (2) That the updated Capital Plan for 2024-28, be approved; (Appendix A). Commitments against reserve schemes and contingencies can only be made after a business case has been assessed by Project Appraisal Group and approved by Executive.**
- (3) That Members agree that the Council undertakes a review of the capital programme.**
- (4) The 2024-25 MRP Policy set out in Appendix 2 is approved.**
- (5) That the Capital Strategy (including Prudential Indicators), set out at Appendix 3, be approved.**
- (6) That the Flexible Use of Capital Receipts policy (section 8) is approved. Delegate authority to the Section 151 officer to have the option to adjust this strategy and fund transformation projects from capital receipts to ensure that the Council achieves the most advantageous financial position that derives from proposals that are not yet agreed by Government.**

Overview and Scrutiny Committee: Corporate

(Lynsey Simenton – 07582 102779)

8. **COUNCIL TAX PREMIUMS ON LONG TERM EMPTY PROPERTIES AND SECOND HOMES** 245 - 258

The Strategic Director of Corporate Resources will submit a report (**Document “AO”**) which makes recommendations for changes to Council Tax premiums for long term empty homes and second homes to incentivise occupation of property in the district and increase the housing stock.

Recommended –

- (1) **Option 2 is the preferred option. That the Council introduce increased Council Tax Premium Charges as enabled by the Levelling Up and Regeneration Act 2023. This would:**
 - **Reduce the minimum period for the implementation of a 100% Council Tax premium for empty and unfurnished properties from 2 years to 1 year from April 2024 and**
 - **Introduce a Council Tax premium of 100% in respect of second homes (properties that are empty and furnished) from April 2025.**
- (2) **Following a consultation on proposed exemptions, the Government is yet to publish the final list of exceptions. The Executive is asked to delegate the responsibility to implement the exceptions once finalised to the Strategic Director, Corporate Resources.**

Overview and Scrutiny Area: Corporate

(Caroline Lee – 07811 088655)

9. **2024-25 BUDGET PROPOSALS AND FORECAST RESERVES- S151 OFFICER ASSESSMENT** 259 - 286

The Director of Finance will submit a report (**Document “AP”**) which assesses the adequacy of forecast levels of reserves, the risks associated with the budget, the overall financial position of the Council, the developing financial strategy and actions needed and being taken to secure the Council’s long term financial stability and the robustness of the proposed budget for 2024/25.

Recommended –

- (1) **That Members have regard to Document “AP” in setting the budget, and in particular note the conclusions that provided that :**
 - **the current and planned actions are successfully concluded ie that the emerging financial strategy is agreed and**

implemented in full;

- the Government supports the Council with a “minded to” Capitalisation Direction and will agree to do so in future years;
- the recommendations in Document “AP” are agreed and actioned in full;
 - then the overall estimates are sufficiently robust for the Council to set a balanced budget for 2024/25.

(2) That Members agree:

- that the level of general reserves is inadequate at £33m and that reserves need to be replenished
- that there is accordingly no planned use of reserves to support the 2024/25 budget;
- to required implementation in full of the emerging financial strategy ie that the Council:
 - identifies an estimated £40m of revenue savings for 2025/26;
 - identifies assets to be sold to generate capital receipts;
 - undertakes a review of the capital programme;
 - considers increasing income;
 - operates expenditure control panels as set out in the report from 1 April 2024;
 - undertakes a full review of financial management and finances of the Council;
 - invests in core functions necessary and subject to business cases;
- any non delivery of planned 2024/25 revenue savings will need to be absorbed within existing cash limited Departmental budgets.

(3) That Members note:

- the assessment of the current financial position of the Council;
- that this assessment is the result of emerging and recent work. The situation will change and the estimated financial position and solutions will require continual development and refinement and will likewise vary as the year progresses;

- **the s151 officer is not minded to issue a s114 notice at this point working on the basis that the above assumptions will be supported and seen through on time and in full;**
- **given the extremely challenging financial situation the Council finds itself in, which it has in recent months started to address, if the recommendations are not agreed, or if the assumptions are not delivered as assumed then very serious consideration will be given to the issuing of a s114 notice**
- **that the 2024/25 savings are being reviewed for deliverability;**
- **as with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, it should be highlighted that this statement would have to be amended if a decision was proposed that leads to the Council's reserves reducing below their recommended General Fund balance level. In addition, any other amendments would be considered against the scale of the overall budget and depending upon the extent and nature, may result in a revised statement.**

Overview and Scrutiny Committee: Corporate

(Andrew Cross – 01274 436823)

Executive 5 March 2024 - DISCLOSURES OF INTEREST

- (i) The following Elected Members had been granted dispensations under the Localism Act 2011 in relation to their declared Disclosable Pecuniary Interests relating to employment, sponsorship and land.

EMPLOYMENT

Cllr I Khan

SPONSORSHIP

Cllr Hinchcliffe
Cllr Jabar
Cllr I Khan

LAND

Cllr Duffy
Cllr Ferriby
Cllr Hinchcliffe
Cllr Jabar
Cllr I Khan
Cllr Ross-Shaw

TENANCY

- (ii) The following members disclosed a personal interest in the item on the agenda relating to the Budget 2024-25 and of the nature and description indicated by each category:

Members with a spouse, partner or close relative in the employment of the Council

Cllr Jabar
Cllr I Khan

Members employed by or who have a spouse, partner or close relative employed by a voluntary organisation/public body funded by the Council.

Cllr I Khan

Members who occupied land or who had a spouse, partner or relative who did or who were directors of companies or sat on the management committee of an organisation that occupies land under a lease or licence granted by the Council.

Cllr I Khan
Cllr Ross-Shaw

Members of other public authorities.

Airedale Partnership

Cllr Ross Shaw

Arts Council North

Cllr Hinchcliffe

Bradford Economic Partnership

Cllr Hinchcliffe

Cllr Ross-Shaw

Bradford Partnership (Safeguarding)

Cllr Duffy

City Regions Board (LGA)

Cllr Hinchcliffe

Education and Skills Board of Northern Powerhouse Partnership

Cllr Hinchcliffe

Key Cities

Cllr Hinchcliffe

Cllr I Khan

LGA – Children and Young Peoples Policy Board

Cllr I Khan

Nell Bank Outdoor Education Centre

Cllr Ferriby

Northern Acceleration Council

Cllr Hinchcliffe

Northern Powerhouse Partnership

Cllr Hinchcliffe

Rail North

Cllr Hinchcliffe

Standing Advisory Council on Religious Education (SACRE)

Cllr Jabar

Transport for the North

Cllr Hinchcliffe (alternate for the WY Mayor)

University of Bradford - Court

Cllr Hinchcliffe

West Yorkshire Combined Authority

Cllr Hinchcliffe
Cllr I Khan (Alt)

West Yorkshire Combined Authority Culture, Heritage and Sport Committee

Cllr Ferriby

West Yorkshire Combined Authority Finance, Resources, and Corporate Committee

Cllr Hinchcliffe
Cllr I Khan (Alt)

West Yorkshire Combined Authority Business, Economy and Innovation Committee

Cllr Ross-Shaw

West Yorkshire Combined Authority Employment Skills Committee

Cllr I Khan

West Yorkshire Combined Authority Governance and Audit

Cllr Hinchcliffe
Cllr I Khan (Alt)

West Yorkshire Combined Authority Climate, Energy, and Environment Committee

Cllr Ferriby

West Yorkshire Combined Authority West Yorkshire Business Board

Cllr Hinchcliffe
Cllr I Khan (Alt)

West Yorkshire Combined Authority Place, Regeneration and Housing Committee

Cllr Ross-Shaw

West Yorkshire Combined Authority Transport Committee

Cllr Hinchcliffe
Cllr Ross-Shaw

West Yorkshire Joint Services Committee

Cllr Duffy

Yorkshire Leaders Board

Cllr Hinchcliffe

Yorkshire Libraries and Information

Cllr Ferriby

Parish Councillors

Cllr Hinchcliffe
Cllr Ros-Shaw

Members who sit on the management committee/ trustee of a voluntary organisation in receipt of Council Funding

Cllr Ferriby
Cllr Hinchcliffe
Cllr Jabar
Cllr I Khan
Cllr Ross-Shaw

Members who are members of a Council funded organisation

Cllr I Khan
Cllr Ross-Shaw

Members appointed by the Council to a public body with an interest in the Council's budget

Cllr Ross-Shaw

Members who are appointed to external bodies

Bradford Business Improvement District Board

Cllr Ross-Shaw

Canal Road Urban Village

Cllr Ross-Shaw

City of Film

Cllr Ferriby

Great Horton Church Cricket Club

Cllr I Khan - President

Great Horton Partnership

Cllr Jabar

Ilkley Business Improvement District Board

Cllr Ross-Shaw

Keighley Business Improvement District Board

Cllr Ross-Shaw

Keighley Towns Fund Board

Cllr Ross-Shaw

Shipley Towns Fund Board

Cllr Ross-Shaw

Ummid/Himmat Management Board

Cllr Jabar

Other Interests

Friends of Bracken Hill Park

Cllr Jabar

Industrial Services Group

Cllr I Khan

New Choices

Cllr Ferriby - Director

Community

Cllr Hinchcliffe

Co-operative Party

Cllr Duffy

Cllr Hinchcliffe

GMB

Cllr Hinchcliffe

Cllr I Khan

Prospect

Cllr Duffy

Unison

Cllr Hinchcliffe

Cllr Jabar

Cllr Ross-Shaw

Unite

Cllr Duffy

Cllr Ferriby

Cllr Hinchcliffe

Members who are school governors

Cllr Duffy

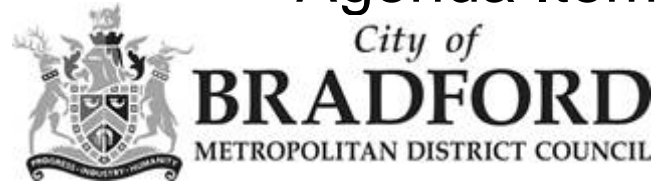
Cllr Ferriby

Members entitled to receive an allowance paid by the Council

All members of the Executive in attendance.

Any members who are in receipt of a West Yorkshire Pension Fund pension.

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Report of the Director of Finance to the meeting of Executive to be held on 5th March 2024 and Council to be held on 7th March 2024

AL

Subject: The Council's Revenue Estimates for 2024-25 (General Fund and Housing Revenue Account).

Summary Statement:

The report provides Members with details of the Council's Revenue Estimates for 2024-25.

The report also outlines feedback received through the consultation undertaken on the budget proposals that Council Executive approved for consultation at their meeting of the 11 January 2024.

Executive and Council will need to have regard to this feedback when setting the budget for 2024-25.

EQUALITY & DIVERSITY:

The report sets out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2024-25 budget is approved.

The revenue budget supports the delivery of Council priorities including significant action to address inequalities in health, income, opportunity and environmental quality.

Steven Mair
Director of Finance

Portfolio:

Leader

Report Contact:

Andrew Cross
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Overview & Scrutiny Area:

Corporate

THE COUNCIL'S REVENUE ESTIMATES FOR 2024-25

1. PURPOSE

- 1.1 This report proposes the estimates of net revenue expenditure be recommended to Council for approval as the Council's balanced revenue budget for 2024-25. This report is predicated on the Council's application for Exceptional Financial Support being granted. At the time of the publication of this report, the outcome of that application is not known, but a full update will be provided to Executive on 5 March and Council on 7 March.
- 1.2 The revenue estimates are part of the overall budget proposal for the Council which also includes:
 - the recommended Capital Investment Plan for 2024-25 to 2027-28
 - the allocation of the Schools Budget 2024-25
 - Section 151 Officer's Assessment of the proposed budgets
- 1.3 The overall budget proposal allocates available resources to support the delivery of Council priorities:
 - A great start and a good school for all our children
 - Better health, better lives
 - Safe, strong and active communities
 - Skills, jobs and a growing economy
 - A Sustainable District
 - Decent homes
 - Enabling Council
- 1.4 This report is submitted to enable the Executive to make recommendations to Budget Council on the setting of the 2024-25 budget and the Council Tax for 2024-25, as required by Part 3C of the Council's Constitution.
- 1.5 To support Executive in making its recommendations to Budget Council, feedback from the consultation on the budget proposals for 2024-25 is provided at Appendix G to this report.
- 1.6 Executive and Council will need to have regard to this feedback when setting the budget for 2024-25.

2 Context

- 2.1 As previously reported, the Council has had to deal with a number of financially challenging circumstances, some of which are not in the Councils control.
 - Since 2011, the Council has budgeted to deliver over c£350m in savings to contend with funding cuts, inflation, and additional demand. In recent years budgeted savings – particularly in Adult Social Care have not been delivered in full.
 - National funding cuts have had a disproportionate impact on Bradford. England's 10% most deprived Councils have faced cuts three times that of

- its most affluent with Bradford having experienced funding cuts of 28%.
- As national funding for local authorities has reduced councils have become increasingly reliant on Council tax to fund services. However, Bradford's Band D Council tax is £135 lower than the average for Metropolitan Authorities and 80% of its households are below Band D. This means that Bradford cannot keep pace with inflationary and demand pressures through Council Tax alone, and that it raises less locally than other authorities many of which have much lower levels of need. Indicatively if Council Tax were at the same level as the average of Metropolitan Authorities it would generate c£20m more.
 - Government reforms to Council funding taking greater account of needs and local resources have also been repeatedly delayed. Independent analysis indicates that implementation of the reforms would benefit Bradford by c£32m a year.
 - There are other proposed national reforms awaiting implementation that would help Councils. The Independent Review of Childrens' Social Care and the Competition and Markets Authority, have both highlighted issues associated with price increases in the Childrens' residential care market and have called for national policy action to address this. There are calls from the sector to cap agency social worker costs. In Bradford, Agency social workers make up c47% of the social work workforce. This is problematic both from cost and social care practice perspectives.
 - The Local Government Association is leading calls for sufficient funding to meet demand for Children's Social Care while the Independent Review identified a need for investment of an additional £2.6bn to deliver reform of the system.
 - Gross spend on Children's Social Care has increased by c£150m per year from c£100m in 2019-20 to c£250m in 2023-24, and benchmark spend on Children's Social Care has gone from relatively low to very high across that period.
 - Apart from Children's Social Care, Bradford's service provision is relatively low cost compared to similar councils.
 - The Council has been using significant amounts of one-off reserves in recent years to contend with high inflation, and significant pressures in Children's Social Care. In 2020-21 the Council had c£256m of reserves and this has reduced to c£78m now. The use of reserves is unsustainable, and reserves are now effectively exhausted.
 - The Council has applied for Exceptional Financial Support to help bridge the immediate gap, but enhanced forward financial planning, and delivery of a significant savings programme will be required to return the Council to a financially sustainable position in future years.

Medium Term Financial Strategy

- 2.2 The Council's previous significant use of reserves combined with service specific cost pressures in Children's and Adults Social Care, and sector wide issues means that the Council has now reached a financially unsustainable position which will have to be addressed through very significant change working at pace.
- 2.3 An initial five-year financial strategy is in preparation which will have the following five key budgetary strands:

- selling over £100m of capital assets, at the earliest best value opportunity
- reducing reliance on borrowing to fund the general funded elements of the capital programme.
- saving an average of £34m every year from the revenue budget for the upcoming and subsequent 5 years
- examining the potential to increase income.
- seeking central government support for a Capitalisation Direction that allows the Council to use capital funding sources (borrowing and proceeds from asset sales) through the DLUHC exceptional financial support programme. For 2023-24 the Council has requested £80m, and £140m for 2024-25.

2.4 The purpose of each of these is in turn to:

- reduce the amount of debt that would otherwise be required.
- avoid debt increasing and reduce financing costs.
- balance the revenue budget – revenue and savings and income generation.
- provide temporary support to allow the Council to set a legal budget.

2.5 The mix of these options will vary, and the amounts required from them will also change over time. However, at this time it can be assumed that they will require demanding decisions and will more likely increase in quantum.

2.6 The sale of capital assets is being developed are being worked on.

2.7 A further review of the capital programme will commence in March 2024 and will require a review of all schemes, business cases, profiles, to identify schemes that can be stopped, deferred, reduced etc.

2.8 The revenue budget process is being refined and will require:

- £40m of further savings for 2025-26 to be identified by September 2024 with business cases, including project plans with milestones, deadlines, communication plans and equality impact assessments. The overarching plan is then to go to Corporate Overview & Scrutiny Committee in the autumn and the Executive thereafter.
- this will be combined with the ongoing review of the c£45m of 2024-25 savings and mitigations. If any of these are not found to be robust, alternatives to the same value and timescale will be needed.
- these savings will include Departmental efficiencies, income reviews, strategic change plans and cross cutting initiatives.

2.9 The application for a capitalisation direction is based on an estimate of budget overspends as of 31st December 2023, the need to stop reducing reserves and rather to increase them and to provide sufficient flexibility to enable the Council to finance estimated costs associated with the transformation of services, necessary investment in core functions and the like.

2.10 Combined with this, the Council's financial management at all levels and across

the Council will be reviewed. This will include but is not limited to:

- a review of the Council's financial structure – permanent and temporary. This will require investment which has been allowed for in the requested capitalisation direction. The service is under resourced and in common with other Councils this can lead to a lack of capacity that impacts on financial advice and financial planning that is frequently one of the main drivers of financial unsustainability.
- the plan to mitigate the Dedicated Schools Grant/ High needs block structural gap.
- expenditure control panels process and work to date.
- the savings programme (Bradford Budget Emergency Response Team) outputs.
- training and development programmes where needed for all finance officers and service budget managers.
- longer term financial planning will look to explore Zero Based Budgeting, this will need to be based on solid financial and service data which experience suggests will take some time to establish.
- a review of the balance sheet including cash management
- the fundamental elements of financial management such as working papers, financial standards, finance business planning etc.

PROPOSED REVENUE BUDGET 2024-25

- 3.1 The balanced 2024-25 revenue budget is predicated on total available general resources (Council Tax income, Business Rates income, Top up Grant, Revenue Support Grant and use of reserves) of £435.265m and Exceptional Financial Support of £140m giving a total of £575.265m.
- 3.2 The total expenditure takes account of changes to the underlying (base) level of expenditure at the start of the year arising from:
- £24.9m to meet cost pressures in Council provided and commissioned services arising from inflation including increases in pay, the National, energy price inflation and general inflation.
 - Significant new investment in Children's Social Care of £42.1m in support for the Bradford Children and Families Trust in line with their Business Plan. This is inclusive of £12.1m for inflation.
 - £48.7m of recurring pressures including additional Treasury management costs; investment into Adult Social Care; pressures in Children's Social Care Transport and Legal Costs; and the adding back of underdelivered savings as outlined in Appendix B.
 - £16.9m of budgeted savings and additional income as outlined in Appendix C and D.

- £4.3m of previously approved capital financing and central budget adjustments as outlined in Appendix E
- £50m to provide contingencies against the under delivery of savings and mitigations; additional pressures in the Council and BCFT, and for IT development as detailed in Appendix F.
- £2.0m to meet the cost of demographic growth in Adult Social Care and Waste Services.
- The proposals would potentially result in 113 redundancies, and every effort would be made to ensure that staff affected will be redeployed in line with Council policy.
- 4.99% increase in Council tax and Social Care Precept, raising an additional £13.3m for vital local services when combined with increase in the Tax base.
- The overall budget is balanced by the use of a £140m capitalisation directive.
- The Council has also developed a c£60m asset disposal programme. c£30m of this is planned to be used to either fund Transformation costs under the Flexible use of Capital receipts direction that is open to all Council's, or reduce the borrowing requirement associated with the Councils Exceptional Financial Support – whichever is most financially advantageous following upcoming announcements from DHLUC who are currently consulting on planned changes to the Flexible use of capital receipts directive.
- Proposals for inclusion in the Council's Capital Investment Plan (see accompanying Capital Investment Budget report) include, IT equipment upgrades (£2m), Additional contingency for unforeseen capital expenditure (£1m). The proposals also include the removal of a number of schemes as detailed in the Capital Investment Budget Report.
- The Council also has a Housing Revenue Account that is outside of the Councils General Fund. The HRA costs are paid for from rents from tenants, and the budget implications are outlined in section 5.

Key changes to the 2024-25 budget

3.3 Since the 2024-25 Budget Proposals Report (11th January 2024), there have been some significant changes to the proposed 2024-25 budget resulting from Government announcement about additional funding; the Local Government Final Settlement, and the completion of the NNDR1 form to Government that sets the Business Rates base for 2024-25. Additionally, the new s151 Officer has undertaken a further review and begun to develop the financial elements of the recovery programme, the implications of which are outlined below.

- For 2024-25 the Council published its Budget Proposals for 2024-25 on 11 January 2024. The Council's budget was reported as having a remaining gap of c£92.8m to balance in 2024-25. The report did however highlight that there would be further costs associated with service transformation and IT costs, and that the Council was also working on an asset disposal programme which would also need be factored in.
- As outlined in the Qtr 3 Finance Position Statement (6th February 2024 Executive), the Council has now applied for £140m of capitalisation direction. This is necessary to finance the recovery programme that the Council is instigating, it is an estimate at this point in time and the final outturn figure will inevitably and appropriately be different. This figure takes

account of additional contingencies to provide extra resilience because of the uncertainties in the overall position, for example in relation to transformation costs including redundancy costs, and risks associated with under delivery of Council savings and mitigations, and delivery of the BCFT business plan amongst others. The main additions include estimates to finance the necessary change programme that the Council will be undertaking:

- £10m for IT development in 2024-25. The Councils SAP system needs upgrading and to achieve major change and significant revenue savings in services, digitisation across the Council is vital and currently under provided for. This will be a key pillar in getting the Council onto a financially sustainable footing in the future. Similar levels of investment will be required in the following 2 years, subject to business case approval.
- £20m for a contingency against further demand pressures and underdelivered savings and mitigations –The Council and the BCFT has c£45m of budgeted savings and mitigations to deliver in 2024-25. The Council's recent track record suggests that despite what will be much more material savings needed in the future, achieving total delivery in 2024-25 will be a very significant challenge for the Council. A contingency is essential to mitigate this and provide a contingency against unforeseen demand pressures.
- £10m for other Transformation and redundancy costs, taking the total for 2024-25 to £20m. Given the scale of change the Council will have to deliver in the immediate future there are inevitably going to be both reduced staffing levels, with potential consequential redundancy costs and an urgent need to invest in change management.
- £7.5m to invest in increasing corporate capacity and capability. Again, this is a key factor in achieving financial sustainability.

- 3.4 The additional costs are best estimates at the time of writing and will be subject to review.
- 3.5 Further, the financing cost of the capitalisation directive has also been revised in light of additional costs, and the asset disposal programme, and c£4.9m of additional Treasury management costs have been included on top of the £12.4m previously factored in.
- 3.6 The additional contingencies and flexibilities created by a capitalisation directive will provide the Section 151 officer with the ability to sign off a balanced budget for 2024-25.
- 3.7 The Council will not be able to set a balanced budget in 2024-25 without the approval of an Exceptional Financial Support request by the Secretary of State. Approval has been sought, and it is anticipated that a response will be received after the publication of this report on the 26 February 2024, but before the meeting of the Executive on 5 March 2024. A full update will be provided at the meeting.
- 3.8 A capitalisation directive is however only an interim solution. To achieve a financially sustainable position, the Council and the Trust will need to deliver a

combination of;

- significantly higher level of savings than is currently proposed,
- additional income,
- further asset disposals and
- further capital expenditure reductions.

- 3.9 A continuous cycle of identifying new savings and other measures to reducing the gap will need to be embedded in 2024-25.
- 3.10 On the 24th of January 2024, the Government also announced an additional £500m for Social Care nationally. As outlined in the Final Local Government Settlement on the 7th February 2024, Bradford's allocation is £4.786m more than previously expected.
- 3.11 The Local Government Final Settlement was published by the Government on 7th February 2024. This resulted in some small-scale changes and the Council will receive £0.2m more than had been estimated at the Provisional Settlement.
- 3.12 Officers have also completed the NNDR1 form which calculates the Business Rates base for 2024-25. This has taken into account freezes to the Business Rates multiplier applied to small companies, and CPI increases to larger organisations that were announced in the Provisional Local Government settlement, and also calculations for S31 Grant compensation that the Government provides when it takes decisions about freezing multipliers. The overall impact is c£0.2m improvement than had been previously forecast.
- 3.13 The overall budget summary position is shown at Appendix A, with further detail contained in Appendices B to F.

4 COUNCIL TAX IMPLICATIONS

- 4.1 In setting the Council Tax for 2024-25, Council will have regard to the Council Tax base approved by the Executive on 9 January 2024. The Council will also wish to note the precepts of the parish and town councils.

5 Housing Revenue Account

- 5.1 The Housing Revenue Account is a ring-fenced account that sits outside the Council's General Fund and is subject to HRA regulations. One of the main regulations is that the HRA is self sustaining via rents.
- 5.2 An increase in accordance with the Government's Rent Standard of CPI (6.7% as at September 2023) +1% is proposed across the stock. This overall 7.7% rise equates to approximately £174K in additional rental income, when taking into account stock reductions for Right to Buy sales (RTB).
- 5.3 The Council is still committed to replacing homes lost through RTB, but any planned investment in new homes will be in the longer term when interest rates and business case demonstrates it is affordable.
- 5.4 Although income is forecast to increase with rent increases in line with the rent

standard, there are inflationary pressures and significant variations as outlined in the key movement areas outlined below. Legislation requires that the HRA balances. In order to do this, all budget headings have been examined to achieve efficiencies and improved targeting of resources together with the use of reserves, RTB receipts and borrowing to fund the HRA capital programme.

- 5.5 In addition to rent increases, Service Charges apply for Tenants in Extra Care for additional services such as cleaning and maintenance of communal areas, lounges, dining rooms, heat and lighting of communal areas, lifts, and management overheads of 10%. These are on a cost recovery basis only. It is proposed that an increase of CPI (September 2023 rate) is made to those service charges for extra care.
- 5.6 The table below illustrates a summary of the HRA Financial Model for 24/25

| | £'000 |
|--|-------|
| Total income | 2,764 |
| Total costs | 2,172 |
| Net income from services | 592 |
| Interest payable | -592 |
| Net income/expenditure before appropriations | 0 |
| Net HRA Surplus/Deficit | 0 |

| | |
|--|-----|
| HRA Balance brought forward 01/04/23 | 503 |
| HRA drawn expected in 23/24 | 400 |
| HRA surplus/(deficit) carried forward in 24/25 | 103 |

HRA Reserve

- 5.7 The HRA had a revenue reserve of £503k, some of this will be used in 2023-24 to help with the transition to establishing a sustainable HRA.
- 5.8 The void level has been identified as a key area for improvement to help replenish reserves.

6 MATTERS RELATING TO 2023-24 FINANCIAL POSITION

- 6.1 The 2023-24 financial position is contingent upon the 2023-24 audited out-turn. The Executive is therefore asked to give the s151 Officer authority to secure the best position for the Council in respect of 2023-24 in preparing the Final Accounts for 2023-24.

7 RISK MANAGEMENT AND GOVERNANCE ISSUES

- 7.1 The uncertainties regarding the funding that will be available to the Council are considered within the Section 151 Officer's Report. Existing governance arrangements around the Council's financial monitoring will continue.

8 LEGAL APPRAISAL

- 8.1 It is necessary to ensure that Executive have comprehensive information when considering the recommendations to make to Council on the budget for 2024-25 at their meeting on 7th March 2024. It is a legal requirement that Members have regard to all relevant information. The information in this report and any updated information produced to Executive on 5th March 2024 following their consideration of the feedback received from the consultation processes and their consideration of equality issues are considered important in this context. It will also be necessary to consider any further information produced to the 5th March 2024 Executive meeting.
- 8.2 The Council is under a duty to calculate the budget in accordance with Section 32 of the Local Government Finance Act 1992 and must make three calculations namely: an estimate of the Council's gross revenue expenditure; an estimate of anticipated income; and a calculation of the difference between the two. The amount of the budget requirement must be sufficient to meet the Council's budget commitments and ensure a balanced budget. The amount of the budget requirement must leave the Council with adequate financial reserves. The level of budget requirement must not be unreasonable having regard to the Council's fiduciary duty to its Council Tax payers and nondomestic rate payers.
- 8.3 Failure to make a lawful Council Tax on or before 11 March could have serious financial results for the Council and make the Council vulnerable to an Order from the Courts requiring it to make a specified increase in Council Tax.
- 8.4 Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for 'the proper administration of their financial affairs'.
- 8.5 The Local Government Act 2003 s25(2) imposes a duty on authorities when making a budget calculation to have regard to a report of the chief finance officer as to the robustness of the estimates and the adequacy of the proposed reserves. This is the "S151 officer report" which is being presented to Executive on 5 March and Council on 7 March, together with this report.
- 8.6 Authorities are required to monitor and review from time to time during the year their income and expenditure against their budget, using the same figure for financial reserves. If having conducted this review, it appears to the authority that there has been a deterioration in its financial position, it must take such action, if any, as it considers necessary to deal with the situation, and be ready to take action if overspends or shortfalls in income emerge. This is a statutory duty. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary.

- 8.8 Section 149 of the Equality Act 2010 (the public sector equality duty) provides that:
- (1) A public authority must, in the exercise of its functions, have due regard to the need to—
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

...

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) tackle prejudice, and
- (b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

7) The relevant protected characteristics are— age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Officers have prepared equality impact assessments on those proposals which may have an impact on people with particular protected characteristics to assist elected members in having regard to this duty.

Section 3(1) Local Government Act 1999 imposes a duty on local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Section 3(2) requires local authorities to consult representatives of

- persons liable to pay any tax in respect of the authority
- persons liable to pay non-domestic rates
- persons who use or who are likely to use services provided by the authority,

- persons appearing to the authority to have an interest in any area within which the authority carries out functions for the purpose of deciding how to fulfil the duty imposed by Section 3(1).

Pursuant to Section 188 Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA 1992) the Council as employer is required to consult the recognised Trade Unions where there is a proposal to dismiss by reason of redundancy (which includes voluntary redundancy) 20 or more employees at an establishment within a period of 90 days or less. If 100 or more employees are at risk of dismissal by reason of redundancy at any one establishment within a period of 90 days or less the consultation must begin at least 45 days before the first of the dismissals takes effect. The consultation must include ways of avoiding the dismissals, reducing the numbers of employees to be dismissed, and mitigating the consequences of the dismissals.

Appendix G outlines the consultation and the consultation responses, which Members must have regard to.

- 8.9 Section 114(3) Local Government Finance Act 1988 provides that the chief finance officer of a relevant authority shall make a report if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. The chief finance officer is required to send a copy of the report to the Council's auditors and to all elected members, and a meeting of Council must take place within 21 days to consider the report. Section 115 provides that during that period the Council may not enter into any new agreement which may involve the incurring of expenditure at any time unless the chief finance officer authorises it to do so. The chief finance officer may only give such authority if he considers that the agreement concerned is likely to prevent the situation that led him to make the report getting worse, improve the situation or prevent the situation from recurring.

9 OTHER IMPLICATIONS

9.1 EQUALITY & DIVERSITY

- 9.1.1 The equality implications of the new budget proposals and the proposed amendments to previous budget decisions were highlighted in an appendix in Budget Proposals report presented to the meeting of Executive on 11th January 2024. The equality implications of the 2023-24 proposals previously approved by Budget Council in February 2023 were fully considered by Council at that time.
- 9.1.2 Equality impact assessments are undertaken on all budget proposals. Where impacts are identified on particular protected characteristic groups, the assessments are published, consulted on and then further updated reflecting on feedback received. These assessments for the 2024-25 proposals are accessible via this link:

[Budget EIAs - 2024-25 | Bradford Council](#)

The EIAs have been updated and republished for this meeting.

Elected Members should consider the Equality Impact Assessments in full. The consultation provides the opportunity for the Council to better understand:

- The consequences for individuals with protected characteristics affected by changes, particularly related to proposals relating to social care;
- Any cumulative impact on groups with protected characteristics.

CONSULTATION

9.1.3 Appendix G provides the outcome of the budget consultation which includes feedback received from the public, interested parties, key stakeholders and trade unions.

9.1.4 In proposing the final budget the Executive will need to have due regard to the information contained within this report, the consultation feedback received, and the public sector equality duty as set out in section 149 Equality Act 2010.

9.1.5 At the meeting of Corporate Overview and Scrutiny on 11 January 2024, the Committee resolved as follows- *That this Committee requests the Executive to take into consideration the comments raised, in relation to the 2024-25 Budget Proposals, as part of the consultation process.* Those comments are set out in the last page of Appendix G for Members to consider.

9.2 SUSTAINABILITY IMPLICATIONS

9.2.1 There are no direct sustainability implications resulting from this report.

9.3 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

9.3.1 There are no direct greenhouse gas emissions implications resulting from this report.

9.4 COMMUNITY SAFETY IMPLICATIONS

9.4.1 There are no direct community safety implications of new budget proposals.

9.5 HUMAN RIGHTS ACT

9.5.1 Any human rights implications resulting from this report are referred to in the Equality Impact Assessments.

9.6 TRADE UNION

9.6.1 The feedback from the consultation programme on the Council's new budget proposals and the proposed amendments to previous budget decisions are

detailed in Appendix G – Section 4.10. The consultation feedback on the proposals previously approved by Budget Council was fully considered by Council at that time.

- 9.6.2 As this report details, the Council is facing significant budget challenges and as a result, will be required to make changes to the delivery of services and deliver services at a reduced cost. These proposals will, if adopted, unfortunately result in a reduced requirement for employees to carry out work of particular kinds, and/or a requirement to change the terms and conditions of some employees.
- 9.6.3 These proposals identify that there is the potential for up to 113 employees to be made redundant. Consultation has taken place since 3 January 2024 on these budget proposals with the recognised Trade Unions as required by Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (“TULRCA 1992”). The consultation period ran through to 17 February 2024. Briefing and consultation meetings involving members of Corporate Management Team and the recognised Trade Unions were held on 3 January 2024 and 11 January 2024. In addition, departments have held frequent consultation meetings with the recognised Trade Unions at OJC Level 2 and OJC Level 3 meetings during January and February 2024.
- 9.6.4 The purpose of the consultation with the trade unions has been to explore ways of avoiding redundancy dismissals and to reduce the number of employees who will be dismissed. For any proposed redundancy dismissal, that selection will be in accordance with the Council’s Procedure for Managing Workforce Change and alternative employment opportunities will be considered. Every opportunity will be explored to avoid a compulsory redundancy situation.
- 9.6.5 Feedback from the recognised trade unions is included in Appendix G – section 4.10.

9.7 WARD IMPLICATIONS

- 9.7.1 In general terms, where proposals affect services to the public, the impact will typically be felt across all wards. Some proposals will have a more direct local impact on individual organisations and/or communities.

9.8 IMPLICATIONS FOR CORPORATE PARENTING

- 9.8.1 Any implications for corporate parenting are addressed in the detailed budget proposals.

9.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

10 RECOMMENDATIONS TO COUNCIL

Executive is asked to approve the following recommendations to Council:

10.1 REVENUE ESTIMATES 2024-25

- (a) That the Base Revenue Forecast of £575.265m for 2024-25 be approved as set out in Appendix A of this report.
- (b) That the existing pressures of £48.7m in 2024-25 as set out in Appendix B be approved.
- (c) That the investment of £42.1m in 2024-25 into the Bradford Children & Families Trust be approved.
- (d) That the prior agreed savings in Appendix C be noted.
- (e) That new savings of £15.810m in 2024-25 as set out in Appendix D be approved.
- (f) That the Capital Financing and Central budget adjustments of £4.430m in 2024-25 as set out in Appendix E be approved.
- (g) That time-limited Transformation costs and additional contingencies of £50m 2024-25 as set out in Appendix F be approved.
- (h) That the comments of the Director of Finance set out in the Section 151 Officer's Assessment of the proposed budgets on the robustness of the estimates and the adequacy of reserves taking account of the recommendations made at 1.1(a) to (g) above be noted
- (i) That the consultation response outlined in Appendix G be noted.

10.2 PROPOSED COUNCIL TAX 2024/25

- 10.2.1 That it be noted that the projected council tax base and expenditure forecasts outlined in this report together with the 2024-25 resources and the budget variations approved in 10.1 produce a proposed Band D council tax of £1,701.86 for 2024-25. This is a £80.88 (4.99%) increase from 2023-24.

10.3 PAYMENT DATES FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

- 10.3.1 That the first instalment date for payment of National Non-Domestic Rates and Council Tax shall be specified by the s151 Officer.

10.4 DELEGATION TO OFFICERS

- 10.4.1 That for the avoidance of doubt and without prejudice to any of the powers contained in Article 14 of Part 2 of the Council's Constitution on the Function of Officers, the s151 Officer shall have full delegated powers to act on behalf of the

Council on all matters relating to the Council Tax, Non-Domestic Rates and Accounts Receivable Debtors including (without prejudice to the generality of the delegation) entry into any business rate pools, pilots, assessments, determinations, recovery, enforcement and, in accordance with the statutory scheme, full delegated powers to act on behalf of the Council with regard to all aspects of the granting of Discretionary and Hardship Rate Relief to qualifying ratepayers.

10.5 HOUSING REVENUE ACCOUNT

10.5.1 Approve the HRA budget as set out in section 5.

10.6 PREPARATION OF ACCOUNTS

- (a) That in preparing the Final Accounts for 2023-24, the s151 Officer be empowered to take appropriate steps to secure the best advantage for the Council's financial position.
- (b) That the s151 Officer be empowered to deal with items which involve the transfer of net spending between the financial years 2023-24 and 2024-25 in a manner which secures the best advantage for the Council's financial position.
- (c) That the s151 Officer report any action taken in pursuance of 10.5(a) and 10.5 (b) above when reporting on the Final Accounts for 2024-25.

10.7 COUNCIL TAX REQUIREMENT 2024-25

- (a) That the council tax base figures for 2024-25 calculated by the Council at its meeting on 9th January 2024 in respect of the whole of the Council's area and individual parish and town council areas be noted.
- (b) That the only special items for 2024-25 under Section 35 of the Local Government Finance Act 1992 are local parish and town council precepts and no expenses are to be treated as special expenses under Section 35(1) (b) of that Act.
- (c) That the Council Tax Requirement, excluding parish and town council precepts, be calculated as follows:

| | |
|--|-----------------------|
| Gross expenditure | £1,454,259,600 |
| Income | £1,204,095,315 |
| Council Tax requirement (<i>inc Parish precept</i>) | £250,164,285 |
| Council tax base | 144,890 |
| Basic amount of council tax | £1,726.58 |
| Adjustment in respect of parish and town council precepts | £ 24.72 |

| | |
|--|------------------|
| Basic amount excluding parish and town councils | £1,701.86 |
|--|------------------|

That the precepts of parish and town councils are noted and the resulting basic council tax amounts for particular areas of the Council be calculated as follows:

| <u>Parish or Town Council Area</u> | <u>Local Precept</u> £ | <u>Council Tax Base</u> | <u>Parish/Town Council Tax</u> £ | <u>Whole Area Council Tax</u> £ | <u>Basic Council Tax Amount</u> £ |
|------------------------------------|---------------------------|-------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| Addingham | 109,000 | 1,771 | 61.55 | 1,701.86 | 1,763.41 |
| Baildon | 316,908 | 6,305 | 50.26 | 1,701.86 | 1,752.12 |
| Bingley | 238,290 | 8,587 | 27.75 | 1,701.86 | 1,729.61 |
| Burley | 278,944 | 3,034 | 91.94 | 1,701.86 | 1,793.80 |
| Clayton | 71,944 | 2,513 | 28.63 | 1,701.86 | 1,730.49 |
| Cross Roads | 46,340 | 1,016 | 45.61 | 1,701.86 | 1,747.47 |
| Cullingworth | 49,730 | 1,326 | 37.50 | 1,701.86 | 1,739.36 |
| Denholme | 60,550 | 1,212 | 49.96 | 1,701.86 | 1,751.82 |
| Harden | 54,795 | 844 | 64.92 | 1,701.86 | 1,766.78 |
| Haworth and Stanbury | 64,107 | 1,377 | 46.56 | 1,701.86 | 1,748.42 |
| Ilkley | 399,414 | 7,246 | 55.12 | 1,701.86 | 1,756.98 |
| Keighley | 1,136,626 | 15,243 | 74.57 | 1,701.86 | 1,776.43 |
| Menston | 131,152 | 2,342 | 56.00 | 1,701.86 | 1,757.86 |
| Oxenhope | 55,360 | 1,050 | 52.72 | 1,701.86 | 1,754.58 |
| Sandy Lane | 15,588 | 867 | 17.98 | 1,701.86 | 1,719.84 |
| Shipley | 189,135 | 4,702 | 40.22 | 1,701.86 | 1,742.08 |
| Silsden | 123,500 | 3,237 | 38.15 | 1,701.86 | 1,740.01 |
| Steeton with Eastburn | 91,261 | 1,786 | 51.10 | 1,701.86 | 1,752.96 |
| Wilsden | 112,500 | 1,772 | 63.49 | 1,701.86 | 1,765.35 |
| Wrose | 36,250 | 2,198 | 16.49 | 1,701.86 | 1,718.35 |
| Total of all local precepts | 3,581,394 | 68,428 | | | |

- (e) That the council tax amounts for dwellings in different valuation bands in respect of the Council's budget requirement, taking into account parish and town council precepts applicable to only part of the Council's area, be calculated as follows:

| | Council Tax Amount for Each Valuation Band | | | | | | | |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
| All parts of the Council's area other than those below | 1,134.57 | 1,323.67 | 1,512.76 | 1,701.86 | 2,080.05 | 2,458.24 | 2,836.43 | 3,403.72 |
| The parish and town council areas of: | | | | | | | | |
| Addingham | 1,175.61 | 1,371.54 | 1,567.48 | 1,763.41 | 2,155.28 | 2,547.15 | 2,939.02 | 3,526.82 |
| Baildon | 1,168.08 | 1,362.76 | 1,557.44 | 1,752.12 | 2,141.48 | 2,530.84 | 2,920.20 | 3,504.24 |
| Bingley | 1,153.07 | 1,345.25 | 1,537.43 | 1,729.61 | 2,113.97 | 2,498.33 | 2,882.68 | 3,459.22 |
| Burley | 1,195.87 | 1,395.18 | 1,594.49 | 1,793.80 | 2,192.42 | 2,591.04 | 2,989.67 | 3,587.60 |
| Clayton | 1,153.66 | 1,345.94 | 1,538.21 | 1,730.49 | 2,115.04 | 2,499.60 | 2,884.15 | 3,460.98 |
| Crossroads | 1,164.98 | 1,359.14 | 1,553.31 | 1,747.47 | 2,135.80 | 2,524.12 | 2,912.45 | 3,494.94 |
| Cullingworth | 1,159.57 | 1,352.84 | 1,546.10 | 1,739.36 | 2,125.88 | 2,512.41 | 2,898.93 | 3,478.72 |
| Denholme | 1,167.88 | 1,362.53 | 1,557.17 | 1,751.82 | 2,141.11 | 2,530.41 | 2,919.70 | 3,503.64 |
| Harden | 1,177.85 | 1,374.16 | 1,570.47 | 1,766.78 | 2,159.40 | 2,552.02 | 2,944.63 | 3,533.56 |
| Haworth and Stanbury | 1,165.61 | 1,359.88 | 1,554.15 | 1,748.42 | 2,136.96 | 2,525.50 | 2,914.03 | 3,496.84 |
| Ilkley | 1,171.32 | 1,366.54 | 1,561.76 | 1,756.98 | 2,147.42 | 2,537.86 | 2,928.30 | 3,513.96 |
| Keighley | 1,184.29 | 1,381.67 | 1,579.05 | 1,776.43 | 2,171.19 | 2,565.95 | 2,960.72 | 3,552.86 |
| Menston | 1,171.91 | 1,367.22 | 1,562.54 | 1,757.86 | 2,148.50 | 2,539.13 | 2,929.77 | 3,515.72 |
| Oxenhope | 1,169.72 | 1,364.67 | 1,559.63 | 1,754.58 | 2,144.49 | 2,534.39 | 2,924.30 | 3,509.16 |
| Sandy Lane | 1,146.56 | 1,337.65 | 1,528.75 | 1,719.84 | 2,102.03 | 2,484.21 | 2,866.40 | 3,439.68 |
| Shipley | 1,161.39 | 1,354.95 | 1,548.52 | 1,742.08 | 2,129.21 | 2,516.34 | 2,903.47 | 3,484.16 |
| Silsden | 1,160.01 | 1,353.34 | 1,546.68 | 1,740.01 | 2,126.68 | 2,513.35 | 2,900.02 | 3,480.02 |
| Steeton with Eastburn | 1,168.64 | 1,363.41 | 1,558.19 | 1,752.96 | 2,142.51 | 2,532.05 | 2,921.60 | 3,505.92 |
| Wilsden | 1,176.90 | 1,373.05 | 1,569.20 | 1,765.35 | 2,157.65 | 2,549.95 | 2,942.25 | 3,530.70 |
| Wrose | 1,145.57 | 1,336.49 | 1,527.42 | 1,718.35 | 2,100.21 | 2,482.06 | 2,863.92 | 3,436.70 |

- (f) That it be noted that for the year 2024-25 the Police and Crime Commissioner and West Yorkshire Fire and Rescue Authority (WYFRA) have notified their precepts to be:

| <u>Precept Amount</u> £ | <u>Council Tax Amount for Each Valuation Band</u> | | | | | | | |
|--|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
| <u>West Yorkshire Fire and Rescue Authority</u> | | | | | | | | |
| 11,517,306 | 52.99 | 61.83 | 70.66 | 79.49 | 97.15 | 114.82 | 132.48 | 158.98 |
| <u>Police and Crime Commissioner for West Yorkshire</u> | | | | | | | | |
| 36,118,179 | 166.19 | 193.88 | 221.58 | 249.28 | 304.68 | 360.07 | 415.47 | 498.56 |

- (g) That having calculated the aggregate in each case of the amounts at (e) and (f) above, the Council set the following amounts of council tax for 2024-25 in each of the categories of dwellings shown below:

| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| All parts of the Council's area other than those below | 1,353.75 | 1,579.38 | 1,805.00 | 2,030.63 | 2,481.88 | 2,933.13 | 3,384.38 | 4,061.26 |
| The parish and town council areas of: | | | | | | | | |
| Addingham | 1,394.79 | 1,627.25 | 1,859.72 | 2,092.18 | 2,557.11 | 3,022.04 | 3,486.97 | 4,184.36 |
| Baildon | 1,387.26 | 1,618.47 | 1,849.68 | 2,080.89 | 2,543.31 | 3,005.73 | 3,468.15 | 4,161.78 |
| Bingley | 1,372.25 | 1,600.96 | 1,829.67 | 2,058.38 | 2,515.80 | 2,973.22 | 3,430.63 | 4,116.76 |
| Burley | 1,415.05 | 1,650.89 | 1,886.73 | 2,122.57 | 2,594.25 | 3,065.93 | 3,537.62 | 4,245.14 |
| Clayton | 1,372.84 | 1,601.65 | 1,830.45 | 2,059.26 | 2,516.87 | 2,974.49 | 3,432.10 | 4,118.52 |
| Crossroads | 1,384.16 | 1,614.85 | 1,845.55 | 2,076.24 | 2,537.63 | 2,999.01 | 3,460.40 | 4,152.48 |
| Cullingworth | 1,378.75 | 1,608.55 | 1,838.34 | 2,068.13 | 2,527.71 | 2,987.30 | 3,446.88 | 4,136.26 |
| Denholme | 1,387.06 | 1,618.24 | 1,849.41 | 2,080.59 | 2,542.94 | 3,005.30 | 3,467.65 | 4,161.18 |
| Harden | 1,397.03 | 1,629.87 | 1,862.71 | 2,095.55 | 2,561.23 | 3,026.91 | 3,492.58 | 4,191.10 |
| Haworth and Stanbury | 1,384.79 | 1,615.59 | 1,846.39 | 2,077.19 | 2,538.79 | 3,000.39 | 3,461.98 | 4,154.38 |
| Ilkley | 1,390.50 | 1,622.25 | 1,854.00 | 2,085.75 | 2,549.25 | 3,012.75 | 3,476.25 | 4,171.50 |
| Keighley | 1,403.47 | 1,637.38 | 1,871.29 | 2,105.20 | 2,573.02 | 3,040.84 | 3,508.67 | 4,210.40 |
| Menston | 1,391.09 | 1,622.93 | 1,854.78 | 2,086.63 | 2,550.33 | 3,014.02 | 3,477.72 | 4,173.26 |
| Oxenhope | 1,388.90 | 1,620.38 | 1,851.87 | 2,083.35 | 2,546.32 | 3,009.28 | 3,472.25 | 4,166.70 |
| Sandy Lane | 1,365.74 | 1,593.36 | 1,820.99 | 2,048.61 | 2,503.86 | 2,959.10 | 3,414.35 | 4,097.22 |
| Shipley | 1,380.57 | 1,610.66 | 1,840.76 | 2,070.85 | 2,531.04 | 2,991.23 | 3,451.42 | 4,141.70 |
| Silsden | 1,379.19 | 1,609.05 | 1,838.92 | 2,068.78 | 2,528.51 | 2,988.24 | 3,447.97 | 4,137.56 |
| Steeton with Eastburn | 1,387.82 | 1,619.12 | 1,850.43 | 2,081.73 | 2,544.34 | 3,006.94 | 3,469.55 | 4,163.46 |
| Wilsden | 1,396.08 | 1,628.76 | 1,861.44 | 2,094.12 | 2,559.48 | 3,024.84 | 3,490.20 | 4,188.24 |
| Wrose | 1,364.75 | 1,592.20 | 1,819.66 | 2,047.12 | 2,502.04 | 2,956.95 | 3,411.87 | 4,094.24 |

- (h) That Council notes the movement in Band D equivalent charges for 2024-25 over 2023-24 as set out in the table below.

| | Council Tax 2024-25 | Council Tax 2023-24 | Percentage change 2023- 24 on 2024-25 |
|---|------------------------|------------------------|---|
| | Band D Equivalent | Band D Equivalent | |
| Bradford Metropolitan District Council | 1,701.86 | 1,620.98 | 4.99% |
| West Yorkshire Fire and Rescue Authority * | 79.49 | 77.18 | 2.99% |
| West Yorkshire Police Authority * | 249.28 | 236.28 | 5.50% |
| Local (Parish Council) Precepts: | | | |
| Addingham | 61.55 | 56.26 | 9.4% |
| Baildon | 50.26 | 48.83 | 2.9% |
| Bingley | 27.75 | 27.74 | 0.0% |
| Burley | 91.94 | 88.00 | 4.5% |
| Clayton | 28.63 | 27.32 | 4.8% |
| Crossroads | 45.61 | New | 100.0% |
| Cullingworth | 37.50 | 34.39 | 9.0% |
| Denholme | 49.96 | 45.00 | 11.0% |
| Harden | 64.92 | 58.00 | 11.9% |
| Haworth etc | 46.56 | 44.52 | 4.6% |
| Ilkley | 55.12 | 54.33 | 1.5% |
| Keighley | 74.57 | 52.50 | 42.0% |
| Menston | 56.00 | 54.00 | 3.7% |
| Oxenhope | 52.72 | 40.00 | 31.8% |
| Sandy Lane | 17.98 | 18.40 | -2.3% |
| Shipley | 40.22 | 35.00 | 14.9% |
| Silsden | 38.15 | 28.70 | 32.9% |
| Steeton/ Eastburn | 51.10 | 48.46 | 5.4% |
| Wilsden | 63.49 | 54.01 | 17.6% |
| Wrose | 16.49 | 15.50 | 6.4% |

BACKGROUND DOCUMENTS

Executive reports

- 6th February 2024: Qtr 3 Finance Position Statement 2023-24 and 2024-25 Budget Update
- 11th January 2024: 2024-25 Budget Proposals
- 9th January 2024: Calculation of Bradford's Council Tax Base and Business Rates Base for 2024-25
- 21st December 2023: Budget update report – Exceptional Financial Support request

Council Reports

- 23rd February 2023: The Council's Revenue Estimates for 2023-24 (Document AU)

11 APPENDICES

- 11.1 Appendix A: Council Cumulative Budget 2024-25
- 11.2 Appendix B – Existing pressures
- 11.3 Appendix C: Schedule of agreed savings previously consulted on (for reference only)
- 11.4 Appendix D: Schedule of proposed savings open for Consultation until 17 February 2024
- 11.5 Appendix E: Financing and central budget adjustments
- 11.6 Appendix F: Time limited investments
- 11.7 Appendix G: Budget Consultation response.

Council Revenue Budget 2024-25

1.1 The table below shows the 2024-25 budget requirement based on the budget proposals outlined within this report and an analysis of changes since the 2024-25 Budget Proposals were reported to the Executive on 11th January 2024. Further detail explaining the changes are provided in Table 3.

Table 1

| | 2024-25 per Budget Proposals at 11-01-2024 | Changes Since | 2024-25 Budget Proposals per this report |
|--|---|-----------------|--|
| Cumulative gap | | | |
| 2023-24 Net Expenditure Requirement | 453,159 | | 453,159 |
| Recurring Council Pressures | 36,300 | 12,361 | 48,661 |
| BCFT Pressures | 42,100 | | 42,100 |
| Time limited Transformation & Contingencies (App F) | 10,000 | 40,000 | 50,000 |
| Reversal of time limited investment CoC25 & Regen Op | (3,250) | | (3,250) |
| Inflation and Pay | 24,893 | | 24,893 |
| Demographic Growth | 2,054 | | 2,054 |
| Funding Changes | (13,915) | (5,872) | (19,787) |
| Base Net Expenditure Requirement | 551,341 | 46,489 | 597,830 |
| Capital financing and central budget adjustments | 4,283 | | 4,283 |
| Full year impact of savings approved in 2023-24 | (1,039) | | (1,039) |
| Proposed Savings for 2024-25 (Appendix D) | (15,810) | | (15,810) |
| Flexible use of Capital Receipts | (10,000) | | (10,000) |
| | 528,775 | 46,489 | 575,265 |
| RESOURCES | | | |
| Localised Business Rates | (64,470) | 2,964 | (61,506) |
| BR surplus from 2023-24 | | (2,228) | (2,228) |
| Top Up Business Rates Grant | (78,579) | | (78,579) |
| Revenue Support Grant | (42,975) | | (42,975) |
| Approved use of reserve (CoC25) | 0 | | 0 |
| Council Tax Income | (246,583) | | (246,583) |
| Council Tax Surplus from 2022-23 and 2023-24 | (3,394) | | (3,394) |
| Total resources | (436,001) | 736 | (435,265) |
| Gap to be filled by EFS | (92,775) | (47,225) | (140,000) |
| Total Resources | (528,775) | (46,489) | (575,265) |
| Total | 0 | | 0 |

Table 2 - EFS Financing

| | | | |
|--|---------------|---------------|----------------|
| Total EFS | 92,775 | 47,225 | 140,000 |
| Less additional Capital Receipts from disposal of assets not required for Transformation | | (18,000) | (18,000) |
| Total to be filled by borrowing under EFS | 92,775 | 29,225 | 122,000 |

*EFS = Exceptional Financial Support

Reconciliation of major changes from the Budget Proposals report 11 Jan 2024

Table 3

| | |
|----------|---|
| £92.8m | Financial Gap per the Budget proposals report. |
| +£7.5m | Recurring pressures. Invest to increase the capacity increase and capability of core services including procurement, project management, finance and others. This is a key factor in achieving financial sustainability. |
| +£4.9m | Recurring pressures. Additional financing cost of borrowing associated with Exceptional Financial Support in 2023-24 and 2024-25. |
| +£40.0m | Addition for Contingency and Transformation costs. +£10.0m for cost of Transformation and redundancies taking the total up to £20m. £10m for IT development including ERP upgrade and move to cloud. £20m for contingency against pressures and underdelivered savings/mitigation plans in Council provided services and BCFT. |
| -£5.9m | Funding Changes. £4.8m of additional Social Care Grant following announcement from Government on 24 th Jan 2024, and £0.9m of additional S31 Grants following completion on the NNDR1 form on 31 st Jan 2024 that sets the Business Rates base for 2024-25, and £0.2m of improvement following the Final Local Government settlement. |
| +£0.7m | Resources. £0.7m lower locally raised Business Rates following the completion on the NNDR1 form. When combined with the £0.9m more linked S31 grants, the overall sum is an improvement of c£0.2m. |
| -£140.0m | Gap required to be filled by Exceptional Financial Support |
| £0 | 2024-25 Financial Gap after above. |

| | |
|---------|---|
| £140.0m | Gap required to be filled by Exceptional Financial Support or other |
| -£18m | Capital Receipts from disposal of surplus assets on top of the £10m previously included in 11 th Jan 2024 budget proposals, and £2m required for cost included in base budget. (£30m of capital receipts required in 2024-25). |
| £122m | EFS to be funded by borrowing |

Appendix B – Recurring pressures

Appendix Costs and Savings are shown for both 2024-25 and 2025-26 in comparison to the 2023-24 Budget.

| Existing Pressures not for consultation | 2024-25 |
|---|---------------|
| | £'000 |
| Adults Pressures | 4,000 |
| Grading review | 10,000 |
| Additional Treasury Management Costs (subject to EFS) | 8,400 |
| Street Lighting Prudential Borrowing | 1,000 |
| Museums & Libraries undelivered savings | 900 |
| Vacancy and Abatement undelivered savings | 5,000 |
| Elections | 200 |
| Markets | 600 |
| Home to school transport (unmitigated amount) | 1,100 |
| Children's Social Care Transport | 1,000 |
| Children's Social Care Legal costs | 1,500 |
| Reduced Rent Roll following Investment Estate Asset Disposals | 2,000 |
| Winter Maintenance pressures | 600 |
| Total | 36,300 |
| Additional Treasury Management Costs to fund EFS from 23-24 & 24-25 | 4,861 |
| Core Staff capacity and capability enhancement | 7,500 |
| Total including additions since 2024-25 Budget Proposals | 48,661 |

- Adults Social Care Pressures (£4m)** – Adult Social Care is currently forecast to overspend by c£10m in 2023-24 and will face a range of demand and other pressures that would result in a c£14m overspend in 2024-25 unless mitigated. The Department has identified c£10m of mitigations to offset that pressure, but a £4m gap remains. This investment would consequently help bridge the remaining gap and help stop an overspend recurring in 2024-25. Since this gap was included in the MTFs, Adult Social Care have proposed further savings for 2024-25.
- Grading review (£10m in 2024-25)** The Council is undertaking a review of grading to ensure we have the best possible grading infrastructure in place to deliver a sustainable workforce and ensure that the way we remunerate people is modern, competitive, sustainable, flexible, equitable and fit for the future. This is subject to further analysis and due diligence.
- Capital Financing and Treasury Management Costs (£8.4m).** As a result of a significant increase in interest rates and the Council borrowing more, Minimum Revenue Provision and Treasury management costs will increase by a further c£8.4m in 2024-25 – this is on top of the £4m increase for 2024-25 that had already been outlined in the 2023-24 budget.

- **Street Lighting Prudential Borrowing (£1m)** – The Street Lighting service has embarked on a major infrastructure upgrade to the districts Street Lights over recent years. The capital investment was planned to largely pay for itself through energy costs and maintenance savings, whilst also attracting low-cost finance through SALIX loans. As energy costs have increased however, the Council is now paying significantly higher amounts for electricity, and there is no longer a budget saving to pay for the borrowing. Interest rates have increased resulting in additional costs of borrowing. It should however be noted that had the Council not proceeded with the upgrade, street lighting energy costs would have been higher still.
- **Museums and Libraries underdelivered savings (£0.9m).** In 2020-21 the Council approved budget savings in Museums and Libraries. The Covid pandemic disrupted the delivery of this service enormously meaning these savings proposals could not be achieved. Other mitigating actions were taken in the intervening years, but these savings are now rendered undeliverable, and this investment is to reverse this prior savings target.
- **Underdelivered Vacancy and Abatement Factor Savings (£5m).** In 2023-24 the Council approved a £10m vacancy and abatement factor saving. Based on current forecasts this is likely to be underachieved by c£5m, and the underachievement would likely recur in 2024-25 unless added back.
- **Elections (£0.2m).** Additional funding is required to cover the increased cost over recent years of district elections due primarily to the significant increase in postal voting (up from 60,000 in 2019 to 86,000 in 2023) and also in roll numbers (up 10,000 since 2019) resulting in a rise in associated costs such as printing & mail and the time spent on postal vote counting itself. This has outstripped past increases in the budget, leaving a permanent pressure on the service which is un-mitigatable by other means.
- **Markets (£0.6m).** Markets has seen a reduction in retail rental values over several years and the number of vacant stall/shops has increased. The service is in the process of driving vacant possession in two of its large city centre markets in preparation for the delivery of City Village and the opening of the new Darley Street Market. The reduction and modernisation of the Council's markets holdings will result in an ongoing budget pressure.
- **Home to School Transport Pressures (c£1.1m)** – The Home to School Transport service is forecast to overspend by c£2m in 2023-24 as a result of increased demand. The Department has identified c£0.9m of cost mitigations to offset that pressure, but a £1.1m gap remains. This investment would consequently help bridge the remaining gap and meet demand.
- **Children's Social Care Transport (£1m)** – Children's Social Care transport is commissioned by BCFT but provided by the Council's passenger transport service. As a result of additional demand, the service is overspending by c£1m in 2023-24, and it requires additional budget to meet demand in 2024-25.
- **Children's Social Care related Legal costs (£1.5m)**– Children's Social Care related legal costs are commissioned by BCFT but provided by the Council's

Legal Services. As a result of additional demand, the service is overspending by c£1.5m, and it requires additional budget to stop the meet demand in 2024-25

- **Rent roll (£2m)** – The Council has a small investment estate that generates rental income. As part of the Asset Disposal strategy required to help fund transformation costs and reductions in the levels of borrowing that would be required under a potential capitalisation directive following the application for Exceptional Financial Support, the Council will be disposing of much of its investment estate. This will however result in rental income reductions, and the associated income budgets will need to be reduced accordingly.
- **Additional Treasury Management costs to fund Exceptional Financial Support (£4.9m)** – Since the budget proposals report was published further work has been undertaken to estimate the cost of a capitalisation directive taking account of new additional investments/ contingencies, and surplus asset disposal plans. Overall, this will add c£4.9m to the treasury management budget and take the overall increase for 2024-25 to c£17.3m.
- **Core Staff capacity and capability (£7.5m)** Additional support to increase capacity and capability in Corporate Resources, contract management and project management. This is a key factor in achieving financial sustainability.

Appendix C - Schedule of agreed savings previously consulted on (for reference only)

| Recurring Savings for 2023-24 previously consulted on (For reference only) | | 2024-25 | 2025-26 |
|--|---|---------|---------|
| | | £'000 | £'000 |
| | Estates - Closure of Argus Chambers and Margaret Macmillan Tower | -561 | -561 |
| | Car Parking - Implement consistent parking regime | -90 | -90 |
| | Waste Review - Development of Mechanical Recycling Facility (pending government consultation), review of food waste, recycling processing, consistent collections, fuel, re-routing of rounds and some reduced weekend opening hours at all HWRCs | -388 | -388 |
| | Total | -1,039 | -1,039 |

Appendix D - Schedule of proposed savings open for Consultation until 17 February 2024

| Departmental Summary | Indicative Saving 24-25 (£000k) | Indicative Saving 25-26 (£000k) | Indicative Saving 26-27 (£000k) |
|----------------------|---------------------------------|---------------------------------|---------------------------------|
| Adult Social Care | -5,000 | -10,000 | -20,000 |
| Children's Services | -200 | -400 | -400 |
| Corporate Resources | -1,856 | -3,583 | -3,883 |
| OCX | -1,110 | -435 | -435 |

| | | | |
|---|----------------|----------------|----------------|
| Place | -5,182 | -8,126 | -8,126 |
| Cross Cutting and Central Budget Adjustment | -2,462 | -4,913 | -5,013 |
| GRAND TOTAL | -15,810 | -27,457 | -37,857 |

Detailed breakdown of Departmental Summary.

Adult Social Care

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|--|--------------|--|--------------------|--------------------|--------------------|
| ADULT SOCIAL CARE (not including mitigations) | | | | | |
| ASC1 | OP | ASC Prevention Strategy - Older People's Services | -2,500 | -5,000 | -7,500 |
| ASC2 | ADS | ASC Prevention Strategy - Adults with Disabilities | -2,500 | -5,000 | -7,500 |
| ASC3 | ASC | Transforming Our Service Offer | 0 | 0 | -5,000 |
| TOTAL | | | -5,000 | -10,000 | -20,000 |

ASC1 - Adult Social Care Prevention Strategy - Older People's Services - £2.5m in 2024-25 rising to £7.5m by 2026-27. A three-year programme of work that will ensure all older people who are eligible for adult social care have those needs met and all opportunities for prevention, including promoting their health and wellbeing, short-term interventions to rehabilitate and recover people and opportunities to connect them to their support network are explored. Our Independence Advice Hub will make use of new technology to signpost people more efficiently, we will invest in information, advice and guidance services including in our website and front-facing customer service options for people.

All older people supported by adult social care will have an individual strengths-based care review over the period, to ensure they are receiving the right level of care and support, funded in the most appropriate way. We will transform our short-term enablement offer to people, with less bed-based intermediate care funded by the council and more community enablement support by our BEST service in people's own homes. Through protecting our offer of preventative services, offering more flexible ways of accessing care and with greater support for families, we will marginally reduce the care budget annually in line with our local authority comparators.

We will review all care contracts and seek to negotiate where better value for money could be achieved. We will work closely with Bradford Care Association to continue to work towards the fair cost of care, with better terms and conditions for our care workers. We are examining investment in family carer's services to ensure they are supported to maintain their caring role.

ASC 2 - Adult Social Care Prevention Strategy – Adults with Disabilities - £2.5m in 2024-25 rising to £7.5m by 2026-27. A programme of work that will ensure all adults with disabilities who are eligible for adult social care have those needs met, and we will work with disabled people to enable them to be full citizens in the Bradford district including giving back to their community, working, voting and having a say over the services they need. We have launched projects to seek employment for disabled young people who wish to work, are modernising our day service offer to put

people who use those services in control. We will commission more supported living accommodation with integrated technology to support people in place of traditional residential care and will use our strengths and rights-based approach to help people live ordinary lives with social care as one element of their support.

We are creating a new Adult with Disabilities social work service – a long-term case management model to support disabled people throughout their lives. This will include people with care needs who have a learning disability and/or physical disability, with mental health problems or with neurodiversity. Every person in receipt of support will receive an individual strengths-based, rights-based care review to ensure we are pursuing these avenues of greater independence with them, that they are receiving the right level of care, funded in the most appropriate way. This service will work closely with Bradford Children & Families Trust to transition young people with disabilities or who have other eligible care needs to adult social care with appropriate care and plans for their future.

We have a programme of work with social care commissioners working alongside social workers to review all contracts and accommodation offers to seek to negotiate where better value for money could be achieved without affecting people’s care and support. Through seeking more independent alternatives for people than statutory social care, we will reduce the care budget annually in line with our local authority comparators.

ASC3 - Transforming Our Service Offer - £0 in 2024-25 rising to £5m in 2026-27.

Adult Social Care intends to modernise for the future including using the latest technology and a new case management system, linked to the NHS record and those of our care providers. In the first two years of our transformation programme, we will implement a new more efficient IT case management system to eliminate duplication in administration and management decisions. Through vacancy management and natural turnover over those years, we will carefully reduce staff numbers across the department overall and monitor team workloads. We will also look to develop more joint roles with the NHS and share efficiency savings and shrink our office footprint.

In addition to the budget reductions outlined above. Adult Social Care are also undertaking a number of mitigating actions to address existing pressures.

Children’s Services

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|---|--------------|-----------------------------------|-----------------|-----------------|-----------------|
| CHILDREN’S (not including mitigations) | | | | | |
| CH1 | Children’s | Outdoor Centres – Closure or Sale | -200 | -400 | -400 |
| TOTAL | | | -200 | -400 | -400 |

CH1 – Outdoor Centres - The proposal would see the closure and disposal of Ingleborough Hall Outdoor Centre. Ingleborough Hall, along with Buckden House, is a traded service with a deficit that is currently funded from the Council’s core budget. Following a recent condition survey, high levels of backlog maintenance have been identified to bring Ingleborough Hall up to the required standards. Due to the scale of

the works outlined, it is proposed that the building should be disposed of. Bookings would transition to Buckden House which would then run as a fully traded service. This would generate savings related to staffing.

The retention of Buckden also enables provision of Respite and Short Breaks at a significantly reduced rate compared to the open market. This will support cost avoidance of the growing financial pressure being experienced in the Trust via the provision of Short Breaks and holiday respite provision.

In addition to the budget reductions outlined above. Children's Services are also undertaking a number of mitigating actions to address existing pressures previously outlined. These will not result in budget reductions but would stop overspends recurring and reduce future pressures on Adult Social Care.

Corporate Resources

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|----------------------------|--------------------|--|-----------------|-----------------|-----------------|
| CORPORATE RESOURCES | | | | | |
| CR1 | Estates & Property | Further Estate Rationalisation to deliver Estate Running Cost Savings | -385 | -1,387 | -1,387 |
| CR2 | Estates & Property | Renewable energy - Solar PV building installations on retained estate (NB not Solar Farms) | 0 | 0 | -300 |
| CR3 | Estates & Property | Traded Services. Catering/Cleaning & Other Catering | -518 | -1,118 | -1,118 |
| CR4 | Estates & Property | Continue to charge rent during Community Asset Transfer application process | -10 | -10 | -10 |
| CR5 | Estates & Property | Allotments – removal of subsidy | -27 | -27 | -27 |
| CR6 | FITP | Expand the Purchasing Card Rebate Scheme with Lloyds | -180 | -180 | -180 |
| CR7 | HR | Sustaining workforce and learning development by bringing in house the staff survey and optimising internal L&D provision. | -100 | -100 | -100 |
| CR8 | HR | Increase income in HR Traded Services through delivery of service to Schools - based on volume increases rather than rate increases. | -20 | -20 | -20 |
| CR9 | HR | Remodel annual Long Service Awards (seek sponsorship) | -18 | -18 | -18 |
| CR10 | HR | Review Staff Network Budget and RESPECT | -49 | -49 | -49 |
| CR11 | HR | Cease the paid-for Council Counselling Service when the contract ends (Nov 2025) and optimise use of other free counselling service provisions in operation. | 0 | -125 | -125 |
| CR12 | Legal | Increased charges for external (non-Bradford) residents for non-invasive scans at the mortuary: Increase charges from £450 to £550 from 24-25 | -8 | -8 | -8 |

| | | | | | |
|--------------|-----------------------------|--|---------------|---------------|---------------|
| CR13 | Revs, Bens & Customer | Funding for Assisted Purchase Scheme & Fuel top ups to be entirely externally funded (both the delivery of support and the staffing resource required to administer it) – otherwise cease service or offer to partners to deliver. No current external funding has been identified for 2024-25. The £140k represents staff resourcing costs. | -140 | -140 | -140 |
| CR14 | Revs, Bens & Customer | Increase court costs for Business Rates and Council Tax from £110 and £85 respectively to £125 and £100.). This increase will be reported as normal in the Qtr 4 budget report and is set out here for information only. | -400 | -400 | -400 |
| CR15 | Revs, Bens & Customer | Empty Homes Premium - The £840k has now been factored into estimates for the Council Tax Base for 2024-25 and is here for information only. Apply local discretion to allow for a 100% premium for long term empty and unoccupied properties after the property has been empty for 1 year rather than the current 2 years. | | | |
| TOTAL | | | -1,856 | -3,583 | -3,883 |

Estates and Property. These proposals will deliver further energy efficiency savings through changes to existing energy infrastructure. In addition, planning is underway to reduce estate occupation further where possible, by rationalising existing occupation which in turn will reduce running costs, the details of these proposals will be developed further and agreed as part of the Corporate Landlord arrangements/board.

FM catering & cleaning The proposal is to increase traded income and to restructure three areas Head Office, FIPC production unit and Civic Catering to create further efficiencies including ceasing the provision for internal meetings. Consultation on these proposals is currently on-going.

Revenue Benefits and Customer Services. The main proposals are covered within the Council Tax base for 2024-25 and relate to changes in legislation relating to empty and second homes, further detail is included at para 5.5. A further proposal to restructure and reduce headcount in service is being developed to address existing pressures.

Workforce and Human Resources. Proposals will deliver savings from the Human Resources Workforce Learning and Development budget, which will reduce by £149k, and will be delivered by changing to internal delivery of the Council staff survey and internal delivery of leadership, management and cultural workforce learning and development. The annual employee long service awards ceremony will be delivered through alternative sponsorship methods, and the staff networks and respect budget will cease. The Employee Health and Wellbeing budget will reduce with a re-focused counselling offer making savings on the current counselling contract. The PACT HR Traded Service income generation target will increase to deliver further income for the Council.

Cross cutting Workforce and Human Resources proposals will deliver savings across all Departments by reducing, recruitment advertising costs, of counselling costs from the charge back to the referring service which will cease through the refocussing of counselling service delivery. In addition, work has started to review workforce benefits and more general terms and conditions of employment to ensure they are streamlined and simplified, and provide modern, competitive, and fit for future employee benefits.

Office of the Chief Executive

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|--------------------------------------|--------------|--|-----------------|-----------------|-----------------|
| OFFICE OF THE CHIEF EXECUTIVE | | | | | |
| OCX1 | OCX | OCX Efficiencies (staff & print) | -205 | -255 | -255 |
| OCX2 | OCX | Better Use of Grants - One off only in 24-25 | -575 | 0 | 0 |
| OCX3 | OCX | Sponsorship | -30 | -30 | -30 |
| OCX4 | OCX | HDRC Substitute base positions | -150 | -150 | -150 |
| OCX5 | OCX | Public Health – Tobacco reduction fund | -150 | 0 | 0 |
| TOTAL | | | -1,110 | -435 | -435 |

Department of Place

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|----------------------------|--------------|---|-----------------|-----------------|-----------------|
| DEPARTMENT OF PLACE | | | | | |
| P1 | E&D | Mandatory HMO Licensing covering staff costs | -160 | -160 | -160 |
| P2 | E&D | Economic Development Service – Service review | -200 | -200 | -200 |
| P3 | NCS | Stronger Communities team – Service review | -220 | -445 | -445 |
| P4 | NCS | Car Parking – revised staff parking scheme (completed as of Jan 24) | -140 | -140 | -140 |
| P5 | NCS | Car Parks Standardisation of Charges: Towns and villages High demand car parks Extend charging from 8-10pm Additional car parks | -57 | -285 | -285 |
| P6 | NCS | Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits Business and workers permits / Health visitor permit costs | -34 | -352 | -352 |
| P7 | NCS | Car Parking Charges – Review of on-street charges | | -657 | -657 |
| P8 | NCS | VCS Infrastructure Support Contract - full withdrawal | -322 | -460 | -460 |
| P9 | NCS | Youth Services Teams – Service review | -50 | -100 | -100 |
| P10 | NCS | Neighbourhood Teams – Service review (relationship to locality working | -109 | -218 | -218 |

| | | | | | |
|--------------|----------------|--|---------------|---------------|---------------|
| | | transformation programme) | | | |
| P11 | PTH | Capitalisation of staff support for Transport Fund Schemes in PTH | -236 | -236 | -236 |
| P12 | PTH | Highways Services - Discretionary Fees Increase | -42 | -42 | -42 |
| P13 | S&C | Sports & Leisure Fees and Charges increase | -200 | -200 | -200 |
| P14 | S&C | Strategic Review of Libraries | 0 | -175 | -175 |
| P15 | S&C | Bradford City Centre Visitor Information Centre Closure and move tourist information to City Library *subject to due diligence on energy, FM, disposal, security costs etc. | -41 | -50 | -50 |
| P16 | S&C | Strategic Review of Sport & Leisure Facilities | -60 | -1,250 | -1,250 |
| P17 | S&C | Car parking - Ilkley Lido car park - introduction of charges | -25 | -25 | -25 |
| P18 | S&C | Review of Cultural Grant Funding | -155 | 0 | 0 |
| P19 | S&C | Museums - 'pay what you think' admission charge (implemented Dec 23) | -63 | -63 | -63 |
| P20 | S&C | Museums - review of schools learning charges | -12 | -12 | -12 |
| P21 | S&C | Booking fee uplift - theatres (implemented from 1st Dec 2023) | -200 | -200 | -200 |
| P22 | Waste Services | 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs | -900 | -900 | -900 |
| P23 | Waste Services | Household Waste Recycling Centre - Monday closures (Trial) (commenced pilot Dec 2023) | -225 | -225 | -225 |
| P24 | Waste Services | Permit Refresh – HWRC sites | -500 | -500 | -500 |
| P25 | Waste Services | Fly Tipping Fees and charges increase (change in national policy July 2023) | -25 | -25 | -25 |
| P26 | Waste Services | Recycling Disposal - Dry Mixed Recycling New Contract | -200 | -200 | -200 |
| P27 | Waste Services | Bulk collection - fees and charges increase. | -200 | -200 | -200 |
| P28 | Waste Services | Garden waste- fees and charges uplift and amended discounts | -486 | -486 | -486 |
| P29 | Waste Services | Charity bulk collection - change of operation and funding | -20 | -20 | -20 |
| P30 | Waste Services | Waste collections - reduction of rounds | -300 | -300 | -300 |
| TOTAL | | | -5,182 | -8,126 | -8,126 |

P1 - Mandatory HMO Licencing - covering staff costs. The Housing Operations Service is responsible for administering the statutory / mandatory licencing scheme for houses in multiple occupation (HMO) under the Housing Act 2004. Fees generated through the administration of the mandatory licensing scheme can only be retained for use in supporting and delivering the HMO Licensing function. It is proposed that the fee income will be used to fund the staffing resources in the HMO Licensing function creating a revenue saving for the Council. Savings Value, £160,000 per year from

2024-2025.

P2 - Economic Development Service. A review of how regeneration and economic development activities can be delivered more effectively across the Council, specifically looking at realignment opportunities and how efficiencies of scale can be obtained across multi-disciplinary teams. Savings Value, £200,000 per year from 2024-2025

P3 - Stronger Communities team. The proposal would result in the reduction of eleven FTE roles within the Stronger Communities team, this will provide an anticipated saving of £220,000 in 2024-25 rising to £445,000 2025-26.

P4 - Car Parking – Revised staff parking Scheme (Completed as of Jan 2024). In November 2021 temporary free parking was introduced in Sharpe Street car park for Children’s Social Care Staff. This was then extended to other staff in Children and Adult Services and to include all the Council car parks included in the employee parking scheme.

A decision has been taken to withdraw all free parking permits for previously eligible staff with effect from 1 January 2024. BCFT has also confirmed it will not continue subsidising the free parking permits for its staff creating an anticipated revenue saving of £140,000 per year.

P5 - Car Parking - Standardisation of off-street parking charges in all Towns and Villages across the Bradford district.

Towns & Villages - Implementation of a standard district wide £1 per hour charge bringing Shipley and Keighley into line with places such as Bingley, Saltaire and Haworth. It also includes villages such as Silsden, Wilsden, Baildon.

High Demand Car Parks – The hourly charge in high demand car parks will increase from £1 to £1.50 per hour. This includes car parks such as South Hawksworth Street - Ilkley, Sharpe St – city centre, Exhibition Road - Saltaire and the Parsonage Museum Car Park – Haworth, amongst others where there is a spread of heavily utilised car parks across the Bradford District.

Expand day-time charging hours in high demand car parks - Extension of daytime charging hours from 08.00 – 18.00 to 08.00 - 22.00. This effectively replaces the 18:00 evening charge.

Additional Pay and Display car parking capacity – introduced at new Council sites including Addingham, Steeton, Leeds Rd, Idle, Burley and Wibsey.

P6 - Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits, business and workers permits and health and social care visitor permit costs. Currently there are 13,887 live resident and visitor permits in the Bradford District, there are no charges for a resident’s permit or for the first visitors permit, this is out of sync with neighbouring Local Authorities.

This proposal is to introduce charges for resident and visitor permits. A charge of £35 per permit is proposed to be applied. The proposal is to increase the cost of a health

and social care visitor permit (private providers) from £10 per annum to £25 per annum and to increase the cost of a business and worker permit from £150 per annum to £250 per annum.

P7 - Car Parking Charges – Review of on-street charges. This proposal is to introduce a standard £1 per hour parking charge for existing designated on street parking areas.

P8 - VCS Infrastructure Support Contract – full withdrawal. A £460k reduction in the contribution the Council makes to the infrastructure support contract delivered by the VCS sector. This represents a full withdrawal from the Department of Place contribution to this contract and will be phased accordingly.

P9 - Youth Services Teams. The proposal is to rationalise current activities within the youth service team. This would include combining the Shipley and Keighley team impacting on two FTE roles. This will create a revenue saving of £50,000 in 2024-25 rising to £100,000 in 2025-26.

P10 - Neighbourhood Teams. We will review ways of locality working specifically related to more efficient delivery of back-office process and systems which in turn will realign support staff. This will create a revenue saving of £109,000 in 2024-25 rising to £218,000 in 2025-26.

P11 - Capitalisation of Staff Support for Transport Fund schemes in Planning Transport & Highways. The scope of this proposal covers the capitalisation of staff costs to provide the necessary input into externally funded transportation schemes from key support roles to assist the delivery of these schemes. Depending on the scheme this would include input from development management, building control, drainage, highways development management, transport planning, planning policy, heritage, and landscape design staff. This proposal has an indicative value of £236,000.

P12 - Highways Services - Discretionary Fees Increase. This proposal reviews charges for highway services in line with neighbouring authorities. Revised charges relate to charging for skips, erection of scaffolding on the highway, hoardings on the highway, depositing items on the highway, charges for cranes, dropped crossings, roadwork excavation and café pavement licences. This proposal has an indicative value of £42,345.

P13 - Sports & Leisure Fees and Charges increase Bradford Council's fees and charges have historically been low compared to other West Yorkshire and UK Local Authorities, with a generous subsidy for our 'passport to leisure' users. However – in line with most UK Local Authorities charges must be increased. This proposal aims to apply above inflation price increases to sports facilities fees and charges from April 2024. This proposal is to increase general sports facility prices by a total of 15% The Council's gyms and fitness membership operates in a competitive marketplace and it is proposed to increase the monthly gym membership price by 10% This will generate a £200,000 above the corporate expected 6% increase.

P14 - Strategic Review of Libraries (£0 in 2024-25 rising to £175,000 by 2025-26)
The Council is undertaking a strategic review of its libraries to identify how overall

operating costs can be reduced. This review will focus on the overall costs of the library services which are mainly contained within the council run libraries and specifically review facility operating costs, usage data, property and asset stock-condition and the potential for alternative operating models to be adopted.

P15 - Bradford City Centre Visitor Information Centre Closure. This is a proposal to close the Bradford city centre Visitor Information Centre. This proposal will effectively close the Visitor Information Centre in Bradford from 1st June 2024 saving £41,000 in 2024-25. Options to relocate to the City Centre Library will be explored.

P16 - Strategic Review of Sport and Leisure facilities (£60k in 2024-25 rising to £1.25m by 2025-26) – The Council is undertaking a strategic review of its sports and leisure facilities to identify how operating costs can be reduced. Reductions of this scale are likely to impact on the overall number of swimming pools, gyms and indoor recreation centres. The review will focus on facility operating costs, usage data, income generation, property and asset stock-condition and the potential for alternative operating models to be adopted. The review will also consider if the Squire Lane project should go ahead.

P17 - Car parking - Ilkley Lido car park - introduction of charges. This is a proposal to introduce car park charging at Ilkley Pool and Lido car park from 2024-25. The proposal will generate an estimated £25,000 of income, there are however some ongoing costs associated with operating parking charges which will need to be met from the income.

P18 - Review of Cultural Grant Funding. The discretionary grants scheme which facilitated large and small grants for cultural events and organisations will be ceased in 2024-25. This will create a £155,000 saving.

P19 - Museums - 'pay what you think' admission charge (implemented Dec 23). This proposal would see the introduction of voluntary 'Pay what you think' admission to all Bradford Museums venues with effect from 1st April 2024. This scheme would be based on maintaining free access with a payment being encouraged but not a requirement for entry. In addition, the proposal addresses the realistic potential to increase the level of directly donated income through an increased targeted, and engaged, 'case for support' being made across the venues with cashless donation terminals operational at all four venues. Forecasted income generation target of £63,000 is anticipated.

P20 - Museums - review of schools learning charges. Review of charges to schools for Learning activity at Bradford Museums resulting in additional £12,000 annual income.

P21 – Theatres – budget impact of booking fee uplift implemented in December 2023

P22 - 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs. The service currently operates eight household waste recycling centres (HWRCs), spread across the district. Full closure of 3 x HWRCs would allow up to £0.9m saving in staffing, site maintenance costs and haulage. The identified sites to close would be Ford Hill (Queensbury), Sugden End

(Keighley) and Golden Butts (Ilkley). This proposal has an indicative savings value of £900,000.

P23 - Household Waste Recycling Centre – Monday closures (Trial Commenced Dec 23). The service currently operates eight household waste recycling centres (HWRCs), spread across the district. Each site is open for up to 60 hours per week over 7 days. The two main HWRCs at Bradford and Keighley – containing transfer loading stations would remain open 7 days a week. Monday closure of six of the eight HWRCs would allow savings in staffing, site costs and haulage. This proposal has an indicative value of £225,000 to be pro-rata dependant on the outcome from the HWRC closures proposal.

P24 - Permit Refresh – HWRC Sites. In order to tighten controls on eligible usage we propose to introduce a new permit and monitoring system from April 2024 to ensure compliance with policy and legislation. This would include a new permit being issued to residents which could be linked to Automatic Number Plate Recognition (ANPR) at each site and limitations on the number of permitted vehicles and visits per resident. This proposal has an indicative value of £500,000.

P25 - Fly Tipping Fees and charges increases (change in national policy 2023). We propose to revise charges, in-line with recent changes to The Environmental Regulations 2023, allowing councils to increase the maximum levels of Fixed Penalty Notices for certain environmental offences such as fly tipping, littering and Householder Duty of care offences, to introduce revised charges in line with neighbouring authorities. This proposal has an indicative value of £25,000.

P26 - Recycling disposal – Dry Mix Recycling new contract. A published tender in 2023 resulted in AWM being awarded the contract with a slightly lower processing cost and different processing techniques. The contract is in place for up to 5 years and tracks the DMR market closely. This will provide savings in the future. This proposal has an indicative value of £200,000.

P27 - Bulk Collection Fees and Charges increase. Due to the changes in legislation regarding POPS (Persistent Organic Pollutants) the operating costs for this service have increased recently. The costs for bulk collections will change from 5 items for £30 to 3 items for £50. This proposal has an indicative value of £200,000.

P28 - Garden waste - Fees and Charges uplift and amended discounts. We propose to restructure the opt-in service and increase charges to £53 per year (£50 if booked early) and £40 per additional bin. The service runs with four collection vehicles for 11 months of the year, pausing only for Christmas through to late January. Due to this being opt in-service there may be changes to the collection structure. This proposal has an indicative value of £486,000.

P29 - Charity bulk collection - change of operation and funding. The Council proposes to cease arrangements with three charitable organisations which submit invoices for re-use credits for household items they divert from landfill. This proposal has an indicative value of £20,000.

P30 - Waste Collection Reduction of rounds. The introduction of a more efficient routing system and optimisation of collection vehicles. There would be no impact for

residents and collection frequencies would remain the same. This proposal has an

| Financing and Central budget adjustments (For reference only) | | 2024-25 | 2025-26 |
|--|--|----------------|----------------|
| | | £'000 | £'000 |
| | Additional MRP and Interest Costs approved in 2023-24 (excludes capitalisation directive cost) | 4,000 | 4,000 |
| | Maximise funding from WYCA – add back of underachieved saving from 2023-24 | 380 | 380 |
| | Pension Pre Payment - add back of underachieved saving from 2023-24 | 500 | 500 |
| | Reduce Pension contribution rate per WYPF | -597 | 1,194 |
| | Total | 4,283 | 3,686 |

indicative value of £300,000.

| Ref | Service Area | Proposal Detail | 2024-25 (£000k) | 2025-26 (£000k) | 2026-27 (£000k) |
|---|----------------------|---|----------------------------|----------------------------|----------------------------|
| CROSS-CUTTING & CENTRAL BUDGET ADJUSTMENTS | | | | | |
| X1 | OCX | Maximising Grant Funding | -200 | -200 | -200 |
| X2 | OCX | Departmental advertising | -150 | -150 | -150 |
| X3 | HR | Stop Placing Recruitment Adverts - costs based on Media.com spend only | -75 | -75 | -75 |
| X4 | HR | Review of workforce T&Cs and benefits. Streamline and simplify workforce allowances and benefits. | -63 | -814 | -814 |
| X5 | Revs, Bens & Payroll | Contact Management | 0 | -1600 | -1600 |
| X6 | MTFS | Business Rates Related Distributions | -500 | -500 | -500 |
| X7 | MTFS | LCR Revolving Investment Fund Dividend | -50 | -50 | -50 |
| X8 | MTFS | Reduced added years pension contributions | -800 | -900 | -1000 |
| X9 | MTFS | Capital Scheme Review (outcome from 13th July Review) | -624 | -624 | -624 |
| TOTAL | | | -2,462 | -4,913 | -5,013 |

Appendix E – Financing and central budget adjustments (for reference only)

Appendix F – Time limited Transformation and additional contingencies

| | | 2024-25 |
|--|--|----------------|
| | | £'000 |
| | Transformation and Redundancy costs | 20,000 |
| | IT Development | 10,000 |
| | Additional Contingency against underdelivered savings, mitigation or other pressures | 20,000 |
| | Total | 50,000 |

- £20m for Transformation and redundancy costs. Given the scale of change the Council will have to deliver in the immediate future there are inevitably going to be both reduced staffing levels, with potential consequential redundancy costs and an urgent need to invest in change management.
- £10m for IT development in 2024-25. The Council's SAP system needs upgrading and in order to achieve major change and significant revenue savings in services, digitisation across the Council is vital and currently under provided for. This will be a key pillar in getting the Council onto a financially sustainable footing in the future. Similar levels of investment will be required in the following 2 years, subject to business case approval.
- £20m for contingency against underdelivered savings, mitigation and other pressures. Adult Social Care along with other services, have a number of mitigations to not overspend in 2024-25. If this is not delivered as planned, then the gap would be larger. The Council's recent track record suggests that despite what will be much more material savings needed in the future achieving total delivery in 2024-25 will be a very significant challenge for the Council. A contingency is essential for this. Additional contingency will also be held against the risk of under delivery of other savings and mitigations including in the Bradford Children and Families Trust.

Appendix G

CONSULTATION FEEDBACK AND EQUALITY ASSESSMENT FOR THE COUNCIL BUDGET PROPOSALS FOR 2024-25

1. SUMMARY

On 11 January 2024 the Executive approved new budget proposals for consultation with the public, partners, local business, the voluntary and community sector, and other interested parties, staff, and the Trade Unions. This appendix provides feedback from the public engagement and consultation programme. There is particular reference to the Council's responsibilities under equality legislation to enable the Executive to have due regard to the Public Sector Equality Duty when considering its recommendations to Council on proposals for the 2024-25 budget.

2. BACKGROUND

Best Value and the Equality Act 2010

- 2.1 Statutory guidance on Best Value, introduced in September 2011 and revised in March 2015, reminds local authorities that they are under a duty to consult representatives of council tax payers, service users and potential service users, local voluntary and community organisations, and small businesses, and those appearing to the authority to have an interest in any area within which the authority carries out functions.
- 2.2 There should also be opportunities for organisations, service users and the wider community to put forward options on how to reshape the service or project. Local authorities should assist this engagement by making available all appropriate information in line with the Government's transparency agenda.
- 2.3 The Equality Act 2010 protects people from unlawful discrimination on the basis of 'protected characteristics'. The Equality Act 2010 defines protected characteristics as age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. As outlined in the recently approved Equality, Diversity and Inclusion Plan, the Council's approach to equalities goes beyond this, by looking at equality more broadly and taking into account the impact of our decisions on people on low income or low wage. More recently, the Council also adopted a further local characteristic of care experienced.
- 2.4 The 2010 Act also introduced a specific Public Sector Equality Duty which requires local authorities, in the exercise of their functions, including when making decisions, to have due regard to the need to:
 - Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - Foster good relations between people who share a protected characteristic and people who do not share it. This includes having due regard to the need to tackle prejudice and to promote understanding

- 2.5 In discharging this duty, local authorities not only need to understand how different people will be affected by their activities, proposals, and decisions, they also need to demonstrate that they have given due regard by publishing information that shows they have consciously discharged their responsibilities as part of the decision-making process.
- 2.6 For the purposes of S149 the relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

“Advancing equality of opportunity” involves having due regard to the needs to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it and
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 2.7 There is a range of guidance materials on the Public Sector Equality Duty from the Equality and Human Rights Commission (EHRC) to assist the bodies that are subject to the duty, to understand the duty and meet their responsibilities. This notes that a public body will only be able to comply with the general equality duty in relation to a decision, if the ultimate decision maker:
- Understands the body’s obligations under the general equality duty.
 - Has sufficient information.
 - Demonstrably takes this information fully into account throughout the decision-making process.
- 2.8 The Equality and Human Rights Commission emphasises the importance of ensuring that the duty is complied with before a decision is taken, while options are being developed and appraised, as well as at the time of the actual decision. The duty cannot be used retrospectively to justify a decision.

3. OTHER CONSIDERATIONS

- 3.1 The consultation was to provide the people of the district and other interested parties with opportunities to provide their views on the budget proposals, to help shape and inform final decisions. The budget consultation sought comments on proposals for the financial year 2024-2025.
- 3.2 Initial equality impact assessments were developed on all proposals. Those showing, potential negative impacts against the protected characteristics, and the locally agreed protected characteristics of low income and care experience, were published on the Council’s website

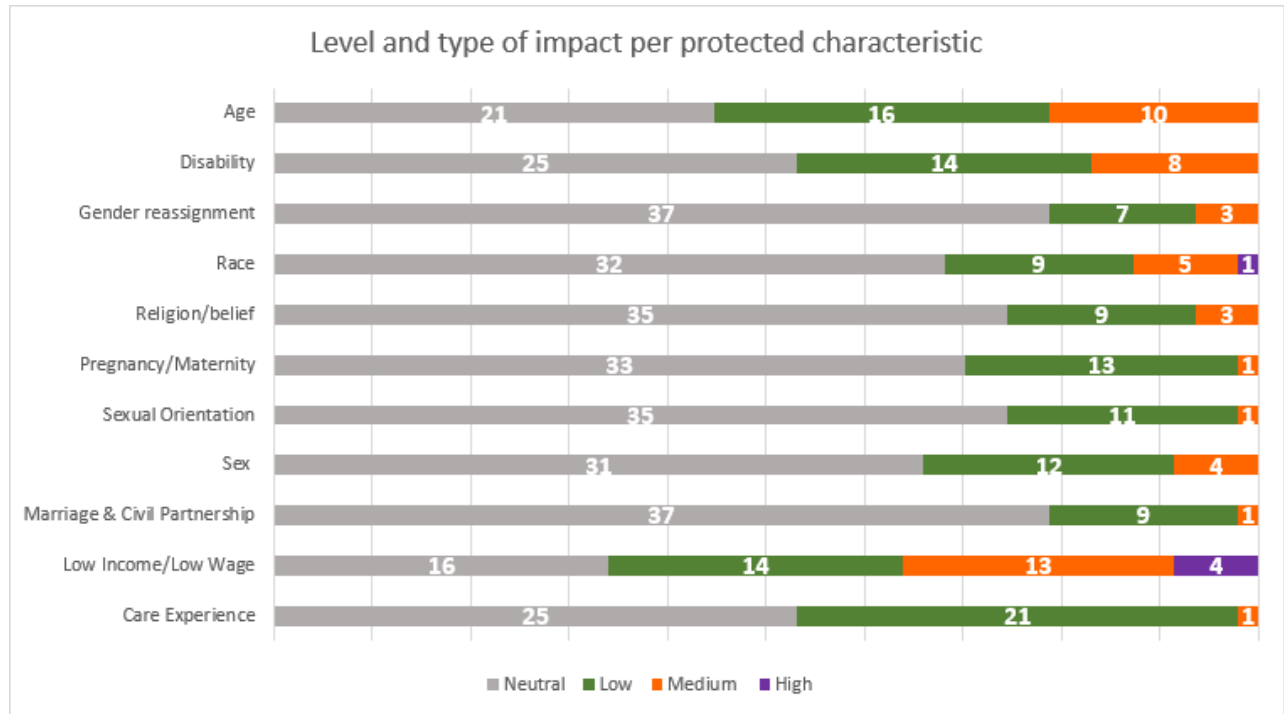
- 3.3 Where possible arrangements were made to reduce any negative impacts of the proposals. These mitigations are set out in the equality impact assessments and the Council has continued to look for ways to reduce negative impact from the proposed changes.
- 3.4 While the Council is not required under statute to produce or publish Equality Impact Assessment (EQIA) forms specifically, it must demonstrate it is meeting the public sector equality duty.. To do this, a local decision has previously been taken to continue to use EQIA forms. Equality impacts are considered by officers and elected members as part of the development of the budget proposals, with assessments recorded through an EQIA form. The forms can then assist members of the public and other interested parties to view potential equality impacts. This will show where a disproportionate impact has been identified, or where an impact affects a number of people with particular protected characteristics. Mitigations will have also been considered, and where these have been possible, they have also been captured on the EQIA forms.
- 3.5 Case law has confirmed that in order to fulfil the duty under S149 of the Equality Act 2010, elected members need to have considered equality impacts and given due regard to the public sector equality duty as part of their decision-making processes.
- 3.6 EQIA forms outlining identified equality impacts on the new budget proposals agreed by the Executive at their meeting on 11 January 2024 are available on the Council's web site at: Budget EQIAs 2024-25. A summary of these is also provided in Annex 1 to this document. Feedback from the consultation where respondents have identified a possible negative equality impact related to a proposal is also provided in Annex 1.
- 3.7 The consultation opened on the 11 January 2024, and closed on the 17 February 2024.
- 3.8 Following review and assessment of the consultation feedback, EQIA forms have been updated and republished at the same time as these papers for the Executive meeting to be held on 5 March 2024.
- 3.9 The proposals focus on meeting cost pressures arising from inflation and growing demand, and on investing in support to the most vulnerable. Previously agreed savings must also continue to be delivered.

Cumulative Equality Impacts on the 2024-25 Budget Proposals

- 3.10 The cumulative equality impact assessment is based on the draft budget proposals presented to Executive on 11 January 2024. All EQIA forms will be updated where required and republished on the Council's website at the same time as the papers for this Executive meeting being held on the 5 March 2024. This will include an overall assessment of equality impact of the final Budget proposals.

The mitigations for these impacts are set out in the grid in Annex 1 to this report.

Table 1. Shows the total level of disproportionate impacts for high, medium, and low across each protected characteristic group from the proposals approved for consultation by Executive on 11 January 2024. The grey box indicates where no disproportionate impact was identified.



High Impact - There are a total of five identifications of high impact. Four of these are in relation to residents on low income, and one in relation to race.

Medium Impact - The highest number of disproportionate of medium impacts was again for residents on low incomes with thirteen noted across the proposals. The next largest group was for age with ten impacts notes and disabled residents with eight. Race has five medium impacts, sex four, religion or belief three and care experience, marriage and civil partnership pregnancy and sexual orientation one each.

When looked at by protected characteristic the data demonstrates the groups with the largest potential cumulative disproportionate impact.

Table 2: Shows the cumulative disproportionate impact identified by protected characteristic

| Protected Characteristic | Low | Medium | High | TOTAL |
|--------------------------|-----|--------|------|-------|
| Age | 16 | 10 | | 26 |
| Disability | 14 | 8 | | 22 |
| Gender reassignment | 7 | 3 | | 10 |
| Race | 9 | 5 | 1 | 15 |

| | | | | |
|------------------------------|----|----|---|----|
| Religion/belief | 9 | 3 | | 12 |
| Pregnancy/Maternity | 13 | 1 | | 14 |
| Sexual Orientation | 11 | 1 | | 12 |
| Sex | 12 | 4 | | 16 |
| Marriage & Civil Partnership | 9 | 1 | | 8 |
| Low Income/Low Wage | 14 | 13 | 4 | 31 |
| Care Experience | 21 | 1 | | 22 |

Summary of equality Impact

- 3.11 The EQIAs demonstrate that residents on low incomes from all communities are most impacted by the changes. Individual EQIAs set out mitigation measures for this, but when seen cumulatively the impact is greatest on this group of residents. This includes the impact from the proposed council tax rise. Bradford's council tax remains lower than in other areas, but the proposed increases will impact disproportionately on low-income households. There are arrangements in place to support residents who are on low income with council tax bills and the communications plan around these needs to be robust.
- 3.12 The impact on low-income households was clearly articulated in the consultation events and by some residents in the online survey.
- 3.13 Age and disability are the next two areas of greatest potential disproportionate impact. There are also high numbers of lower impacts noted for race, sex, pregnancy, sexual orientation and religion and belief. Mitigations for each proposal are set out in the table later in the report.

Consultation Feedback and Equality

- 3.14 A total of 1706 online survey were submitted. Of these 99 percent were residents of or had a connection with the district. The response rate equates to approximately 0.42 percent of the district's adult population. Response rates by gender saw nearly 50 percent identifying as female, 38 percent as male, with the 13 percent 'preferring not to say'. Twenty two percent of respondents said they had a disability. In relation to wards, ethnicity and age response rates were considerably different. The ward with the highest response rate was Ilkley with 23 percent of the total, and the lowest was Toller with 0.46 percent. Overall, 45 percent of responses came from Keighley constituency. In terms of ethnicity of respondents, 77 percent said they were white British, and four percent that they were Asian/Asian British Pakistani. The response by age also varied considerably from the highest grouping of 45-64 year-olds at 21 percent and the lowest for young people aged 18-24 at 1.76 percent. A total of 4.36 percent of respondents said that they were LGBTQ+.

- 3.15 Whilst response rates can be explained in relation to the place specific proposals that were included in the consultation, the difference in return rates for the survey were stark. Additional social media posts were targeted to communities where response rates were lower. In addition, face to face and virtual consultation sessions with communities of interest, including the internal Staff Networks and external interest groups, with the aim of hearing from residents with protected characteristics, were also undertaken.
- 3.16 Specific issues raised through the survey responses related to equality were concerned with: access of older people and people with disabilities to waste recycling centres if they were not able to drive far or lift items to place in skips, residents on low incomes who would have to purchase resident permits for parking, pay higher prices to access sport and leisure facilities, and the loss of an outdoor facility for young people.
- 3.17 The Council will continue to consider the impacts of all the proposals and seek to put in place mitigating actions wherever possible. Furthermore, many of the higher impact proposals will also be subject to stage 2 consultation processes and the equality impact assessments, with any mitigations, will be revised in light of any feedback from future consultations.

Consultation Process

- 3.18 The consultation provided the people, organisations, and businesses of the district, along with Council staff and their Trades Unions, with opportunities to provide their views on the budget proposals to help shape and inform final decisions. The budget consultation sought comments on proposals for the financial year 2024-25.
- 3.19 The consultation opened on the 11 January 2024, and closed on the 17 February 2024. A variety of means were available to respond as outlined below. The public also decided in some instances on their own mechanisms for providing feedback, with four public petitions being presented to the Council.
- 3.20 Across all methods there were 12,724 responses to the consultation process. The consultation comprised of the following methods:

| Method of Consultation | Number of events | Total attending/contributing |
|--|---------------------------|-------------------------------------|
| Online Survey | N/A | 1706 |
| Online and Face to Face Focus Groups | 17 Focus Groups were held | 130 |
| Emails/Letters in response to the Budget Proposals | N/A | 100 |
| Virtual Public | One Teams Live | 13 |

| | | |
|--|---|--------|
| Consultation Event | consultation event on 13 th February 2023 | |
| Council social media | Comments on Council social media posts | 13 |
| Council Press Releases/Media Coverage of Executive Reports | Comments on Council press releases | 92 |
| Public led | | |
| Petitions | Four Petitions were instigated with three being discussed at Full Council | 10,670 |

3.21 The consultation was promoted widely using varied means:

- Electronically – The Council’s website, press releases, social media (Twitter and Facebook), Stay Connected, Bradford Schools Online and the Council’s app were used to promote the consultation.
- Through Networks:
 - Elected representatives – Members of Parliament, District, Parish, and Town Councillors.
 - Council staff and their trades unions.
 - Strategic partnerships and partnerships.
 - Business community – via the Chamber of Commerce.
 - Organisations that advocate or represent specific communities.
- Via public buildings - information was sent to community centres, warm spaces, Council contact centres and libraries with a request to display information and promote the consultation.

3.22 The following confirms the focus groups held as part of this consultation process:

- **Voluntary and Community Sector (VCS) – Equality Forum** – hosted virtually by CABAD and attended by the Council on the 16 January 2024
- **VCS Young - Lives Forum** – hosted by CABAD and attended by the Council at Park Lane on 18 January 2024
- **VCS Leaders Network** – hosted by CABAD and attended by the Council 23 January 2024 at Fountain’s Church
- **African Community Group** – facilitated by the Council at the Quaker House on the 24 January 2024
- **Stronger Communities Together Board (virtual)** – chaired by Bishop Toby and attended by the Council 26 January 2024
- **Council Staff Networks** – leads and members – (Virtual) facilitated by the Council on 30 January 2024

- **Bradford Stronger Communities Together Ambassadors** (virtual) facilitated by the Council on 1 February 2024
- **Faith Leaders** (virtual) – facilitated by the Council on the 1 February 2024
- **Asylum Seeker and Refugees VCS partners (virtual)** facilitated by the Council on 8 February 2024
- **Learning disabled residents** facilitated by Bradford talking Media and attended by the Council on 9 February 2024
- **Wellbeing board System Equality, Diversity, and inclusion group** (Virtual) on 12 February 2024
- **Those experiencing homelessness** on 12 February 2024
- **Businesses including Yam Spice Foods** 12 February 2024
- **Public consultation meeting (virtual)** facilitated and chaired by the Council on 13 February 2024
- **United People’s Movement and University of Bradford Students and representatives (virtual)** 14 February 2024
- **Deaf Group** facilitated by Bradford Talking Media on 15 February 2024
- **Youth ambassadors**, facilitated by the Youth Service on the 15 February 2024

Consultation – Responses and feedback received

Headlines from the feedback received

3.23 The following provides some headline feedback made on the specific budget proposals. These comments have been drawn from the online survey responses, social media, direct letters, emails, and meetings.

P22 - 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill, and Golden Butts HWRCs (629 responses)

This proposal has received the largest amount of feedback in the consultation. This includes three petitions submitted, two of which have reached the threshold for Council debate. All of these asked the Council to reconsider the proposals to close the Household Waste Recycling sites. Just under 29% of comments in the online consultation were in relation to this proposal.

Key Feedback

Issues raised at the consultation and in the debates in Council include: a fear of increased fly tipping (264 comments on this theme in the online survey stated this), concern was raised about air pollution from additional miles travelled to household sites, an unintended impact around reduction in recycling rates and increased vermin.

Equality Feedback

The impact was felt to be disproportionate on those with low income, with a particular link to those with no car, to disabled people, and to those with a health issue who require more regular use of tips due to increased waste generated.

Proposals for Change

Suggestions include stopping the 20 MPH work in Ilkley to pay for it.

Discuss reciprocal arrangements with Leeds Council re the Otley Road alternative.

- 21% of the online respondents in this topic suggested charges to keep it open.
- 23% of respondents suggested a reduction in opening hours as an alternative proposal.

It was also suggested that the Council consider alternative waste sites for closure.

Council response:
To mitigate the impact on residents, conversations and negotiations are taking place with other local authorities to gain permission for residents to use sites closer to their homes.

P5 – Car Parks Standardisation of Charges: Towns and villages High demand car parks. Extend charging from 8-10pm. Additional car parks (166 responses)

Just under 10% of responses to the online survey related to this proposal, with most regarding Idle Car Park (154 responses). Respondents did not support increased charges.

Key Feedback
Respondents were concerned about the detrimental impact this will have on small shops and businesses.
The expectation is that people will not use these small businesses and go elsewhere causing many to close.
It is also expected to cause parking issues elsewhere for local people.

Proposals for Change
Addingham Parish Council and Keighley Town Council requested the car parks in their areas are transferred to them to run.

P6 - Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits Business and workers permits / Health visitor permit costs (132 responses)

8% of responses to the survey commented on resident parking permits with all disagreeing or strongly disagreeing with the proposal.

Key Feedback
This is an extra financial pressure that households do not need.
There is a Spatial impact that means those in more affluent areas feel targeted for increased costs.
People might not have objected to schemes originally as they were told permits would be free.

Equality Feedback.
Respondents stated that this disadvantaged poorer residents with no driveways rather than larger homes with driveways.

Proposals for Change

The Council manage finances better to avoid having to implement this proposal.
The 20 MPH work is stopped, and the money used to avoid permits.
Impose a lower fee per household rather than per permit.
That the parking schemes are reviewed as a whole.

CH1 - Outdoor Centres – Closures for sale (Ingleborough Hall) (90 responses)

Nearly 5% of responses to the online survey were in relation to the proposal to close Ingleborough Hall and 3028 people have also signed a petition asking that the Council do not close Ingleborough Hall.

Key Feedback

The size and set up at Ingleborough Hall make it unique for school party purposes. The provision has a big positive impact on the children of Bradford’s wellbeing and cannot be replicated by other provision.
The building was accessible to meet the needs of children with Special educational need.
Ingleborough Hall is a ‘jewel’ and is unique in terms of the history and geography experience it provides.

Equality Feedback

Loss of this provisional will impact the health and wellbeing of the district’s children. The loss of this provision will impact children with disability as the provision is accessible.

Proposals for Change

Proposals have indicated that this asset could be transferred and still provide a viable offer for children in the district.
That the offer was never commercialised and could be profit making. For example, lack of marketing/staff to take bookings.
That the asset could be rented out in the summer to commercial companies.

Council response: We are unable to enter into detailed discussions around the potential transfer or purchase of the building, until a final decision is made on this proposal at Budget Council.

P17 - Car parking - Ilkley Lido car park - introduction of charges (69 responses)

Respondents to the online survey on this theme strongly disagree to the proposal.

Key Feedback

The proposal fails to consider the fact that it will impact families who have children attending swimming lessons unfairly.
The proposal will reduce the number of people who use the facility and will not therefore create a benefit.

Equality Feedback

Concern was raised about those with low income when linked to increase in the swimming fees.

It is queried whether the impact on age been fully assessed given the use of the facility for swimming lessons.

Proposals for Change

An expression of interest was received around the Lido being appropriate for a community asset transfer.

Open the facility more to generate more income that way as an alternative.

Increase in Council Tax by 2.99% (and Social Care Precept 2%) (65 responses)

All respondents to the survey were asked questions about Council Tax. 56% disagreed that Council Tax should be raised to pay for services. 30% agreed that it should. 23% of respondents agreed that Council Services should be reduced.

Key Feedback

Those responding did not want to pay more for less services, with some stating enough was paid already.

There was a feedback around spatial disparity that some areas raise the funding but get less service provision.

Equality Feedback

Concern was raised about those with low income who are already struggling to pay already.

The intersectional approach to other proposals meant that people would have less support at a time that debt management would be more difficult.

Proposals for Change

The key areas of feedback were on the management of the budgets by the Council, the need to enforce non-payment better, and questions were raised about funding “vanity” projects.

P7 - Car Parking Charges – Review of on- street charges (44 responses to the online survey)

2.5% of respondents commented on the proposals to standardise charges for on street parking.

Key Feedback

Those responding did not want to pay more.

There was concern about the impact on businesses/ organisations within the areas that charging was introduced/increased.

May lead to anti-social parking

Equality Feedback

Concern was raised about those with low income who are already struggling to pay meet household needs.

Proposals for Change

The key areas of feedback were on the management of the budgets by the Council, and questions were raised about funding “vanity” projects.
Offering more first 30-minute parking might mitigate the risk to businesses.

P8 - VCS Infrastructure Support Contract – Key Theme from Focus Groups (50 responses through the online survey)

The loss of the infrastructure contract was raised in ten focus groups. There were also 50 comments submitted through the online survey, and four letters. The local police raised it as a risk.

Key Feedback

The proposal fails to recognise that this contract supports the sector focused on early help and prevention. It will result in less service delivery and the cost reduction would be lost if only two children reach statutory need and require placements.

The enabling support this contract provides at system level is not considered i.e., supporting the community asset transfer process, supporting system equalities work.

The 83% reduction is disproportionate to other budget proposals.

This could have an impact on issues such as vulnerable ‘street-based populations’ and related ASB.

Equality Feedback

A request was made for a cumulative equality impact assessment.

The EQIA fails to recognise an impact on the community. There is an impact as the contract supports those that directly deliver to communities through training, leadership support and support to secure funding.

The Council’s peer equality review noted sexual orientation and disability as areas the Council needed to work on, and the council committed to doing so, but this proposal doesn’t reflect this.

The equality impact assessment needs to be reviewed as to the impact levels across the document.

Proposals for Change

Alternative proposals were submitted by the VCS Alliance, a summary of which can be found at Annex 1 later in this document.

Council response:

The response to these proposals is presented in Annex 1. In summary, the Council is unable to adopt these proposals.

P3 - Stronger Communities team – Service review - Key Theme from Focus Group (8 responses through the online survey)

The loss of this specialist team was raised in 13 of the focus groups. There were also eight comments submitted through the online survey and one letter. The local police raised it as a potential risk.

Key Feedback

The work of this team cannot be taken forward in the way suggested in the budget proposal. That approach has been tried unsuccessfully before and lack of specialism and focus prevents impact.

This change creates a few risks as it will reduce responsiveness to community tensions at a time when national focus is on Bradford.

Given the Council needs to transform, this is removing the resource that ensures that communities who are often not heard become involved in processes.

As the team oversee response to hate crime for the district, there is likely to be an impact on overall community cohesion in the District.

Equality Feedback

The Council's peer equality review noted sexual orientation and disability as areas the Council needed to work on, and the council committed to doing so, but this proposal doesn't reflect this.

The equality impact assessment needs to be reviewed as to the impact levels across the document.

Proposals for Change

An alternative proposal was submitted by the Stronger Communities Together Board, a summary of which can be found at Annex 1 later in this document.

Staff also submitted an alternative proposal that is being managed through the Trade Union/Staff consultation process.

Council Response

The response to the Stronger Communities Together Board proposal is presented in Annex 1. In summary, the Council is unable to adopt the proposal.

- 3.24 The number of comments received through responses to the survey, social media, and news releases for each of the proposals under consultation was as follows (only proposals receiving comments have been included in the table below):

| | | Number of comments | | | |
|-----|---|--------------------|-------|----------------|-------|
| REF | Proposal | Online Survey | Media | Letters/ email | Total |
| | Council tax increase of 2.99% and Social Care Precept of 2% | 65 | 0 | 0 | 65 |

| REF | Proposal | Number of comments | | | |
|------|--|--------------------|-------|----------------|-------|
| | | Online Survey | Media | Letters/ email | Total |
| ASC1 | ASC Prevention Strategy - Older People's Services | 1 | 0 | 0 | 1 |
| CH1 | Outdoor Centres – Closure or Sale | 82 | 0 | 8 | 90 |
| CR1 | Further Estate Rationalisation to deliver Estate Running Cost Savings | 2 | 1 | 0 | 3 |
| CR5 | Allotments – removal of subsidy | 0 | 0 | 1 | 1 |
| CR13 | Funding for Assisted Purchase Scheme & Fuel top ups to be entirely externally funded (both the delivery of support and the staffing resource required to administer it) – otherwise cease service or offer to partners to deliver. No current external funding has been identified for 2024-25. The £140k represents staff resourcing costs. | 3 | 0 | 1 | 4 |
| CR15 | Empty Homes Premium - The £840k has now been factored into estimates for the Council Tax Base for 2024-25 and is here for information only. Apply local discretion to allow for a 100% premium for long term empty and unoccupied properties after the property has been empty for 1 year rather than the current 2 years. | 2 | 0 | 0 | 2 |
| P2 | Economic Development Service – Service review | 0 | 2 | 0 | 2 |
| P3 | Stronger Communities team – Service review | 8 | 0 | 1 | 9 |
| P5 | Car Parks Standardisation of Charges: Towns and villages High demand car parks Extend charging from 8-10pm Additional car parks | 166 | 0 | 1 | 167 |
| P6 | Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits Business and workers permits / Health visitor permit costs | 132 | 0 | 0 | 132 |
| P7 | Car Parking Charges – Review of on-street charges | 44 | 0 | 0 | 44 |
| P8 | VCS Infrastructure Support Contract - full withdrawal | 50 | 0 | 4 | 54 |
| P9 | Youth Services Teams – Service review | 12 | 0 | 0 | 12 |
| P13 | Sports & Leisure Fees and Charges increase | 10 | 0 | 0 | 10 |

| REF | Proposal | Number of comments | | | |
|-----|--|--------------------|-----------|----------------|-------------|
| | | Online Survey | Media | Letters/ email | Total |
| P14 | Strategic Review of Libraries | 24 | 3 | 1 | 28 |
| P15 | Bradford City Centre Visitor Information Centre Closure and move tourist information to City Library *subject to due diligence on energy, FM, disposal, security costs etc. | 2 | 1 | 0 | 3 |
| P16 | Strategic Review of Sport & Leisure Facilities | 21 | 6 | 0 | 27 |
| P17 | Car parking - Ilkley Lido car park - introduction of charges | 68 | 0 | 1 | 69 |
| P18 | Review of Cultural Grant Funding | 3 | 6 | 0 | 9 |
| P22 | 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs | 508 | 60 | 61 | 629 |
| P23 | Household Waste Recycling Centre - Monday closures (Trial) (commenced pilot Dec 2023) | 1 | 0 | 0 | 1 |
| P25 | Fly Tipping Fees and charges increase (change in national policy July 2023) | 0 | 9 | 0 | 9 |
| P28 | Garden waste- fees and charges uplift and amended discounts | 1 | 0 | 0 | 1 |
| P29 | Charity bulk collection - change of operation and funding | 1 | 0 | 0 | 1 |
| P30 | Waste collections - reduction of rounds | 0 | 1 | 0 | 1 |
| X4 | Review of workforce T&Cs and benefits. Streamline and simplify workforce allowances and benefits. | 1 | 0 | 0 | 1 |
| | Not related to proposals for consultation | 344 | 0 | 5 | 349 |
| | Blank – no comments made in the response | 192 | 0 | 0 | 192 |
| | Total | 1743 | 89 | 84 | 1916 |

4. Public and stakeholder feedback on the proposals

4.1 There were 1706 online surveys submitted.

What the responses to the survey told us (A graph will be inserted on closure of the online survey)

4.2 Over 99 percent of respondents who responded to the online survey, lived, worked, or had a business in Bradford, with just over two percent of survey submissions made on behalf of an organisation or partnership.

- 4.3 A majority of respondents when asked stated they either disagreed or strongly disagreed:
- With how the Council intends to spend its budget this year, (80 percent)
 - That Council services should be reduced to a level where council tax bills do not need to be increased (59 percent)
 - That more funds should be raised through a higher council tax increase to maintain current Council service provision (56 percent)
 - That some services should be reduced so that only a slight increase in council tax is needed (50 percent)
- 4.4 The overwhelming majority of concerns raised are related to the proposal to close a number of Household Waste and Recycling Centres (HWRCs) (629 comments) – with the proposal to close Golden Butts HWRC drawing 292 comments. This feedback is reflected in Annex 1.
- 4.5 Three public petitions have also been reviewed by the Council about the proposals as follows:
- ‘Stop Bradford Council Closing Ford Hill Queensbury HWRC Tip’ – 1621
 - Save Ilkley Tip - 3593 signatures
 - A petition objecting to the closure of Ingleborough Hall – 3028 signatures
- 4.6 One petition was received at Council on Tuesday 12 December 2023. It was resolved it would be considered by Council Executive as part of the budget proposals:
- A petition requesting reconsideration of the decision by the Council to close Victoria Hall, Queensbury - 2428 signatures
- 4.7 This year has seen a further increase from last year on response rates to the consultation. Online survey responses have been focussed on proposals where reduction in services to residents are indicated (Household Waste and Recycling Centres) and where charges to residents will be introduced or increased (Parking Permits, increases in car park charges and on street parking charges increases).
- 4.8 A high number of comments received (344 comments) were not related to the budget proposals for consultation. These will be presented back to departments and services to consider outside of this consultation.
- 4.9 Focus group feedback has significantly differed with most interest expressed around proposals to: remove entirely the Place contribution to the Voluntary and Community Sector Infrastructure Commission, and to reduce the Stronger Communities Team.

Trade Union/Staff Feedback

4.10 The Trade Union budget consultation process commenced with the Chief Executive's and CMT's consultation meeting on 3 January 2024 with all the Trade Unions invited. On 11 January an extra-ordinary meeting (OCJ1) was held between the Unions and Corporate Management Team.

Some Key themes from subsequent Union meetings include:

- Lack of alignment between proposals and strategic intent. For example, closing the visitor centre before City of Culture 2025.
- Why specific teams had been the focus for deep reductions. For example, the Stronger Communities Team.
- Clarifying staff would be involved in review processes to ensure that their views impact the outcome.
- Ensuring that equality considerations had been robustly applied to the staff impact as well as community.
- Requesting additional information to allow effective consultation and to clarify next steps for staff impacted by potential redundancies. For example, requesting the costs of repairing Ingleborough Hall and clarifying redeployment opportunities.

Alternative proposals submitted by Trade Unions/staff are being managed through the Trade Union/Staff consultation process. Summaries of the proposals and Council responses are provided in Annex 1.

4.11 A Virtual staffing briefing took place on 3 January where staff were informed about the budget proposals and how they could impact services and employees. Recordings of this briefing were available for any staff unable to attend the briefings in person. Employees had the opportunity to ask questions and make suggestions as to how the Council might do things differently.

4.12 Through an online suggestion scheme, staff had also been invited to submit their suggestions about how the Council could do things differently. A total of 355 suggestions were received. Proposals ranged from suggesting reviews of HR policies including; increasing working from home, introducing a voluntary redundancy process and allowing flexibility in sourcing the cheapest travel, to working more efficiently such as by having flexible job roles, having recruitment champions within departments, and targeting absenteeism through a greater focus on wellbeing. Departments and services were asked to consider these suggestions when drawing up proposals for change.

5. Background documents

Equality Impacts for Budget Proposals 2024-25: [Budget Proposals 2024-25 EQIAs](#)

Annex1: Consultation feedback and suggestions against the budget proposals and equality impacts

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|---------------------------------|--|--|---|---|
| | Council tax increase of 2.99% | Raising the amount of Council Tax payable on a property could have a disproportionate impact on people on low incomes. | <p>Council Tax Reduction Scheme Those applying for Bradford's Council Tax Reduction (CTR) scheme and who meet the scheme's criteria can receive:</p> <ul style="list-style-type: none"> • 100% reduction in Council Tax for pensioners or a partner of a pensioner • Up to a maximum 70% reduction on a Band A property charge for those of working age (and not a partner of a pensioner). <p>One of the criteria for securing the CTR is being on a low income; the scheme is means tested.</p> | <p>64 responses were received through the online survey. The majority were against any increase.</p> <p>No comments were received in response to social media posts or news releases.</p> <p>A statutory partner raised this may deepen poverty, with further calls on services. Focus groups were also concerned with ability to pay.</p> <p>Summary of feedback: Those responding did not want to pay more for less services, with some stating enough was paid already. Others suggested government should pay and were to blame, others commented that Ilkley was carrying the burden.</p> | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ People are struggling to pay already. ▪ Fairer system needed for deprived areas ▪ Affluent areas/richer people should pay more <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ 99 respondents to the online survey suggested enforcing Council Tax Payment ▪ Review charge on second homes and extended properties ▪ Increase council tax to avoid cuts. ▪ Freeze it ▪ Stop spending on vanity projects ▪ Council should stay within its means ▪ Distribute funds fairly around Bradford ▪ Make people pay for services in their area only |
| | Social Care Precept increase 2% | As above | As above – this is included in the Council Tax reduction Scheme | Some said that essential services were needed. | |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|------|--|---|--|---|--|
| | | | | <p>There were comments about poor management of staff and money, vanity projects, suggested residents were being punished, that Keighley needed independence – stop reductions in Worth Valley</p> <p>Others stated that the system needed reform.</p> <p>One respondent commented that too much was used to service adult and children's social care whilst cutting back on other services.</p> <p>A question was asked as to why reduce CT staff when bringing in the money and why was CT cheaper in London?</p> <p>A comment was made that the Social Care precept had doubled since 2019</p> | <ul style="list-style-type: none"> ▪ Reduce the number of Council buildings ▪ Bigger reductions for single people ▪ Give people more say on how the money is spent. ▪ Allow in year council tax reviews ▪ Link rises to inflation ▪ Declare bankruptcy ▪ Lobby government about the Bradford Children's and Families Trust ▪ Make people redundant as a last resort, ▪ Raise, and reduce services and staff ▪ Reduce CT to increase spending power ▪ Spend money on statutory services ▪ Make council's cost effective and efficient ▪ Review council workers pay |
| ASC1 | Older People's Service ASC Prevention Strategy - Older People's Services | Older people would predominantly be affected by this proposal | We will undertake individual assessments and carry out extensive engagement with people, carers, and advocates to ensure support solutions | <p>One respondent to the online survey raised this but did not comment.</p> <p>A statutory partner was concerned that changes</p> | <p>Equality impact feedback: Vulnerable people</p> <p>Suggested changes from consultees to the</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|------|--|--|---|---|--|
| | | | and packages of care are appropriate to the person's needs. This will enable us to meet our duty under the Care Act 2014 1 and mitigate against any disproportionate negative impact on any person with a protective characteristic. | may impact on vulnerability and exploitation | proposals: N/A |
| ASC2 | Adults Disability Service ASC Prevention Strategy - Adults with Disabilities | Disabled people would be predominantly affected by this proposal | We will undertake individual assessments and carry out extensive engagement with people, carers, and advocates to ensure support solutions and packages of care are appropriate to the person's needs. This will enable us to meet our duty under the Care Act 2014 1 and mitigate against any disproportionate negative impact on any person with a protective characteristic. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via t social media posts or press articles. A statutory partner was concerned that changes may impact on vulnerability and exploitation | Equality impact feedback: Vulnerable people Suggested changes from consultees to the proposals: N/A |
| ASC3 | Adults Social Care Transforming Our Service Offer | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. | Equality impact feedback: Vulnerable people Suggested changes from |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|--|---|---|
| | | | | <p>No comments were received via social media posts or press articles.</p> <p>A statutory partner was concerned that changes may impact on vulnerability and exploitation</p> | <p>consultees to the proposals: N/A</p> |
| CH1 | <p>Children’s Services Outdoor Centres – Closure or Sale of Ingleborough Hall</p> | <p>This proposal will predominantly impact children and young people and children and young people with disabilities</p> | <p>Bookings for Ingleborough Hall will be moved to Buckden House to enable students to continue to experience outdoor activities in the Dales.</p> | <p>82 responses were received through the online survey</p> <p>Six letters and emails were received</p> <p>One petition was received.</p> <p>A statutory partner was concerned that changes in Children’s spend may impact demand on other services.</p> <p>Focus groups commented on this proposal, suggesting it could be repurposed to provide care, turned into a Trust. This was the main proposal raised by the public at the virtual consultation meeting.</p> <p>Summary of feedback::</p> | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ Young people ▪ Important provision for children with SEND <p>Suggested changes from consultees to the proposals</p> <ul style="list-style-type: none"> ▪ Focus on community resources ▪ Help people to become less dependent on council services ▪ Keep the bigger Ingleborough Hall open as it can accommodate Buckden Hall bookings ▪ Make Ingleborough Hall profitable ▪ Encourage more use of the Hall instead of closing it |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|---------------------|-------------------|------------|--|--|
| | | | | <p>Keep children’s areas open, don’t cut as good for children’s development, mental health and increases interest in the environment, closure will lead to longer term problems, , will increase inequality, put strain on future adult and children’s services, outdoor education more important than ever, issues with Buckden Hall, Ingleborough Hall is unique, great memories for many, an asset that needs retaining for future children – can only be sold once, many were saddened at the proposal, it’s accessible, £200k saving isn’t worth closing the Hall or, government at fault, asset is poorly advertised, covenant states it must be used for education, invaluable for introducing children into the great outdoors – some who wouldn’t get this type of experience otherwise, school has use the facility for the past 30 years, has positively impacted young</p> | <ul style="list-style-type: none"> ▪ Go bankrupt – all councils need to ▪ Stop targeting outlying areas for cuts ▪ Spread cuts evenly ▪ Council failing ▪ At least wait till the end of the school year, ▪ Invest in young people ▪ Sell the land only ▪ Open to other councils ▪ Better advertise the outdoor provision to get more using it. ▪ Turn into a Trust ▪ Use to provide care ▪ Raise council tax ▪ Explore a Community Asset Transfer ▪ Reduce operating hours |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|---|--|-------------------------------------|--|---|
| | | | | people's lives, don't sell assets, schools are more likely to go to a fully catered facility. | |
| CR1 | Estates & Property Further Estate Rationalisation to deliver Estate Running Cost Savings | There were no equality impacts identified in this proposal | | Seven responses received via the online survey. One in favour and one against the proposal One comment was posted following a Council social media post. Summary of feedback: Buildings are not required as hybrid working arrangements, counterproductive to sell income generating assets, | Equality impact feedback: N/A Suggested changes from consultees to the proposals Review senior management, install solar panels, reduce the number of buildings used. |
| CR2 | Estates & Property Renewable energy - Solar PV building installations on retained estate (NB not Solar Farms) | There were no equality impacts identified in this proposal | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation means. | Equality impact feedback: N/A Suggested changes from consultees to the proposals Related to another proposal was to put solar panels on all public building. |
| CR3 | Estates & Property Traded Services. | There are some impacts identified due | This would be mitigated through the | Respondents to the online survey did not identify this | Respondents to the online survey did not identify this |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|--|--|---|
| | Catering/Cleaning & Other Catering | to potential staffing reductions and the age of the workforce. | redeployment process and identifying other roles in the Council | proposal as one of interest to them. No comments were received via other consultation means. | proposal as one of interest to them. No comments were received via other consultation means. |
| CR4 | Estates & Property Continue to charge rent during the Community Asset Transfer application process | There were no equality impacts identified in this proposal | | Respondents to the online survey did not identify this proposal as one of interest to them. One written submission was received from Keighley Town Council Summary of feedback: Keighley Town Council seek acknowledgement from Bradford Council that devolving assets and services to town and parish councils can protect them. Would be willing to be involved in planning this the Council | Equality impact feedback: N/A Suggested changes from consultees to the proposals Devolve assets to Parish and Town Councils |
| CR5 | Estates & Property Allotments – removal of subsidy | There is potential for a limited but disproportionate impact on low income and/or retired individuals who form a greater proportion of allotment | A number of concessions operate, e.g., for pensioners and the unemployed and other vulnerable groups, which will serve to mitigate the impact of the increase. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via social media | Equality impact feedback: Impact on older people and those on low income Suggested changes from consultees to the |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|------------|--|---|
| | | users than the general population | | <p>posts or press articles.</p> <p>An email was received regarding this proposal.</p> <p>Summary of feedback: There are many health benefits to having an allotment, many people who have them are older and on low income, consider re-instating lower rates for those receiving the state pension.</p> <p>A participant at the learning disabled focus group also commented that this was at odds with the Food Strategy.</p> | <p>proposals Re-instate the concessionary rate for those receiving state pension.</p> |
| CR6 | <p>Finance, IT & Procurement Expand the Purchasing Card Rebate Scheme with Lloyds</p> | There were no equality impacts identified in this proposal | | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> |
| CR7 | <p>Human Resources Sustaining workforce and learning development by</p> | There were no equality impacts identified in this proposal | | Respondents to the online survey did not identify this proposal as one of interest to them. | Respondents to the online survey did not identify this proposal as one of interest to them. |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | bringing in house the staff survey and optimising internal L&D provision. | | | No comments were received via other consultation methods. | No comments were received via other consultation methods. |
| CR8 | Human Resources Increase income in HR Traded Services through delivery of service to Schools - based on volume increases rather than rate increases. | There were no equality impacts identified in this proposal | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| CR9 | Human Resources Remodel annual Long Service Awards (seek sponsorship) | This will impact on older members of staff as this relates to long service. | This was a benefit to older staff members, so this brings them in line with all other staff members. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| CR10 | Human Resources Review Staff Network Budget and RESPECT | Medium impacts were identified across all protected characteristics | Employers are required to manage workplace risk, implementing mitigations to help eliminate/manage risk. That would include workplace health. As best practice, employers should offer suitable support | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | interventions that promote workplace health or support staff to return to the workplace. All of which helps to reduce overall workplace absence and reduce costs of sick absence. | | |
| CR11 | Human Resources Cease the paid-for Council Counselling Service when the contract ends (Nov 2025) and optimise use of other free counselling service provisions in operation. | There is potential for this change to have a negative effect/impact on people who share a protected characteristic, as it could affect their mental health and wellbeing. | There will be a greater emphasis to self-manage their mental health. There will be signposting to external sources of counselling | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |
| CR12 | Legal Services Increased charges for external (non-Bradford) residents for non-invasive scans at the mortuary: Increase charges from £450 to £550 from 24-25 | This change does not impact Bradford Residents. Medium impacts were identified against religion/belief and low income/low wage | No mitigations identified as it is an elective service for the families of those not residing in Bradford | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |
| CR13 | Revenues, Benefits & Customer Services Funding for Assisted Purchase Scheme & Fuel top ups to be entirely externally | This will move the funding, the service to residents will remain the same. A low impact was identified against low income/low wage | The scheme will be administered by another organisation and/or other sources of financial support will be identified in the community and for sign posting of residents on low income/low wage. | Three responses were received through the online survey Summary of feedback: Funding for the staff is ring-fenced so no saving would be made by removing the | Equality impact feedback: Low income and most vulnerable will be impacted Suggested changes from consultees to the proposals |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | funded (both the delivery of support and the staffing resource required to administer it) – otherwise cease service or offer to partners to deliver | | | service, these are services to the most vulnerable | <ul style="list-style-type: none"> • Make it referral only • Agree discounts with suppliers/help charities with costs to deliver • Reduce tops ups received by households |
| CR14 | Revenues, Benefits & Customer Services - Increase court costs for Business Rates and Council Tax from £110 and £85 respectively to £125 and £100). | Low impacts were identified against age, disability, pregnancy and maternity and low income | Use of informal stages to recover debt that involve early engagement with those in arrears | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods</p> | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods</p> |
| CR15 | Revenues, Benefits & Customer Services Apply local discretion to allow for a 100% premium for long term empty and unoccupied properties after the property has been empty for 1 year rather than the current 2 years | If an empty property is owned by someone on low income there would be an impact. | Use of informal stages to recover debt that involve early engagement with those in arrears | <p>Two responses were received through the online survey</p> <p>Summary of feedback: Agree with the proposal, concerned about proposed cut to VCSE SIP commission and impact on small VCS organisations.</p> | <p>Equality impact feedback: N/A</p> <p>Suggested changes from consultees to the proposals</p> <ul style="list-style-type: none"> ▪ Review charge on second homes ▪ Extend to business premises ▪ Request more from government ▪ Cut council departments |
| OCX1 | Office of the Chief Executive | The reduction in the use of print materials | There are some accessibility benefits to | One comment was received via a focus group. | Equality impact feedback: |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | OCX Efficiencies (staff & print) | could impact some people with disabilities and also those who are digitally excluded. | increased use of digital which will be delivered through decreased use of print. Facilities are available in all council libraries where residents can access copies of digital information | Summary of feedback: The learning disabled focus group raised accessibility as an issue and that more support would be needed by some to access information if it was all on line. | Disabled people Suggested changes from consultees to the proposals: N/A |
| OCX2 | Office of the Chief Executive Better Use of Grants - One off only in 24-25 | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |
| OCX3 | Office of the Chief Executive Cease sponsorship Of events run by partners. | There is no disproportionate impact identified as the current programme includes residents from all protected characteristics. | Social media and other council channels will be used to celebrate successful businesses and individuals. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |
| OCX4 | Office of the Chief Executive HDRC Substitute base positions | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | consultation methods | consultation methods. |
| OCX5 | Office of the Chief Executive Public Health – Tobacco reduction fund | | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P1 | Economy & Development Mandatory HMO Licensing covering staff costs | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods |
| P2 | Economy & Development Economic Development Service – Service review | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. Two comments were made against Council social media posts Summary of feedback: Concern that funds are spent on unneeded projects such as 1 City Park | Equality impact feedback: N/A Suggested changes from consultees to the proposals Stop spending on 'vanity projects' and deliver core services Reinstate old Kirkgate market as an indoor multi-purpose space Stop spending money on |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | | Bradford and consider Keighley |
| P3 | Neighbourhood & Community Services Stronger Communities team – Service review | The proposal is likely to impact all communities of Bradford, however the team has a specific focus on supporting new and emerging communities, representative groups who share protected characteristics, and progressing the aims and actions in the Stronger Communities strategy which is about integration and cohesion. | Prior to this team being established, the Stronger Communities Co-ordinator and the wider teams of the Neighbourhood Service worked with front line communities and locality VCS partners. This proposal would assume this previous method of delivery. The work of the team will be subsumed into the area teams, with leadership and strategic direction to continue to be delivered and supported by the Stronger Communities Co-ordinator. A Senior Ward Officer and Area Co-ordinator will take a lead on being a named contact for each protected characteristic group. | Eight responses were received through the online survey. A written submission was received from the Stronger Communities Together Board presenting an alternative proposal (this is presented along with the Council's response later in this document). A submission was received from a staff trade union presenting an alternative proposal. Statutory partners commented on the valuable work and connections built through the team, implementation could be disruptive to Bradford This proposal came up at 11 focus group meetings and partners meetings where those attending were against the proposal. | Equality impact feedback: <ul style="list-style-type: none"> Impact across all communities Roma and African communities – organisations supporting people to access services Providing awareness training for services about the Roma community Suggested changes from consultees to the proposals <ul style="list-style-type: none"> Reduce the Team and keep it central, reduce working hours across the council to release funds needed. Offer incentives to attract businesses to promote cohesion through prosperity. |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | <p>Summary of feedback: concerned about the impact on the district's cohesion and reputation, on the support available to new communities and developing community groups. Concerned about maintaining what has been built with the team across faith and communities, feared that trust and relationship would be lost. Described as the broker between statutory services and communities, concern raised about impact of the proposal on other services and ability of groups to supported to continue.</p> | |
| P4 | <p>Neighbourhood & Community Services Car Parks Standardisation of Charges: Towns and villages High demand car parks Extend charging from 8-10pm Additional car parks</p> | | | <p>12 responses were received through the online survey</p> <p>A written submission from Addingham, Parish Council requested that free parking is reinstated, and to consider transferring the car park sites to them.</p> <p>Keighley Town Council requested devolvement of</p> | <p>Equality impact feedback: N/A</p> <p>Suggested changes from consultees to the proposals Devolve assets to parish and town councils</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | <p>assets and services to Parish and Town Councils</p> <p>A statutory partner was concerned this could lead to anti-social parking and impact community safety but parking is cheaper here than elsewhere</p> <p>Summary of feedback:: This will ruin small businesses, increase anti-social parking, impact community safety, deter people from towns and villages</p> | |
| P6 | <p>Neighbourhood & Community Services Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits Business and workers permits / Health visitor permit costs</p> | <p>Proposed increased charges are likely to impact lower income residents who are in areas with resident only parking on street. This proposal may impact residents who are disabled, and older residents who park on street.</p> | <p>There will be promotion of alternatives to car usage including public transport. For people with disabilities, this may require further consultation to understand any disproportionate impact they may potentially experience. Blue badges will apply to residential parking.</p> | <p>132 responses were received through the online survey</p> <p>Summary of feedback: Unfair, pay council tax, object to cuts in Ilkley, disagreed with the permit scheme, not residents fault the council can't manage its money should remain free, poorer won't be able pay, don't charge people to park outside their homes, Ilkley used as a cash cow</p> | <p>Equality impact feedback: Low income residents</p> <p>Suggested changes from consultees to the proposals</p> <ul style="list-style-type: none"> • Roll out into Steeton • Review home to school taxis • Issue paper permits • Charge for second cars only • Get rid of the scheme |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | | <ul style="list-style-type: none"> Charge people to park on their own driveways |
| P7 | Neighbourhood & Community Services Car Parking Charges – Review of on street charges | This proposal may impact visitors and residents on low incomes. | | <p>44 responses were received through the online survey, most opposing the proposal.</p> <p>A statutory partner was concerned this could lead to anti-social parking and impact community safety but parking is cheaper here than elsewhere</p> <p>Summary of feedback: Too much, cuts to provision in Ilkley, will put visitors off, will impact businesses, don't implement, Increase charges will reduce pollution, could lead to anti-social parking.</p> | <p>Equality impact feedback: N/A</p> <p>Suggested changes from consultees to the proposals Reduce salaries in the Council Reduce management Don't implement the proposal</p> |
| P8 | Neighbourhood & Community Services VCS Infrastructure Support Contract - full withdrawal | The proposal is likely to impact all communities of Bradford, rather than any specific community, or community of interest. There are organisations who are supported by this contract who work with residents who share protected | There is a robust mechanism to collect views, voices, and enable influencing of policy and process in the public sector for the VCSE. The funding also enables VCSE leadership to support, encourage and increase participation of smaller, | <p>50 responses were received through the online survey, none were in favour of the proposal</p> <p>Four written submissions were received, none were in favour of the proposal</p> <p>11 focus groups with the VCS and others opposed</p> | <p>Equality impact feedback: Across all protected characteristics and communities - concern especially for new communities in Bradford</p> <p>Roma and African communities – organisations supporting</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | <p>characteristics as well as groups who work across groups. The work of the VCS in Bradford is more likely to be with residents from all groups who are on a lower income and there may therefore be an equality impact to residents on lower incomes.</p> <p>This proposal does not directly impact the delivery of services by VCS groups to residents including those who share protected characteristics, but the reduction in support for training, information sharing and building capacity may have an equality impact.</p> | <p>marginalised communities. This can be mitigated through re-focusing the Area /Neighbourhood Offices and the community partnership locality managers to include support and inclusion for these groups within locality arrangements.</p> | <p>the proposal.</p> <p>An alternative proposal was received from the CABAD and partners (presented later in this document with the Council's response)</p> <p>Statutory partners were concerned that this could have an impact on vulnerable 'street-based populations' and related ASB, the support was needed to keep smaller VCS organisations operating.</p> <p>Summary of feedback: Will result in small VCS organisations and Groups folding as won't have access to support and training, will lead to more referrals to higher cost statutory services, people's situations/conditions getting worse, coupled with the proposed cut the safer communities team, will leave communities with nowhere to go and damage community cohesion, investigation required into</p> | <p>people to access services Providing awareness training for services about the Roma community</p> <p>Suggested changes from consultees to the proposals Alternative proposal received was to reduce the cut, phase any cut over time and use grant funding (UKSPF) to finance.</p> <p>Reduce spend on staff and buildings, reduce staff across the council to release funds needed to keep this contract.</p> <p>Complete Community Asset Transfers across the district.</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | how proposal decisions affect VCS sector, Council staff do not have the skills or capacity to deliver the support to the VCS. | |
| P9 | Neighbourhood & Community Services Youth Services Teams – Service review | This proposal is in relation to services for young people | There is no planned reduction to face to face services for young people in the proposal | <p>12 responses were received through the online survey</p> <p>A statutory partner commented that aligning Shipley and Keighley fits with Children’s current model.</p> <p>Youth Ambassadors commented on what support should look like in the future, and that more prevention and early intervention provision is needed.</p> <p>Summary feedback: It will impact effectiveness of the teams, any reduction in activities could lead to anti-social behaviour, a need in Burley-in-Wharfedale for support, reduction in management will impact frontline delivery, large area to cover.</p> | <p>Equality impact feedback: Young people</p> <p>Suggested changes from consultees to the proposals Reduce higher management costs Remove the service completely as VCS can deliver district-wide</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| P10 | Neighbourhood & Community Services Neighbourhood Teams – Service review (relationship to locality working transformation programme) | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P11 | Planning, Transport & Highways Capitalisation of staff support for Transport Fund Schemes in PTH | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P12 | Planning, Transport & Highways Highways Services - Discretionary Fees Increase | This proposal may have an impact on low-income families who undertake work needing skips. | The proposal is mostly aimed at businesses. May consider developing a charging policy to allow reductions in charges where there are mitigating circumstances | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P13 | Sport & Culture Sports & Leisure Fees and Charges increase | This proposal may impact low-income families. This may have a disproportionate impact on disabled residents | Mitigations for low-income residents include the Passport to Leisure offer which offers discounted activity costs. This applies to young | 10 responses were received through the online survey A statutory partner was concerned that the proposal | Equality impact feedback: May impact low income households Suggested changes from |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | who use the council facilities as they are accessible. | people aged 16/17, residents over 60, full time students, asylum seekers, residents on job seekers allowance, employment and support allowance, PIP and DLA, carers allowance and fostering allowance. Passport to leisure is also available to residents on housing benefit, council tax reduction (not on single person discount), income support, JSA, pension credit, universal credit and working tax credit. | could lead to an increase in anti-social behaviour Focus groups were concerned that this would exclude people and may impact health and wellbeing Summary of feedback: Disagree with the proposal, stop closing tips and swimming pools, could prevent people using, may lead to increases in anti-social behaviour, need access to affordable leisure services, helps to improve health and wellbeing | consultees to the proposals Increase pool costs to cover parking Scrutinise all spending Improve Eccleshill facilities, keep it open Use money from the clean air zone Continue funding Have more facilities Close centres for sport without swimming pools |
| P14 | Sport & Culture Strategic Review of Libraries | The review itself is not expected to have a negative or disproportionate effect on people with a shared characteristic. | Equalities data will be used as part of the review and consultation will be carried out to ensure as many people as possible have the opportunity to engage. | 24 Responses were received through the online survey One written submission was received opposed to the proposal Summary of feedback: Concern raised that the promised Baildon Library may not happen, don't close Eccleshill Library, libraries needed as offer access to services, | Equality impact feedback: Low income, young people Suggested changes from consultees to the proposals Use more volunteers Don't close or cut |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | educational, needed during the cost of living crisis | |
| P15 | Sport & Culture Bradford City Centre Visitor Information Centre Closure and move tourist information to City Library | There may be impact from this proposal on residents who are older and may be more used to using face to face services. | The mitigation will be the delivery of the service and information from the library which is very close to the existing Tourist Information Centre. The services will be continued for visitors and residents. | Two responses were received through the online survey. One comment was posted in response to Council social media posts, attracting four likes. Summary of feedback: Keep open for City of Culture | Equality impact feedback: N/A Suggested changes from consultees to the proposals Keep open (for City of Culture 2025) |
| P16 | Sport & Culture Strategic Review of Sport & Leisure Facilities | It is unknown at this time as the proposal is to undertake a strategic review of sport and leisure centres. | The proposal to undertake a strategic review of sport and leisure centres may reduce the availability of sports facilities. Each facility serves a unique catchment area and any decisions taken subsequently will be subject to further Equality Impact Assessments. | 21 responses were received through the online survey. Two comments were received following Council social media posts. A petition seeking reconsideration of the decision to close Victoria Hall, Queensbury was received at Council in December 2023 Summary of feedback Ilkley pool is a necessity, cutting low hanging fruit – | Equality impact feedback: N/A Suggested changes from consultees to the proposals Consider PFI schemes, investment Develop to increase income |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | | | pools, libraries, waste sites, need to be more competitive | |
| P17 | Sport & Culture Car parking - Ilkley Lido car park - introduction of charges | This proposal has the potential to impact low income families and communities, older members of the community and disabled members of the community as the cost to use the facilities would increase for those arriving by car and wanting to park | Mitigations would be to ensure that the active travel options including bicycle racks are easily available and publicised. Public transport concessions for older people would provide an alternative to car travel. Walking routes to the pool and Lido are good. The Passport to Leisure Scheme provides lower cost use of the pool and facilities to residents who are over 60, disabled or receiving a range means tested benefits. | 68 responses were received through the online survey One written submission was received with an interest in community asset transfer Summary of feedback: Ilkley pay enough council tax, oppose closure of the pool, will increase parking in the town, don't want 20MPH in the town and speed humps, residents don't want this, not all can pay, impact available parking for local people, parking will occur on Rupert Rd, Middleton Ave and Gilstead Way. | Equality impact feedback: Low income Suggested changes from consultees to the proposals Increase admissions price, Open Lido all year, Don't put speed humps in the town, Impose charge if parking for more than two hours Install solar panels Stop spend on unnecessary projects Review senior leadership/management. |
| P18 | Sport & Culture Review of Cultural Grant Funding | Low income families may be impacted There may also be impact on disabled and older residents in being able to access programmes in local communities. The communities which | The team will put more emphasis on working with the sector to raise further funds to ensure they reach those with protected characteristics. In addition, the grants programme for City of | Three responses were received through the online survey. Two comments were posted in response to Council social media posts, attracting 11 likes. | Equality impact feedback: N/A Suggested changes from consultees to the proposals Don't cut on run up to City of Culture |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | | the grants focus on also include those where there are high numbers of residents from ethnically diverse backgrounds. | Culture 2025 will be offering grants to organisations to enable the delivery of cultural activities which will ensure that cultural activity continues in all communities including those targeted through this grants programme. | Summary of feedback: Understand need to make savings but not the cultural grant | Expand grants to arts on run up to City of Culture |
| P19 | Sport & Culture Museums - 'pay what you think' admission charge | This may impact people on low income/ low wage who may not feel they are able to make a donation. | There will be no obligation to pay an admission fee or to donate. This will be made clear to residents who attend the museums. Museum access for schools will continue to ensure that young residents from all communities will have access to the museums. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P20 | Sport & Culture Museums - review of schools learning charges | Young people will be impacted positively | This proposal will increase access for children to the museums | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P21 | Sport & Culture | | | Respondents to the online | Respondents to the online |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
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| | Booking fee uplift - theatres (implemented from 1st Dec 2023) | | | <p>survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> | <p>survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> |
| P22 | Waste Services 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs | This proposal may impact low income residents and could potentially also impact older residents and residents with disabilities. | <p>The proposal will ensure that a HWRC remains in each constituency area where residents are able to access HWRC facilities.</p> <p>Council response to consultation: To mitigate the impact on residents, conversations and negotiations are taking place with other local authorities to gain permission for residents to use sites closer to their homes.</p> | <p>508 responses were received via the online survey</p> <p>200 were general comments about the proposal</p> <p>250 were opposing the closure of Golden Butts HWRC</p> <p>43 were opposing the closure of Ford Hill HWRC</p> <p>15 were opposing the closure of Sugden End HWRC</p> <p>50 Letters and emails were received opposing the closures – 34 respondents opposed the closure of Golden Butts, 18 opposed the closure of Sugden End and three opposed the</p> | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ Adverse impact on young people's mental health, ▪ Older people/age – increased travel may not be possible ▪ people with disabilities and low income households in relation to extra time and fuel needed to access a HWRC. ▪ Those without cars ▪ Those with health conditions, e.g., those who need a sharps drop, will suffer <p>Suggested changes from consultees to the proposals</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|---------------------|-------------------|------------|--|--|
| | | | | <p>closure of Ford Hill. This included a submission by Addingham Parish Council who opposed the closure of Golden Butts HWRC and comments that it would reduce recycling rates, increase the carbon footprint due to additional travel and probably increase in fly tipping – concern fly tipping will happen on Ilkley Moor</p> <p>Two petitions were received by the Council opposing the closures of Golden Butts and Ford Hill HWRCs.</p> <p>Three comments were posted in response to Council social media posts, attracting nine ‘likes’.</p> <p>VCS Young Lives Forum opposed the proposal on the grounds that it would impact young people’s mental health.</p> <p>Two Parish and Town Council objected to the proposal.</p> | <ul style="list-style-type: none"> ▪ Consider the gritting facility at the Queensbury site ▪ Divert the money from the speed humps at Ilkley to keep Golden Butts open ▪ Reduce opening hours to keep all the tips open ▪ Keep either Ford Hill or Sugden End open. ▪ Close Keighley Tip instead, or close one in an non-rural area ▪ Work with other local authorities ▪ Charge for permits (nominal) – charge related to cost of fuel to use an alternative site ▪ Save money by not replacing street lights/signs ▪ Use money from diversity training to keep tips open ▪ Reduce agency staff ▪ Reduce personal expenses ▪ Cancel the City of Culture ▪ Sell the new office block just built ▪ Install solar panels on all public buildings |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|---|---|---|
| | | | | <p>It also came up in other focus groups, with participants being opposed to the proposal.</p> <p>Summary of feedback: Increases expected in fly-tipping, and air pollution, missing recycling targets, more vermin, integral to environmental efforts, contrary to Bradford's stated environmental policies and could be legally challenged, inconvenient to residents, unacceptable, will strain other sites, increase Anti-social behaviour, rates used to pay councillors, concerned where people rely on tips as have no rubbish collection in some rural areas, Ilkley residents do not want speed bumps but do want a tip.</p> <p>Provide assurance that reciprocal arrangements stand with Otley Road site in Leeds.</p> | <ul style="list-style-type: none"> ▪ Increase Council tax ▪ Remove outlying communities from Bradford ▪ Sell the Ilkley shopping centre and use proceeds to support the Clarke Foley Centre ▪ Stop spending money on Bradford and consider Keighley – keep the tips ▪ Stop spending on things that are not needed (i.e., peregrine bird boxes) |
| P23 | Waste Services Household Waste | This proposal will have negative impact on | Residents will still be able to access HWRC's | One response was received via the online survey. | Equality impact feedback: |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|---|--|--|---|
| | Recycling Centre - Monday closures (Trial) | residents who could only attend HWRCs on a Monday. There is no identified disproportionate impact for people who share a protected characteristic. | for the rest of the week | <p>The Young Lives Forum were concerned that reduced hours would result in more fly tipping and damage young people's mental health</p> <p>One comment along with 63 comments made in relation to the closure of 3X waste sites, suggested reducing opening hours as an alternative.</p> | <p>Reduced opening times could impact young people's mental health due to increased fly tipping</p> <p>Suggested changes from consultees to the proposals Reduce opening hours</p> |
| P24 | Waste Services Permit Refresh – HWRC sites | There were no equality impacts identified in this proposal at this stage | N/A | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> | <p>Respondents to the online survey did not identify this proposal as one of interest to them.</p> <p>No comments were received via other consultation methods.</p> |
| P25 | Waste Services Fly Tipping Fees and charges increase | There may be a disproportionate impact on lower income families/ individuals who are fined for these offences. Inability to pay will result in more prosecutions and criminalisation of the lower income demographic. | This rise would be supported through a communications campaign reminding residents of the rules and the penalties. This would be run on social media to ensure a wide reach. This will also advertise the services such as tips and the bulk waste | <p>Three respondents to the online survey raised this proposal as an issue but did not comment further.</p> <p>Nine comments were made in response to social media posts and press articles.</p> <p>Summary of feedback: Feedback was related to</p> | <p>Equality impact feedback: N/A</p> <p>Suggested changes from consultees to the proposals: N/A</p> |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|---|---|--|
| | | Most littering and occurs in inner city areas/ areas where there are fast food takeaways. This may cause a disproportionate number of FPNs to be issued in inner city areas. | collection service. This will also include targeted communications to businesses. The Early payment discount scheme would continue to allow the public to pay a low level of fine for early payment. | increases in fly tipping if other proposals are implemented, and comments were made about the current amount of fly tipping in the district. | |
| P26 | Waste Services Recycling disposal – dry mixed recycling – new contract | There were no equality impacts identified in this proposal at this stage | | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| P27 | Waste Services Bulk collection - fees and charges increase. | Negative impact could only be on residents using the service when having low income/low wage. | Other options for bulk waste disposal are available including charities who pick up for free. These details are outlined by constituency on the Council website. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. A comment was made at the Learning Disabled focus group that this could increase fly tipping. | Equality impact feedback: N/A Suggested changes from consultees to the proposals: N/A |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|---|--|--|--|
| P28 | Waste Services Garden waste- fees and charges uplift and amended discounts | There is potential impact on residents using the service who have low income. | The potential negative impacts identified can be mitigated as other options are available. | A comment made through the online survey, related to another proposal, was to reduce the cost so that more people used the service. | Equality impact feedback: N/A Suggested changes from consultees to the proposals: N/A |
| P29 | Waste Services Charity bulk collection - change of operation and funding | There were no equality impacts identified in this proposal at this stage | | One responder to the online survey indicated an interest in this proposal but did not comment further. | No comments were received via the consultation. |
| P30 | Waste Services Waste collections - reduction of rounds | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| X1 | Office of the Chief Executive Maximising Grant Funding | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| X2 | Office of the Chief Executive Departmental advertising | Low and medium impacts were identified across all protected characteristics related | Use of more sophisticated targeting of information by channel and segmentation along | Respondents to the online survey did not identify this proposal as one of interest to them. | No comments were received via the consultation. |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|---|---|--|---|--|
| | | to digital exclusion | with the use of points of access (alternative to digital provision) where communities can access information | No comments were received via other consultation methods. | |
| X3 | Human Resources Stop Placing Recruitment Adverts - costs based on Media.com spend only | Medium impacts were identified against race and sexual orientation due to reduced reach in particularly communities | Use of free opportunities to advertise posts and more in-house effort to encourage applications from under represented communities | One responder to the online survey indicated an interest in this proposal but did not comment further. No comments were received via other consultation methods. | No comments were received via other consultation methods. |
| X4 | Human Resources Review of workforce T&Cs and benefits. Streamline and simplify workforce allowances and benefits. | The equality impact of this has not yet been assessed as it is proposal for a review. | N/A | One responder to the online survey indicated an interest in this proposal but did not comment further. No comments were received via other consultation methods. | Equality impact feedback: N/A Suggested changes from consultees to the proposals: N/A |
| X5 | Revenues, Benefits & Payroll Contact (sic) management | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| X6 | Medium Term Financial Strategy | There were no equality impacts identified in this | N/A | Respondents to the online survey did not identify this | Respondents to the online survey did not identify this |

| REF | Proposal for change | Equalities Impact | Mitigation | Consultation feedback about the proposal | Consultation equality impacts feedback /suggested changes from consultees to the proposals |
|-----|--|--|------------|--|---|
| | Business Rates Related Distributions | proposal at this stage | | proposal as one of interest to them. No comments were received via other consultation methods. | proposal as one of interest to them. No comments were received via other consultation methods. |
| X7 | Medium Term Financial Strategy LCR Revolving Investment Fund Dividend | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods.. |
| X8 | Medium Term Financial Strategy Reduced added years pension contributions | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |
| X9 | Medium Term Financial Strategy Capital Scheme Review (outcome from 13th July Review) | There were no equality impacts identified in this proposal at this stage | N/A | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. | Respondents to the online survey did not identify this proposal as one of interest to them. No comments were received via other consultation methods. |

SUMMARIES OF ALTERNATIVE PROPOSALS SUBMITTED:

CH1 - Ingleborough Hall –A number of respondents have expressed an interest in acquiring/buying the property

Council response: We are unable to enter into detailed discussions around the potential transfer or purchase of the building until a final decision is made on this proposal at Budget Council.

OFFER AND PROPOSALS FROM THE VCSE SIP CONTRACT PARTNERS

P8 - VCSE Infrastructure Support Contract

CABAD, Participate, CNet, HALE, REN and the VCS Alliance to support the Council deploying a reduced VCSE SIP to minimise impact on the Council of the VCSE failure and mitigate Council service cuts, and specific proposals as follows:

1. Repurpose UKSPF funds (including residual funding across Area Offices from recent Pillar One expenditure) to invest in the SIP contract for 2024/25 (as done in Kirklees)
2. Support and approach to West Yorkshire Combined Authority for underspent Pillar One to be redirected to Bradford to support the shortfall
3. Flex on other contracts e.g., public health
4. Move any VCSE SIP Infrastructure contract from Department of Place to Adults and Community Services as VCS work is most aligned with adult social care and health (failing VCSE sector would cause most pressure on social care and health services)

Other proposals are being worked up by the sector, who would like to speak to the Council further. A further response will be made by them about the impacts identified in the Equality Impact Assessments, which they feel are underestimated

Council response:

The Council is always looking for ways to get the best possible outcomes for Bradford in terms of how it uses UKSPF funding and is in constant dialogue with WYCA about how these funds can be best used. These discussions will continue and any re-purposing that can be done will be assessed against its impact on securing the best outcomes for Bradford.

The details of a potential new contract with VCS partners are being discussed by the Council and representatives of the sector. The possibility to flex other contracts will be considered as part of the development of a new infrastructure contract. If this does not contain a contribution from Neighbourhoods & Community Services then another Department will lead on the contract. It is likely that any new contract to deliver infrastructure support will be particularly focused towards health and social care services.

FINAL OFFER AND PROPOSALS FROM THE VCSE SIP CONTRACT PARTNERS

An Offer of Support to Bradford Council Deploying a Reduced VCSE SIP to Minimise Council Budget Impact of VCSE Failure and Mitigate Council Service Cuts

The VCSE SIP providers would wish to see a collaborative co-design of the infrastructure delivery that:

- Is based on an agreed workable reduced level of Department of Place investment in the SIP contract for 2024/25, 2025/26 and beyond.
- Takes account of all available funds across the system
- Identifies which services are funded by the contract and which could be sourced or funded in other ways
- Meets the needs of the sector, infrastructure and partners, including Council and health
- Is deliverable and focusses on key agreed priorities

The VCSE SIP Providers would ask commissioners to consider the following:

- Year 2024/25 Department of Place contribution reduced by 50% - this will result in an immediate reduction in overall capacity which must be taken into account during the coproduction phase of jointly agreeing the way forward; other Council contributions have already been agreed to remain at current levels; agreement with NHS about their level of investment confirmed
- Year 2025/26 Department of Place contribution reduced further (to around 40% of current investment); all other contributions remain at the same levels
- Year 2026/27 Department of Place contribution reduced further (to around 30% of current investment); all other contributions remain at the same levels This proposal introduces a genuine phased reduction, allowing time for all partners to seek other ways to resource delivery; should earned income and/or external investment prove higher than expected the VCSE SIP providers would be happy to re-negotiate years 2025/26 and 2026/27.

Mixed funding model:

- Contributions from health
- Contributions from the Council
- Traded services (aimed both at the sector and statutory partners)
- Membership / subscription from the sector
- Funding from external funders
- Business contributions
- Work with the other West Yorkshire infrastructure organisations to create economies of scale.

Securing other funding / cost reductions

- Funding proposal prepared for regional and national funding bodies to support an innovative way to deliver infrastructure support; funding applications can take up to 6 months before they are awarded and therefore if successful, this funding would be available around Autumn of 2024
- Early conversations with VCSE infrastructure colleagues across West Yorkshire, discussing how infrastructure providers can collaborate to provide vital services to all 5 districts as all Council budgets become constrained. The conversation was positive and there is a strong collective commitment to move this work forward. Any agreed work is likely to start in early 2025.
- VCSE SIP providers have undertaken conversations with the VCSE sector to understand which services should continue, do less of or stop in order for them to continue to thrive. This has also involved conversations about charging models for some services and how to innovate around service delivery in order to reduce costs and/or income generate. It is clear there are opportunities that can be pursued here, but some of these would take time to implement. Organisations have been clear that they would need time to adjust to a model that involves increased charging
- Partners were already planning to increase their trading activity in order to support future reduction in contracts and grants. This activity has been paused to respond to the Council's budget proposals, but will continue from mid-February 2024.

Review of Accountability

We understand from recent conversations that, due to a reduction in the Place Department's contribution, a review of where the accountability for the contract sits has been considered. The logic of a reviewed VCSE SIP sitting it under Iain MacBeath, who is now the named CMT Director for the VCSE sector, has been considered and we would support this decision moving forward. Thank you for considering our response to the current budget proposal. We look forward to further conversations and are encouraged that we have been invited to be actively involved in finding the best solutions and outcomes for our sector and our communities.

Council response:

These proposals have been carefully considered by myself and relevant Council officers and I have to regretfully inform you and your colleagues that we are not able to recommend your proposal to the Executive as it does not enable us to achieve the necessary savings that we need to, in the timeframe that we are working to.

Whilst we recognise the great work that our VCS infrastructure organisations do, we are in an unprecedented time of financial difficulty for the Council, along with many local authorities in England, and have had to make very difficult decisions in terms of identifying savings that can be made to the existing base budget. These decisions and the planned outcomes from the proposals need to be delivered in a tight timeframe and we are required to guarantee that we meet the savings we have proposed. Therefore, we are unfortunately, in a position where we need to make the savings as set out in our original proposal. This includes a 6 month notice period with a projected saving of £322,000 in the year 2024/25. The full saving of £460,000 is not projected to be realised until 2025/26.

I understand that the details of a potential new contract with VCS partners is being discussed. Whilst this may not contain a contribution from Neighbourhoods & Community Services, other Departments within the Council, and the ICB, are proposing to continue to fund aspects of infrastructure support which will be particularly focused towards health and social care services.

The comments you have made and the alternative proposals you have submitted have been recorded as part of the budget consultation and along with this response will be included in the documents for consideration by the Executive to help them make their final decisions on the budget proposals.

Stronger Communities Together Board (SCT) response and counter proposal to BDMC plans

The response reflects views of the majority of SCT board members (excluding council officials and Councillors) and the bradfordforeveryone ambassadors network of volunteers (currently 27 members).

P3 – Stronger Communities Team (SCT) – Service review

Stronger Communities Together (SCT) response and counter proposal to BDMC plans to make significant financial savings to reduce the budget gap of around £121m in 2023 – 24 including reducing the staff complement of SCT from 11 at present to 1 saving £445k.

The response reflects views of the majority of SCT board members (excluding council officials and Councillors) and the bradfordforeveryone ambassadors network of volunteers (currently 27 members)

COUNTER PROPOSAL

SCT staff complement should be reduced to contribute to the financial savings required by BDMC but rather than reducing the complement from 11 to 1 as proposed in the BDMC plan a significant headcount reduction from 11 to 7 should be made instead.

The reduced team of 7 staff would include 5 staff covering the 5 Bradford and District constituencies supported by 2 managers/support and they would continue to manage the bradfordforeveryone ambassadors network and report to the SCT board.

This stand alone reduced SCT team would continue to manage community cohesion across the city and district in a strategic manner, organising programmes of community engagement for the bradfordforeveryone ambassadors network and is to be preferred to subsuming responsibility for SCT programme/brand within the 5 area neighbourhood Ward teams who do a great job focusing on local issues but because of these locality issues the SCT brand would be weakened and the ambassador network probably fold.

The proposed reduction in SCT complement from 11 to 1 seems disproportionate and excessive.

Council response:

Whilst we recognise the great work that the team have done, we are in an unprecedented time of financial difficulty for the Council, along with many local authorities in England, and have had to make very difficult decisions in terms of identifying savings that can be made to the existing base budget. These decisions and the planned outcomes from the proposals need to be delivered in a tight timeframe and we are required to guarantee that we meet the savings we have proposed.

Your proposal would not enable us to deliver the £445,000 saving in 2025/26 set out in our original budget proposal. Therefore, we would not be able to implement your proposal without having to make savings elsewhere.

The situation that the Council is in has required an emergency response and we are having to deliver on savings as quickly as possible. This means that there simply isn't enough time for us to now embark on the task of identifying where other savings could be made in order to deliver the £445,000 set out in our original proposal.

Our mitigation for the original proposal is that the Area Office teams will look to expand on the work that they are already doing to promote integration, social cohesion and inclusion in their Areas. We are confident that the Area Teams have the capacity to develop these functions, building on their existing work, and to work with the Stronger Communities Co-ordinator to deliver on key aspects of these functions at a District level.

Alternative proposal submitted by Unite the Union to P3 – Stronger Communities Team – Service Review

Proposal 1:

A specialist *Stronger Communities* small team to remain through a fairer and more equitable distribution of cost saving through N&CS.

By distributing the budget savings required throughout N&CS savings could be achieved, as laid out below, to allow for a core budget to sustain the Stronger Communities team.

NB. All costings based upon upper scale points plus 30% on-costs.

| Example | Alternative Role reduction | Financial Saving (inc. on costs) |
|---------|---|----------------------------------|
| 1 | 5 x Ward Officer | £302,015 |
| 2 | 5 x Assistant Ward Officer | £220, 645 |
| 3 | 3 x Area Co-ordinator | £235,182 |
| 4 | 2 x Ward Officer & 3 Assistant Ward Officer | £253,193 |

There are various structures that Stronger Communities could retain if the alternate role reductions above were realised. For example, below shows an example structure if example A was enacted.

Proposal 1: Example A: Reduction of 5 x Ward Officer posts = £302,015

| Roles Retained by Stronger (including HoS) | Cost (inc. on costs) |
|--|----------------------|
| Admin & Finance Support (S01) x1 | £44,129 |

| | |
|--|---------------|
| Project & Funding Coordinator (PO3) x2 | £112,894 |
| Project Support Officer (SO2) x3 | £142,926 |
| Total Cost | £299,949 |
| Additional Saving / Delivery Budget | £2,066 |

Proposal 1: Example B: Reduction of 5 x Ward Officer posts = £302,015

| Role | Includes on costs |
|--|-------------------|
| Project & Funding Officers x 3 PO3 | £169,341 |
| Volunteering / People Can Officer SO2 | £47,642 |
| Admin & Finance Support Officer SO1 | £44,129 |
| Total Cost | £261,112 |
| Additional Saving / Delivery Budget | £40,903 |

Other Options:

The following proposals have not been fully costed but have been included to demonstrate the variety of options available to make judicious cost savings whilst ensuring core, and essential workstreams can remain.

Proposal 2:

Reduction of hours to a 4 day (30 hour) working week within Stronger Communities and Neighbourhoods

To achieve the required savings the Stronger Communities and Neighbourhood teams could reduce their working hours to a 4 day week (30 hour week). This would be pro-Rata'd for parttime employees. Involuntary redundancy would be minimised, or eliminated, by this approach.

Proposal 3:

Full N&CS Review and Restructure - Three-stage process:

- Short **Voluntary Redundancy window** for expressions of interest, calculations, and decisions
- Full **rapid review of N&CS Structure** and work streams
- **Restructure process** balancing the delivery of key elements of locality-based work and centralised specialist cohesion, integration, and inclusion efforts. To be delivered under a new *Neighbourhoods and Communities* strategy by one unified N&CS team.

Council response:

Whilst we recognise the great work that the team have done, we are in an unprecedented time of financial difficulty for the Council, along with many local authorities in England, and have had to make very difficult decisions in terms of identifying savings that can be made to the existing base budget. These decisions and the planned outcomes from the proposals need to be delivered in a tight timeframe and we are required to guarantee that we meet the savings we have proposed.

These proposals have been considered very carefully by myself and relevant colleagues and I have to regretfully inform you, your members and the wider team that I am not able to take these alternative proposals forward for further consideration.

Proposal 1

None of the options suggested deliver the £445,000 saving in 2025/26 set out in our original budget proposal. As detailed above we are required to meet the longer-term savings we have proposed.

Our mitigation for the original proposal is that the Area Office teams will look to expand on the work that they are already doing to promote integration, social cohesion and inclusion in their Areas. By maintaining the strength of the Area Teams, we are confident that there will be capacity to develop these functions, building on their existing work and to work with the Stronger Communities Co-ordinator to deliver on key aspects of these functions at a District level.

Therefore, reducing the strength of the Area teams as well as the capacity of the Stronger Team does not enable us to deliver on the mitigation we have proposed.

Furthermore, the roles that you have suggested should be reduced in the Area teams perform a wide variety of important functions, including promoting integration, social cohesion and inclusion. Therefore, reducing those roles would have a negative impact on the wider services and support that they enable the service to carry out.

Proposal 2

This is not costed, so I'm unable to comment on the level of savings this would achieve. Furthermore, it requires the support of all staff, which is highly unlikely to be achieved. Have all staff been consulted on reducing their hours to a 4 day week and have you gained the support of all of them?

Proposal 3

This is also not costed, and the details of a proposed re-structure of the whole of N&CS are not set out so I'm unable to comment on either the savings that would be realised or what is actually being proposed here.

The situation that the Council is in has required an emergency response and we are having to deliver on savings as quickly as possible. There simply isn't time to engage in a full restructure of the whole of the service if we are to deliver the savings in the timeframe that they are needed.

Alternative proposal submitted by staff to P9 - Youth Services Teams – Service review

Counter-proposal

It proposed that the management considers the following alternative:

It is preferable to make savings from vacant posts as opposed to making people redundant. Keighley and Shipley should be amalgamated under direction of an advanced practitioner and be given time to deliver a strategy to future proof the development, support and delivery of youth provision with partners. Use needs to be made in that area of a locality based model, focusing on the assets in both the urban and semi-rural area. This will enable a saving of £50,000. It is then proposed that the other £50,000 saving is made up of vacancies across the other layers of staffing. In addition, it is proposed to task each of the advanced practitioners with the fundraising target of £12,500 from the four areas. This will be used to support face-to-face delivery in each of the areas.

In addition, it is proposed that the service

1. re-looks at how base budget and external funding are currently deployed in line with their objectives, in particular how open access work is staffed.
2. works with other partners across the district who are currently delivering 11 to 19 youth activities to ascertain how inclusive and consistent this is across the district.
3. explores with the Children's trust and youth offending team how resources are deployed to support the prevention in early help agenda across the Bradford district to make the greatest impact.
4. Identifies and demonstrates how the impact of the current one-to-one and group work interventions that are carried out by the youth service are contributing to the early help and prevention agenda. This is to avoid any duplication in terms of staffing or project delivery. Early intervention may be effective in preventing the need for later, costly placements.

Council response:

1. For the future sustainability of the Youth Service, and therefore future security of the workforce, management remains convinced that it is better to have a leaner management team than to delete frontline posts.
2. Management agree to amend the proposal to enable the possibility of Shipley and Keighley being amalgamated under an Advanced Practitioner rather than predetermining that the YS Strategic Coordinator will manage the amalgamated team. Only after interviews have taken place will management make decisions on which staff members will best fit each of the four new teams.
3. Management agrees that in the new team use will be made of a locality-based model focusing on the assets in each community.

Consultation with Trade Unions/staff is managed through the Council's Human Resources service.

FEEDBACK FROM CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Consultation feedback from the Corporate Overview and Scrutiny Committee 11 January 2024

A Member questioned that in Section 6.4 of the report, excess spend was in the region of £50m within Children's Services and he ascertained the reasons behind this. In response the Director of Children's Services stated that Bradford was in a high deprivation area, the 13th most deprived area in the country, which was significant and this placed a great strain in terms of the demand for services, with 39% of the children in the district living in poverty, and therefore the call on statutory care services was significant as well as in those relating to education and disability and costs relating to home to school transport.

The Chief Executive of the Care Trust was also present and stated that keeping children safe was key and that children with high level of needs required specialist provision, albeit to say that efforts were being made to reduce costs in this area and we should see some reductions in due course. Again, in relation to the use of agency staff, efforts were ongoing to stabilise the workforce and have a more permanent workforce.

In reducing cost, our early intervention work was key, of which we were seeing reductions as well as in the numbers of those exiting the system earlier, however this will take time to show in terms of a tangible reduction in cost.

A Member expressed concern that any savings or reductions in early intervention work would impact on the results we were trying to achieve. In response it was stressed that there were no plans to reduce the work around early intervention.

A Member stated that the budget consultation had now gone live, with proposals to increase a number of charges which will have an impact on residents and businesses. In response the Strategic Director Place stated that impacts will be felt across the piece, and it was therefore to gage the views expressed through the consultation process and what mitigation measures can be put in place to reduce the impact of the proposed savings.

The Leader stated that youth service provision in the district had been maintained over the years, despite the impact of austerity, however resources overall were limited, and the need was high, and we were lobbying Government to fund services, whilst maintaining financial stability.

In response to a question on the number of children in the care system and the increase in demand over the years, the Leader stressed that we were awaiting a response from the Department for Education on increasing the funding in this area. In addition, the Council had also requested exceptional financial support, and these were subject of ongoing discussions with the relevant Government department.

A Member stated that the cost of placements in the care sector were significant and that companies were making profit out of vulnerability and need and therefore Government needed to urgently address this issue. He also stated that as part of the Budget consultation exercise that there was a lot of confusion around capital and revenue spending, and therefore there needed to be clear messaging and clarity around this.

In relation to a question on income generation proposals set out within the report, the Strategic Director Place stated there were proposals to generate income within Museums by 'what you can pay' contactless donations as well as other proposals from the Department of Place, and based on the feedback, so far, we were confident that we can deliver on those savings as well as raise income. In relation to a question on asset

disposals, it was explained that this would subject to a further report to the Executive, which will set out the details.

A Member questioned the proposals to reduce costs by closing two household waste sites in Ilkley and Queensbury, he questioned if other options beyond closure had been looked at, which would retain provision but still result in cost savings. In response the Strategic Director Place stated that the proposed closures would still enable residents in those areas to access alternative provision, with the sites earmarked for closure, they had been chosen as they dealt with the least tonnage and there were specific logistical issues associated with those sites.

Resolved – That this Committee requests the Executive to take into consideration the comments raised, in relation to the 2024-25 Budget Proposals, as part of the consultation process.

SUMMARISED RESPONSES FROM STATUTORY PARTNERS:

Bradford District Police Commander

Council Tax – The cost of living crisis and lower local income than the average for Yorkshire and Humber may impact ability to pay. This poses a concern that increased poverty may lead to an increase in crime, and ASB. This presents a risk to policing demand and community safety.

Adult services – There is a risk that savings proposed will not be met (as in past years), this may lead to services being overwhelmed. Where social needs are not being met it can have an impact on vulnerability and exploitation.

Children’s services – Any impact on spending on Children’s Services is likely to bring challenges. There are numerous ways in which this does impact on the demand of the Police and other agencies and may impact on the protection of children in the District.

Neighbourhood and Community Services – VCSE SIP contract - At a time with other cuts the need for their services will increase. This could have an impact on issues such as vulnerable ‘street-based populations’ and related ASB.

Neighbourhood and Community Services – Stronger Communities Team - They run a range of initiatives and also oversee response to hate crime for the district, so there is likely to be an impact on overall community cohesion in the District. If implemented, expected to have limited impact on the Police Stronger Communities Team as the two teams are not integrated.

Neighbourhood and Community Services – Youth Service - Any reduction in diversionary activity could have an impact upon ASB however aligning Shipley and Keighley team falls in line with Children’s Services current hub model.

Neighbourhood and Community Services – Neighbourhood Teams – Further details would be needed to assess any possible impact.

Sport and Leisure – Above inflation price increases leading to reduced use of facilities, and any reductions in diversionary activities is likely to see increases in ASB but again without further details (on the Leisure Services Review) it is hard to assess an overall impact from these proposals.

Waste Services – Proposed reductions in waste sites, it could be anticipated that Fly tipping will increase. Bradford was recently reported in national media as a hotspot for fly tipping. In addition to this in line with national regulations, the council plans to increase the maximum level of fixed penalty notices for fly tipping.

Car parking services – Increase in charges - Antisocial parking regularly features in your views surveys as a community safety concern and any increase in parking charges is likely to have a knock-on effect upon these levels. However, it must also be noted that parking in Bradford is considerably cheaper than elsewhere in the region.

Stronger Communities Police Team

P3 – Stronger Communities Team – Service review

Concerned about the impact on police work and work undertaken with the Council team, especially around protected characteristics and faith-

based engagement, if the proposal to reduce the Stronger Communities Team is implemented.

Working together, we tackle issues such as community tensions, setting up groups with the faith partners, community partners and within neighbourhood policing teams. An example of this joint working was when Hindu/Muslim tensions occurred in Leicester, that never developed in Bradford because we were able to quickly bring partners together, set up tension monitoring groups and work together to keep Bradford safe. This is also the case today, where Stronger Communities head the tension monitoring group dealing with issues in Bradford around the Gaza/Israel situation. Bradford Council Stronger Communities team keep the police informed of any activity that the police need to be aware of such as protests/demonstrations, through the connections with residents, key individual networks, schools/colleges/universities, and the youth service.

The Council Stronger Communities team are involved with Bradford Hate Crime Alliance. The strategy addressing the need to safeguard the protected characteristics was produced by the team. Stronger Communities and Community Police are usually the first port of call when dealing with community and faith-based issues and where appropriate this allows us to work in a collaborative way in the district.

It has taken much time to build these networks and relationships within the community and faith partners, which has been strengthened over the past few years due to the collaborative work that we do with the Council team.
It would help to know who exactly will continue the Integration and Cohesion work in Bradford Council?

Wellbeing board System Equality, Diversity, and inclusion group (Virtual meeting) on 12 February 2024. Attended by 10 members of the sub-group.

The summary below has been drawn from the notes provided by the sub-group.

Proposals of most concern were P3 – Stronger Communities Team – Service review and P8 – VCSE SIP contract

Comments/concerns:

- The Council should use names /branding to describe what they are proposing that make sense to the public and external partners
- The full and cumulative impact of the proposals (Stronger Communities Team and VCSE SIP contract in particular) has not been fully detailed or explored making it difficult to comment, but the expectation is that this will negatively impact on communities, and on Bradford, and on partner organisations. The impact is broad.
- Much more focus on mitigation is required
- VCS support needed to keep smaller organisations operating. This is 'self-harm'.
- The Bradford Communities for Everyone work will not continue without the Stronger Communities Team. Yet, this has kept Bradford 'quiet' around international conflict.. The work has seen faith organisations coming together – Gaza/Israel, Black Lives Matter. Built over the last five years. Implementation of the proposal could be really disruptive for Bradford.

- Concerned about the impact on low income families of council tax and rent increases and where they will get support.

Suggestions:

- Partners need to consider how the Council could deliver stronger communities for everyone differently

Council response:

In response to a question about how many organisations are funded through the VCSE Infrastructure contract – The contract has six lots, CABAD and CNet secured all.

The equality impact assessments, and cumulative impact assessment is ongoing. So far, most disproportionate impacts are on those on low wage/low income, and on age

In response to a question about the consultation – this is the consultation, feedback from it will be presented for consideration to Council Executive Committee on the 5 March 2024.

SUMMARISED FEEDBACK FROM TOWN AND PARISH COUNCILS AND OTHER ORGANISATIONS

Keighley Town Council, 19 January 2024

Requesting devolvement of assets and services to town and parish councils, and offering to be part of a working group that they suggest the Council sets up to develop plans to devolve services and assets to those Town and Parish Councils that want to be involved.

Addingham Parish Council, 23 January 2024

Objecting the proposal to close Golden Butts Household Waste and Recycling Centre (HWRC). Concerned it will lead to reduced recycling rates, increased fly tipping and an increase carbon footprint.

Objecting to the proposal to increase charges at car parks and requesting free parking is reinstated. Urge Bradford Council to transfer the car park sites to the parish council.

Ilkley Town Council, 8 February 2024

Objecting to the proposal to close Golden Butts HWRC. Concerned pollution will increase, inconvenient for the public, could impact winter maintenance as it runs from this site. The proposal will impact older people and those on low income. Reminding Bradford Council that under INDP20/2 the site is protected for employment use. The Town Council suggest that charges could be imposed for use of the HWRC, opening hours reduced and charges increased for the collection of large items.

Objecting to the strategic review of sport and leisure services and the threat posed by this to Ilkley Lido and Pool as seen as iconic, promoting healthy lifestyles, water safety and wellbeing. Consider impacts would be felt most by young and older people. Suggest increasing charges, developing a partnership between Bradford Council and the community to help run it, to explore all options for community ownership rather than

close it.

Cullingworth Village Council, 13 February 2024

Objecting the proposal to close Sugden End HWRC. Concerned about environmental impact from extra travel and fly tipping.

Imran Hussain. MP, 9 February 2024

Objecting to the proposal to remove all Department of Place funding to the VCSE SIP contract. Requests the Council give further consideration to mitigation as the proposal if implemented will decimate the voluntary and community sector and work with the sector to find the best outcome for all concerned.

Ilkley Grammar school, 10 January 2024

Objecting the proposal for educational outdoor centres – Currently use Ingleborough Hall or rehearsal of annual school production, where students are well looked after.

Ilkley Civic Society, 9 January 2024

Objecting to the proposal to close Golden Butts HWRC. Would like more information about the costs of running the site.

Friends of Ilkley Moor, 14 February 2024

Objecting to the proposal to close Golden Butts HWRC. Concerned about the impact on the environment from additional travel and increased fly tipping.

Matters outside of this consultation

A number of letters were received from organisations concerned about the sale of Skinrow Street car park. These have been passed to the relevant department for response.

FEEDBACK FROM OTHER PARTNERS

Here4Bradford District & Craven Communities EDI Network – January 2024

Expressed surprise and disappointment that equality impact assessments noted low or no impacts, especially given the recent local government peer review indicating sexuality and disability as areas for development and Bradford Council committing to this. Nothing has been ranked as 'high'. There is no trust from this network that these people will not suffer as a result. Disappointed that there is no overall assessment of cumulative impacts of all the proposals taken together. As even low impacts, if taken together could have a big impact on particular communities. Concerned that process focusses on updating and reviewing the EQIAs after proposals have been produced rather than as a starting point and during proposal development.

The network ask that the Council revisit all EQIAs are revisited in light of the peer review, that an overall assessment is undertaken, and that in future when developing proposals that understanding the impact needs to be embedded in the development process, not after.

Council response: The Council has reviewed the equality impact assessments, has produced a cumulative impact assessment and considers impacts when formulating its proposals for change.

Summary of consultations with Voluntary and Community Sector, focus and community groups about the Council's budget proposals 2024-25

Voluntary and Community Sector (VCS) – Equality, Diversity and Inclusion Forum – hosted virtually by CABAD and attended by the Council on the 16 January 2024. There were nine VCS organisations represented in the meeting.

Proposals of interest and concern and comments

P8 - VCS Infrastructure Support Contract - full withdrawal (of Department of Place funding) and P3 – Stronger Communities Team (SCT) – Service review

Comments/Concerns:

- Partners (VCS) needed to be involved in developing the EQIAs
- Impact on people of loss of VCS services when the sector's support is removed
- Poor quality of some equality impact assessments (EQIAs)
- EQIAs don't reflect the LGA peer review recommendation, and the Council's commitment to do more work on disability and sexual orientation – most show there is no or low impact on all listed protected characteristics.
- The proposals are to cut support to the internal team and external partners providing support to these communities – this reduces preventative support.
- Increased demand for statutory services as CABAD and the VCSE currently prevent this, this will lead to higher costs.
- VCSE SIP is not generic as stated in the EQIA. It has a direct impact on communities. It enables VCS organisations to deliver support.
- Preventing two children going into high cost care would pay for the whole of the VCSE SIP contract
- Support to vulnerable people and the protected characteristics should not have been on the table. VCSE SIP ensures people have a decent standard of life.
- The VCSE SIP Contract shouldn't have been at the forefront for cuts in the Council's thinking.
- No recognition that the 'green shoots' of improvement seen in the Children's Trust have been with the support of the Infrastructure Team
- Who will provide support to people if there are further cuts in the future and the VCS aren't there?
- VCS partners seen as essential by the Council during covid, but won't survive.

- It feels like the decision has already been made.
- If cutting the back office, why is only the Stronger Communities Team manager post being left?
- No confidence in the consultation process.
- Communities not on the radar will also be impacted, such as the deaf community

Suggestions:

- VCS need to be seen as equal partners to enable the impact of changes to be assessed.
- A cumulative EQIA of the impact on the VCS sector is needed
- A proper conversation is required to consider how to prevent people needing higher cost services.

Council response:

We will review the equality impact assessments.

The cumulative impact assessment on all the proposals is being produced and will be reflected in the feedback report to Council Executive.

SCT is relatively new, the proposal is to revert to an earlier delivery model.

The Council has altered its proposals previously in the light of consultation feedback.

The Council is working with Bradford Talking Media to provide some consultation sessions with disabled residents.

CH1 Outdoor Centres – Closure or sale (Ingleborough Hall)

Suggestions:

- Repurpose to provide care rather than paying high costs of sending children out of area to be looked after as highest costs in children’s care
- SEN and Children’s Services should be nationally funded like education.

Council response

The Council and others continue to lobby government at all levels for changes to funding. Local work underway to change the placement process. Ingleborough Hall’s condition makes it unsuitable.

VCS Young - Lives Forum – hosted by CABAD and attended by the Council at Park Lane on 18 January 2024. Eight representatives were present.

Proposals of interest and comments

CR1 - Further Estate Rationalisation to deliver Estate Running Cost Savings

Comments/Concerns:

Need more information about this to comment

Suggestions:

Full consultation with public and VCS is needed on asset disposals

Council response:

We will need to get back to you in Asset Disposal

P8 - VCS Infrastructure Support Contract - full withdrawal (of Department of Place funding)**Comments/Concerns**

- Organisations supporting children/young people need to be up to date with their training i.e., safeguarding etc. – could lead to increased demand for higher cost services if VCS stop operating
- Lack of training would lead to safeguarding risks
- Impact on low income families if charges introduced or increased for activities (to pay for training that currently get free or low cost via VCSE SIP). This would deepen inequality.
- Parents/carers currently have support in walking distance, won't access statutory services until needs are much higher.
- Support is continually needed for new and emerging groups that arise as community needs change
- Intermediate services, such as Step 2, that already have long waiting lists would be impacted, there would be fewer activities to socially prescribe – also deepening inequality

Suggestions:

- If needing to reduce the budget for VCSE SIP, then transition it over 12 months, give the sector time to get alternative funding/adapt

P22 - 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs**Comments/Concerns:**

- Affects young people's mental health
- Will increase fly tipping

VCS Leaders Network – hosted by CABAD and attended by the Council 23 January 2024 at Fountain's Church. The session was attended by representatives from 22 organisations

Proposals of interest and comments

P8 - VCS Infrastructure Support Contract - full withdrawal (of Department of Place funding)

P9 - Youth Service Teams – Service review

Comments/Concerns:

Reducing the VCSE SIP funding by over 80% would have an adverse impact on the rest of the VCS as it is at the heart of the sector
Impact will be felt on most vulnerable in our communities, and will result in a smaller VCSE in the district.

£250m cost of children's services? Concerned that much of this will be to private sector profits while spend is cut in the district

It is not fair to hold local small providers and VCS providers to same level of social value as big providers

Will create greater demand for higher cost statutory services

Smaller VCS flourish now due to the VCSE SIP support

Will our feedback make a difference?

How do you make the statutory services work better to do more prevention work?

Placing children outside the district needs to be addressed

Community safety net is being removed through this proposal

EQIAs don't mention the VCS, there are issues with their quality. Feel an unfair approach was taken by doing them at a service level

Losing VCS will add to children's social care costs

Culturally appropriate care is an issue – services provided by the VCS, what will happen to these families in 10-15 years' time?

Council is unaware of the work on the ground and its current state

Community groups rely on CABAD support with community asset transfer, Council work on this seems contradictory.

Suggestions:

Council needs to listen to the impact on smaller VCS organisations

VCS are willing to provide support to the Council in developing EQIAs

Renegotiate contracts.

Education need to be part of this conversation

Council response:

We need to work across all partners on prevention. Improvements will come with time. None of the proposed savings are about reducing preventative services

The Children's Trust are developing their business plan, children's placements is included

The proposal for Youth Services is to reduce management overhead and not session provision

The Council are reviewing EQIAs, will look to take up the offer.

Sixty percent of volunteers are in sport and culture. Not clear how this will look in 10-15 years' time. There are many models across the country.

In terms of leisure facilities, if the proposal is approved, the plan is to go out to consult in summer, decide in September, with savings in the following year.

The Council is in the process of renegotiating contracts.
A separate Council workstream is concerned with education. Colleagues are supporting this work.

P3 – Stronger Communities Team (SCT)– Service review

Comments/Concerns:

SCT operating since 2019, encouraging volunteers. The review is effectively the end of the programme. Could it be preserved through the neighbourhood teams?

There are 20 volunteer ambassadors, very successful

Suggestions

Continue the programme through the neighbourhood teams.

Reduce the central team from 11 posts to five, six or seven posts.

Council response:

The proposal is that SCT priority work would be carried within neighbourhood teams.

P13 - Sports & Leisure Fees and Charges increase, P14 - Strategic review of library services and P16 - Strategic Review of Sport & Leisure Facilities

Comments/concerns:

Impacts on health – obesity and mental health - if prices increase above inflation as may not be affordable to those on low income, widening health inequalities

Will impact 'minoritized' communities more, all working hard to increase literacy levels

The cumulative impact of these proposals will have a devastating impact on the sector and on communities

Council response:

The Council has benchmarked prices against other similar Councils. Some groups will continue to get discounts to access these services. Some of the proposals are in terms of savings and may not be in terms of cuts to services – e.g., could be about moving some service provision to libraries.

Asset disposal

Comments/Concerns:

Does the disposal include green spaces and land used by the community?

Council response:

A report on asset disposal is being presented to Council Executive on 6 February, separate to this consultation. We understand it is parcels of building land that will be sold not parks or green spaces.

P18 - Review of Cultural Grant Funding

Comments/Concerns:

Are all cultural grants to be cut? Will there be something else for different sectors and sizes of organisations?

Response by CABAD:

The Culture Company and Give Bradford will deal with cultural grants

Council response:

Yorkshire is applying for deeper devolution. This may also provide further grant opportunities.

Bradford African Community Group - facilitated by the Council at the Quaker House on the 24 January 2024. Twelve members of the community participated

Proposals of interest and comments

P3 – Stronger Communities Team (SCT) – Service review

The groups beneficiaries are mainly refugees, often with mental health issues, facing language barriers. Consider it better to have a central team with all the information as they listen to and support communities who are not heard, encouraging them to engage with services. The team support people to become resilient meaning there is less pressure on services. SCT and CABAD are our group's main support.

Comments/Concerns

- Lack of capacity of remaining team and neighbourhood teams to provide the support needed to the group, especially as demand is increasing.
- Harder to access support through dispersed neighbourhood teams
- Damage community relations
- City of culture won't work without the cultural support

P8 - VCS Infrastructure Support Contract - full withdrawal (of Department of Place funding)

CABAD support the group to maintain training and to develop. They also provide work experience opportunities to members through volunteering once they have gained legal status. Without the support, organisations may need to charge or charge more for activities, which will deepen inequality, or organisations may cease. The Council don't see the amount of work taking place on the ground.

Comments/Concerns:

- Negative impact on our community

- There will be a loss of opportunities to undertake work experience once legal status gained through volunteering, meaning it will be harder to get paid work and there will be more reliance on benefits
- Mental health may worsen

Increase Council Tax and Social Care precept by 4.99%

Comments/Concerns:

- People can't afford to pay more. It will push people further into poverty and stop people accessing activities.
- Much work done in the city centre but not where people live.
- Accessing other services is an issue too due to language barriers. Removal of the VCSE will make this worse.

Suggestions:

- Prioritise low income areas
- Review Council Tax discount scheme.
- DWP and Council systems need to integrate to quickly adjust for changes in individuals' circumstances.
- Having everything online, causes problems and delays due to language barriers
- Use volunteer translators.

P13 - Sport and Leisure strategic fees and charges, and P16 - Strategic Review of Sport & Leisure Facilities

Comments/Concerns:

- High rates of heart attacks and diabetes locally, this will make it worse.

P22 and P23 3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs, and Monday closures of all HWRCs

Comments/concerns:

- Bins are regularly missed, so the tips help a lot.
- Will damage the environment generally

Stronger Communities Together Board (virtual) – Chaired by Bishop Toby and attended by the Council 26 January 2024

The following is a summary of notes of the meeting that were provided by the Board.

Comments/concerns

- Request the Council substantiate disproportionate cuts to the Stronger Communities Team (SCT) staff posts from 11 to one
- Any council proposal to integrate SCT project/ brand into Ward Neighbourhood Teams will weaken the brand and local ward issues will dominate activities at the expense of the wider community cohesiveness ethos of SCT

- Bradford's SCT project is externally recognised as significantly improving community cohesiveness by influential bodies e.g. Dame Louise Caseys Review of community cohesion and extremism report in 2016 led to government funding projects in five cities and Dame Louise said last year that Bradfords achievement was an exemplar of progress/ University of Kent survey in 2021 found civic trust had improved in Bradford whilst declining in similar cities / International Cities of culture strongly praised and supported SCT programmes and there are numerous other examples and the radical reduction in commitment to the SCT programme will cause reputational damage to Bradford regionally, nationally and internationally
- Bradford's City of Culture BD25 successful bid may have been significantly influenced by SCT's externally audited positive reports and delivery involving all ethnic groups, faiths and cultures especially its diverse bradfordforeveryone ambassadors diverse network-currently 27 strong - and the diminution of SCT will adversely affect perceptions of BD25's success.

Suggestions:

- A dedicated stand-alone Council SCT staff team is maintained reporting to the board as at present, but recognise a reduction in staff complement is required to contribute to the required Council budget savings (possibly seven staff complement?)

Council response:

The Council has met with and discussed the issues raised directly with the Board.

Bradford Council Staff Networks – Via Teams on 30 January 2024

Available for staff who are: carers, disabled, LGBTQ+, women, from diverse ethnic minority backgrounds, or young, to consider issues, find support and have their voice heard.

Comments/Concerns:

- Not enough detail in the proposals on which to comment
- Language used, format and technical content (financial information) make the documents less accessible and unclear about the budget required
- Unclear how the proposals will affect equalities
- Unsettling for staff as felt the Stronger Communities Team (SCT) were not affected, only to find that they are. They lead on work on protected characteristics, so would be a disproportionate impact from that proposal
- Has the bigger impact of the proposals been considered?
- Children's Trust have infinite funds, not transparent and still advertising jobs
- New sustainability team is duplicating roles already in the Council – despite a jobs freeze.
- No cumulative Equality Impact Assessment
- Sport and Leisure services proposals could have negative impact on people's health
- Impact on the Networks through Council funding being withdrawn.
- Capacity of neighbourhood teams to take on stronger communities remits,

Suggestions

- Spread the staff/team reductions out across the Council and not in specific teams i.e., SCT.
- The Council needs to give residents hope.
- A clear budget needs to be identified for the Networks
- Health impact assessment on relevant proposals
- Don't lose the impact of the work undertaken by Stronger Communities Team and the VCS, Bradford has come a long way regarding equality, diversity and inclusion, rebuilding this would be very challenging.
- Need to retain our City of Sanctuary status.

Council response:

A cumulative Equality Impact Assessment (EQIA) is being developed. Current EQIAs are to ensure disproportionate impacts have been assessed against each proposal. EQIAs are commenced at proposal initiation and developed as the proposal develops.

The Sport and Leisure services review, if approved, will take place after the budget for 2024-25 is set.

The Networks will continue to be supported by the Council.

Bradford Stronger Communities Ambassadors (virtual) facilitated by the Council on 1 February 2024. Six ambassadors attended the session.

Comments/concerns:

- **P22 - Closure of Household Waste and Recycling Centres** – to support the environment as many as possible need to remain, important for teaching young people about recycling, also good place to see other communities as all use the sites, so helps cohesion too. Two of the three are in Keighley – this is disproportionate, why not look at a HWRC in a different area to close?
- **Youth Service** - In Wharfedale pay for own youth worker. Proposal to merge Shipley and Keighley will reduce service levels
- **Council tax** - Wharfedale residents pay more
- **Libraries review** - need as they are, as provide community access to services. Many volunteers support the service.
- **Bradford reputation** – Improved whilst Stronger Communities Team and Ambassadors operating. Supported good partnership working and driving systematic change in the Council. Bradford is way ahead of other places on community cohesion, volunteering, VCS. Wouldn't want to lose this.
- **P3 – Stronger Communities Team (SCT) – Service review** - The proposal is disproportionate, 11 to one, area teams will deal with locality issues, stronger work will be weakened. Many projects supported through SCT – work validated by the University of Kent study and others, improved Bradford's reputation. SCT has implemented test and learn. Ambassadors work programme managed by SCT. Might not want to continue if the brand is weakened. Risk to safety through removal of the team – Bradford had riots in 2001. Area teams work to meet ward councillors requests. Important that SCT is independent from the ward teams so can put community first. Why fund if going to cut it? Lead work on City of Sanctuary, listen to Roma community, Hate Crime Alliance, work with partners – if foundation is removed this won't happen. We trust SCT, have made it more comfortable for us (Ambassadors) to work with the Council.

- **P8 – VCSE SIP Contract** – Both this and SCT shouldn't be removed, and not at the same time. Concerned that cultural grants for festivals and events also going. If activities reduce this is a risk to NHS social prescribing.
- **Value of volunteering** – Wharfedale Wombles and other regularly litter pick, but the value of this is never accounted for. SCT have made it feel part of a bigger community. If the safety net for this is removed (VCSE SIP contract and SCT), how will volunteering continue as the support is needed?
- **Equality impact assessment** - concerned it's been produced at a service level and lack of detail about the impacts.
- **Lack of useful information** - Information provided on the proposals not clear. Feel reserves have been used for the wrong things
- **Redeployment of SCT staff** – Need to make sure staff are redeployed into the Council and their skills, experience aren't lost to the District
- **Support for communities and individuals** – rely on SCT to join activities and get out. The proposed cut to the VCS and SCT impacts other services, meaning people will need to access higher cost services. The impact on external services needs to be considered.

Suggestions:

- A need for a SCT above the neighbourhood teams, as a standalone team, reduce the staffing to between 5-7 staff, this would remove the risk to Bradford's reputation

Faith Leaders – Via Teams on 1 February 2024, eight participants from different faiths.

Proposals of interest and comments

P3 – Stronger Communities Team (SCT) – Service review

Comments:

The District's community cohesion has improved through the work of the SCT, this is cited in several studies, at a time when other areas are seeing a decline. The ambassadors have led the development of deep community and faith connections across the city. SCT and the Ambassadors have given voice to those who don't usually have this. Disappointed that Government not treating faith phobias as a priority – and this is a concern in our district. There is a need to ensure learning is embedded such as for Holocaust Memorial Day – can't be left to one person but the Council needs to lead.

SCT has changed perceptions of Bradford. The team bring everything together – even today – this cross faith group coming together to discuss the budget.

Twelve years ago there were issues with interfaith relations but not now. Massive amount of work done to change perceptions. This led to securing the City of Culture 2025.

The team brought us together to consider the situation in Gaza/Israel, how it could impact here and what faith leaders needed to do to keep communities safe and cohesive.

There is just so much work that goes on behind the scenes to maintain and build good relationships between communities – this isn't seen,

but is vitally important.

Concerns:

- Essential for cohesion and integration, it's embedded, once lost it will be hard to build again.
- The proposal will only save a small amount
- There's a danger that Bradford will be seen and portrayed negatively in the press as the proposed change might cause big ruptures across the district.
- The loss of the central team would be catastrophic, Bradford's image and reputation could easily turn negative.
- There won't be enough capacity left to continue this work

Suggestions:

- Could the Council look at other measures to save the money – such as reducing all employees' hours?
- Reduce the team in size but not from 11 to one. This would reduce the impact of the proposal, perhaps from 11 to six or seven?

Voluntary and Community Sector supporting Refugees and Asylum Seekers – 8 February 2024, in person, six organisations attended the session.

Proposals of interest and comments

P3 – Stronger Communities Team – Service review

Comments/Concerns:

- Loss of the team will impact delivery of events such as Refugee Week
- May lose Council's commitment to City of Sanctuary, Bradford was first place to achieve this.
- Other Council staff support to the area, this may go too

P8 - VCS Infrastructure Support Contract - full withdrawal (of Department of Place funding)

Comments/Concerns:

- Receive all support through CABAD
- Proposal will remove city-wide co-ordination, leading to old problem of pockets of activity, was proud of the Council's sector-wide support
- Rely on CABAD's support – e.g., to train, develop, learn about funding etc.
- Maintaining legal compliance in the absence of free training provided by CABAD – other providers charge, and is unaffordable for small organisations
- VCS in Bradford may crumble without the support.
- Lead to more demand for statutory services e.g., If hate crime goes up the police will have costs
- We work with Children's Services, are cuts planned there too?

Suggestions:

- If cutting the public sector, need to maximise VCS involvement as will need them to support
- Need to implement good monitoring of impacts if the proposals are implemented
- Look to other partners (policy, health) to fund as their costs will increase if this area is cut
- Provide transparency about the use of the Home Office Asylum Dispersal Grant
- Council to look for funds to provide support to refugee and asylum seeker support organisations
- Impact across the whole public sector and cuts taking place in the rest of the public sector need to be considered.

Council response:

In relation to changes in Children's Services, there is one proposal for consultation on outdoor centres.

P14 – Strategic review of libraries**Comments/concerns**

We need more information about this proposal as libraries are currently working with City of Sanctuary on Library Sanctuary status. Libraries are warm and welcoming spaces with access to computers which many refugees rely on

Council response:

If the proposal is approved, consultation on the review will take place later in the year.

Learning disabled residents facilitated by Bradford talking Media and attended by the Council on 9 February 2024. The session was attended by 15 people.

Comments/concerns:

- 'Easier read' version showed lack of understanding (Summary of budget proposals for consultation 2024-25)
- Lots of activities supported by the VCS and need the VCSE Infrastructure support to operate.
- Disagree with proposals for Ingleborough Hall as provides activities for children and young people, and with mental health, but transferring to Buckden House makes sense
- Closing the tips will increase fly tipping and this is a safety issue, it will make other tips really busy. Bingley tip blocks the road, lots of exhaust fumes from cars, this will cost people more to get rid of their rubbish, concerned that people might lose their jobs
- Stronger Communities Team, don't want them to lose their jobs, as this also makes more work for others. They do useful work around hate crime and events, if go, things would be worse. We have a relationship with them, they are friendly. Asked about particular staff members and expressed sadness that they would potentially be losing their jobs. Felt that safeguarding might be at risk if team is gone. Participants agreed that they trust the team

- Reducing food and cleaning at the Council – when went to a partnership meeting, wasn't even offered water, but need to save money. Worry over cleaning as this could expose people to harm but need more information about what the proposal means
- Increase in allotment rents at odds with the District's food strategy
- Council tax on second homes not explained well in the documents
- Reducing printing – not all on social media/digital, not accessible, not fair as adds stress to people and they need help to get the information. For people with sight loss this makes it difficult, often need face to face and not digital. Having a piece of paper helps people to think. How will we get support if the VCSE SIP support isn't there? (BTM – response –VCS organisations will continue to support people but it might take longer to get things done).
- Changes to leisure and sport services – people might not be able to afford the price increases, if building close, what happens to the activities. Shouldn't do this. What happens to those who volunteer, what will happen to us and what activities will be available?
- Council tax increase – some people won't be able to pay, what about people with dementia?
- Rubbish in city centre causes safety issues – wet, mossy flagstones, loads of potholes but told not deep enough to be mended – if attended to these things the Council would save money, too many roadworks in the city centre

Suggestions

- Turn Ingleborough Hall into a Trust, like Nell Bank
- Fine people for parking on pavements and who use scooters
- Charge people to use the tips
- Contract out bulky items collection
- Change vehicles to electric, Ingleborough Hall should have an electric bus
- Replace flagstones with tarmac
- Look at what is necessary – e.g., don't spray wild blackberries with weed killer as they are edible

Council response:

The Summary of budget proposals for consultation 2024-25 document was not considered as an 'easier read' version. Other arrangements were made to enable learning disabled people to get information and take part in the consultation, such as this event today.

The Council offers Council Tax discount to those eligible, advise people to look online or get help to find out who is eligible for this scheme.

The roadworks are to prepare us for City of Culture 2025, apologies for the inconvenience and will be complete in time.

Low income Households/experience of homelessness, hosted at Yam Spice Foods Restaurant, Bowland Street, Bradford – 12 February 2024. Ten participants. A representative from Reed in Partnership Employment also attended.

No comments were made about Council budget proposals but participants were aware of the Council's financial situation and gave suggestions for improving services generally.

Business owners from the African Community hosted by Yam Spice Foods hosted at Yam Spice Foods Restaurant, Bowland Street, Bradford – 12 February 2024. Seven participants

No comments were made about Council budget proposals but participants gave suggestions for improving services generally.

Public consultation meeting (virtual) facilitated and chaired by the Council on 13 February 2024

1. What scrutiny do the proposals go under, as lots of the answers don't add up?

The outcome of the consultation will be presented to the Council's Executive on 5 March 2024. The Executive will then give consideration to the feedback and any equality impacts as they finalise their budget proposals in advance of Budget Council on 7 March 2024.

For proposals accepted at the Council's Budget meeting on the 7 March 2024, equality impact assessments will continue to be reviewed as part of their delivery. Additional consultation may also be required against some accepted proposals prior to their implementation.

2. What has driven the budget cuts?

This extract from the budget consultation documents provides the context for the cuts:

'The proposals have been developed under an unprecedented level of financial pressure due mostly to the continued significant increases in children's and adult social care demand and cost pressures that are consuming an ever-greater proportion of the council's resources.'

Since 2011 Bradford Council has had to find over £350m in cuts and savings due to national austerity measures, inflation and increased demand. More recently exceptional inflation and energy prices have put additional pressure on budgets.'

In 2023-24 the council used around £48m of one-off reserves to help balance the budget and pay for children's social care and other pressures. Costs have continued to grow, and the council is forecast to overspend by about £73m in 2023-24. This therefore results in a budget gap of around £121m in 2023-24.'

3. If you are not looking to sell anything 'operational' or of 'high value' or 'for use of statutory delivery elsewhere' ...Ingleborough Hall is all of these things. This is an asset to children and young people and would be detrimental to their education, their emotional, social and mental health and wellbeing and needs serious consideration.

We recognise the value of outdoor education to our children and young people. However, the provision of an outdoor education service is not a statutory requirement. Many councils sold their centres but we have been fortunate to retain 2 in Bradford. The council does not have £2.9m required to bring the building up to standard. Our ability to operate Buckden House as a fully traded service means that children and young people are still able to have the outdoor education experience.

4. With the proposed increase in schools going to Buckden House, how is this planned to happen without increasing staffing at Buckden House.

Ingleborough Hall and Buckden House are staffed to meet full operating capacity. Neither operate to full capacity at present. Therefore, we will be able to manage fully booked capacity at Buckden House. As currently happens at both locations, we will continue to use additional outdoor education instructors as ratios require.

5. Where have the figures of saving £200k in 24/25 and £400k in 25/26 and 26/27 come from? What does this saving comprise of?

The savings in the proposal relate to the sale of the building and the future staff cost savings if the building closes. Future years savings for the Council will come from Buckden House being fully traded and not relying on council funds to operate.

6. At this time there is no catering on offer at Buckden House – our school has always benefitted from the 3 excellent meals a day that Ingleborough Hall has provided. How do you suggest we go about this?

We understand the concerns raised around a catered service. Buckden House's kitchen is fully equipped to deliver a catered service. Our intention would be to offer self-catered and catered options for groups at Buckden House. Catered services would be procured locally supporting the local economy whilst delivering a quality catered service to our customers.

7. The Council proposes to move all bookings from Ingleborough Hall to Buckden House. I run a 2 form entry school and have 60 children and 13 adults on my visit list. Buckden House has only 68 beds. Which 5 people should I leave behind – 5 children or 5 supervising adults who are required to look after the significant number of SEND children?

We understand the challenges presented given that Buckden House is smaller than Ingleborough Hall. However, we already support schools with 2 and 3 form entry to enjoy an outdoor education experience at Buckden House. This includes children with SEND. As you will know the outdoor education service works closely with schools to meet their needs and will continue to do so.

8. On one of the Schools Forum Agendas I noticed that it stated: "...to ensure that the District retains the appropriate level of facility to support a sustainable outdoor learning offer." – surely the need for outdoor education has increased so why even consider closing the biggest of the Council's facilities?

We understand the benefits of providing an outdoor education experience to our children and young people. However, as noted in the budget proposal documentation, there is a requirement to find £2.9m to bring the building up to standard and this money is not available in the Council. In the event a decision is made to sell Ingleborough Hall we will still retain an outdoor education offer at Buckden House.

9. I would like to ask a question about Ingleborough Hall Outdoor Education Centre. In February 2017 the Strategic Director of Children's Services organised a meeting of Audit and Governance where the future of Ingleborough Hall was discussed. The theme of the meeting was to discuss Ingleborough Hall becoming independent of the Local Authority and making it sustainable into the future. The long term goal was to ensure financial sustainability with a rigorous new business plan and to adopt a Trust model (a CIO – Charitable Incorporated Organisation) for Governance. The target to achieve this was set at September 2017 with the Centre becoming independent of the Council in December 2018. Why was this not achieved? If it had been, surely we

wouldn't find ourselves in this position now? Would the Council consider fulfilling its promise to turn Ingleborough Hall into a CIO?

I am unable to confirm why this did not happen in 2017 as it was prior to the current children's services senior leadership. In the event a decision is made to sell Ingleborough Hall, this will be with specific criteria including the need to retain it as a facility for community use. It should be noted that the site sits in the National Park and their rules for sale of the building include community use. We have had a number, of enquiries from organisations, that meet those criteria. However, as the building is not currently for sale, we are unable to enter, into detailed conversations, but have noted their interest.

United People's Movement and University of Bradford Students and representatives (virtual) 14 February 2024. Four people were in attendance

Comments/concerns:

- Stronger communities Team (SCT) – Have helped a lot in developing our partnership and putting us in contact with other community projects. If lost, will struggle with monitoring returns etc. They are the human side of development. The neighbourhood teams' arrangement won't work as don't have community knowledge or capacity. If lost, no one will be there to help. The team are amazing.
- Infrastructure Support – help us with organisational support. Have also provided opportunities for us to educate/raise awareness in the sector of Roma communities. CABAD were the main support when we set up – helping us with safeguarding, other policy development etc. and training.
- These two proposals will make things chaotic, it's a multi-cultural city, we need somewhere to go for help. The two areas make services accessible, and are our main support
- We work with marginalised communities (Roma, eastern European, black etc.), SCT brokered a link with the police as we had issues with policing for our communities, this has improved things and enabled us to build a relationship with the police, some of our young people are considering careers in the police force now. We wouldn't have known how to approach the police. Community groups are doing their job with the help of SCT and CABAD.
- SCT is important for social cohesion – bring different communities and people together for activities, to get to know and understand each other and learn about where to get information. Unclear if the work can be integrated into other Council teams work?
- There are lots of barriers to marginalised communities accessing services, we're working with the Roma community to look at improving attendance at school, we need support to do this. If CABAD support goes, we might not be able to operate.
- Unclear what criteria were used to take SCT from 11 to one?
- SCT's citizens coin – brings people together – links community groups and businesses, encourages volunteering. It will be a shame if it ends
- Concerned these proposals will deepen health inequalities, fear for my community in the future. SCT bridge language barriers, make patients aware of rights to access GPs and services, advocate and signpost to other support.
- Removing the infrastructure support and SCT, that are working, is wrong.

Suggestions:

- Relook at SCT and VCSE SIP proposals and minimise, scale back on the number in the SCT team
- Review data being used about marginalised communities as it is not correct

Deaf Group – Via Bradford Talking Media (BTM), 15 February 2024

BTM undertook consultation with a group of deaf people on behalf of the Council.

Comments/Concerns:

- **Council Tax** concerned about the increase as people's income isn't increasing.
- **Council Tax on more than one property** - People who own more than one property might rent other properties out. If they need to pay more council tax they might this on to tenants who can't afford it.
- **Closure of tips** could lead to more rubbish in town, bad smells, more driving, and harm the environment which goes against the Clean Air Zone
- **Ingleborough Hall** – worried prices could increase if sold to another company
- **Brown bin collection** –people wouldn't be able to afford this especially older people who may enjoy gardening for their wellbeing.
- **Parking charges** - as train fares are also going up. Will people be able to afford to travel and park anywhere?
- **Permit parking charges** - more likely to affect people on lower incomes. Could lead to cars being parked in unsafe free places possibly leading to thefts or vandalism.
- **Sports and leisure centres** - rising costs seemed weird given the issue with obesity in Bradford.
- **Voluntary sector support** - worried the group as many of them attend voluntary groups and they were worried that some of them might close down.
- **General comment** – most proposals affect people on lower incomes.

Bradford Council Youth Ambassadors, facilitated by Anthony Casson, 15 February 2024

Consideration of what a reviewed youth service needs to offer:

- It's important that the council supports families who are struggling with housing and care but why wait until things have got really bad.
- Support should be:
 - earlier before things get to crisis point, it shouldn't be just a one off thing,
 - about helping people to get back on their feet,
 - about providing some temporary scaffolding, local and easy for people to access - If it is just a random building in town people won't go. It has to be local,
 - being with people not just filling in forms and being told that you aren't eligible or have to wait, for instance - You speak to one person and they take down details of what is happening and then someone else calls and asks the same things. Support should be more than just telling people what is wrong.

- Need to consider youth support for people 16, 17 and 18 years-old as that's when things get really hard. This is a gap between school and work etc.
- Mental health is an issue that needs tackling
- Support is needed by young people going through life changing events, such as having a child. It was a really scary to go from being a kid to being a Mum
- Time needs to be set aside to offer proper support rather than people running from one person to the next or always being in meetings.
- There needs to be places that young adults can go - Pub and gym if you can afford it.

In summary:

A council with less money needs to provide more early intervention which is delivered by people who are local, have time to be practical and do more things face to face.

Saving money is about preventing crisis.

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Report of the Director of Finance to the meeting of the Executive to be held on 5 March 2024 and Council to be held on 7 March 2024.

AM

Subject:

Allocation of the Schools Budget 2024/25 Financial Year

Summary statement:

The report seeks Executive approval of the recommendations of Bradford's Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2024/25 and subsequent recommendation to Full Council.

EQUALITY & DIVERSITY:

The Schools Budget proposed for 2024/25 is put forward to retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology. In addition to the summarised equalities impact assessment, which is presented at Appendix 1, a fuller assessment of our formula funding proposals was included in each of the consultation documents that were published in the autumn (please see the links to these in the background documents section of this report).

Steven Mair
Director of Finance

Portfolio: Leader of Council

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Overview & Scrutiny Area: Corporate

Version FINAL

1. SUMMARY

- 1.1 This report informs the Executive of the allocation of the Dedicated Schools Grant (DSG) and the proposed Schools Budget for the 2024/25 financial year. The proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 10 January 2024, which are recorded here: [Decisions List of the Schools Forum meeting 10 January 2024.](#)
- 1.2 The Schools Budget is part of the overall budget proposal for the Council, which includes:
- The recommended Capital Investment Plan (Document AN)
 - The Revenue Estimates (Document AL)
- 1.3 This report is submitted to enable the Executive to make recommendations to Council, on the setting of the budget and the Council Tax for 2024/25, as required by Article 4 of the Council's Constitution.
- 1.4 The total estimated value of Dedicated Schools Grant (DSG) available for distribution in 2024/25 is £759.852m, which includes a forecasted cumulative value of under-spend (one off carry forward balance / reserve) up to 31 March 2024 of £29.975m (4%). The recommended distribution of this Schools Budget is summarised in this table:

| Description | Early Years Block £m | Schools Block £m | High Needs Block £m | Central Schools Services Block £m | Total DSG £m |
|---|----------------------|------------------|---------------------|-----------------------------------|-----------------|
| Estimated DSG available 2024/25 | £66.014 | £537.891 | £122.343 | £3.628 | £729.877 |
| Estimated DSG B'fwd from 2023/24 | £3.855 | £3.295 | £22.646 | £0.179 | £29.975 |
| Total Estimated DSG (Schools Budget) 2024/25 | £69.869 | £541.186 | £144.990 | £3.807 | £759.852 |
| Delegated to Schools / Providers | £64.341 | £536.150 | £112.536 | £0.000 | £713.027 |
| Non-Delegated Items | £1.673 | £1.740 | £9.808 | £3.628 | £16.849 |
| Allocation of One Off | £1.262 | - £0.008 | £21.620 | £0.059 | £22.933 |
| Total Funding Allocated | £67.276 | £537.883 | £143.964 | £3.687 | £752.810 |
| Difference (C'Fwd) | £2.593 | £3.303 | £1.026 | £0.120 | £7.042 |

Please note due to the rounding of figures in this display, the total may not add up exactly.

2. BACKGROUND

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The Schools Forum is a decision making and consultative body dealing with the Dedicated Schools Grant and the Schools Budget. The Forum acts as a consultative body on some issues and a decision-making body on others.

The Forum acts in a consultative role for:

- Changes to the local funding formula for maintained schools and academies.
- Changes to the operation of the Minimum Funding Guarantee.
- Arrangements for the funding of the early years entitlements.
- Financial arrangements for pupils with special educational needs and disabilities, and for pupils in pupil referral units, including arrangement for paying top-up funding for pupils with Education Health and Care Plans.
- Changes to or new contracts that are funded from the Schools Budget.

The Forum's decision making powers include:

- How much funding is centrally retained within the Dedicated Schools Grant.
- Growth Funding and Falling Rolls Funding within the Schools Block.
- The movement of Schools Block funding to other DSG Blocks.
- Proposals to de-delegate funding from maintained schools within the Schools Block.
- Changes to the Scheme of financial management that governs maintained schools.

One of the primary functions of the Schools Forum is to recommend to the Local Authority how the funding, which the Government provides for maintained schools and academies and for individual pupils through the Dedicated Schools Grant (DSG), is managed.

- 2.2 Following the Government's 'National Funding Formula' reforms, which began at April 2018, the Dedicated Schools Grant (DSG) continues in 2024/25 to be constructed in four blocks – Schools Block, High Needs Block, Early Years Block, and Central Schools Services Block - with each block having a 'National Formula' basis. The movement to National Funding Formula is accompanied by transitional arrangements, and all four DSG blocks continue to include protections. As in previous years, these arrangements have been adjusted by the Government's 2024/25 settlement, which was confirmed on 19 December 2023. This settlement is primarily based on the Government's Autumn 2022 Statement. The national Schools Budget for 2024/25 was not adjusted by the most recent Autumn 2023 Statement. However, the DfE has confirmed that a new non-DSG grant will be in place for schools and academies to support the 5% increase in the employer's contribution to teacher pensions from 1 April 2024. The details of this new Teacher Pensions Grant are still to be published. Whilst this is new additional money for schools in 2024/25,

it will be required to be used to support increased teaching salaries costs.

- 2.3 The downturn that is forecasted in the financial position of our High Needs Block within our DSG account is the dominant feature of the 2024/25 planned budget and will be the dominant feature of our DSG management going forward.

Council is asked to approve a planned budget for 2024/25, which projects that a surplus DSG account balance will still be retained at the end of the 2024/25 financial year. However, due to the anticipated continued growth in the number of Education, Health and Care Plans (EHCPs), and other pressures, combined with a reduction in the annual increase in High Needs Block income that we have received from Government, we forecast that the £22.646m High Needs Block surplus that is projected to be held at the end of 2023/24 may largely be spent by the end of the 2024/25 financial year and that our High Needs Block and then DSG account may post a deficit at the close of the 2025/26 financial year, with the size of this deficit continuing to grow from this point, in the absence of: new significant mitigating response; significant additional income from the DfE through the High Needs Block settlements; a significant slowing of EHCP and other spending growth rates. Although our forecast is currently based on a series of estimates, which may change, the scale of overspend that is currently forecasted clearly indicates that we have a structural High Needs Block budget issue going forward.

This is a national problem. Overspends in the High Needs Block are a common reason why authorities currently are recording cumulative and increasing deficits in their DSG accounts. The DfE has in place two types of intervention and support strategies for local authorities – the Safety Value Programme and the Delivering Better Value (DBV) Programme. Because we have up to now balanced our DSG account, and have continued to retain surplus balances, Bradford has not yet come into these programmes. However, one of the mitigating actions that we must now take is to request advice and support from the DfE in the management of our position.

The proposed 2024/25 High Needs Block planned budget that is set out in this report continues to incorporate our responses to the growth in the needs of children and young people.

Bradford District, as has happened nationally, has experienced a significant increase in demand for Special Educational Needs and Disabilities (SEND) provision. For example, the total number of Education, Health and Care Plans (EHCPs) for 0-25 year olds across the Bradford District was recorded as 6,259 in November 2023. This has increased from 5,309 in September 2022 (+18%). Requests for EHCP assessments have risen from 813, between October 2019 and October 2020, to 1,970, between September 2022 and September 2023. Despite these increases, our overall proportion of children and young people with EHCPs (3.9%), recorded at January 2023, remains lower than the national average (4.3%). This is suggestive that there is still more growth in our EHCPs to come, and with the potential for our future annual growth rate to be higher than national averages.

The number of pupils permanently excluded in Bradford District schools / academies has recently moved significantly towards the national average. In response, the 2024/25 planned budget is based on the provision of 300 alternative provision places,

increased from the 160 places on which the 2023/24 planned budget was calculated.

The Local Authority has created a significant number of additional SEND specialist places across the District in response to the growth in the numbers of children and young people requiring specialist provision. The planned budget for 2024/25 incorporates revenue funding for the development of 200 new SEND places. In this context, we highlight that we were unsuccessful in our most recent bid for a special free school.

2.4 Primarily as a consequence of the forecasted overspend in the High Needs Block, we propose to allocate £22.933m of the £29.975m (77%) of predicted DSG reserves to the 2024/25 planned budget. £21.620m of the £22.933m is within the High Needs Block. The six areas of spending growth that are projected for 2024/25, which are the most significant contributors in cash terms to the projected £21.620m High Needs Block overspend are as follows. These areas make up over 80% of our planned 2024/25 High Needs Block spending:

- a) Spend on mainstream EHCPs is forecasted to increase by 36% in 2023/24 and we currently estimate that we will continue to see substantial growth in 2024/25. Anticipated spending growth in this area alone exceeds the £5.5m growth in High Needs Block income that we have received from the DfE.
- b) Spend on Independent, Non-Maintained and Out of Authority placements is forecasted to increase by 26% in 2023/24 and we estimate that we will continue to see a similar level of growth in 2024/25. Growth in this area alone exceeds the £5.5m growth in High Needs Block income that we have received from the DfE.
- c) The 2024/25 planned budget includes provision for an additional 200 local SEND specialist places (100 full year; 100-part year from September).
- d) Additional places have been commissioned for pupils permanently excluded and the 2024/25 planned budget estimates funding of 300 places.
- e) Spend on special schools and special school academies will increase principally as a result of the proposed uplift of the EHCP Banded Model and the expectation that new placements will be placed at higher Bands due to growing levels of need.
- f) Spend on EHCPs in post-16 is forecasted to continue to increase as the secondary-aged population bulge continues to move through.

We have in recent years delivered structural changes and we have already applied a number of mitigations, which roll forward within our 2024/25 planned budget and which have contributed so far to our success in delivering a balanced High Needs Block budget and in securing carry forward DSG surplus resilience reserves. We identify that a number of the actions that we have already taken feature in the DfE's recommendations to local authorities that are within the Safety Value and Delivering Better Value intervention and support programmes. Our much more challenging forecasted position for 2024/25 onwards is the result of our expectation of the continued significant growth in numbers of EHCPs alongside other demand-led spending pressures and the reduction in the annual increases in High Needs Block income that we have received / expect to receive within the DSG settlements.

Our strategic work needs to continue to put forward options for new actions that may

contribute to the resolution of the forecasted High Needs Block deficit. We are seeking to develop actions that will help to reduce the size of the overspend in 2024/25 and then to reduce the on-going overspend from April 2025. Actions from April 2025 include consideration of amendments to our formula funding models, as well as a Schools Block to High Needs Block funding transfer. These types of actions will ultimately be picked up within our 2025/26 DSG planned budget setting and consultation on formula funding arrangements. From discussions that have already taken place with the Schools Forum, we are conscious that, in the context of continued demand-led growth, reducing High Needs Block spending will be very difficult to achieve. We have identified that, even after further mitigation is identified, there is high risk that our DSG account will be in deficit by the end of the 2025/26 financial year. The Local Authority intends to communicate this to the DfE and to ask for advice and support. The forecasted position of our DSG account will continue to be presented within the Council's Medium Term Financial Plan. A deficit in our DSG account is potentially significant for the Council's overall financial position. There is a national 'statutory override' accounting mechanism, however, which is currently in place to the end of the 2025/26 financial year. Please see section 8 of this report.

Finally, in forecasting future year High Needs Block spending, we are conscious of three uncertainties, in particular, that may alter (increase, as well as decrease) the pressure on our High Needs Block. These require close monitoring:

- a) The outcomes of the current national reviews on SEND, EHCP and Alternative Provision systems and funding. It is likely that national changes will alter the cost base that our High Needs Block will need to manage. We are a pilot authority for the DfE's SEND Change Programme. Part of this work includes piloting schemes to encourage greater inclusion in schools, thereby reducing the demand and growth of EHC Plans. Bradford, in partnership with all of its schools, will be piloting an Inclusion Tool to support schools to identify needs early, access specialist support services for advice and support to meet SEND needs, and to consider strategies to support children with SEND to access their education without the need for an EHC assessment/Plan. For inclusion to be successful in schools, it needs to be financially viable. The notional SEND budget in a school has been set at £6,000 (known as 'element 2' funding) since 2012 and this is in need of an urgent uplift in order to reflect increasing costs of educating children.
- b) The rate of continuing growth in the number of children and young people with EHCPs, including the number that will require specialist provisions, as well as high-cost independent provisions, in the context of wider demographic changes.
- c) The annual increases in High Needs Block funding allocated by the DfE.

2.5 Regarding the Schools Block, the Government has re-affirmed its intention to implement a 'hard' National Funding Formula for mainstream primary and secondary maintained schools and academies. Further transition has been directed for 2024/25. The DfE's stated aim is for the National Funding Formula to be fully implemented by 2027/28, at the latest. Although local responsibility is expected to be retained for the High Needs Block, Early Years Block and Central Schools Services Block, at the point the National Funding Formula is implemented, mainstream Schools Block primary and secondary funding formula is expected to be calculated nationally and only 'passported' by the Authority to schools. However, the Authority continues in 2024/25 to have responsibility for deciding all formula funding arrangements, within

tight regulations.

- 2.6 Given this direction of travel, a key decision for all authorities recently has been whether to fully adopt locally the Government's National Funding Formula for the allocation of the Schools Block to mainstream primary and secondary maintained schools and academies. Council took this decision at April 2018 and the Schools Block recommendations for 2024/25 are put forward to ensure that we continue to mirror the Government's National Funding Formula as this annually incrementally develops.

The Government's 2024/25 Schools Block primary and secondary mainstream National Funding Formula (NFF) provides for a 'headline' increase in funding per pupil nationally of 1.9%, inclusive of the transfer into the DSG of the Mainstream Schools Additional Grant. The settlement is allocated broadly equally across all formula factors, rather than being weighted towards additional educational needs factors, as was the case in 2023/24. Incorporating the impact of the October 2023 Census dataset, the primary-phase mean average change in formula funding per pupil in Bradford is positive 1.8%. The secondary phase mean average change is positive 1.5%. The all-through academy mean average change is positive 2.4%.

As in previous years, maintained primary and secondary schools and academies will not uniformly receive the same percentage increases in per pupil funding. Increases will depend on changes in pupil circumstances data, in pupil numbers, and on the school's / academy's relationships to both the Minimum Funding Guarantee (MFG) and to the mandatory minimum per pupil funding levels (MFL):

- a) The Minimum Funding Guarantee (MFG) for primary and secondary maintained schools and academies is proposed to be set at positive 0.5% in 2024/25, meaning all schools / academies will receive a minimum 0.5% increase in per pupil funding, using the DfE's prescribed methodology. 0.5% is the maximum MFG that is permitted by the Regulations.
- b) A significant element of the Government's National Funding Formula for mainstream primary and secondary maintained schools and academies is the requirement that all primary maintained schools and academies receive a minimum of £4,610, and all secondary maintained schools and academies a minimum of £5,995, per pupil. These minimums (MFL) have been increased by 1.4%, prior to the merger of the Mainstream Schools Additional Grant.
- c) 33% of Bradford's schools and academies will be funded on either the MFG or the MFL; 36% of the primary-phase and 19% of the secondary-phase.

Increases in cash allocations (rather than in per pupil values) of formula funding, for individual maintained schools and academies, will be affected by changes in the numbers of pupils recorded on roll at October 2023, compared with October 2022. The number of pupils recorded in mainstream secondary phase maintained schools and academies continues to increase, with 314 (+0.9%) more pupils recorded at October 2023. This is the continuation of the school population bulge, which began some time ago in the primary-phase. As a result of more recent demographic trends, the number of pupils recorded in mainstream primary phase maintained schools and academies continues to reduce, with 202 (-0.4%) fewer pupils recorded at October 2023. This reduction is forecasted to continue in the medium term and, as a result,

formula funding levels in the primary-phase are also forecasted to continue to reduce. Pupil numbers in the secondary phase are forecasted to flatten, before then beginning to reduce in future years.

2.7 Regarding the Early Years Block, the Government is extending the entitlements to early education and childcare, meaning that, for the 2024/25 financial year, the Local Authority must have in place arrangements for funding providers for their delivery of the following five entitlements:

- a) The 15 hours universal 3&4-year-olds entitlement.
- b) The 15 hours (for eligible working parents) extended 3&4-year-olds entitlement.
- c) The 15 hours 2-year-olds entitlement for parents of eligible children from the most disadvantaged backgrounds.
- d) From 1 April 2024, a new entitlement of 15 hours for 2-year-olds of eligible working parents. This entitlement will extend to 30 hours at September 2025.
- e) From 1 September 2024, a new entitlement of 15 hours for children aged + 9 months of eligible working parents. This is known as the “Under 2s” entitlement. This entitlement will extend to 30 hours at September 2025.

In section 4 of this report, we present a summary of the formula funding approaches that are proposed to support the delivery of the entitlements. As a result of the new entitlements, the cash value of our Early Years Block allocation has significantly increased in 2024/25 and will increase again in 2025/26 and 2026/27 as the new entitlements are fully established. The DfE confirmed on 29 November 2023 the Early Years Block settlements for local authorities for the 2024/25 financial year, including the rates of funding for the new entitlements. The table below provides the headlines:

| Description | Under 2s Working Parents Entitlement | 2-Year-Old Entitlements (both Disadvantage and Working Parents) | 3&4-Year-Old Entitlements (both universal and extended) |
|--|--------------------------------------|---|---|
| DfE National Average Early Years Block funding rate per hour 2024/25 | £11.22 | £8.28 | £5.88 |
| DfE Bradford Early Years Block funding rate per hour 2024/25 | £10.97 | £8.04 | £5.55 |
| Difference between Bradford’s rate and the National Average in 2024/25 | - £0.25 | - £0.24 | - £0.33 |
| DfE Bradford funding rate per hour in 2023/24 (combined Early Years Block and Early Years Supplementary Grant) | n/a | £7.40 | £5.32 |
| Difference (increase) in Bradford’s 2024/25 rate of funding per hour received from the DfE vs. 2023/24 | n/a | + 0.64 (8.7%) | + £0.23 (4.3%) |

In percentage terms, the 2024/25 settlement is much better than the original 2023/24 DSG settlement, which only increased our funding rates by 1% on 2022/23. The funding of the existing entitlements was improved during 2023/24 via the allocation of the additional Early Years Supplementary Grant (EYSG), which was announced by the Chancellor in March 2023. The EYSG has been consolidated and is continued within the 2024/25 Early Years Block settlement. The 2024/25 settlement should be

viewed in the context of the continued significant increases in salaries costs that are met by providers, including increases in the National Living Wage.

The rates in the table above are the total rates of funding that the DfE allocates to the Authority. From these rates, the Authority must fund our Early Years Single Funding Formula (allocated out to providers), our Early Years SEND Inclusion Fund (allocated out to providers) and the services that are managed centrally in support of providers and the delivery of the early years entitlements (retained centrally). Council will note that, although we propose to operate two separate formulae for the allocation of funding to support the delivery of the Disadvantage and Working Parents 2-year-olds entitlements, the Authority receives the same rate of funding from the DfE. The Authority also receives the same rate of funding for both the universal and extended 3&4-year-olds entitlements. We have shown the national average funding rates in the table above, as it is important for Council to be aware that Bradford receives rates of funding that are lower than the national averages. This affects how the rates of funding that providers receive in Bradford compare, especially to DfE guidance documentation, which only presents national average rates of funding.

A matter of uncertainty for the Early Years Block has been the settlement for maintained nursery schools. Bradford receives a discrete sum (a 'supplement'), which is used to protect our seven nursery schools at 'historic' funding levels. Without this supplement, these schools would each lose in the region of a third of their 3&4-year-olds entitlements funding, meaning that they are unlikely to remain viable in their current forms. The DfE has confirmed the continuation of this supplement for the 2024/25 financial year and has also previously stated that it remains committed to supporting nursery schools going forward.

Linking with demand-led pressures within the High Needs Block, the significant growth in the number of applications from providers in Bradford for Early Years Inclusion Funding (EYIF), and meeting the cost of this growth, is a prominent factor in the Authority's overall Early Years Block budget planning for 2024/25. The DfE's settlement does not explicitly recognise the growth of SEND in early years. EYIF spend in Bradford is estimated to increase by around 40% in 2023/24 and again in 2024/25, before we factor in the additional cost that will come from the extension of EYIF across all the entitlements.

There is a significant matter in respect of our 2024/25 Early Years Block funding settlement that is still to be resolved by the DfE. This relates to the introduction of the Under 2s Working Parents entitlement at 1 September 2024. Following our profile, we will fund providers in Bradford for the delivery of this new entitlement over 26 weeks between 1 September 2024 and 31 March 2025. However, the DfE has set out a methodology, which would only fund the Authority for 22 weeks of delivery over the same period, meaning that we would have the cost of 4 weeks of unfunded delivery to cover. We estimate that this would cost us £1.2m. We have met with the DfE to raise this as a very significant issue. We are aware that the DfE is speaking to other authorities and other authorities have raised the same issue. We are waiting for the DfE to set out its position. It is important for Council to be aware of this matter because, if this is not resolved by the DfE, it will significantly affect the overall financial position of Bradford's Early Years Block and Dedicated Schools Grant, in 2024/25 but also (and more so in 2025/26) when both the Under 2s and 2-year-olds Working

Parents entitlements extend to 30 hours. If this matter is not resolved by the DfE, the Authority will need to take mitigating steps to absorb the cost.

- 2.8 Reports to Council on the Schools Budget, that were presented prior to the 2020/21 financial year, recurrently highlighted the extent to which increases in DSG funding were assessed to be insufficient to match growth in costs, especially in salaries costs, leading to maintained schools, academies and other providers being required to deliver structural budget savings. The increases in DSG funding that were provided by the 2020/21, 2021/22, 2022/23 and 2023/24 settlements, however, were substantially improved, and the messages that we highlighted in the Schools Budget reports to Council over this period changed to reflect this.

There is consolidation of this improvement in the 2024/25 DSG funding settlement. To summarise the main features of this improvement for Bradford:

- The additional funding from the Mainstream Schools Additional Grant (MSAG), which was allocated in 2023/24, has been added as a permanent on-going funding stream within the Schools Block National Funding Formula and within the High Needs Block.
- The Teacher Pay Grant, which supports the additional 3.0% cost of the 6.5% teachers' pay award at September 2024 continues.
- A new Teacher Pensions Grant will be established to support the 5% increase in the employer's contribution to teacher pensions at 1 April 2024 in schools and academies.
- The increases in funding to support the existing early years entitlements that were delivered by the Early Years Supplementary Grant are consolidated. The Early Years Block settlement for 2024/25 is a better settlement, which is more reflective of provider cost pressures than the original 1% 2023/24 settlement.
- Mainstream primary and secondary maintained schools and academies, that are now funded on the DfE's mandatory minimums (MFL), have seen significant growth in their funding levels since 2019/20. These schools and academies will see a 1.4% increase in their per pupil funding in 2024/25, which is improved on the 0.5% increase that they received in 2023/24.
- 80% of mainstream primary and secondary schools and academies are now funded in 2024/25 above the level of the 0.5% Minimum Funding Guarantee. Following the collection of updated pupil circumstances data, funding for individual schools and academies has increased by a further £1.7m in 2024/25 in support of increased pupil-led need. Pupil Premium Grant allocations will also increase in response to this, and the DfE is increasing Pupil Premium Grant factor values by c. 1.5%.
- The historic higher funding levels of maintained nursery schools are secured for 2024/25 via the DfE's continuation of the Maintained Nursery School Supplement within the Early Years Block.

- By increasing the values of top-up funding allocated by our EHCP Banded Model, per place funding for special schools and special school academies will increase by more than the minimum that is required by the DfE.

However, the scale of the growth in costs that the DSG, schools, academies and other providers, including early years providers, in Bradford are absorbing – from demand-led growth (SEND and pupil-led need), inflation and from pay awards – has created a very challenging financial environment. The health of the budgets of individual schools, academies, and other providers will be additionally affected by variable factors. In terms of general, as well as specific variable, pressure points for Bradford in 2024/25, we highlight that:

- The Government’s Early Years Block settlement for Bradford does not explicitly recognise the growth of SEND in early years, which must be met within this settlement, reducing rates of funding for wider provider delivery. Whilst the settlement is improved, this must especially be seen in the context of further increases in salaries costs, including in the National Living Wage (9.8%) and the increased cost of teacher pensions.
- Mainstream primary and secondary schools and academies, that are funded on the Minimum Funding Guarantee will see only a 0.5% increase in their core formula funding per pupil. This level of growth is very unlikely to keep pace with the salaries, and other inflationary cost, increases that these schools and academies will need to meet in 2024/25.
- Locally, all education budgets are still expected to be required to absorb the impact of pay awards, incorporating the teacher pay award, the officer (NJC) pay award, the increase in the National Living Wage and employer contributions to staff pension costs. Salaries increases in 2024/25 will need to be met, in addition to education budgets having already absorbed a substantial teacher pay award at September 2023, and a substantial officer (NJC) pay award at April 2022 and April 2023. National decisions on pay awards to come will have direct impact on the health of education budgets in 2024/25.
- Whilst the Teacher Pensions Grant will support the additional cost of the 5% increase in the employer’s contribution to teacher pensions in schools and academies at 1 April 2024, we do not expect that additional funding will be allocated by the DfE into the Central Schools Services Block and the High Needs Block to support the costs associated with centrally employed teachers that deliver support services. This places further financial pressure on our DSG.
- General inflation, though dropping is still relatively high, especially food and energy costs, and there hasn’t been ‘deflation’, meaning that recent very large cost increases are still consolidated.
- Demographic trends are reducing the numbers of early years children and primary-phase pupils across the District. The cash funding that some primary schools, primary academies and early years providers receive will reduce, which will require structural spending adjustments, at the same time as increased costs are absorbed.

- The COVID-19 pandemic grants – the Recovery Premium and the National Tutoring Programme – cease at the end of the 2023/24 academic year. Schools and academies will need to absorb within their own delegated budgets the cost of these programmes where support is continued.
- 2024/25 HNB settlement is substantially lower in cash and % terms than has been received in each of the last 4 years. Our £5.5m increase does not match the expected growth in demand and growth in the numbers of EHCPs. One of the mitigating actions that we have taken in 2024/25 is to apply restraint in the uplifting of our High Needs Block formula funding models, restricting this to 1%. This action should be viewed in the context of the Authority's deficit forecast, the prioritisation of the expansion of specialist places capacity (securing appropriate provision for high needs pupils) and of meeting the cost of the growth in the numbers of children and young people in Bradford with EHCPs.
- Schools, academies and other providers, in their management of their delegated funds, continue to need to take prudent decisions understanding that there is uncertainty for the near-future. This includes uncertainty regarding funding increases from April 2025, pay awards in 2024/25, and the financial implications of the major national SEND and Alternative Provision reviews.

2.9 In summary, Bradford has received in 2024/25, compared against 2023/24:

- An additional £28.50m within the Schools Block (+ 5.6%). Of this increase, £17.07m relates to the transfer of the Mainstream Schools Additional Grant into the Schools Block, leaving £11.43m, which is actually new funding. The majority of this growth comes from the increase that is provided by the National Funding Formula-led settlement. £1.97m comes from the increase (RPIX) in PFI (Building Schools for the Future) funding and Business Rates (NNDR).
- An additional £5.47m within the High Needs Block (+ 4.7%).
- An additional £22.013m within the Early Years Block (+ 50.0%). £14.81m of this relates to the funding of the new Under 2s and 2-year-olds Working Parents entitlements. Our Early Years Pupil Premium and Disability Access Funding has also been increased to meet the extension of these streams across all the entitlements. The £22.013m growth in funding is estimated on the entitlement numbers forecasts that are used by the DfE. Actual cash growth will be affected by changes in our entitlement delivery that will be recorded during 2024/25. There is potential for significant movement in these figures. Our estimate of the Early Years Block includes the continuation of the Maintained Nursery School Supplement, at £1.63m.
- An additional £0.07m within the Central Schools Services Block (+ 2.0%). This increase comes from the Government's 3% uplift of its National Funding Formula, which is partially offset by the reduction in funding for our historic commitments.

2.10 The total estimated value of Dedicated Schools Grant (DSG) available for distribution in 2024/25 is £759.852m, which includes a forecasted cumulative value of underspend (one off carry forward balance / reserve) up to 31 March 2024 of £29.975m

(4%). Elected Members are asked to consider and to approve the 2024/25 Schools Budget, as proposed in this report. This proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 10 January 2024. Should Elected Members wish to propose amendments to this Schools Budget then representation must be made back to the Schools Forum.

3. **SCHOOLS FORUM DECISIONS & RECOMMENDATIONS ON THE ALLOCATION OF THE SCHOOLS BUDGET 2024/25**

(£000)

Total Estimated DSG (Schools Budget) Available 2024/25 **£759,852**

3.1 **The Schools Block** **£537,891**

This Block funds formula-based delegated allocations for mainstream primary and secondary maintained schools and academies, services funded by de-delegation from maintained school budgets, a Growth Fund for primary and secondary schools and academies and a Falling Rolls Fund for primary schools and primary academies.

For 2024/25, the Schools Block is calculated on National Funding Formula-based primary and secondary per pupil values x October 2023 census pupil numbers, plus additional defined cash allocations. Bradford's primary phase amount per pupil (£app) is £5,181 (+5.13% on 2023/24); our secondary phase £app is £6,888 (+5.14% on 2023/24). These values have been derived by the DfE through the amalgamation of the allocations that individual maintained schools and academies in Bradford would receive via the National Funding Formula and following the application of minimum floors. The 2024/25 values include the transfer of the Mainstream Schools Additional Grant (MSAG) into the Schools Block. Additional cash allocations total £15.64m, for Business Rates (£4.58m), Split Sites (£0.41m), PFI (£8.84m) and Pupil Numbers Growth (£1.81m).

Please note that the funding associated with the delegated budgets of academies is 'top sliced' from this Block so that academies can be funded directly by the Education & Skills Funding Agency.

3.2 **The High Needs Block** **£122,343**

This Block funds resources for pupils in mainstream schools and academies with Special Educational Needs & Disabilities (with Education Health and Care Plans), delegated budgets for Special Schools and Special School Academies, Pupil Referral Units and Alternative Provision Academies, and resourced provisions within mainstream maintained schools and academies. These budgets are calculated under the national 'Place-Plus' framework. Other DSG provision relating to high needs pupils, both centrally managed and devolved, is also funded from this Block. This includes SEND mainstream school teaching support services, Education in Hospital provision and home tuition (medical needs). It also includes the placement of Bradford children in out of authority and non-maintained / independent provisions.

High Needs Block allocations are calculated via National Funding Formula under transitional arrangements. Bradford receives £4,661 for pupils in special schools and special school academies (including independent special schools), plus 50% of the value of our High Needs Block actual spending as it was in 2017/18, plus an allocation using the National Funding Formula, which is based on population,

deprivation and other needs-led data. The Authority then also receives an allocation of £2.26m for Education in Hospital and home tuition (medical needs) provision and £0.25m in respect of the former Teacher Pension Grant that is allocated to alternative provisions. Finally, an adjustment is made to recognise the cross border movement of children between authority areas.

Please note that the funding for high needs places in Bradford-located academies and in Post-16 settings is 'top sliced' from this Block so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

3.3 The Early Years Block £66,014

This Block funds delegated allocations, and a smaller value of funds held centrally, relating to the delivery of the entitlements to early years education for eligible children in maintained nursery schools, primary maintained schools and academies with nursery classes, and Private, Voluntary and Independent (PVI) settings. Our 2024/25 allocation includes estimates of new funding for the delivery of the new working parents entitlements: for eligible 2-year-olds from 1 April 2024 (estimated new £8.76m) and for eligible 'Under 2s' from 1 September 2024 (estimated new £6.05m).

The 2024/25 Early Years Block consolidates and continues the additional Early Years Supplementary Grant that was allocated by the DfE for the period September 2023 to March 2024. This Block also includes funding in respect of the increase in the employer's contribution to teacher pensions at 1 April 2024.

The value of this Block is estimated and will be finalised, for the existing entitlements, on the number of eligible children that are recorded in the January 2024 and January 2025 censuses, and for the new entitlements on an additional temporary termly count, which has been established by the DfE. The rates of funding per children per hour that we will receive from the DfE for 2024/25 are:

| | |
|-----------------------------|---------------------------|
| Under 2s Working Parents | £10.97 (new) |
| 2-year-olds Working Parents | £8.04 (new) |
| 2-year-olds Disadvantage | £8.04 (+ 8.4% on 2023/24) |
| 3&4-year-olds Entitlements | £5.55 (+ 5.1% on 2023/24) |

Estimated figures of £0.953m and £0.542m are included for the Early Years Pupil Premium and for the Disability Access Fund respectively. These funding streams are extended to all the entitlements. In addition, an estimated £1.629m is currently included for the DfE's Maintained Nursery School Supplement. This Supplement is restricted to the 3&4-year-olds universal entitlement.

3.4 The Central Schools Services Block £3,628

The Central Schools Services Block was established at April 2018, when a number of items previously funded via 'top-slice' within the Schools Block were transferred to this Block and given a formula basis. These included Pupil Admissions and Local

Authority statutory duties that are held in respect of all state funded schools and academies and that were previously funded through the now ceased Education Services Grant.

The 2024/25 allocation is calculated on a National Funding Formula. Bradford receives £39.17 per pupil (+3.0% on 2023/24) x October 2023 census numbers recorded in primary and secondary maintained schools and academies, plus a lump sum of £0.144m relating to the value of 'historic commitments' spend we recorded in 2017/18. This additional £0.144m has been reduced from the £0.180m that was funded in 2023/24 and is set to be fully phased out by the DfE over time.

(£000)

3.5 Estimated DSG Balance Brought Forward from 2023/24 £29,975

Final DSG allocations are not confirmed by the DfE until later in the financial year and the Authority's proposals are based on estimates of expenditure, especially within the High Needs and Early Years Blocks. These estimates are reconciled at the end of each year and differences are added to the DSG in the next year's planned budget.

The table in paragraph 1.4 separates the total estimated carry forward balance into the four DSG blocks. This follows our local informal 'block earmarking' approach to the management of DSG balances, which has been agreed with the Schools Forum. For formal (external) purposes however, a single DSG carry forward figure is recorded. DSG balances are not ring-fenced by the Regulations and can be used cross-block.

4. ALLOCATION TO DELEGATED BUDGETS (€000)

Total Allocated to School / Provider Delegated Budgets €713,027

Broken down as follows:

4.1 Early Years Providers via Single Funding Formula €64,341

This is funding delegated to maintained nursery schools, nursery classes in maintained primary schools and primary academies, and Private, Voluntary and Independent (PVI) providers, to support the delivery of the entitlements to early years education, estimated as follows:

- The Under 2s Working Parents Entitlement €7.047m (part year from September).
- The 2-year-olds Working Parents Entitlement €8.268m (full year from April 2024).
- The 2-year-olds Disadvantage Entitlement €8.851m (full year).
- The 3&4-year-olds Universal and Extended Entitlements €38.379m (full year).
- Early Years SEND Inclusion €1.563m.
- Early Years Pupil Premium €0.953m.
- Disability Access Fund €0.542m.
- Adjustment for the planned spending of balance brought forward (minus) €1.262m.

Due to the timing of the DfE's announcements on early years funding for 2024/25, the Authority completed on 5 February a consultation on our Early Years Single Funding Formula (EYSFF) proposals. At its meeting on 10 January 2024, the Schools Forum gave its full formal support to the Authority's proposals, subject to the wider outcomes of our consultation. 15 responses to this consultation were received. Some responses made comments about the proposals, or other aspects, that it is not possible for the Authority to respond to, due to the constraints / requirements of the Regulations. Some responses highlighted that the funding rate for the 3&4-year-old entitlements continues to be low. In this, the Authority is constrained by the value of our Early Years Block settlement from the DfE. The 15 responses received, however, collectively supported the Authority's proposals, with the majority responses to all the consultation questions being 'strongly agree' or 'agree on balance'.

The Authority, therefore, following the School Forum's support, recommends that the Early Years Single Funding Formula (EYSFF) that was set out in the Authority's consultation is used to calculate budget shares for all providers delivering entitlement provision in 2024/25. A summary of Bradford's recommended EYSFF is attached at Appendix 4. In headline:

- A brand-new formula is in place for funding the delivery of the new Under 2s Working Parents entitlement, from 1 September 2024. It is proposed that this entitlement is funded via a Base Rate of €10.15 per child per hour for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation). It is proposed that the Deprivation and SEND Supplement allocates in total 2% of delegated funding for this entitlement.

- A brand-new formula is in place for funding the delivery of the new 2-year-olds Working Parents entitlement, from 1 April 2024. It is proposed that the 2-year-olds Working Parents entitlement is funded via a Base Rate of £7.35 per child per hour for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation). It is proposed that the Deprivation and SEND Supplement allocates in total 2% of delegated funding for this entitlement.
- We propose to continue to allocate funding to support the delivery of the 3&4-year-olds universal and extended entitlements using a Base Rate of £4.94 per child per hour for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation), plus the supplement that specifically and only allocates lump sum sustainability funding to Maintained Nursery Schools.
- To further highlight Supplements funding within the 3&4-year-olds entitlements Early Years Single Funding Formula: a) the Employer's Contribution to Teacher Pensions Supplement, that was contained within our 2023/24 3&4-year-olds entitlements funding formula, is proposed to be discontinued; b) the proportion of 3&4-year-olds entitlements funding that is allocated to providers via the Deprivation and SEND Supplement is proposed to be reduced from 7% to 5%; and c) we do not propose to add any new supplements into the 3&4-year-olds entitlements Early Years Single Funding Formula.
- The funding levels (referring back to 2016/17 levels, prior to the national reforms) of Maintained Nursery Schools, for the delivery of the 3&4-year-olds entitlements, continue to be protected for the full financial year using the specific additional supplement that continues to be allocated by the DfE. Sustainability funding for maintained nursery schools in 2024/25 consolidates the allocation of the additional funding that was included within the Early Years Supplementary Grant and within the Early Years Pay Grant in 2023/24. The sustainability funding has also been increased for the additional funds that have been allocated in response to the increased employers' contribution to teacher pensions at 1 April 2024.
- Early Years Inclusion Funding (EYIF) is extended to all children that are accessing any of the entitlements. 'Fee-paying' hours continue to not be eligible for EYIF. Whilst we continue our existing core approach to the allocation of EYIF in 2024/25, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding.

The DSG Conditions of Grant for 2024/25 require that a minimum 95% of the funding that is available in respect of each entitlement funding stream is delegated to providers for that entitlement. This 95% restriction has the effect of limiting the % of funding for each stream that can be centrally retained (limited to 5%) and limiting the extent to which funding for one stream can be used to pay for another. The proposed Schools Budget complies with this condition, as follows:

- Under 2s Working Parents Entitlement 95.5%
- 2-year-olds Disadvantage Entitlement 96.7%
- 2-year-olds Working Parents Entitlement 95.5%
- 3&4-year-olds Entitlements 97.4%

We also comply with the Condition, which restricts spending on supplements to a maximum 12% of available funding. Our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School supplement is allocated to protect maintained nursery school funding at pre-national reform levels.

(£000)

4.2 Primary and Secondary Schools and Academies £536,150

Primary Phase £277.732m.

Secondary Phase £258.418m.

Please note that the funding for the delegated budgets of academies is 'top sliced' from the Authority so that these settings can be funded directly by the Education & Skills Funding Agency.

The Schools Forum has recommended to:

- Use the formula outlined in Appendix 2 to calculate delegated budget shares for mainstream primary and secondary maintained schools and academies. This formula has been agreed following consultation with schools and academies in autumn 2023. We submitted the final version of the required Pro-forma by 22 January 2024, and this is subject to final validation by the Education & Skills Funding Agency.
- Continue to fully mirror the Government's National Funding Formula, meaning that we:

Amend our minimum levels of per pupil funding to match the mandatory values of £4,610 primary and £5,995 secondary. These minimums have increased on 2023/24 by 1.40%, prior to the transfer in of the Mainstream Schools Additional Grant).

Amend our local formula to mirror the Government's 2024/25 National Funding Formula values for existing factors. The values of these factors have broadly increased between 1.0% and 2.2% on 2023/24, prior to the transfer of the Mainstream Schools Additional Grant.

Adopt the new mandatory split sites National Funding Formula factor.

- Set the Minimum Funding Guarantee at the maximum permitted + 0.50%.
- Continue to pass through the specific PFI (Building Schools for the Future) DSG affordability gap values, using our current method. Continue to fund business

rates at actual cost, with this cost currently estimated.

- Incrementally amend our definition of Notional SEND budgets for mainstream schools and academies, building on the adjustments that we made in 2023/24 to bring this definition more in line with the national picture and to improve fairness.
- Continue to retain additional funds that are initially managed centrally within the Schools Block (with some then released to eligible schools / academies during the year) – Growth Fund (primary and secondary phases), Falling Rolls Fund (primary phase only), De-delegated Funds (maintained schools only).

(£000)

4.3 Special Schools and Special School Academies

£41,024

The national high needs funding approach is based on the financial definition of a 'High Needs' child or young person being one whose education, incorporating all additional support, costs more than £10,000 per annum. This threshold lays the foundation of the national 'Place Plus' framework and the basis of the definition of the responsibility that maintained schools, academies and other providers have for meeting the needs of children and young people from their delegated budgets.

Delegated high needs funding has two parts a) core (or place) funding and b) top-up (or plus) funding. At its simplest level, the basic "Place" element has been set nationally at £10,000 for both SEND and Alternative Provision settings. The "Plus" element is the top-up above the "Place" funding and is based on an assessment of the additional needs of an individual pupil. Local authorities are permitted to establish bands for the top-up element of funding.

The 2024/25 planned budget of £41.025m is calculated on 1,540 places on a full year 2024/25 academic year basis across 8 special schools / academies. It also includes £0.30m additional budget for mainstream outreach support.

The Council introduced at April 2020 a new Banded Model for the funding of top-up for Education Health and Care Plans (EHCPs). This Banded Model, uplifted as set out in Appendix 3 for 2024/25, is proposed to continue to be used to allocate top-up funding for pupils with EHCPs placed in special schools and in special academies.

The 2024/25 planned budget includes a sum of £1.404m, which is allocated specifically in response to the DSG Condition, which requires local authorities to continue to pass through to Special Schools, Special School Academies, PRUs and Alternative Provision Academies the additional + 3.4% in funding per place that was added in 2023/24.

Please note that the place funding for academy special schools is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

4.4 Pupil Referral Units (PRUs) & Alternative Providers £7,280

The Authority retains responsibility for funding from the High Needs Block provision for pupils that have been permanently excluded. Maintained schools and academies continue to be responsible for paying, from their delegated budgets, the cost of placements they commission (for pupils that are not permanently excluded).

The 2024/25 planned budget makes provision in total for 300 places on a full year basis to be available for turn-around provision for pupils permanently excluded. We propose to continue to calculate top-up for this provision using the Day Rate Model, which was first introduced at April 2020. The rate of funding allocated by the Day Rate Model is proposed to increase in 2024/25 by 1.71%.

Please note that the place funding for Alternative Provision Academies is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

4.5 School-Led SEND Resourced Provisions (Primary & Secondary) £6,591

School-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary maintained schools / academies where the school / academy, under Service Level Agreement, manages this provision and employs its staffing. Place and top-up funding is fully delegated.

The planned budget of £6.591m is calculated on 369 places across 23 provisions for the 2024/25 academic year.

School-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 3.

Please note that the place funding for resourced provisions in academies is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

4.6 Authority-Led SEND Resourced Provisions (Primary & Secondary) £6,459

Authority-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary maintained schools / academies where the Authority, rather than the school / academy, manages this provision and employs its staffing. Funding is partly delegated and partly retained. The top-up is retained and managed by the Authority. The host school / academy retains the first element of place funding (broadly £4,000) to cover its basic curriculum and site costs.

The planned budget for Authority-Led SEND Resourced Provisions incorporates both the budget for the long-established sensory provisions, as well as the growing budget for the SEND resourced provisions that began to be established from 2019 as part of

the Authority's strategy to deliver additional specialist SEND places.

The planned budget of £6.459m is calculated on 266 places in total for the 2024/25 academic year, with 100 places attached to the 4 established sensory provisions and 166 places attached to 9 recently developed / newly developing SEND provisions.

Authority-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 3.

Please note that a proportion of the planned budget is centrally retained. However, recognising that this budget is spent directly on provision within schools / academies, and in the interests of simplicity, the full budget is recorded here as delegated.

(£000)

4.7 Pupils with EHCPs in Mainstream Schools, Academies and PVI £27,210

Top-up funding is delegated to mainstream maintained schools / academies and early years PVI providers for pupils with Education Health and Care Plans (EHCPs). The Banded Model, as set out in Appendix 3, is proposed to apply to the calculation of this top-up for 2024/25. The planned budget of £27.210m incorporates a forecasted net 20% increase in cost as a result of the continued growth in the numbers of EHCPs that are anticipated to be placed in mainstream maintained schools / academies and PVI providers during 2024/25.

The national high need funding system works on the basis that mainstream schools / academies have sufficient funding already within their delegated allocations to enable them to meet the additional costs of the SEND of their pupils, up to the threshold of £6,000 per pupil. Local authorities are required to define for each primary and secondary maintained school and academy the value of their formula funding that is 'notionally' allocated for SEND to be used in meeting costs up to the £6,000 threshold.

The planned budget of £27.210m incorporates the SEND Funding Floor, which is a factor that ensures a minimum level of funding for SEND provision in primary and secondary maintained schools and academies. The Floor is aimed at ensuring that no mainstream primary or secondary school / academy will have to manage from their own formula funding an above phase-average cost pressure in respect of their commitment to fund the first £6,000 of cost for their pupils with EHCPs. As well as supporting provision for pupils with EHCPs, the Floor is aimed at protecting the funding used by schools / academies to support their wider AEN (Additional Educational Needs), SEND and AP (Alternative Provision) activities. It directly financially supports schools / academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools / academies that may have lower levels of AEN formula funding and that may be smaller in size. It also supports schools / academies that may have some turbulence in formula funding as a result of in year pupil numbers changes. We first introduced our SEND Funding Floor in 2021/22. At that time, the Floor was put forward as a trial, for one year only, and being subject to further review, including in the light of the outcomes of the DfE's national SEND Review. We propose to continue this Floor arrangement for the 2024/25 financial year, April 2024 to March 2025, but again pending review for

2025/26. We have adjusted (increased – from median plus + 2% to median + 3%) the thresholds that are used to calculate this Floor.

(£000)

4.8 Post-16 Further Education / Special Post 16 Institutions (SPIs) £9,466

Places for high needs students at post-16 are funded at £6,000. For top-up funding, Further Education providers and SPIs are funded for the vast majority of their Post-16 high needs students at 60% of the values prescribed by the Banded Model, as set out in Appendix 3. The main exception is students with the primary need of sensory impairment, where funding is calculated on an actual cost basis.

The planned budget of £9.466m is calculated on 435 places commissioned by the Authority in the main Bradford-located Further Education Colleges for the 2024/25 academic year, plus provision for the estimated cost of top-up allocations to all Post 16 provisions and for the cost of potential growth in places during the year.

Please note that the place funding for the FE colleges is ‘top sliced’ from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

4.9 Early Years Resourced Provisions £1,900

Early years resourced provisions are attached to 6 maintained nursery schools and will continue to be funded via the Place-Plus framework. The Banded Model set out in Appendix 3 applies to the calculation of top-up from April 2024.

These provisions operate as school-led SEND resourced provisions, where the schools, under Service Level Agreement, manage the provision and employ the staffing. Place and top-up funding is fully delegated.

The planned budget of £1.900m is calculated on an allocation of 78 FTE places for the 2024/25 academic year.

4.10 Placements in Out of Authority & Independent Settings £28,800

The cost of placements of pupils with EHCPs in out of authority and in independent settings is calculated on an actuals basis, with this total cost appropriately shared between the DSG (education), health and social care. The funding of independent providers currently sits outside the national Place-Plus framework. The number and cost of placements commissioned by the Authority has continued to increase due to demand and pupil population growth. The planned budget of £28,800m is calculated estimating that the cost in 2024/25 will continue to grow at current rates.

(£000)

4.11 Provision for the Creation of Additional SEND Places **£3,869**

The planned budget includes £3.869m, which is revenue provision to support the creation of a further specialist SEND places. Given the projected continued growth in demand, the Authority will continue to seek to create SEND places on an on-going basis and will make revenue budget provision for this from the High Needs Block.

4.12 Former Teacher Pay and Pensions Grants **£1,557**

We were required in 2021/22 to add into our formula funding arrangements for specialist settings the allocation of the Teacher Pay Grant (TPG) and the Teacher Pension Grant (TPECG), in response to these grants being transferred into the High Needs Block. Prior to this, these grants were allocated to providers separately and in addition to place-plus funding.

We propose to continue to allocate these monies in 2024/25, as we have done in 2023/24, on a place-led basis. Unlike main place-element funding however, the Authority will continue to allocate these monies to academies as well as to maintained schools and to PRUs.

4.13 Allocation of High Needs Block balance to Overspend **- £21,620**

The 2024/25 High Needs Block planned budget, as proposed, overspends the 2024/25 High Needs Block income by £21.620m. It is not possible to apportion this overspending to the individual delegated expenditure lines that are listed in paragraphs 4.3 to 4.12, and so is shown here as a single sum.

5. ALLOCATED TO NON-DELEGATED BUDGETS (£000)

Total Allocated to non-delegated Budgets £16,849

Broken down as follows:

The School and Early Years Finance (England) Regulations (as amended) have, over time and in preparation for National Funding Formula, altered the treatment of non-delegated items and contingencies. These Regulations require a greater proportion of the DSG to be delegated to schools, academies and to other providers and also require that the Schools Forum makes recommendations (and some decisions) for permitted centrally managed items, individually and, in some cases, on a phase-specific basis.

5.1 Schools Block non-delegated budgets **£1,740**

A total of £1.740m is recommended to be held within the Schools Block for the following purposes. Please note that some of the monies below that are initially retained will actually be delegated to schools and academies during 2024/25.

- £0.790m for items de-delegated from maintained primary and secondary schools.
- £0.950m of provision for new growth (pupil numbers expansions in secondary maintained schools and academies) at September 2024. The cost of growth, in both the primary and secondary phases, will be supported by the balance that will be brought forward from 2023/24. Please see section 7.
- £0.000m for the Falling Rolls Fund for the primary phase, to support eligible primary schools and primary academies that are managing 'blips' in pupil numbers, where their surplus capacity is forecasted to be filled within 3-5 years. Any cost of the Falling Rolls Fund in 2024/25 will be met from the balance that will be brought forward from 2023/24, rather than by taking new budget from the 2024/25 Schools Block. Please see section 7.

5.2 High Needs Block non-delegated budgets **£9,808**

A total of £9.808m is recommended to be held centrally within the High Needs Block for the following purposes:

- £6.547m for Local Authority centrally managed SEND teaching support services.
- £1.710m for the Authority's home tuition and education in hospital provision for children and young people not able to access school for medical reasons.
- £1.013m for the DSG's contribution to the Affordability Gap for Building Schools for the Future for special schools / academies.
- £0.538m of smaller budgets, including copyright licences for special schools and

PRUs, speech and language therapy services and specialist equipment.

(£000)

5.3 Early Years Block non-delegated budgets £1,673

A total of £1.673m is recommended to be held centrally within the Early Years Block for the following purposes:

- £0.891m for the Early Years Block's contribution to early years high needs support services, including portage and the Area SENCOs function that is managed by the Authority in respect of Private, Voluntary and Independent providers.
- £0.562m to support the cost of the Local Authority's capacity to support the delivery of the Authority's early years function and entitlement arrangements, focusing, in particular, on communication, provider sustainability, quality, compliance and on the processes that are required for the effective delivery of the Early Years Single Funding Formula, in support of parents and providers.
- £0.123m to continue maintained nursery school access to relevant agreed 'delegated' funds.
- £0.097m continuing charge for copyright licences.

5.4 Central Schools Services Block £3,628

The £3.628m is recommended to be allocated as follows:

- £0.013m Schools Forum costs.
- £1.066m Pupil Admissions.
- £1.579m Statutory Duties delivered by the Authority on behalf of all state funded schools, including academies.
- £0.332m Copyright Licences Schools Block, on behalf of primary and secondary maintained schools and academies.
- £0.540m Education Access Officers.
- £0.157m to support the Local Authority's statutory education services planning (places planning) and consultation function.
- Minus £0.059m. The 2024/25 Central Schools Services Block planned budget, as proposed, overspends the 2024/25 Central Schools Services Block income by £0.059m. It is not possible to apportion this overspending to the individual delegated expenditure lines that are listed, and so is shown here as a single sum.

6. ALLOCATION OF BALANCES BROUGHT FORWARD (ONE OFF) (£000)

Total allocated on a one off basis in 2024/25 £22,933

The £22.933m is made up of the following 4 recommended allocations:

- High Needs Block: £21.620m, which is to be allocated into the 2024/25 High Needs Block planned budget in order to fully afford the expenditure that we estimate we will incur in supporting high needs children and young people, including the cost of our proposed delegated funding models, placements and the creation of new specialist places.
- Schools Block: minus £0.008m, which is the estimated value of underspending in the 2024/25 Schools Block, proposed to be added to Schools Block reserves.
- Early Years Block: £1.262m, which is earmarked to support the estimated cost of our Early Years Single Funding Formula (EYSFF) in 2024/25, as set out in Appendix 4. The £1.262m specifically relates to the issue of the funding of the new Under 2s Working Parents entitlement for the period September 2024 to March 2025, where we will fund providers for 26 weeks of delivery but where the DfE so far has indicated that it will only fund for 22 weeks of delivery. We met with the DfE to discuss this issue in December, and we await information on the DfE's position. It is now clear that other authorities are raising the same issue with the DfE, so we remain positive that this issue may be resolved. However, at this time for the purposes of setting the planned budget, we cannot guarantee this and so we should assume that the matter will not be resolved and that we will need to deploy reserve balances. If the matter is resolved in our favour, we will not deploy this value of reserves in 2024/25.
- Central Schools Services Block (CSSB): £0.059m, which is allocated to support the full cost of CSSB expenditure.

7. AMOUNT NOT ALLOCATED IN 2024/25 (€000)

Total amount not allocated in 2024/25 €7,042

One of the mitigating actions that we can take in our management of our DSG account is to assert that non-ringfenced reserves that are held at the end of the 2023/24 financial year are 'pooled' to offset / to support the management of the currently forecasted High Needs Block deficit. The DSG Regulations permit balances to be used across all the blocks. What we have established up to now is a local informal block ring-fencing policy, where we separate our total DSG reserve into the 4 different blocks. The Authority's general position also leans towards the retention of balances, meaning that we do not seek to allocate balances for the purposes of increasing levels of spending in 2024/25 above what they would 'naturally' be. The 2024/25 planned budget that is presented in this report follows this approach.

The €7.042m of balance forecasted to be retained at the planned budget stage / carried forward into 2024/25 is made up of the following sums.

Schools Block €3.303m:

- €1.149m of Growth Fund balance, which is ring-fenced to support additional costs of pupil numbers growth in 2024/25 and on-going. The Authority also recognises that new flexibilities (for the management of growth, falling rolls and 'surplus places') are expected to be brought into Schools Block arrangements in the future, following the most recent DfE National Funding Formula consultation. Falling rolls is also a significant issue for the primary phase, in particular, and we take the view that we would wish to see how the expected new flexibilities could be used before committing the Growth Fund balance (as well as the Falling Rolls Fund Balance – see below) elsewhere to more general formula spending. This balance is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- €0.500m retained as the ring-fenced balance for the primary-phase Falling Rolls Fund. Whilst a report on the position of this fund (on allocations to schools and academies in 2023/24) will be presented to the Schools Forum in March 2024, we anticipate that there won't be any allocations. The €0.500m balance therefore, is expected to be held in support of the cost of potential allocations to be agreed in 2024/25, as no new budget for this fund has been taken from the 2024/25 Schools Block. This balance is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- €0.625m of balance ring-fenced to de-delegated funds for maintained schools. An amount of this balance (estimated €0.100m) is earmarked to be released in 2024/25 to support the cost of contribution to the maternity / paternity insurance scheme. On this basis, it is estimated that the balance of de-delegated funds held within the Schools Block at the end of the 2024/25 financial will reduce to €0.525m. However, this is prior to the inclusion of a proportion of the additional €0.934m 'Schools in Financial Difficulty' DSG funding that the Local Authority has been allocated in respect of maintained schools in 2023/24. The intention is that

any remaining funds are carried forward to be added to the balance of the Exceptional Costs and Schools in Financial Difficulty de-delegated fund and to be allocated to continue to support maintained schools from April 2024.

- £1.029m resilience reserve. This sum is effectively the remaining unallocated balance within the Schools Block. This balance is retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

Early Years Block £2.593m:

- £0.072m of balance ring-fenced to de-delegated funds for maintained nursery schools.
- £0.545m retained and earmarked for the Disability Access Fund (DAF). This balance is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- £1.976m retained to be used in support of the cost, including any unexpected or higher than expected cost, of the Early Years Funding Formula (EYSFF) in 2024/25 and going forward. A significant amount of change is being absorbed in 2024/25 and much of the planned budget is calculated on estimates of costs relating the new entitlements. In this context, we feel that it is prudent to hold reserve. We also highlight that the 26 weeks vs. 22 weeks funding issue may also be present in 2025/26 as the new entitlements extend to 30 hours from September 2025. We estimate that, if this is not properly funded, we will have a further £2.1m of unfunded cost in 2025/26. Subject to the DfE's resolution, this matter would need to be a first call on all Early Years Block reserves that will be carried forward into 2025/26. Again, in this context, we feel that it is essential to hold the estimated £1.976m in reserve at this time. This is also important pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

High Needs Block £1.026m:

- Our updated DSG Management Plan, which was presented to the Schools Forum on 10 January (in Document RB – please see background documents), included a future year estimate of the High Needs Block. This estimate currently clearly indicates the continuation (and acceleration) of a substantial overspending in our High Needs Block. We currently estimate that we may overspend our 2024/25 High Needs Block allocation by £21.620m, meaning that the High Needs Block surplus balance that is projected to be held at the end of the 2023/24 financial year may largely be spent by the end of the 2024/25 financial year. For the purposes of the planned budget, based on estimates, only £1.026m of this reserve is recorded as remaining to be carried forward in 2025/26. So, the principal call on this remaining balance will be meeting the cost of the 2024/25 planned High Needs Block as is currently estimated.

- The Authority does not plan any other use of the High Needs Block surplus balance at this time. The planned budget is constructed on a series of estimates and we try to take a prudent approach to these estimates, meaning that we would, alongside our work on new mitigating activity, seek to see an improvement in the budget position and a lower call on reserves in 2024/25. However, the first call on reserves will be meeting in year the cost of any change, as well as supporting any unexpected costs that may arise across 2023 and 2024 after the planned budget for 2024/25 has been agreed.

Central Schools Services Block £0.120m:

- £0.120m is retained in support of Central Schools Services Block expenditure in future years and also pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

8. FINANCIAL & RESOURCE APPRAISAL

This appraisal is given throughout this report. The table provided in paragraph 1.4 demonstrates that a Schools Budget with the significant use of DSG reserves, but with our DSG account remaining in surplus at the end of the 2024/25 financial year, is put forward for the Council's approval.

This report, however, provides warning of deficit after 2024/25. A deficit in our DSG account is potentially significant for the Council's overall financial position. There is a national 'statutory override' accounting mechanism, however, which is currently in place to the end of the 2025/26 financial year. The override is in place in recognition of the pressure that high needs spending has created within local authority DSG accounts. This override concerns the treatment of deficit DSG balances. Through the statutory override, cumulative deficit DSG accounts are ring-fenced and are 'set aside' from local authority general fund reserves, meaning that deficits are carried forward to be managed only by using DSG funds in future years and that authorities do not currently need to make provision for these from their general reserves. The impact of this override not being in place would be that DSG deficits would be added to local authority general fund reserve balances, which would have implications for the wider financial positions of local authorities and for how DSG deficits would need to be managed, using authority general fund reserves alongside / in addition to / rather than DSG funding. We must consider the position of the override (and that it is currently only confirmed to be in place until the end of the 2025/26 financial year) within our medium term DSG and Council budget financial planning and especially within our High Needs Block deficit mitigation planning.

The forecasted position of our DSG account will continue to be presented within the Council's Medium Term Financial Plan.

9. RISK MANAGEMENT AND GOVERNANCE ISSUES

If the allocations set out in this report are not fully agreed by Elected Members, then representations must be made to the Schools Forum. In the event that agreement cannot be reached with the Schools Forum, for certain items, the Council must refer the matter to the Department for Education (DfE).

10. LEGAL APPRAISAL

The School Standards and Framework Act 1998 deals with the financing of maintained schools. Section 47(A) of the Act requires that every local authority must, in accordance with regulations, establish for their area a body to be known as a schools forum. The purpose of a schools forum is to advise the local authority on such matters relating to the authority's schools budget as may be prescribed by regulations. Local authorities must have regard to advice given by schools forum and or consult them on certain matters before taking prescribed decisions.

Schools forums generally have a consultative role and some decision making powers in relation to school budget functions. The role of the Local Authority is to make

proposals to the Schools Forum on those matters, which the Schools Forum can decide, and to consult the Schools Forum annually in connection with various schools budget functions. Where the Schools Forum and the Local Authority are in disagreement about proposals made by the Authority, the Secretary of State for Education will adjudicate in certain circumstances.

The School and Early Years Finance (England) Regulations 2024 are made under Chapter 4 of Part 2 of the School Standards and Framework Act 1998. These Regulations provide instruction on how local authorities are to set their education budgets in the 2024/25 financial year. They set the parameters that local authorities must abide by in determining schools' budgets, and the budgets, which are allowed to be retained centrally. They also set out how local authorities are to allocate funding to maintained schools and private, voluntary and independent providers of free early years provision through locally determined funding formulae. The Department for Education makes these Regulations annually; the 2024 Regulations will apply only to budgets for the 2024/25 financial year.

At the end of the 2024 to 2025 financial year the Chief Finance Officer (CFO) is required to append an additional note to the statement of accounts confirming the deployment of the DSG in support of the schools budget as required by the Accounts and Audit (England) Regulations 2015. The CFO is also required to confirm the final deployment of the DSG in support of the schools budget.

The National Funding Formulae ("NFF") determine local authority Dedicated Schools Grant (DSG) allocations. These were introduced in 2018/19 for schools, high needs and central school services; and in 2017/18 for early years. The schools NFF calculates notional school-level allocations, which are aggregated to form local authorities' school funding within the DSG. The introduction of the NFF is in line with reforms by the Department for Education to make the funding system simpler, fairer and more transparent.

The core basic structure of the schools national funding formula has not changed for 2024/2025. The National Funding Formula for schools and high needs 2024/25 contains some formula and technical changes, which are highlighted in the body of the Report. The Government has announced the intention to implement a direct schools NFF in the future (by the 2027/28 financial year at the latest), whereby mainstream primary and secondary schools will receive what they attract through the national formula, rather than through different local authority funding formulae. Local authorities will be required annually to bring their own formulae closer to schools NFF. However, for 2024/25, local authorities will continue to determine schools' budget share allocations at a local level through a local funding formula.

11. OTHER IMPLICATIONS

11.1 SUSTAINABILITY IMPLICATIONS

There are no direct implications resulting from this report.

11.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

There are no direct implications resulting from this report.

11.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct implications resulting from this report.

11.4 HUMAN RIGHTS ACT

There are no direct implications resulting from this report.

11.5 TRADE UNION

There are no direct implications resulting from this report.

11.6 WARD IMPLICATIONS

There are no direct implications resulting from this report.

11.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

This appraisal is given in the equalities impact assessment at Appendix 1 and throughout the report.

11.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

There are no issues resulting from this report.

12. NOT FOR PUBLICATION DOCUMENTS

None.

13. OPTIONS

Please see the recommendations below.

14. RECOMMENDATIONS

14.1 It is recommended that the Executive asks Council to:

- a) Accept and approve the proposals for the allocation of the 2024/25 Dedicated Schools Grant, as set out in this report.**
- b) Approve the total amount of £759.852m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2024/25.**

- c) **Note the forecasted High needs Block financial position as set out in the report and that Council raise with central Government the need for additional future funding for this area.**

15. APPENDICES

- Appendix 1 – Equalities Impact Assessment.
- Appendix 2 – Local Authority Funding Reform Pro-Forma 2024/25 (Schools Block).
- Appendix 3 – Banded Model for EHCP Top-Up Funding (High Needs Block).
- Appendix 4 – Early Years Single Funding Formula 2024/25 (Early Years Block).

16. BACKGROUND DOCUMENTS

- [Decisions List of the Schools Forum meeting 10 January 2024](#) (link to webpage)
- [Consultation on the High Needs Funding Model 2024/25](#) (link to webpage)
- [Consultation on the Early Years Single Funding Formula 2024/25](#) (link to webpage)
- [Consultation on Schools Block Funding Arrangements 2024/25](#) (link to webpage)
- [SEND Places Sufficiency Report](#) (Document QT within 6 December Schools Forum reports)
- [High Needs Block DSG Management Plan](#) (Document RB within the 10 January Schools Forum reports)
- Section 151 Officer's Report – 5 March 2024

Appendix 1 – Equalities Impact Assessment

In addition to this summarised equalities impact assessment, a fuller assessment of our formula funding proposals was included in each of the consultation documents that were published in the autumn (please see the links to these in the background documents section of this report).

Schools Block

We assess that our proposals will have a positive impact on equalities. The arrangements proposed for 2024/25 financial year retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology. At its centre, the Local Authority has previously determined, and continues to propose, to exactly mirror the DfE's National Funding Formula (NFF) for the calculation of mainstream primary and secondary maintained school and academy delegated allocations in Bradford. As such, our equalities impact assessment of our guiding Schools Block formula funding policy for 2024/25 is neutral (representing no change on current positive practice) and continues to align with the DfE's in respect of its [National Formula Funding policy](#) and its already identified positive impact on the funding of children and young people that share protected characteristics. Behind the guiding NFF mirroring policy, the values of all formula funding factors are proposed to be uplifted in 2024/25. These uplifts are assessed to have a positive impact on the funding of all pupils. These uplifts will have a positive impact on the funding of children and young people that share protected characteristics related to disability (SEND) and race (ethnicity), for which schools and academies receive additional funding through the Additional Educational Needs (AEN) formula factors that use measures that correlate with these protected characteristics. Funding allocated through the AEN formula factors, based on the October 2023 data, is increased. This includes: an additional £0.358m allocated through the Free School Meals (FSM) factors as a result of the increase in FSM numbers compared with the numbers recorded at October 2022; an additional £0.332m allocated through the English as an Additional Language factor; and an additional £0.801m through the Low Prior Attainment Factor.

In setting the School's Budget for 2024/25, Council is asked to approve that the Minimum Funding Guarantee (MFG) for primary and secondary maintained schools and academies is set at positive 0.5%, which is the maximum permitted by the Regulations. The purpose and consequence of this proposal is to uplift the funding of maintained schools and academies that remain on the MFG. 19% of schools / academies are on this in 2024/25. This is to ensure that funding is available to these schools / academies to use in support of all pupils, including those that share protected characteristics. 81% of schools / academies remain funded above the MFG.

The Minimum Levels of Per Pupil Funding (MFLs) are increasing by 1.4%. This is a mandatory uplift, not for local determination. The DfE has assessed that this uplift will have a positive impact on equalities.

We assess that incrementally amending our definition of Notional SEND budgets within mainstream primary and secondary formula funding allocations, as encouraged by the DfE and to bring us more in line with the common national picture in the lead up to the hard National Funding Formula, continues to support schools and academies to make effective provision for pupils with additional educational needs and with Special Educational Needs

and Disabilities. It is important to stress however, that the adjustment of the Notional SEND definition does not materially change the value of formula funding that an individual school or academy receives.

High Needs Block

We assess that our high needs funding proposals will have a positive impact on equalities. The arrangements proposed for the 2024/25 financial year retain a significant amount of continuity on current practice, Dedicated Schools Grant High Needs Block distribution and formula funding policy and methodology. As such, our equalities impact assessment of our guiding High Needs Block formula funding policy for 2024/25 is neutral (representing no change on current positive practice).

Council is asked to approve the continued application of the EHCP Banded Model, which was first introduced at April 2020. The impact of this model, on the funding of schools, academies and on other providers for all children and young people with EHCPs, is assessed to continue to be entirely positive. The Banded Model continues to improve the way schools and providers in Bradford are funded for children and young people with SEND with EHCPs. Although it cannot be evidenced at this stage that our change in funding model at April 2020 has directly advanced equality of opportunity for children and young people that share a protected characteristic, it is expected that this model will support this. Council is asked to approve further uplift in 2024/25 of the values of top-up funding allocated by the EHCP Banded Model, as well as by the Day Rate Model for PRUs / Alternative Provision Academies. This means that the funding of all high needs children and young people, who are supported by these models, will increase on current values. A minimum 1% increase in all top-up funding rates (when place-element / Element 2 funding is included) is higher than the floor increase of 0.5% that the DfE has funded for mainstream schools and academies through the Schools Block settlement. Under our proposals, the funding received by special schools and special school academies will exceed the requirements of the DfE's Minimum Funding Guarantee. The proposed uplifts in 2024/25 should be viewed in the context of the very significant increases that have been applied to these models in recent years. The uplifts should also be viewed in the context of the Authority's prioritisation of the increase in High Needs Block funding in 2024/25, towards the further expansion of specialist places capacity (securing appropriate provision for high needs pupils) and of meeting the cost of the growth in the numbers of children and young people in Bradford with EHCPs via the allocation of additional top-up funding.

Council is asked to approve the continuation of the SEND Funding Floor, which was first introduced for 2021/22. As well as continuing to support provision for pupils with EHCPs, this approach will continue to protect the funding used by mainstream schools and academies to support their wider Additional Educational Needs (AEN), SEND and Alternative Provision (AP) activities. The Floor financially supports mainstream schools and academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools and academies that may have lower levels of AEN formula funding and that may be smaller in size. It supports schools and academies that may have some turbulence in formula funding as a result of in year pupil numbers changes. The impact of the Floor is assessed to continue to be positive. With the substantial growth in the number of pupils with EHCPs in mainstream settings, in addition to the Floor, more high needs funding is already being allocated (and will continue to be allocated) to the mainstream sector in support of high needs pupils, in the form of additional top-up funding.

Whilst the thresholds are increased from 2% to 3% above median (as consulted on in autumn 2022), the Floor still represents a very substantial SEND funding support mechanism for the mainstream sector.

Early Years Block

We assess that our proposals will have a neutral to positive impact on equalities. This is because the arrangements that the Local Authority proposes in this consultation for the 2024/25 financial year retain a significant amount of continuity on current positive practice, and new arrangements have been established on long-standing principles, including being based previously explained planned changes.

We propose to uplift the Base Rates of funding for providers delivering the existing 2-years-olds Disadvantage and 3&4-years-olds entitlements by 2.7% and 4.4% respectively on the 2023/24 Early Years Supplementary Grant enhanced rates. These uplifts continue to support the delivery of these entitlements. Maximising the uplifts of these Base Rates annually for all providers supports universal good quality provision for all children.

We propose to continue to fund the existing 2-years-olds Disadvantage entitlement using a higher Base Rate (than used for the new 2-years-olds Working Parents entitlement). This provides continuity and stability in the delivery of this entitlement and supports maintaining sufficiency of places.

We propose to establish new arrangements for the new Under 2s and 2-years-olds Working Parents entitlements, using a Base Rate alongside a Deprivation & SEND Supplement, with this Supplement targeting additional funding to support providers to meet the additional needs of children from more deprived backgrounds, also recognising the correlation between levels of deprivation and of SEND.

We propose to fully continue the protection of maintained nursery schools, with this protection adjusted to consolidate the additional funding streams that nursery schools have received in 2023/24. As the numbers of children with SEND and from more deprived backgrounds is typically higher in the maintained nursery schools sector, this protection continues to support provision for these children.

The Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF), extended across all the entitlements, will continue to complement the Early Years Single Funding Formula and will provide additional funds to support children with SEND, as these have done in 2023/24. We propose to continue our current approach to our Early Years Inclusion Fund (EYIF), which is in place specifically to support early years entitlement children with lower level and emerging SEND. Building on this approach, we propose to pilot a new process for EYIF, with the aim of further improving how providers access this funding and how the Authority monitors its impact. The Early Years Block is having to absorb the significantly increased cost of EYIF allocations, due to the increase in provider applications. More EYIF funding is now being allocated out to providers than in previous years.

We do propose to take the previously identified and planned 'third and anticipated final step' to reduce our spending on our Deprivation & SEND Supplement within our 3&4-years-olds entitlements EYSFF down to the average spending level of our statistical neighbours (from 7% to 5%). Our current spending position is 'out of line', when we look at benchmarking,

and we assess that we are not able to sustain this position within the finite resources of the Early Years Block. In this context, the primary purpose of the proposed reduction in % spending is to enable us to sustain Base Rate funding for all providers. If we do not reduce Deprivation & SEND Supplement spending, to come more in line with the average of spending in other authorities, we will not be able to afford the Base Rate for the 3&4-year-olds entitlements that we propose. This would impact on the funding that all providers receive, including those in receipt of the Deprivation & SEND Supplement. Within our assessment of the impact of this proposed change, we stress that, whilst Deprivation & SEND Supplement funding is proposed to be reduced, DAF and EYPP funding streams are continuing and are being uplifted in 2024/25, and EYIF is continuing unchanged. These specific additional deprivation and SEND-focused funding streams are also being extended across all the entitlements. We also specifically identify that the proposed increase in the 3&4-year-olds entitlements Base Rate for all providers exceeds the median average of losses in Deprivation & SEND rate funding. We also stress that this proposal does not affect the funding of maintained nursery schools. These schools will continue to have their 'historic' Deprivation & SEND Supplement rates protected (and uplifted), as expected by the DfE and using the specific Maintained Nursery School Supplement.

We do propose to discontinue the Employer's Contribution to Teacher Pensions Supplement within the 3&4-years-olds entitlements EYSFF. Benchmarking against the average of other local authorities informs this proposal, as does the focus on increasing the Base Rate for all providers in the context of current financial pressures and the increases in salaries costs across the sector (including the increase in the National Living Wage). Whilst this proposal has the direct effect of reducing the rates of funding for the delivery of the 3&4-year-olds entitlements in nursery classes in maintained primary schools and academies, a proportion of this directed back to nursery classes through the Base Rate and, if we did not discontinue the Supplement, we will not be able to afford the Base Rate that we propose in support of all providers. Whilst we recognise that our proposals reduce the funding rates that are allocated for nursery classes, at a time when salaries costs are increasing, we take the view that these proposals will bring us more in line with the benchmarked positions that are currently found in other authorities and will contribute to the sustainability of the whole early years sector in the context of the current financial pressures and of the limitations of the finite Early Years Block budget that we work within. We also recognise that, for maintained primary schools and academies with nursery classes, whole school costs, such as business rates (NNDR) and school-leadership, remain fully funded within the primary-phase National Funding Formula. In our assessment, we also highlight that the DfE has recently published a [piece of research](#) on the achievement of economies of scale, which estimates that school-based providers have the greatest economies of scale from increasing the number of hours delivered, in regards to their costs per hour of childcare.

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LA Name: Bradford
 LA Number: 380

| Primary minimum per pupil funding level | Secondary (KS3 only) minimum per pupil funding level | Secondary (KS4 only) minimum per pupil funding level | Secondary minimum per pupil funding level |
|---|--|--|---|
| £4,610.00 | £5,771.00 | £6,331.00 | £5,995.00 |

| Disapportion number where alternative MPPL values are used |
|--|
| |

Pupil Led Factors

| 1) Basic Entitlement Age Weighted Pupil Unit (AWPU) | Reception uplift | No | Pupil Units | | 0.00 | | | | | |
|--|--|--------------------------|--|------------------------------------|---|--------------|---------------------|---|--------------------------|----------------------------|
| | Description | Amount per pupil | | Pupil Units | | Sub Total | Total | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
| | Primary (Years R-6) | £3,562.61 | | 53,013.00 | | £188,864,407 | £378,660,920 | 35.27% | 6.25% | |
| | Key Stage 3 (Years 7-9) | £5,022.85 | | 21,702.00 | | £109,005,972 | | 20.35% | 4.00% | |
| | Key Stage 4 (Years 10-11) | £5,661.96 | | 14,269.00 | | £80,790,541 | | 15.09% | 4.00% | |
| 2) Deprivation | Description | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| | FSM | £490.08 | £490.08 | 15,244.00 | 11,659.00 | £13,184,711 | £69,936,373 | 13.06% | 27.00% | 27.00% |
| | FSM6 | £820.14 | £1,200.20 | 15,570.00 | 12,645.00 | £27,946,150 | | | 27.00% | 27.00% |
| | IDACI Band F | £235.04 | £340.06 | 7,070.74 | 5,081.86 | £3,390,031 | | | 27.00% | 27.00% |
| | IDACI Band E | £285.05 | £450.08 | 9,520.25 | 6,823.81 | £5,784,968 | | | 27.00% | 27.00% |
| | IDACI Band D | £445.08 | £630.11 | 6,004.15 | 4,173.50 | £5,302,050 | | | 27.00% | 27.00% |
| | IDACI Band C | £485.08 | £690.12 | 5,932.21 | 4,027.41 | £5,656,993 | | | 27.00% | 27.00% |
| | IDACI Band B | £515.09 | £740.13 | 5,538.48 | 3,887.12 | £5,729,761 | | | 27.00% | 27.00% |
| | IDACI Band A | £680.12 | £945.16 | 2,227.78 | 1,509.33 | £2,941,709 | | | 27.00% | 27.00% |
| 3) English as an Additional Language (EAL) | Description | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| | EAL 3 Primary | £590.10 | | 10,451.26 | | £6,167,294 | £8,612,394 | 1.46% | | |
| | EAL 3 Secondary | | £1,585.27 | | 1,053.88 | £1,670,676 | | | | |
| 4) Mobility | Description | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| | Pupils starting school outside of normal entry dates | £960.16 | £1,380.23 | 644.00 | 113.08 | £774,424 | | 0.14% | | |
| 5) Low prior attainment | Description | Weighting | Amount per pupil (primary or secondary respectively) | Percentage of eligible pupils | Eligible proportion of primary and secondary NOR respectively | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| | Primary low prior attainment | | £1,170.20 | 34.88% | 18,488.56 | £21,635,296 | £37,077,093 | 6.92% | 100.00% | |
| | Secondary low prior attainment (year 7) | 55.77% | | 24.44% | 8,698.13 | £15,441,797 | | | | |
| | Secondary low prior attainment (year 8) | 54.47% | £1,775.30 | 23.86% | | | | | | |
| | Secondary low prior attainment (year 9) | 54.47% | | 23.88% | | | | | | |
| | Secondary low prior attainment (year 10) | 64.53% | | 24.31% | | | | | | |
| | Secondary low prior attainment (year 11) | 64.53% | | 24.43% | | | | | | |

Other Factors

| Factor | Lump Sum per Primary School (£) | Lump Sum per Secondary School (£) | Lump Sum per Middle School (£) | Lump Sum per All-through School (£) | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) | | |
|---|---------------------------------|---|--------------------------------|-------------------------------------|--------------------|--|------------------|-------|--|
| 6) Lump Sum | £134,422.85 | £134,422.85 | | | £25,674,764 | 4.79% | | | |
| 7) Sparsity factor | £57,109.71 | £83,014.11 | £83,014.11 | £83,014.11 | £0 | 0.00% | | | |
| Primary distance threshold (miles) | 2.00 | Primary pupil number average year group threshold | 21.40 | Apply primary distance taper | Yes | NFF, tapered or fixed sparsity primary lump sum? | NFF | | |
| Secondary distance threshold (miles) | 3.00 | Secondary pupil number average year group threshold | 120.00 | Apply secondary distance taper | Yes | NFF, tapered or fixed sparsity secondary lump sum? | NFF | | |
| Middle schools distance threshold (miles) | 2.00 | Middle school pupil number average year group threshold | 69.20 | Apply middle school distance taper | Yes | NFF, tapered or fixed sparsity middle school lump sum? | NFF | | |
| All-through schools distance threshold (miles) | 2.00 | All-through pupil number average year group threshold | 62.50 | Apply all-through distance taper | Yes | NFF, tapered or fixed sparsity all through lump sum? | NFF | | |
| 8) Fringe Payments | | | Fringe multiplier | 1.0000 | £0 | 0.00% | | | |
| 9) Split Sites | | Basic eligibility funding | £53,709.13 | Distance funding rate | £26,904.57 | £487,467 | 0.09% | | |
| 10) Rates | | | | | £4,340,889 | 0.81% | | | |
| 11) PFI funding | | | | | £8,570,722 | 1.60% | | | |
| 12) Exceptional circumstances (can only be used with prior agreement of ESFA) | | | | | | | | | |
| Circumstance | | | | | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) | | |
| Additional lump sum for schools amalgamated during FY23-24 | | | | | £0 | 0.00% | 0.00% | 0.00% | |
| Additional sparsity lump sum for small schools | | | | | £0 | 0.00% | | | |
| Exceptional Circumstance3 | | | | | £0 | 0.00% | | | |
| Exceptional Circumstance4 | | | | | £0 | 0.00% | | | |
| Exceptional Circumstance5 | | | | | £0 | 0.00% | | | |
| Exceptional Circumstance6 | | | | | £0 | 0.00% | | | |

| | | | | |
|---|----------------------------|---------------------|--|--------------------|
| Exceptional Circumstance ⁷ | | £0 | 0.00% | |
| Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total) | | £533,360,623 | 99.59% | |
| 13) Additional funding to meet minimum per pupil funding level | | £2,170,826 | 0.41% | 48.00% |
| Total Funding for Schools Block Formula (excluding MFG Funding Total) | | £535,531,449 | 100.00% | |
| 14) Minimum Funding Guarantee | | 0.50% | £1,296,276 | |
| Where a value less than 0% or greater than 0.5% has been entered please provide the disapplication reference number authorising the value | | | | |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled) | | | | |
| No | | | | |
| Capping Factor (%) | | Scaling Factor (%) | | |
| Total deduction if capping and scaling factors are applied | | | | |
| £0 | | | | |
| MFG Net Total Funding (MFG + deduction from capping and scaling) | | Total (£) | Proportion of Total funding(%) | Notional SEN (%) |
| | | £1,296,276 | 0.24% | |
| Total Funding for Schools Block Formula | | £536,827,725 | | £76,397,797 |
| Notional SEN | Top-up - proportion of NOR | 2.59% | SEN support plus EHCP minus Top-up - proportion of NOR | 14.68% |
| | | | Notional SEN funding per eligible pupil | £4,789 |
| High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved) | | | | |
| Additional funding from the high needs budget | | | | |
| £2,800,000.00 | | | | |
| Growth fund (if applicable) | | | | |
| £1,119,342.52 | | | | |
| Falling rolls fund (if applicable) | | | | |
| £0.00 | | | | |
| Other Adjustment to 23-24 Budget Shares | | | | |
| -£64,085 | | | | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) | | £537,882,982 | | |
| % Distributed through Basic Entitlement | | | | |
| 70.71% | | | | |
| % Pupil Led Funding | | | | |
| 92.30% | | | | |
| Primary: Secondary Ratio | | | | |
| 1 : 1.37 | | | | |
| 24-25 NFF NNDR allocation, excluding prior year adjustments | | | | |
| £4,186,554 | | | | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 24-25 NFF NNDR allocation | | £533,696,428 | | |

Appendix 3 - The EHCP Banded Model for Funding Pupil-Led Need Top-up 2024/25

Introduction

1.1 Top-up funding (also known as Element 3 or 'Plus' funding) is the funding required by an institution, over and above place funding, to enable a child or young person with high needs to participate in education and learning. Top-up funding is expected to reflect the cost of additional support an institution incurs related to the individual needs of the child or young person.

1.2 As with many authorities, Bradford allocates top-up funding using a band model. This model is used to assign Education Health and Care Plans (EHCPs) into bands of need for funding purposes. Each band has an applicable level of funding and every EHCP assigned to a band is allocated a set value of funding.

1.3 At April 2020, for the 2020/21 financial year, we introduced a new Banded Model. This model replaced our previous 'Ranges Model'. This model includes protections, which have ensured, and will continue to ensure, that no EHCP in place on 1 April 2020 reduces in value as a result of funding model change.

1.4 A band system is more responsive to the needs of an individual child or young person than a blanket lump sum style approach but is not quite as sensitive as an approach where the cost of the needs of a child or young person is calculated on an exact basis. Blanket, band, and individually costed systems all have pros and cons. The main positive features of band models, and of our Banded Model, are that these help promote consistency and transparency, reduce complication, support the quick assessment and release of funds, whilst also enabling the SEND Panel to find a 'close fit' for funding the needs of an individual child or young person with an EHCP.

1.5 In continuing to use our Banded Model in 2024/25, the Council's intention is still to retain a uniform framework for calculating top-up funding for EHCPs. The Council's expectation continues to be that this framework will enable a close fit to be found for the funding of the vast majority of EHCPs and will ensure consistency of approach in the funding of high needs across mainstream and specialist settings both pre and post 16. It is accepted that there will be a small number of children or young people that will sit outside this banded framework, most of whom will be placed in specialist independent provisions.

1.6 There are no technical changes to our Banded Model in 2024/25. However, the rates of top-up funding that this model allocates have been uplifted.

The Banded Model 2024/25

2.1 The Banded Model uses at its base the [Bradford Matrix of Need](#), which outlines waves of intervention:

- Band 1 (Quality First Teaching)
- Band 2 (SEND Support)
- Band 3 (EHCP) – typically mainstream - this is the band at which Element 3 EHCP funding begins
- Band 4 (EHCP Plus) – typically specialist provision

This Matrix identifies the responsibilities of schools and providers in their use of already delegated funds in meeting the cost of support up to Band 3. It then identifies the point at which top-up funding will begin in our model, which is EHCP Band 3.

2.2 The Banded Model has 6 bands and 6 funding steps, with values for 1 April 2024 as set out in the table below. This table shows the value of top-up by band and the value of Element 2 contributions, which schools

and providers will add to the top-up from their budgets to produce the total value of funding available for supporting the costs of an EHCP.

In all steps within the model the school / provider, with the exception of EHCPs for 2, 3 and 4 year olds (in pre-reception) in mainstream not specialist provision, is expected to contribute Element 2 funding, currently at a value of £6,000 per 1 FTE, to the cost of the additional needs set out in the EHCP. For EHCPs for 2, 3 and 4 year olds (in pre-reception) in mainstream not specialist provision, that are only funded through the Early Years Single Funding Formula (EYSFF), because the EYSFF does not allocate Element 2 funding, Element 2 is allocated on an FTE basis in addition to the top-up value for these EHCPs until these children enter reception year. This addition does not apply to early years children that are placed in special schools or in resourced provisions as these provisions are funded on a place-led basis, which includes Element 2.

| | Top-up Value at April 2024 | Element 2 Value FTE the school / provider adds | Total Value of Funding to support the EHCP |
|---------------------------|-----------------------------------|---|---|
| Band 3 Low (3L) | £2,401 | £6,000 | £8,401 |
| Band 3 Medium (3M) | £4,237 | £6,000 | £10,237 |
| Band 3 High (3H) | £6,019 | £6,000 | £12,019 |
| Band 4 Low (4L) | £9,605 | £6,000 | £15,605 |
| Band 4 Medium (4M) | £13,780 | £6,000 | £19,780 |
| Band 4 High (4H) | £17,983 | £6,000 | £23,983 |
| Protected 7 | £29,548 | £6,000 | £35,548 |

The model is calculated on a provision-mapping approach. The additional educational needs of a child with an EHCP typically will be met through additional adult contact time. Typically, this will be delivered in a combination of individual time and time in smaller groups. The overall volume of time will increase as needs increase and the proportion of this time that is delivered on a more bespoke basis will also increase as needs increase. The values of the bands have been built up on assumptions about the proportion of additional support given to an EHCP, with this support split between bespoke time and time in smaller groups. This is a model for the SEND Panel to use to determine the volume and type of support required to then closely meet the needs of an individual EHCP.

2.3 Band 3 (EHCP) typically will support the cost of EHCPs placed in mainstream provisions. Band 4 (EHCP plus) typically will support the cost of EHCPs placed in specialist provisions. However, this is not an absolute position and the SEND Panel will use the model flexibly to closely meet need.

The Band 3 values are calculated on assumptions on additional 'support assistant' time (where bespoke means 1:1 and group time is in groups of 1:3). The cost per hour assumption within the 2024/25 financial year model, on a term time only basis and incorporating assumptions about on-costs, is £17.12. This represents a 1.00% increase on the £16.95 that was used in the 2023/24 model.

The Band 4 values are calculated on assumptions on both support assistant time (where bespoke means 1:1 and group time is in groups of 1:2) and teacher time in group sizes of 1:12, 1:8 and 1:6. The cost per hour assumption for support assistant time within the 2024/25 financial year model is £17.12 as in Band 3. The cost per hour assumption for teacher time in the model is £50.30. This represents a 1.8% increase on the £49.42 that was used in the 2023/24 model.

2.4 Each EHCP will be funded at the band value that provides the closest fit for meeting the cost of the needs of the child or young person. In the model, the closest fit may also be found by combining ('stacking') more than one band value. The facility to combine values means that the SEND Panel can use the model in a flexible way to find a very close fit for the funding especially of children and young people with significant secondary needs as well as those that require additional functional support both within and outside of the standard taught school day where this is not already funded within a single band value.

2.5 It is helpful to continue to highlight the main differences between our current Banded Model and our previous Ranges Model that was used up to 31 March 2020:

- The Banded Model does not have a 7th step (the equivalent of the previous Range 7). It is expected that stacking will deliver a level of support higher than the single band 4H, where this is necessary. Specific transition arrangements are in place for Range 7 EHCPs that existed at 1 April 2020.
- The Panel can 'stack' values (meaning an EHCP can be allocated more than one value) in order to find a close fit.
- The Banded Model does not use primary need as a marker for the placement of an EHCP into a band. Placement is based on assessed level of need.
- Whereas the previous Ranges Model defined need in terms of 1:1 hours of support, the Banded Model uses a provision mapping approach and a combination of bespoke time and time in smaller groups.
- The values allocated by the Banded Model are significantly increased on those allocated by the Ranges Model.
- The Banded Model works alongside a clarified / amended approach to the sharing of the cost of specialist equipment.

2.6 To highlight how the Banded Model continues to be the same or similar to the previous Ranges Model:

- Decisions on the application of the Banded Model – which of the 6 bands an EHCP is placed in and whether an EHCP is given more than one band value - continue to be taken by Bradford Council's SEND Panel with reference to the evidence submitted through the EHCP assessment process. Appeals and disputes also continue to be resolved through the Panel process.
- In all steps within the model, the school / provider, with the exception of EHCPs for 2, 3 and 4 years olds (pre-reception) in mainstream not specialist provision, is expected to contribute Element 2 funding currently at a value of £6,000 to the cost of additional needs.
- The bottom 'threshold' for the 1st step of Band 3 (3 Low) is the same as the Ranges Model. The Banded Model itself has not changed the threshold at which EHCP funding can initiate nor has it changed the points of access to an EHCP. It simply has changed the options that are available to the SEND Panel to use to ensure that an EHCP is appropriately and accurately funded.
- For the top-up funding of post 16 high needs students with EHCPs in the Further Education sector, it has been agreed previously with the relevant providers that, as, on average, colleges deliver around 60% of the hours delivered by schools, colleges are funded for the vast majority of students at 60% of the Banded Model value for the primary need of the student. The exceptions are students with the primary need of sensory impairment (Hearing / Visual), where funding continues to be allocated on an actual cost basis. Due to the specific support needs of these students in Further Education, and the diverse nature of their curriculum choices, it is not possible to formularise this funding element. This approach is continued in the application Banded Model in 2024/25, adjusted for funding, as appropriate, for the delivery of the

additional 40 post-16 study hours, which is part of the 2023/24 post-16 financial settlement and part of the Government's COVID-19 pandemic support response.

- The 'technical framework' is the same for the operation of the Banded Model during the year e.g. the monthly re-calculation of EHCP funding from the census of EHCPs on roll on 10th of each month.
- An assessment place (which was Range 4D) has become Band 4L. This funds EHCPs placed in specialist provisions until a final determination of band from the Panel is received. Funding is changed at this point if this is different from 4L. Band 4L also continues to be used to more permanently fund placements in the Early Years ESPs that are attached to maintained nursery schools.

A reminder of the transition from the previous Ranges Model

3.1 It is helpful to remind providers of how we moved from the Ranges Model to the now established Banded Model and what protections continue to be in place. All EHCPs in place at 1 April 2020 were automatically transferred on to the new Banded Model system at 1 April 2020 as follows:

| Range | | Band |
|----------|--------|-------------|
| Range 4A | became | Band 3L |
| Range 4B | became | Band 3M |
| Range 4C | became | Band 3H |
| Range 4D | became | Band 4L |
| Range 5 | became | Band 4M |
| Range 6 | became | Band 4H |
| Range 7 | became | Protected 7 |

3.2 Most existing EHCPs on an on-going basis will remain within the band they were transferred to. The SEND Panel will continue to review, through the annual review process, individual EHCPs where the banding may be disputed, where there are obvious existing inaccuracies or where the needs of the child or young person have changed.

3.3 The Banded Model operates under the guarantee that, for EHCPs in place at 1 April 2020, the EHCP will not ever drop to a lower valued band unless the SEND Panel agrees that the needs of the child or young person are reduced when compared against the needs presented to the Panel in the original EHCP determination. This guarantee remains until the pupil reaches the end of year 11. This guarantee does not extend to assessment places that were funded at 1 April 2020 (as these pupils did not yet have EHCPs).

3.4 The Banded Model retains a transitional 'Protected 7' band, which will continue to fund EHCPs that we graded at Range 7 under the old model. These Range 7 pupils will stay funded by the Protected 7 band unless an annual review gives them a higher level of funding using the new model (via stacking), when the pupil would be transferred onto the new model at this point, or where the pupil's needs are agreed to have reduced when compared against the needs presented to the Panel in the original EHCP Range 7 determination. This guarantee remains in place until the pupil reaches the end of year 11. The value of Protected 7 will be uplifted each year by the same % that is applied to Band 4H.

High level Summary of Place-Plus and how this works for different providers in Bradford

| Type of Provision | Pre-16 Place (Core) Funding | Pre-16 Top-Up Funding (Pupil-Led Need) | Post-16 Place Funding | Post-16 Top-Up Funding (Pupil-Led Need) | Setting-Led Need Factors | Additional Support Measures |
|---|--|--|--|--|-----------------------------|---|
| Mainstream primary & secondary (maintained schools, academies and free schools) | <p>Element 1 is included within the per-pupil funding allocated through the local school funding formula (NFF-based).</p> <p>Element 2 - the first £6,000 of additional support cost – is also already delegated with the school’s formula funding allocation.</p> <p>Notional SEND defines the value of funding already allocated</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in ‘real time’ during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in ‘real time’ during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | None. | SEND Funding Floor supports Element 2 cost in pre-16 provisions. |
| Mainstream early years (nursery schools, classes and PVI providers) | <p>Element 1 is included within the per-pupil funding allocated through the local EYSFF.</p> <p>Early Years SEND Inclusion Grant allocates Element 2 (£6,000) for eligible low level emerging</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in ‘real time’ during the year. Changes for starters and leavers.</p> | n/a | n/a | None. | <p>Early Years SEND Inclusion Grant (EYIF).</p> <p>DAF Grant.</p> |

| | | | | | | |
|--|--|---|--|---|---|---|
| | SEND (non-EHCP) as agreed by Panel. Element 2 is allocated to early years EHCPs in addition to top-up. | Uses the Banded Model. The top-up funding is allocated to and retained by the school or provider. | | | | |
| School-led Resourced Provisions (mainstream primary & secondary) | Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £6,000 per place for places occupied by pupils on roll in October in the previous year and £10,000 per place for the remainder of places agreed to be commissioned. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across | Agreed per-pupil top-up paid by the commissioning local authority. Allocated in 'real time' during the year. Changes for starters and leavers. Uses the Banded Model. The top-up funding is allocated to and retained by the school. | Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned. Both Elements 1 and 2 are retained by the school. | Agreed per-pupil top-up paid by the commissioning local authority. Allocated in 'real time' during the year. Changes for starters and leavers. Uses the Banded Model. The top-up funding is allocated to and retained by the school. | Small Setting Protection. 3% Cash Budget Protection. | Teacher Pay and Teacher Pensions Grants |

| | | | | | | |
|---|--|---|---|---|--|--|
| | <p>the year.</p> <p>Both Elements 1 and 2 are retained by the school.</p> <p>Element 1 is set at a minimum of £4,000 per agreed place.</p> | | | | | |
| <p>Local Authority-led Sensory Need Resourced Provisions (mainstream primary & secondary).</p> | <p>Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £6,000 per place for those occupied by pupils on roll in October in the previous year and £10,000 per place for the remainder of places agreed to be commissioned.</p> <p>The host school retains Element 1, set at a minimum of £4,000 per agreed place.</p> <p>Element 2 funding is retained by Bradford Council. This currently requires host schools to repay Element 2</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> <p>The host school retains Element 1.</p> <p>Element 2 funding is retained by Bradford Council. This currently requires host schools to repay Element 2 back to the Council.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Small Setting Protection.</p> <p>New Services Delegation.</p> | <p>Teacher Pay and Teacher Pensions Grants</p> |

| | | | | | | |
|--|---|---|--|---|--|--|
| | back to the Council. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year. | | | | | |
| Local Authority-led Resourced Provisions (mainstream primary & secondary). | <p>Element 1 is allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £4,000 (or the higher MFL value) for places agreed to be commissioned but not occupied by pupils on roll in October in the previous year.</p> <p>The host school retains Element 1, set at a minimum of £4,000 (or the higher MFL value) per agreed place.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> <p>The host school retains Element 1.</p> <p>Element 2 funding is retained by Bradford Council.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Small Setting Protection.</p> <p>New Services Delegation.</p> | <p>Teacher Pay and Teacher Pensions Grants</p> |

| | | | | | | |
|---|--|--|-----|-----|---------------------------|---|
| | Element 2 funding is calculated at £6,000 per commissioned place and is retained by Bradford Council. | | | | | |
| Early Years Enhanced Specialist Provisions (maintained nursery schools) | <p>Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local EYSFF plus £6,000 per FTE commissioned place.</p> <p>Both Elements 1 and 2 are retained by the school.</p> <p>Additional Element 1 funding is paid using EYSFF rates for any FTE places not occupied in the EYSFF termly censuses.</p> <p>Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model. All EYESP places funded at a minimum Band 4L (assessment places).</p> <p>The top-up funding is allocated to and retained by the school.</p> | n/a | n/a | Small Setting Protection. | Teacher Pay and Teacher Pensions Grants |

| | | | | | | |
|---|---|--|---|------------------------|--|---|
| | funding for the actual total composite occupancy across the year. | | | | | |
| Maintained Special Schools & Special School Academies | <p>Elements 1 and 2 are combined in a fixed £10,000 per place, based on an agreed number of places to be commissioned. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year.</p> <p>Retained by the school.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | <p>£10,000 per place based on an agreed number of places.</p> <p>Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for actual total composite occupancy across the year.</p> <p>Retained by the school.</p> | Uses the Banded Model. | <p>Split Sites.</p> <p>Post 16 Element 1 enhancement.</p> <p>New Services Delegation.</p> <p>Small Setting Protection.</p> <p>3% Cash Budget Protection.</p> | <p>Teacher Pay and Teacher Pensions Grants.</p> <p>Additional "3.4% Place-Element" Funding required by DfE (DSG Conditions of Grant).</p> |
| PRUs & AP Academies (funding provision for pupils permanently excluded). | <p>Elements 1 and 2 are combined in a fixed £10,000 per place, based on an agreed number of places to be commissioned.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters</p> | n/a | n/a | <p>No specific additional factors – setting-led need costs are to be covered within the calculation of the Day Rate.</p> | <p>Teacher Pay and Teacher Pensions Grants.</p> <p>Additional "3.4% Place-Element" Funding required by DfE (DSG</p> |

| | | | | | | |
|---|---|--|--|---|-------|---|
| | Retained by the PRU / AP Academy. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year. | and leavers. Uses the Day Rate Model. The top-up funding is allocated to and retained by the PRU / AP Academy. | | | | Conditions of Grant). |
| Hospital Education, Tracks and Medical Home Tuition. | The funding of the centrally managed services operates outside the Place-Plus mechanism, working within the discrete allocation provided for this service within our HNB. This will be subject to annual review to incorporate any changes in the DfE's funding methodology and requirements. | n/a | n/a | n/a | None. | Teacher Pay and Teacher Pensions Grants |
| Further Education Institutions, special institutions and | n/a | n/a | Element 1 (based on the 16-19 national funding formula) plus | Agreed per-pupil top-up paid by the commissioning | None. | None. |

| | | | | | | |
|----------------------------|--|--|---|--|-------|--|
| ILPs (post 16) | | | <p>Element 2 (£6,000) based on the number of places to be funded.</p> <p>Additional place-funding (element 2 only) can be allocated in year where occupancy exceeds agreed places, with an end of year reconciliation to ensure no overall overpayment.</p> <p>Both Elements 1 and 2 are retained by the institution.</p> | <p>local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>Typically, values are funded at 60% for most placements (adjusted for the additional 40 hours). Higher cost placements (low incidence high need) are typically funded on an actual cost basis.</p> | | |
| Independent Schools | The place funding system doesn't operate in independent schools. | Agreed per-pupil top-up paid by the commissioning local authority. | The place funding system doesn't operate in independent schools. | Agreed per-pupil top-up paid by the commissioning local authority. | None. | |

| 1. EYSFF (3 & 4 year olds): Universal Base Rate (UBR) | | Description | Unit Value (£) | | | Unit Applied | Number of Units (Universal) | | | Number of Units (Extended) | | | Anticipated Budget (£) | | | |
|--|--|--|----------------|----------------|-----------------------|--------------|---|----------------|-----------------------|----------------------------|----------------|-----------------------|------------------------|----------------|-----------------------|-------------|
| 1a) Universal Base Rate (UBR) | | Universal Base Rate Applicable to all Providers | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| | | | £4.94 | £4.94 | £4.94 | per hour | 4,144,395 | 466,088 | 819,841 | 1,309,864 | 96,898 | 186,688 | £26,944,040 | £2,781,147 | £4,972,253 | £34,697,440 |
| 2. EYSFF (3 & 4 year olds): Other formula factors | | Description | Unit Value (£) | | | Unit Applied | Number of Units (Universal & Additional 15 hours) | | | Anticipated Budget (£) | | | | | | |
| 2a) Supplements | | All providers (variable rate) calculated using a 3 year rolling average of Index of Multiple Deprivation (IMD) scores. | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | |
| | | | | £0.50 | £0.50 | £0.50 | per hour | 2,055,631 | 248,669 | 357,249 | £1,027,816 | £124,334 | £178,625 | £1,330,775 | | |
| | | Rates include a weighting, to allocate additional funding to providers that have above average levels of deprivation as measured by IMD. | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | |
| | | | | £0.13 | £0.13 | £0.13 | per hour | 2,556,714 | 330,825 | 408,286 | £332,373 | £43,007 | £53,077 | £428,457 | | |
| 3. EYSFF (3& 4 year olds): Maintained nursery school (MNS) lump sums | | Description | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | |
| | | 1) Nursery Schools Sustainability Top-Up: this funding tops up the school to a minimum level of funding based on that school's specific circumstances, taking into account premises, rates, insurance, base allocations, mainstreamed grants (including TPG and TPENG). 2) Additional lump sums allocate the MNS Supplement to ensure that the base per hour rate of funding for each nursery school is £6.63 & the deprivation rate is the same as that used in 2023/24 + 4.4%. | | Variable | | lump sums | | 7 | | | £1,922,947 | | £1,922,947 | | | |
| TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (3 & 4 YEAR OLDS): | | | | | | | | | | | | | £38,379,619 | | | |

| 4. EYSFF (2 year olds Disadvantage Entitlement) | | Description | Unit Value (£) | | | Unit Applied | Number of Units | | | Anticipated Budget (£) | | | |
|---|--|--|----------------|----------------|-----------------------|--------------|-----------------|----------------|-----------------------|------------------------|----------------|-----------------------|------------|
| 4a) Universal Base Rate (UBR) | | Universal Base Rate Applicable to all Providers | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| | | | £7.60 | £7.60 | £7.60 | per hour | 1,002,328 | 107,815 | 54,405 | £7,617,696 | £819,391 | £413,478 | £8,850,565 |
| 4b) Supplements - Minimum Funding Rate Top-Up (deprivation) | | Top-up where applicable so that individual provider rates of funding for this entitlement are at least the same value as their rate of funding for the 2-year-olds working parents entitlement | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| | | | variable | variable | variable | per hour | | | | £533 | £0 | £0 | £533 |
| 5. EYSFF (2 year olds Working Parents Entitlement) | | Description | Unit Value (£) | | | Unit Applied | Number of Units | | | Anticipated Budget (£) | | | |
| 5a) Universal Base Rate (UBR) | | Universal Base Rate Applicable to all Providers | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| | | | £7.35 | £7.35 | £7.35 | per hour | 1,102,347 | 0 | 0 | £8,102,249 | £0 | £0 | £8,102,249 |
| 5b) Supplements | | All providers (variable rate) calculated using a 3 year rolling average of Index of Multiple Deprivation (IMD) scores. | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| | | | | £0.28 | £0.28 | £0.28 | per hour | 434,197 | 0 | 0 | £121,575 | £0 | £0 |

| | Variable 2 Deprivation (Mandatory) | Rates include a weighting, to allocate additional funding to providers that have above average levels of deprivation as measured by IMD. | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
|--|------------------------------------|--|-------|----------------|-----------------------|--------------|---------|----------------|-----------------------|---------|----------------|-----------------------|---------|
| | | | £0.07 | £0.07 | £0.07 | per hour | 625,383 | 0 | 0 | £43,777 | £0 | £0 | £43,777 |

TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (2 YEAR OLDS DEPRIVATION AND WORKING PARENTS): £17,118,699

| 6. EYSFF (Under 2s Working Parents Entitlement) | | Description | Unit Value (£) | | | Unit Applied | Number of Units | | | Anticipated Budget (£) | | | |
|---|--|---|----------------|----------------|-----------------------|--------------|-----------------|----------------|-----------------------|------------------------|----------------|-----------------------|------------|
| | | | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL |
| 6a) Universal Base Rate (UBR) | | Universal Base Rate Applicable to all Providers | £10.15 | £10.15 | £10.15 | per hour | 680,366 | 0 | 0 | £6,905,716 | £0 | £0 | £6,905,716 |
| 6b) Supplements | | Variable 1 Deprivation (Mandatory) | £0.39 | £0.39 | £0.39 | per hour | 265,852 | 0 | 0 | £103,683 | £0 | £0 | £103,683 |
| | | Variable 2 Deprivation (Mandatory) | £0.10 | £0.10 | £0.10 | per hour | 372,508 | 0 | 0 | £37,250 | £0 | £0 | £37,250 |

TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (UNDER 2S): £7,046,649

| 7. EYSFF: SEN Inclusion Fund (funded directly to providers) | | Description | Anticipated total budget (£) | | | |
|---|---------------------------------------|---|------------------------------|----------------|-----------------------|------------|
| | | | PVI | Nursery School | Primary Nursery Class | TOTAL |
| 7a) 3 & 4 Year Olds | (a) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £831,600 | £86,400 | £162,000 | £1,080,000 |
| | (aii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |
| 7b) 2 Year Olds - Deprivation | (b) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £170,000 | £20,000 | £10,000 | £200,000 |
| | (bii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |
| 7c) 2 Year Olds - Working Parents | (c) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £170,000 | £20,000 | £10,000 | £200,000 |
| | (cii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |
| 7d) Under 2s | (d) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £83,000 | £0 | £0 | £83,000 |
| | (dii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |

TOTAL FUNDING FOR SEN INCLUSION FUND (TOP-UP GRANT ELEMENT): £1,563,000

| 8. Contingency Funding | | Description | Anticipated total budget (£) | | | |
|---|--|---|------------------------------|--|--|------------|
| 3 & 4 Year Olds | | no contingencies are held | | | | £0 |
| 2 Year Olds (Deprivation) | | no contingencies are held | | | | £0 |
| 2 Year Olds (Working Parents) | | no contingencies are held | | | | £0 |
| Under 2s | | no contingencies are held | | | | £0 |
| 9. Early Years Block centrally retained funding | | Description | Anticipated total budget (£) | | | |
| 3 & 4 Year Olds | | See Document QZ Appendix 1 for a breakdown of funds | | | | £1,123,834 |

| | | | |
|---|---|--|-------------------|
| 2 Year Olds (Deprivation) | See Document QZ Appendix 1 for a breakdown of funds | | £135,313 |
| 2 Year Olds (Working Parents) | See Document QZ Appendix 1 for a breakdown of funds | | £258,924 |
| Under 2s | See Document QZ Appendix 1 for a breakdown of funds | | £154,891 |
| TOTAL FUNDING FOR EARLY YEARS CENTRAL EXPENDITURE: | | | £1,672,962 |

| | | | |
|---|--|-------------------------------------|-----------------|
| 10. Early Years Pupil Premium | | Anticipated total budget (£) | |
| 3 & 4 Year Olds | | | £600,505 |
| 2 Year Olds (Deprivation) | | | £171,403 |
| 2 Year Olds (Working Parents) | | | £163,992 |
| Under 2s | | | £16,772 |
| TOTAL FUNDING FOR EARLY YEARS PUPIL PREMIUM: | | | £952,672 |

| | | | |
|--|--|-------------------------------------|-----------------|
| 11. Disability Access Fund | | Anticipated total budget (£) | |
| 3 & 4 Year Olds | | | £388,570 |
| 2 Year Olds (Deprivation) | | | £62,317 |
| 2 Year Olds (Working Parents) | | | £59,623 |
| Under 2s | | | £31,850 |
| TOTAL FUNDING FOR EARLY YEARS DISABILITY ACCESS FUND: | | | £542,360 |

| | |
|---|--|
| Central Retention Percentage - Under 2s Entitlement (must be higher than 95%) | |
| Central Retention Percentage - 2 Year Old Deprivation Entitlement (must be higher than 95%) | |
| Central Retention Percentage - 2 Year Old Working Parents Entitlement (must be higher than 95%) | |
| Central Retention Percentage - 3&4 Year Old Entitlements (must be higher than 95%) | |

| |
|-------|
| 95.5% |
| 96.7% |
| 95.5% |
| 97.4% |

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Report of the Director of Finance to the meeting of Executive to be held on 5 March 2024 and Council to be held on 7 March 2024

AN

Subject:

Capital Investment Plan 2024-25 to 2027-28

Summary statement:

Section A of this report presents the Council's Capital Investment Plan 2024-25 to 2027-28.

Section B presents an updated Capital Strategy for 2024-25. This strategy underpins the spending proposals within the Capital Investment Plan.

Section C presents the Investment Strategy for 2024-25.

Equality & Diversity:

The budget proposals set out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2024-25 budget is approved.

Steven Mair
Director of Finance

Portfolio:
Leader

Report Contact: Lynsey Simenton
Business Advisor Capital, Treasury &
Taxation

Overview & Scrutiny Area:

Corporate

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E-mail: lynsey.simenton@bradford.gov.uk

The Capital Investment Plan supports the delivery of Council priorities.

1. SUMMARY

- 1.1 This report proposes the Council's Capital Investment Plan (CIP) from 2024-25 to 2027-28. The report also includes for 2024-25: The Capital Strategy (Section B) and the Investment Strategy (Section C).
- 1.2 This report is part of the overall 2024-25 budget proposal for the Council which also includes:
- The Council's Revenue Estimates for 2024-25 (Document AL)
 - Allocation of the Schools Budget 2024-25 Financial Year (Document AM)
 - Section 151 Officer's Assessment of the proposed budgets (Document AP)

2. OVERVIEW

- 2.1 **SECTION A** of this report outlines the 2024-25 to 2027-28 Capital Investment Plan (CIP). This includes:

- Capital Investment Plan - Background
- The Capital Schemes
- Minimum Revenue Provision (MRP)
- The Prudential Indicators

- 2.2 **SECTION B** of this report sets out the 2024-25 Capital Strategy. This includes:

- Guiding Principles
- Governance Framework for Capital Decisions
- Capital Resources to support Capital Expenditure
- Flexible Use of Capital Receipts
- Commercial Property Investments
- Loans to External Organisations
- Asset Management Planning
- Risks
- Prudence, Affordability, Sustainability
- Skills & Knowledge
- Capital Strategy Actions

- 2.3 **SECTION C** updates the 2024-25 Investment Strategy.

SECTION A: CAPITAL INVESTMENT PLAN 2024-25

3. CAPITAL INVESTMENT PLAN - BACKGROUND

- 3.1 The Capital Investment Plan (CIP) is split between General Fund and Housing Revenue Account (HRA). It is the Council's budget for expenditure on long-term asset items, such as buildings and vehicles. These items are one-off, so need to provide value to the Council across several financial years; the items are also paid for across different financial years.

3.2 Expenditure in the CIP therefore differs significantly from that in Revenue Estimates – these estimates present ongoing expenditure, such as salaries, used up and funded within one financial year.

3.3 The CIP is governed by statutory requirements set out in the 2003 Capital Regulations. The key points are:

- Capital expenditure within the CIP provides benefits to Council residents that lasts for more than one financial year, such as a new sports centre.
- The construction process, for example a new crematorium, can also stretch across several financial years. For these reasons the CIP budget is presented as a rolling programme across future years.
- Capital expenditure can only be funded from a limited number of sources: external grants (designated by the grant provider as for a capital purpose); Section 106's / CILs; funding provided by the Revenue Estimates (Direct Revenue Financing); funding from reserves and borrowing.
- All the above funding sources involve paying for capital expenditure directly and immediately, except when borrowing is required. The borrowing principal and the related interest charges are repaid gradually through successive Revenue Estimates. The impact of the borrowing principal and interest payments are known technically as capital financing charges.
- There are some further points to note around capital financing charges. The provision of funding for the principal repayments is governed by strict rules. These rules determine how this funding is identified and set aside within successive years of the Revenue Estimates. The rules are known technically as the Minimum Revenue Policy (MRP). This funding is set aside irrespective and unrelated to the actual principal repayments, which is managed within the Council's Treasury Management Strategy.
- Interest charges on the borrowing are charged to the Revenue Estimates based on the year to which these relate.
- Capital Expenditure is monitored using Prudential Indicators. These aim to measure and weigh the Council's level of indebtedness and any impacts on the Revenue Estimates for future generations. This check is due to the importance of ensuring value from capital expenditure: it significantly impacts both on service provision and finances for many years in the future.
- Updates to the Prudential and Treasury Management Codes were published by CIPFA in December 2021. The Department for Levelling Up Housing and Communities (DLUHC) had tightened up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and closed access to all PWLB borrowing if such schemes are included in a council's capital programme. The new CIPFA codes have also adopted a similar set of restrictions to discourage further capital expenditure on commercial investments for yield.

- 3.4 One other point about borrowing is the overall purpose from the Council's perspective. One purpose is to fund one-off expenditure to deliver an ongoing improvement to service provision for the residents' districts (The Council calls this Corporate Borrowing).
- 3.5 Sometimes the purpose of the one-off expenditure is to enable the same service provision to be delivered more efficiently: for example, the Council could purchase vehicles as opposed to paying to lease or hire them. Such borrowing schemes are known as "Invest to Save" because the capital financing costs are mitigated by the savings they generate in the Revenue Estimates.
- 3.6 The Council has concluded that the revenue expenditure it is anticipated to incur in each year of the period 2024-28 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. In 2023-24 the Council has requested a capitalisation directive of £80m, and £140m has been requested to balance the budget in 2024-25. A capitalisation directive allows the Council to use capital funding sources (borrowing and receipts from asset disposals) to fund revenue costs for an agreed period. Each additional £10m borrowed through capitalisation directions would however add an estimated £0.9m per annum to future borrowing costs for 20 years.
- 3.7 In response to its financial situation the Council is considering a range of actions including asset disposals and a range of transformation proposals.
- 3.8 It must be noted that annual capitalisation directions (transferring revenue cost into capital cost which must be funded over 20 years) increases the Council's debt burden. Also capital receipts from the Asset Disposal Strategy are being used to fund the ongoing capitalisation directions and therefore the Council is not able to reduce its existing historic debt.
- 3.9 Against this financial backdrop the Council's Capital Programme is significantly impacted. The Council's high level of short-term borrowing and cost pressures from increased interest rates means the programme will have a full review starting in March 2024. The CIP will be reviewed to reflect a reduction in scale and cost, it will comprise only core programmes and schemes that i) the Council are committed to commercially, ii) meet statutory obligations, iii) deliver savings in management and maintenance costs, and iv) avoid future cost increases.
- 3.10 Several external macroeconomic factors may impact the delivery of the Capital Programme and its financing decisions. Recent high inflation has caused the Bank of England to increase interest rates, hence potentially putting additional cost pressures on the Council for loan repayments. Current levels of inflation as well as some challenges in the supply chain may also impact the delivery of the Capital Programme both from a cost and skill perspective.

4. THE CAPITAL SCHEMES

- 4.1 As noted above, the CIP is always a rolling programme, because it continues across financial years. Therefore, the starting point for the proposed 2024-25 CIP is the quarter 3 monitoring position for the 2023-24 CIP. This is shown in Table 1

below:

Table 1: Quarter 3 Capital Investment Plan 2023-24

| Directorate | Budget | Changes | Re | Spend | Budget | Budget | Budget | Total |
|--|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | | profiled | | | | Q3 | |
| | 23-24 | | Budget | 31 Dec | 24-25 | 25-26 | onwards | |
| | £m | £m | 23-24 | 2023 | £m | £m | £m | £m |
| Adult Social Care | 4.3 | 0.4 | 4.7 | 1.3 | 6.1 | 6.1 | 1.6 | 18.5 |
| Children's Services | 19.8 | 0.1 | 19.9 | 11.3 | 15.8 | 10.1 | 3.9 | 49.7 |
| Place - Economy & Development Services | 51.4 | 1.2 | 52.6 | 35.3 | 37.2 | 27.2 | 6.1 | 123.1 |
| Place - Planning, Transport & Highways | 68.5 | 0.5 | 69.0 | 40.7 | 40.1 | 20.9 | 104.1 | 234.1 |
| Place – Other | 18.6 | 1.4 | 20.0 | 8.6 | 41.9 | 16.5 | 1.1 | 79.5 |
| Corp Service – Estates & Property Services | 19.3 | 13.3 | 32.6 | 19.1 | 15.4 | 6.9 | 2.0 | 56.9 |
| TOTAL | 181.9 | 16.9 | 198.8 | 116.3 | 156.5 | 87.7 | 118.8 | 561.8 |
| Reserve Schemes & Contingencies | 30.4 | -11.5 | 18.9 | 0 | 81.7 | 35.3 | 42.3 | 178.2 |
| TOTAL – General Fund Services | 212.3 | 5.4 | 217.7 | 116.3 | 238.2 | 123.0 | 161.1 | 740.0 |
| HRA | 2.8 | 0 | 2.8 | 3.6 | 14.5 | 10.0 | 8.2 | 35.5 |
| TOTAL CIP | 215.1 | 5.4 | 220.5 | 119.9 | 252.7 | 133.0 | 169.3 | 775.5 |

4.2 In order to draw up the 2024-25 CIP proposed changes are:

- Additional budgets on current schemes added to the quarter 3 2023-24 CIP
- Ongoing schemes continued for the additional 2027-28 year added to the CIP.
- New schemes for CIP.
- Removal / reduction of budget for several schemes.

4.3 The first change is the ongoing schemes continued into 2027-28. These are detailed below:

- General contingency for unforeseen capital expenditure - £1m.
- IT Upgrades - £2m.

4.4 No new schemes have been identified but there are several possible schemes that are at a very early stage of development. The budget position means only invest to save schemes should be considered for further capital investment. Further work and investigations will be completed during 2024-25 and any new scheme cannot be released as new budget until the presentation of full project business cases to the Project Appraisal Group and approval from Executive.

4.5 Due to the challenging financial situation, and the need to ensure the revenue impact of the capital programme is reduced, the Council has reviewed the level of capital investment needed and has been able to identify reductions in some areas of the existing capital budget. There is the potential to free up resources in the CIP by either deleting or delaying some of these projects.

4.6 The proposals include the removal / reduction of budget for several schemes. A description of these schemes is provided in the table over.

Table 2: Proposed Budget reductions

| Scheme | Proposed Budget reductions £'000 | Current Position |
|---|---|---|
| Children's Service | | |
| Area office accommodation | 800 | Remove in full. Originally included to invest in a new office accommodation. Now being considered as part of the full Estate Strategy review. |
| Laptops | 400 | Remove in full. Originally included to invest capital funding in Digital Inclusion for Disadvantaged Children & Young People by investing in infrastructure supporting the programme. This has been funded by other sources. |
| Place | | |
| Goitside | 178 | Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. |
| City Centre Growth Zone | 1,300 | Remove in full. Will be considered as part of the development of the City Centre scheme. |
| Bradford Beck | 1,891 | Currently no definite plans are in place for this scheme, so it is proposed that it is removed from the CIP. Alternative approaches are being reviewed and it will be revisited once plans are developed. |
| Canal Road Land Assembly | 450 | Currently no Council plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. Progression of this scheme will be via alternative funding sources and once these are confirmed it will be included back in the CIP. |
| Depots | 3,000 | Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. It will be revisited once plans are developed. |
| Electric vehicles/ New Street cleansing | 300 | Reduction in budget for new street cleansing plant and equipment. |
| Total | 8,319 | |

4.7 The proposed 2024-25 to 2027-28 Capital Investment Plan is a rolling programme including the quarter 3 2023-24 capital budget, with the addition of £3m new budgets for on-going schemes and removal of £8.3m budgets in Table 2. This is set out in Appendix 1, along with a funding analysis. The Capital Investment plan will require further review to reduce expenditure or find alternate non-Council funding

sources. The review will commence in March 2024 and will require a review of all schemes, business cases, profiles, to identify schemes that can be stopped, deferred, reduced etc.

- 4.8 The proposed CIP includes £772m of capital investment in the District (£736m General Fund and £36m Housing Revenue Account). The profile of capital expenditure will continue to be updated as projects develop through the stages and/or if the resourcing position changes.

Table 3: Capital Investment Plan 2024-25

| Directorate | Budget 23-24 | Budget 24-25 | Budget 25-26 | Budget 26-27 | Budget 27-28 onwards | Total |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Adult Social Care | 4.8 | 6.1 | 6.1 | 1.7 | 0.0 | 18.7 |
| Children's Services | 20.5 | 15.8 | 10.1 | 3.9 | 0.0 | 50.3 |
| Place - Economy & Development Services | 52.7 | 36.8 | 26.9 | 5.1 | 1.0 | 122.5 |
| Place - Planning, Transport & Highways | 67.6 | 39.6 | 20.9 | 14.2 | 89.9 | 232.2 |
| Place – Other | 20.1 | 41.9 | 16.5 | 1.1 | 0.0 | 79.6 |
| Corp Service – Estates & Property Services | 32.5 | 15.4 | 6.9 | 2.0 | 0.0 | 56.8 |
| TOTAL | 198.2 | 155.6 | 87.4 | 28.0 | 90.9 | 560.1 |
| Reserve Schemes & Contingencies | 18.1 | 78.8 | 34.1 | 31.9 | 13.4 | 176.3 |
| TOTAL – General Fund | 216.3 | 234.4 | 121.5 | 59.9 | 104.3 | 736.4 |
| HRA | 2.8 | 14.5 | 10.0 | 8.2 | 0.0 | 35.5 |
| TOTAL CIP | 219.1 | 248.9 | 131.5 | 68.1 | 104.3 | 771.9 |
| Capitalisation direction (EFS) | 80.0 | 140.0 | 106.1 | 87.9 | 51.5 | 465.5 |
| TOTAL CAPITAL SPEND | 299.1 | 388.9 | 237.6 | 156.0 | 155.8 | 1,237.4 |

- 4.9 The Council is projecting to spend £299.1m in 2023-24 and planned expenditure of £1,237m (including capitalisation directions) from 2024-25 across the five remaining years of the Capital Programme.
- 4.10 Capitalisation directions contribute significantly to the Capital Programme. From 2025-26 onwards these are included based on estimates for the ongoing support required by the Council. It needs to be noted that capitalisation of revenue spend increases the cost of borrowing in following years.

5 MINIMUM REVENUE PROVISION (MRP) POLICY

- 5.1 It is a statutory requirement for Full Council to set the Minimum Revenue Provision (MRP) policy each year. As noted, it is a technical term but refers to the rules governing how much funding is set aside from successive Revenue Estimates each year to repay debt.
- 5.2 The overall purpose of the policy is to charge the costs of capital schemes to current and future years in proportion to the amount of service benefit delivered in

each year. The aim is to allocate costs between time periods and different generations in a fair and reasonable way. This means:

- Costs are charged only when schemes are in operation and not in the construction phase.
- Costs are generally allocated over the expected timespan in which any scheme is operational.
- The policy only relates to the repayment of borrowing: the elements of schemes funded directly, for example by grants or revenue contributions, do not cause any future funding pressures on the Revenue Estimates.

5.3 The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in 2018. The overriding requirement of the Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

5.4 Regulations require Full Council to approve an MRP statement in advance of each year. The Policy may be revised during the year by full Council, or the appropriate body of Members where required.

5.5 Full Council is recommended to approve the following MRP statement for the 2024-25 financial year. The proposed policy is set out in Appendix 2. There are no proposed changes to the Council's MRP policy for 2024-25. The main elements of the policy are set out below.

- For supported borrowing MRP will be calculated using an Asset Life annuity basis on the remaining average life of the overall asset base. This is considered to be more prudent than other available methods.
- For all unsupported borrowing MRP will be calculated using an Asset Life annuity basis. Estimated asset life periods will be determined under delegated powers.
- For MRP in respect of PFI contracts the charge to the revenue account is over the life of the school building assets. As per the main borrowing this is on an annuity asset life basis.
- MRP in respect of finance leases will equal the repayment amount for the year.
- There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

5.6 The government is currently consulting on changes to the Capital Finance and Accounting Regulations and on revised statutory guidance in relation to MRP, which it proposes would apply from 1st April 2024. The outcome of this consultation is not expected to be known when the Council approves its budget and its MRP policy for 2024-25. If the final version of the Regulations and guidance differs from the proposals and requires any changes to the Council's MRP policy, a revised

Policy will be submitted to Council for approval at the earliest opportunity.

6. PRUDENTIAL INDICATORS

- 6.1 The Prudential Indicators are calculated on the basis that the CIP in future years is delivered in full and that there is no slippage.
- 6.2 The 2003 Capital Regulations authorise Councils to borrow for a capital purpose only. This is subject to tests of sustainability and affordability, using the Prudential Indicators. CIPFA published the revised Prudential and Treasury Codes in December 2021.
- 6.3 One key Prudential Indicator, is a measure of the Council's outstanding debt. Outstanding debt is the Council's cumulative borrowing less any funding for debt repayment set aside within the Revenue Estimates. This Prudential Indicator is called the Capital Financing Requirement (CFR). The indicator is shown in Table 4a.

Table 4a: Capital Financing Requirement (CFR)

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Actual | Estimate | Estimate | Estimate | Estimate | Estimate |
| | £m | £m | £m | £m | £m | £m |
| Opening Capital Financing Requirement | 712 | 769 | 937 | 1,138 | 1,239 | 1,291 |
| CIP- Increase in borrowing | 77 | 109 | 104 | 45 | 16 | 39 |
| CIP - Less MRP and other financing movements | -20 | -21 | -23 | -26 | -28 | -29 |
| Capitalisation direction (EFS) - Increase in borrowing | - | 80 | 122 | 88 | 73 | 36 |
| Capitalisation direction (EFS) Less MRP | - | - | -2 | -6 | -9 | -11 |
| Closing Capital Financing Requirement | 769 | 937 | 1,138 | 1,239 | 1,291 | 1,326 |

6.4 Table 4a shows:

- The actual CFR at 31 March 2023 was £769m. This figure is also shown in the Council's draft statement of accounts and is being externally audited.
- The CFR is projected to increase, peaking at £1,326m at 31 March 28. There is an increase when borrowing in year for a capital purpose is more than the amounts set aside to fund the principal repayments. It also reflects the additional borrowing for capitalisation direction.
- The borrowing is estimated (apart from 31/03/2023) based on the proposed 2024-25 CIP, as set out in Appendix 1.
- Outstanding debt increases when new borrowing is higher than the principal payments charged to the Revenue Estimates.

6.5 When the Council borrows cash, this is nearly always from the Public Works Loan Board (PWLB). However, cash borrowing is lower than the CFR. A reconciliation between the CFR and the Council's loans is shown below in the Prudential Indicator for the external debt projection:

Table 4b: External Debt Projection

| | 31/03/23 Actual £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m | 31/03/26 Estimate £m | 31/03/27 Estimate £m | 31/03/28 Estimate £m |
|---|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Capital Financing Requirement | 769 | 937 | 1,138 | 1,239 | 1,291 | 1,326 |
| General Fund - Private Finance Initiative | -139 | -130 | -121 | -111 | -101 | -90 |
| External Borrowing | -465 | -668 | -885 | -995 | -1,115 | -1,137 |
| <i>Under-borrowing</i> | 165 | 139 | 132 | 133 | 75 | 99 |

6.6 Regarding Table 4b over:

- External borrowing increases generally when the CFR increases but remains lower than the CFR.
- The amount by which External debt is lower than the CFR is called under-borrowing. For example, under-borrowing is estimated to be £139m at 31 March 2024. One reason is that some of the borrowing is in the form of a lease arrangement (the Private Finance Initiative) rather than cash. The other is that the Council borrows from its own internal earmarked reserves, rather than borrowing, because it is less expensive. As Council usable reserves have reduced in line with planned commitments, the internal borrowing has also reduced resulting in external borrowing that will need to be required to fund the CFR. Borrowing estimates have also increased due to the capitalisation direction.

6.7 As noted, the increase in the CFR drives the increase in external debts. This CFR increase in turn is caused by that part of the CIP funded from borrowing. The element of the CIP funded from borrowing is shown in the performance indicator below:

Table 4c: Analysis of Capital Spend Requiring Borrowing

| | 31/03/23 Actual £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m | 31/03/26 Estimate £m | 31/03/27 Estimate £m | 31/03/28 Estimate £m |
|--------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | - | 216.3 | 234.4 | 121.5 | 59.9 | 104.3 |
| Capitalisation direction (EFS) | - | 80.0 | 140.0 | 106.1 | 87.9 | 51.5 |
| Total General Fund | - | 296.3 | 374.4 | 227.6 | 147.8 | 155.8 |
| Housing Revenue Account* | - | 2.8 | 14.5 | 10.0 | 8.2 | 0.0 |
| Total Spend | 154 | 299.1 | 388.9 | 237.6 | 156.0 | 155.8 |

| | | | | | | |
|---|-------------|--------------|--------------|--------------|-------------|-------------|
| Capital Spend not funded from borrowing | 76.6 | 110.1 | 144.9 | 86.5 | 52.1 | 65.3 |
| Capitalisation direction (EFS) not funded by borrowing (estimated capital receipts) | - | - | 18.0 | 18.0 | 15.0 | 15.0 |
| Capital spend funded from borrowing | 77.4 | 109 | 104 | 45 | 16 | 39 |
| Capitalisation direction (EFS) funded by borrowing | - | 80.0 | 122.0 | 88.1 | 72.9 | 36.5 |
| Total spend funded from borrowing | 77.4 | 189.0 | 226.0 | 133.1 | 88.9 | 75.5 |

*Separate HRA from 01-04-2023

6.8 Another Prudential Indicator measures the impact of the Capital Financing Costs (debt repayments and interest) on the Revenue Estimates. This impact measures the annual costs as a ratio as the Net Expenditure Requirement shown in the 2024-25 Revenue Estimates (Document AL).

6.9 This Indicator is called the ratio of capital financing costs to the Net Revenue Stream. The indicator is shown in Table 5 below, together with a separate analysis for Invest to Save schemes:

Table 5: Ratio of Capital Financing costs to the Net Revenue Stream

| | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m | 2027-28 Estimate £m |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Financing Costs – General Fund | 59.2 | 72.8 | 84.3 | 92.1 | 96.1 |
| Net Revenue Stream | 453 | 435 | 459 | 492 | 513 |
| Ratio: Capital Financing costs to Net Revenue Stream | 13.1% | 16.8% | 18.4% | 18.7% | 18.7% |

6.10 Key points about the above Prudential Indicator are:

- The estimated ratio of capital financing costs to the Net Expenditure Requirement increases between 2024-25 and 2027-28.
- The Prudential Indicator reflects a number of assumptions including that interest rates are 4.5% in 2024-25, 3.75% in 2025-26, 3.5% in 2026-27 and 2027-28. The costs shown are particularly sensitive to unforeseen changes to interest rates.
- A reconciliation between the Prudential Indicator and the capital financing costs shown in the Revenue Estimates Budget is also shown in the table over:

Table 6: Capital Financing Costs in the Revenue Estimates Budget

| | 2022-23 Actual | 2023-24 Estimate | 2024-25 Estimate | 2025-26 Estimate | 2026-27 Estimate | 2027-28 Estimate |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £m | £m | £m | £m | £m | £m |
| Total Capital Financing Costs | 54.4 | 59.2 | 72.8 | 84.3 | 92.1 | 96.1 |
| Direct Funding Schemes | -4.8 | 0 | 0 | 0 | 0 | 0 |
| PFI interest virement | -16.5 | -15.3 | -14.6 | -13.9 | -13.1 | -12.4 |
| PFI virement | -8.5 | -8.8 | -9.0 | -10.1 | -10.7 | -11.0 |
| Prudential borrowing virement | -6.4 | -5.2 | -6.2 | -9.5 | -10.4 | -10.5 |
| Corporate Capital Financing Costs within Revenue Estimates | 18.2 | 29.9 | 43.0 | 50.8 | 57.9 | 62.2 |

- 6.11 Items of expenditure such as PFI interest and the PFI Lease virement are treated as capital expenditure under accounting rules and therefore come within the remit of the Prudential Indicator. However, this expenditure is already included elsewhere in the Revenue Estimates.
- 6.12 Similarly, borrowing for self-financing schemes is being funded from services, as set out in the Prudential borrowing virement shown in Table 6 above.
- 6.13 All the Prudential Indicators, including additional analysis, are set out fully in Appendix 3 of this report.
- 6.14 An increase in capital spend funded by borrowing generates a requirement to take out new loans and increases the corporate revenue capital financing costs (Table 6). For any new schemes the additional increase in debt cost should be met from schemes that generate savings or avoid revenue costs or provide income streams. The Council will continue to pursue external funding through capital grant opportunities.
- 6.15 Additional corporate borrowing will impact on Revenue budgets and any additional costs for schemes already in the plan will also have to be considered. The proposed CIP means that the Council Prudential Indicators are increasing and uncertainty over costs means there will need to be a continued review considering the affordability and deliverability of the CIP. The overall capital programme position will be kept under review and any new information regarding funding allocations will be presented to Members in future reports.

7 FINANCIAL & RESOURCE APPRAISAL

- 7.1 The finance and resourcing implications are set out in the body of this report.

8 FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

- 8.1 Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. The original DCLG guidance covered the 2016-19 period, but this

was subsequently extended by a further 3 years, to 2021-22, following the Autumn Statement announcement on November 17th, 2017. The Local Government Finance Settlement for 2021-22 extended these capital receipts flexibilities for a further three years, which will cover the period up to and including 2024-25.

- 8.2 Local authorities are given the power to use capital receipts from the sale of general fund land and buildings received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of qualifying projects.
- 8.3 In 2023-24 the Council made use of capital receipt flexibilities that allow for qualifying revenue expenditure to be funded from capital receipts. This was a deviation from the previous policy of using capital receipts to support only the capital investment plan and consequently reduce the borrowing requirement.
- 8.4 In 2024-25 the Council is not currently planning on doing this as the benefits of these flexibilities are already part of the Councils Exceptional Financial Support request. The Council's strategy is to use capital receipts to reduce the borrowing need for the capitalisation direction.
- 8.5 The Government is however currently consulting on changes to the capital receipts flexibilities that are open to all Councils without the need to apply for Exceptional Financial Support, and if these proposed changes prove to be financially beneficial then the Council will seek to take advantage of these.
- 8.6 One of the proposals for example includes allowing Councils to borrow from PWLB at prevailing rates less 0.4% for Transformation activity. This is 1.4% less than the Council would otherwise be borrowing at under the Bradford specific capitalisation directive.
- 8.7 The section 151 Officer has therefore included a recommendation to Budget Council to delegate powers to them. The proposal in this report is to delegate authority to the Section 151 officer to have the option to adjust this strategy and fund transformation projects from capital receipts to ensure that the Council achieves the most advantageous financial position that derives from proposals that are not yet agreed by Government.

9 RISK MANAGEMENT AND GOVERNANCE ISSUES

- 9.1 The risk implications are set out in the body of this report.

10 LEGAL APPRAISAL

- 10.1 This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules. There are no other legal implications arising from this report.

11 OTHER IMPLICATIONS

11.1 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications arising from this report, sustainability implications are considered as part of individual capital project appraisals

11.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

There are no direct impacts arising from this report

11.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct impacts arising from this report

11.4 HUMAN RIGHTS ACT

None

11.5 TRADE UNION

None

11.6 WARD IMPLICATIONS

None.

11.7 IMPLICATIONS FOR CHILDREN AND FAMILIES

None

11.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

11.9 NOT FOR PUBLICATION DOCUMENTS

None

12 RECOMMENDATIONS

12.1 Executive are asked to note the contents of this report and to have regard to the information contained within this report when considering the recommendations to make to Council on the CIP for 2024-25.

12.2 That the updated Capital Plan for 2024-28, be approved; (Appendix A).
Commitments against reserve schemes and contingencies can only be made after

a business case has been assessed by Project Appraisal Group and approved by Executive.

- 12.3 That Members agree that the Council undertakes a review of the capital programme.
- 12.4 The 2024-25 MRP Policy set out in Appendix 2 is approved.
- 12.5 That the Capital Strategy (including Prudential Indicators), set out at Appendix 3, be approved.
- 12.6 That the Flexible Use of Capital Receipts policy (section 8) is approved. Delegate authority to the Section 151 officer to have the option to adjust this strategy and fund transformation projects from capital receipts to ensure that the Council achieves the most advantageous financial position that derives from proposals that are not yet agreed by Government.

12 APPENDICES

Appendix 1: The 2024-25 to 2027-28 Capital Investment Plan

Appendix 2: Proposed Minimum Revenue Policy

Appendix 3: Supporting Tables for the Capital Strategy

Capital Strategy 2024-25

1 CAPITAL STRATEGY (BACKGROUND)

- 1.1 The Council's Capital Strategy is a policy framework for the development; management and monitoring of its Capital Investment Plan (CIP).
- 1.2 In respect of timeframes, the strategy is also both a plan for the current year and the long-term, with emphasis on the next ten years.
- 1.3 The strategy is how the Council ensures compliance with mandatory statutory guidance contained in the Prudential Code for Capital Finance in Local Authorities. The headline message delivered by the Code is the requirement for the Council to consider key judgement criteria of Prudence, Affordability and Sustainability when making and reviewing decisions about the use of its capital resources.
- 1.4 The simple purpose of the strategy is also to ensure that capital expenditure is deployed in such a way as to maximise the provision of the services needed by Council residents. Delivering this purpose involves selecting and project managing capital schemes; while coordinating their implications for risk, treasury and resourcing.
- 1.5 Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of assets that have a useful life or more than one year. This means items of expenditure on buildings, vehicles and substantial equipment. Local Government also has the statutory right to include within this definition, expenditure on assets owned by third parties, or loans given to third parties.
- 1.6 Capital expenditure schemes are also constructed, financed and used to deliver services across multiple financial years; so each one is a substantial commitment by the Council.
- 1.7 CIPFA published the revised Prudential and Treasury Codes in December 2021 and stated the revisions needed to be included in the reporting framework from the 2023-24 financial year. The changes look to strengthen the requirements regarding borrowing for commercial projects to ensure Local Authorities are not borrowing in advance of need, with a view to primarily making a profit / financial return.
- 1.8 The Council does not currently have any capital investments which fall within this commercial category and the current CIP does not have any commercial schemes. The new Code does not introduce restrictions on councils borrowing for purposes essential to their core aims, such as for housing and regeneration projects, or for treasury management purposes.
- 1.9 Other changes are to ensure Local Authorities' capital investment remains sustainable and to facilitate these two new prudential indicators together with the replacement of an existing indicator have been proposed as set out below:
 - New prudential indicator: external debt to net revenue stream ratio
 - New prudential indicator: income from commercial and service investments to net revenue stream
 - Replacing "Gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.
- 1.10 These changes will be reflected in the Treasury Management Strategy and be reflected as appropriate when developing future capital programmes.
- 1.11 This 2024-25 Capital Programme will be reduced in scale and cost compared to

previous years. With increasing General Fund debt and an environment of higher interest rates the delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy, including reducing the number of buildings used by the Council, is essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.

- 1.12 The Capital Strategy presented here and associated capital framework will continue to be improved over coming months and years.

2 GUIDING PRINCIPLES

- 2.1 To ensure the efficient use of all its assets the Council will not permit any project to be included in its Capital Investment Plan (CIP) unless it furthers its strategic priorities and objectives. These strategic priorities include the statutory duties that Councils are responsible for undertaking.
- 2.2 Overall, the following principles will apply to all capital investment decisions:
 - I. They should reflect the priorities identified in the Council Plan and its supporting strategies.
 - II. They will be prioritised by availability of resources and allocated funding and supported by a business case review.
 - III. Priority will be given to schemes financed from capital grants or Invest to Save income streams.
 - IV. The cost of financing each capital scheme will be incorporated into the relevant annual policy, resources strategy and budget (e.g. Capital Investment Plan 2024-25 to 2027-28).
 - V. Commissioning and procuring for capital schemes will be legally compliant, which will be established by early and appropriate due diligence.

3 LINKS TO COUNCIL POLICIES, STRATEGIES AND OBJECTIVES

- 3.1 The Council's **Capital Plan** covers a four-year period: the latest proposed in this report will cover 2024-2028. The proposed commitments in the programme reflect the Council Plan:
 - i. Better Skills, More Good Jobs and a Growing Economy
 - ii. Decent Homes
 - iii. Good Start, Great Schools
 - iv. Better Health, Better Lives
 - v. Safe, Strong and Active Communities
 - vi. A Sustainable District
 - vii. An Enabling Council

4 Housing Revenue Account (HRA)

- 4.1 The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The HRA is funded primarily from tenants' rents and service charges.

- 4.2 The Executive, at its meeting of November 1 2022, approved the opening of a Housing Revenue Account (HRA) in the financial year 2023-24. This was in response to a direction issued by the Department for Levelling Up Housing and Communities (DLUHC) in relation to council's owning more than 200 units of housing. Bradford District presently owns just 404 units out of approximately 34,000 social housing units in the Bradford district.

5 GOVERNANCE FRAMEWORK FOR CAPITAL DECISIONS

- 5.1 The Council's relevant democratic decision-making and scrutiny processes are set out in its Constitution and include:
- i. A **Council Plan** which sets out strategic priorities.
 - ii. Approval of the **Capital Strategy, Treasury Management Strategy and Capital Investment Programme**, including the prudential indicators referred to within them.
 - iii. The current **Capital Investment Plan (CIP)**. Each scheme in the CIP is approved by both the Executive and Full Council. The CIP is monitored by the appropriate responsible officer, finance and the Project Appraisal Group (PAG) in order to detect and deal with any variances to the plan. Updates are reported to the Executive on a regular basis.
 - iv. The Council's **Financial Regulations**. Under these regulations the PAG will assess unfunded capital expenditure proposals. Schemes funded from capital grants or Direct Revenue Financing can be progressed and approved directly by the Director of Finance. Any new capital expenditure proposals that are not wholly funded from capital grants or by the proceeds of sale of land must be either financed directly from the Revenue Estimates or be formally authorised from an identified capital scheme or approved additional borrowing.
 - v. A mandatory **Capital Business Case** to identify the projected running costs and financing costs of the relevant asset and assess its affordability.
 - vi. The **Project Appraisal Group (PAG)**. Currently its membership comprises finance, legal, procurement, project management and property expertise and it is chaired by the Director of Finance. Its prime responsibility is to review the Capital Business Case.
 - vii. Investment assets are subject to specific approval processes, involving the Investment Advisory Group, discussed in the Investment Strategy.
 - viii. There is also discussion and a review underway to develop the support provided around project delivery as well as processes around contract management.

6 CAPITAL RESOURCES TO SUPPORT CAPITAL EXPENDITURE

- 6.1 Proposed future schemes are set out in the **Capital Investment Plan 2024-25**, due to be considered by Full Council on 07 March 2024.
- 6.2 Schemes not funded directly by grants, receipts from asset disposals or reserves generate **Capital Financing Costs**, which have to be paid for out of the annual Revenue Estimates (Document AL for 2024-25). Capital Financing Costs derive from the cumulative effect of previous years' borrowing to fund capital investment,

net of amounts previously paid. These costs are not impacted by the current year capital expenditure: they can only be matched against service benefit when the related asset is operational.

- 6.3 **Invest to Save (self-financing) schemes** generate savings or additional income in the Revenue Estimates which offset the Capital Financing Costs. Such schemes and their related savings or additional income are projected to have an increasing impact on the Revenue Estimates and the Medium-Term Financial Strategy in future years.
- 6.4 **Corporate Borrowing schemes do not generate savings or additional income in the Revenue Estimates.** Such schemes are chosen for their direct delivery of service provision. Of course, in practice individual schemes can generate some savings or additional income but also require a corporate borrowing contribution.
- 6.5 **Capital Receipts** are usually restricted to use for:
- i) Financing new capital investment.
 - ii) Reducing borrowing under the Prudential Framework.
 - iii) Paying a premium charged in relation to any amounts borrowed.
 - iv) Meeting any liability in respect of credit arrangements.
 - v) Meeting disposal costs (not exceeding 4% of the receipt).
- 6.5.1 In general, capital receipts arising from the disposal of housing assets and for which account is made within the Housing Revenue Account (HRA), are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. In summary the regulations require that receipts arising from:
- i) Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government; and
 - ii) All other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying of housing debt.
- 6.6 **Flexible Use of Capital Receipts**
- 6.6.1 As part of the Local Government Finance Settlement (LGFS) in March 2016, the Secretary of State for Housing, Communities and Local Government provided Local Authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This flexibility was then extended to 2021-22 as part of the 2018-19 LGFS. Alongside the Final LGFS in February 2021, this flexibility was extended for a further three-year period (2022-23 to 2024-5). The Council utilised capital receipts to fund elements of transformational agenda in line with the Directive guidance in 2022-23 and 2023-24.

- 6.6.2 The Flexible Use of Capital Receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.
- 6.6.3 In 2024-25 the Council is not currently planning on doing this as the benefits of these flexibilities are already part of the Councils Exceptional Financial Support request. The Council's strategy is to use capital receipts to reduce the borrowing need for the capitalisation direction.
- 6.6.4 The Government is however currently consulting on changes to the capital receipts flexibilities that are open to all Councils without the need to apply for Exceptional Financial Support, and if these proposed changes prove to be financially beneficial then the Council will seek to take advantage of these.

7 COMMERCIAL ACTIVITY AND PROPERTY INVESTMENTS

- 7.1 A commercial property investment strategy was approved by Executive on 4 April 2017. This permitted investment in commercial property both to create long term income generation; or to promote economic development, service provision and regeneration within the District.
- 7.2 Since 2017, the former Ministry of Housing, Communities and Local Government (MHCLG) announced several changes in relation to borrowing for commercial property investments. These are summarised below:
- From 1 April 2018, Local Authorities were required to approve an Investment Strategy at Full Council. The definition of Local Authority investments was also updated to include investment property and loans to third parties and related companies.
 - It was also announced (1 April 2018) that Local Authorities were no longer able to borrow in advance of their Capital Financing Requirements, solely for the purpose of investment yield. The impact was to restrict commercial investment where Councils' actual cash or finance lease borrowing was equal to their underlying need to borrow for a capital purpose (The Capital Financing Requirement). This did not apply to Bradford Council. Bradford internally borrowed from earmarked reserves, so that actual borrowing is below the Capital Financing Requirement (See Table 4b Capital Investment Programme 2023-24 to 2027-28)
 - On 10 September 2019, the MHCLG increased the interest rate on borrowing by 1%. The reason given for this increase was to reduce the level of borrowing by Local Authorities for the purpose of acquiring commercial property portfolios.
 - On 11 March 2020, the Government rescinded the 1% interest increase but only for borrowing related to the construction of social housing. The Government also announced a consultation on Local Authorities' commercial property portfolios.
 - On 26 November 2020, the MHCLG rescinded the 1% increase on all borrowing from the PWLB. However, at the same time, the results of the consultation were that councils seeking to borrow from the PWLB will now have to confirm they are not borrowing primarily for yield at any point or from any source for a period of 3 years. Compliance is monitored by reviewing capital plans; in Bradford's case, the

Capital Investment Programme 2024-25 to 2027-28.

- 7.3 As a result, Bradford can no longer invest in commercial property solely to create income generation. The prior criteria for investment in strategic acquisitions (see Criteria B below) has now been updated (see Criteria A below):

Criteria A

- i. A proven ability to promote economic development, service provision and regeneration within the District.

Criteria B

- i. Risks associated with the investment
- ii. The likelihood of being able to sell the investment in extremis
- iii. The location of the investment, with preference being firstly within the District and secondly within the Leeds City Region
- iv. The security of direct rental payments, with consideration given to the reliability of tenants
- v. The income stream from the investment, current and potential
- vi. The potential increase to the capital value of the investment
- vii. The sector in which the investment is made, e.g. retail or warehouses
- viii. The detailed business case for investment

8 Non Treasury financial investments

- 8.1 The statutory guidance requires councils to identify and disclose the range of contributions which its existing non treasury management investments make to its objectives.
- 8.2 The Council may make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a strategy for local regeneration and economic growth. In such cases, a realistic assessment of potential policy gains could justify the loan even when liquidity and security considerations might indicate that it is not prudent.
- 8.3 In such cases, a cost may be chargeable to the Revenue Estimates, either in accordance with the Council's Minimum Revenue (MRP) Policy or, alternatively, an expected credit loss model in line with IFRS 9 (financial instruments) would be required.
- 8.4 Loans to external organisations are covered under the Council's MRP policy because as noted above, they fall within the Local Authority definition of capital expenditure. The Council's MRP Policy sets out that the Capital Financing Costs can only be fully met from the loan repayments under the following conditions:
- The loan repayment schedule covers the full cost of the original loan.
 - That there continues to be confidence that loan repayments will be repaid.
 - That the external organisation adheres to the loan schedule.
- 8.5 In addition, a loan to an external organisation may reduce the interest income received into the Revenue Estimates. This will happen when the interest charged

on the loan is less than the amount that would be received from an alternative investment.

- 8.6 Technical accounting rules may also require applying the credit loss model. This calculates a nominal cost to the Council equivalent to the monetary value of the difference between the interest charged on the external loan and the commercial rate. However, currently the Council is entitled to make an adjustment, so that there is no real impact in the Revenue Estimates.
- 8.7 The Council has a long-term investment in the Leeds City Region Revolving Investment Fund (LCR RIF). It was established in 2013 with the local authorities of Leeds, Bradford, Kirklees, York, Harrogate, Calderdale and Wakefield, who have jointly committed in excess of £20m loan funding for commercially viable, private sector led infrastructure and construction projects in the Leeds City Region. The Council has so far contributed £3.4m to the fund. Projects eligible for support include new homes, delivering new energy infrastructure, new factories, and non-operational buildings, where conventional sources of funding are insufficient and/or unavailable. Loans are made on commercial terms and compliant with State Aid restrictions to meet the gaps where private finance cannot be obtained.

9 ASSET MANAGEMENT PLANNING

- 9.1 The Council Estate Management Service manages its existing assets to reduce costs and maximise service benefit. The Council has recently adopted the Corporate Landlord Approach to the management of its property holdings and in accordance with the Medium-Term Financial Strategy.
- 9.2 The Council is mitigating energy costs and seeking to rationalise its operational estate portfolio. A permanent strategy is being finalised for the Council's city centre office estate through the reduction of assets held. The Council will see a significant reduction in the assets it holds to generate capital receipts and other revenue savings following service delivery reviews. Property assets will be reviewed over the next four years ensuring asset decisions are being made with sufficient regard to the long-term financial position of the Council and the requirement to become financially sustainable.

10 RISKS

- 10.1 In considering the Capital Investment Programme 2024-25 to 2027-28 and the Capital Strategy, there are several key risks. These are summarised below:
- **Interest rates are higher than expected.** The current estimate of capital financing costs is based on interest rate forecasts. Such forecasts are inherently subject to change. Such changes could significantly increase capital financing costs.
 - **Overspends.** The capital projects could overspend, or alternatively the expected funding may be lower than expected. This will reduce value for money and increase the future costs charged to the Revenue Estimates.
 - **Project delivery impaired.** As well as the financial impacts, poor project delivery reduces the quality-of-service provision for residents.
 - **Unanticipated Revenue Consequences of Capital Investment.** There could be additional costs in the Revenue Estimates that are not fully anticipated in the

Business Case, for example, additional repair and maintenance costs.

- **Obsolete assets.** Technological changes, changes in Local Government or different choices could make an asset obsolete, reducing the expected service provision. If this causes a reduction in the expected life of the asset, debt repayments may need to be made from the Revenue Estimates over a shorter period.
- **Invest to Save schemes rely on over-optimistic revenue projections.** The revenue savings or income generation forecasted from a scheme may not materialise. This is a particular risk, because as noted above, budget projections for the Revenue Estimates are increasingly reliant on such forecasts.
- **Change to regulations.** The Government may change current regulations, so that the financial impact of debt and borrowing on the Revenue Estimates could increase.
- **Committed Capital Expenditure.** During the construction phase, new information may become available, for example as a result of a site investigation or other circumstances, which prevents a scheme progressing. In such circumstances, the committed costs add no value and are written off against the Revenue Estimates.
- **The value of property reduces and/or it is more difficult to dispose of property.** The anticipated capital receipts in the CIP are over-optimistic, more borrowing is required, and Capital Financing Costs increase.
- **Actual or prospective loans to external parties are not repaid.** If external loans are not repaid, they will have to be written off, with the cost charged directly against the Revenue Estimates. Such write offs could increase costs unexpectedly.
- **Change in Government Policy.** There are assumptions in the CIP that some Government grants are recurring. If these assumptions are incorrect, the Council will have to choose between reducing service provision or using additional financial resources.

10.2 The policy framework in the Capital Strategy aims to mitigate the risks identified above. Other risk mitigations are set out in the proposed Capital Strategy actions.

11. PRUDENCE, AFFORDABILITY, SUSTAINABILITY

11.1 As noted, the updated Prudential Code for Capital Finance in Local Authorities issued in December 2021 requires the Council to consider the key judgement criteria of Prudence, Affordability and Sustainability when considering the Capital Programme.

11.2 Some considerations around this are:

- At 1 April 2023, the Council had £1,091m of long-term assets, when valued according to their potential to provide service provision to the Council. Outstanding debt on these assets is £769m (CFR balance).
- The CIP 2024-25 to 2027-28 proposes £772m of new capital expenditure: funded by £459m of capital grants and miscellaneous items; £121m of Invest to Save borrowing; and £192m of corporate borrowing. Individual schemes are detailed in Appendix 1 by department and analysed according to their individual funding requirements.
- Interest rates have risen in the last year and further increases are forecast.
- Other potential risks are outlined in the Risk section above (see Section 10 Risks).
- The CIP is a rolling programme. Current schemes include those approved as part of the budget process last year and individual schemes progressed, developed and approved at Executive during the current financial year. Each scheme's contribution to the Council's service provision and its resource requirement is assessed

individually.

- The Prudential indicators set out in Appendix 3, Table 4, show the ratio of capital financing costs to the net revenue requirement increasing from 13% to 18.7% between 2023-24 to 2027-28.
- 11.3 Overall the Capital Financing Requirement (CFR) of £769m will be paid for from Capital Financing Costs charged to future revenue estimates. The proposed CIP 2024-25 to 2027-28 requires substantial new borrowing, increasing the CFR and the amount of funding set aside from future revenue estimates.
- 11.4 The projected CFR and Capital Financing Costs are shown in detail by the Prudential Indicators. These are used to test the affordability of the proposed CIP.
- 11.5 Most of the Council's long-term borrowing is from the PWLB; which was £366.8m at 1 April 2023. Also Salix Finance Limited provides interest free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills. The Council to date has taken the opportunity to secure £19.1 million interest free loans to fund the £45 million approved street lighting replacement scheme in the Council's capital plan. At 1 April 2023 the Council had £11.7m from Salix loans.
- 11.6 A further £137.7m of borrowing relates to the private finance initiative with a private company and will be repaid from future contracted lease payments.
- 11.7 Borrowing decisions are made on a cash flow basis so are not directly aligned with the Capital Financing Costs charged to the Revenue Estimates. In practice, the Council's earmarked reserves are used to reduce actual borrowing. This is because borrowing costs are higher than the interest the Council received on its investments. The relationship between the CFR, earmarked reserves and other assets and liabilities is summarised in Table 5, Appendix 3.

12 SKILLS AND KNOWLEDGE

- 12.1 The Council has professionally qualified staff across a range of disciplines including finance, legal and property. A programme of continuous professional development (CPD) is undertaken, and employees attend courses on an ongoing basis to keep abreast of new developments and skills. The Council establishes project teams from all the professional disciplines across the Council as and when required.
- 12.2 The Council uses external advisors where necessary to complement the knowledge its own officers hold. Some of these advisors are contracted on long-term contracts or are appointed on an ad-hoc basis when necessary. The Council currently employs Link Asset Services as treasury management advisors and PWC as VAT advisors. This approach ensures the Council has access to specialist expertise when needed to support its staff, commensurate with its risk appetite.
- 12.3 Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Director of Finance.

13. CAPITAL STRATEGY ACTIONS

- 13.1 These are intended to align the Council's operations with the CFR and are listed in

Table 9 of the Capital Strategy Appendix 3. The Actions represent the programme for implementation of the Capital Strategy, which as a high-level document omits much operational detail in favour of a strategic overview of how the Council will manage and optimise its use of its capital assets.

Investment Strategy 2024-25

INVESTMENT STRATEGY

1. BACKGROUND:

The Council's investment activities cover three broad areas – treasury management investments, other financial investments such as loans and equity investments which are made to achieve service objectives, and non-financial investment assets such as property. Whilst the Council does not acquire properties purely for investment purposes, it does hold a number of property assets which generate rental income, some of which were acquired in order to stimulate economic growth within areas of the district and some of which were previously operational assets which are now surplus to operational requirements.

This strategy document sets out the Council's annual Investment Strategy as is required by the 3rd Edition of the Section 15 guidance on local government finance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 in 2018. It covers the budget year 2024-25 onwards. The overall objective of the strategy is to provide high-level guidance on acquiring and managing investments to improve the financial resilience of the Council, the income base for its services and to ensure that its financial assets are applied efficiently for the benefit, improvement or development of the area through the acquisition, retention and management of good quality investments and the granting of loans.

The 2011 Localism Act provides a general power of competence which permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. This means that the annual Investment Strategy closely links to the Council's Economic Strategy to deliver economic growth, tackle inequality and create change in the area that benefits everyone.

This Investment Strategy also provides an update for recent announcements. The former Ministry of Housing, Communities and Local Government (MHCLG) has determined that councils seeking to borrow from the PWLB can no longer incur capital expenditure primarily for yield at any point or from any source for a period of 3 years.

CIPFA published the revised Prudential and Treasury Codes in December 2021.

2. INVESTMENTS – DEFINITION

The section 15 guidance issued on 1 April defined investments as including both financial assets and commercial property, held primarily for yield.

The guidance was issued in part as a response to the increasing investment of Local Authorities in commercial property. As such, commercial property was specifically identified as falling within the terms of the guidance and this strategy.

Most of the Council's commercial property portfolio is historic, with just two additional investment acquisitions in recent times and none in 2022-23. At 1 April 2023, this

investment property portfolio was valued at £51.3m (2022-23 unaudited statement of accounts), a small proportion of overall long-term assets of £1,091m.

The definition of an investment also covers loans made by the Council to one of its wholly owned companies, a joint venture, or to a third party. However, this strategy does not cover investments managed within the treasury management scheme of delegation. These are considered within the annual Treasury Management Strategy.

3. KEY STRATEGIC PRINCIPLES

This Investment Strategy sets objective criteria for any investment. These are listed below:

- i. Is within the General Power of Competence (2011 Localism Act)
- ii. Transparency and democratic accountability
- iii. Contribution
- iv. Use of indicators
- v. Security, Liquidity and Yield
- vi. Investment Limit

3.1 Transparency and democratic accountability:

The Council is required to prepare at least one annual Investment Strategy that contains the details specified in the 2018 guidance and is approved by full Council.

3.2 Contribution to Council's overall purposes:

Investments made by local authorities can currently be classified into one of two main categories:

- Investments held for treasury management purposes; and
- Other Investments, which are not held for treasury management purposes.

Investments held for treasury management purposes usually comprises short term lending to banks, financial institutions and other local authorities, when the Council has a cash surplus. These are managed within Treasury Management Strategy, so do not need to be considered within this Investment Strategy.

Other investments previously made by the Council are property investments and loans to third parties. Future decisions will be assessed on the contribution made, using the criteria set out below. A key measure of contribution will be the delivery of service provision, as set out in the General Power of Competence within the Localism Act: therefore, the supporting business case assessment should demonstrate that the investment forms part of a project in the Council's Plan or some other formal statement of the Council's strategic or policy aims.

The full criteria to measure contribution and make investment decisions (as included in the Capital Strategy is set out below:

Criteria A

- i. A proven ability to promote economic development, service provision and regeneration within the District.

Criteria B

- i. Risks associated with the investment
- ii. The likelihood of being able to sell the investment in extremis
- iii. The location of the investment, with preference being firstly within the District and secondly within the Leeds City Region
- iv. The security of direct rental payments, with consideration given to the reliability of tenants
- v. The income stream from the investment, current and potential
- vi. The potential increase to the capital value of the investment
- vii. The sector in which the investment is made, e.g. retail or warehouses
- viii. The detailed business case for investment

i. Falls within the General Power of Competence (where an investment is classified as contributing to regeneration or local economic benefit)

ii. Yield

iii. Regeneration

iv. Economic benefit/business rates growth

v. Responding to local market failure

vi. Treasury management

vii. Invest to Save Schemes capacity to reduce costs or generate additional income from an asset (including a sensitivity analysis to test the robustness of the expected savings).

All business case proposals for property investments will be evaluated by the Project Appraisal Group, including using the key strategic principles and the contribution criteria.

As noted, the Council can no longer invest in commercial property primarily for yield. However, yield is important criteria where service provision can be financed, or partly financed by savings or income generation. This is also consistent with the Capital Strategy, which aims to encourage the identification of Invest to Save (or self-financing) schemes.

3.3 Investment indicators:

The Council proposes to adopt a system of quantitative indicators to guide and inform investment decisions relating to Other Investments. The Council initially adopted the indicators proposed within the Guidance. These indicators will be reported upon and reviewed.

The Council's proposed range of indicators (Section 7) will allow members and other interested parties to understand the total exposure from borrowing and investment decisions. They will cover both the Council's current position and the expected position assuming all planned investments for the following year are completed. They will not take account of Treasury Management investments which will continue to be reported within the Treasury Management report.

3.4 Security, Liquidity and Yield:

In this context, Security means protecting the capital sum invested from loss; and Liquidity means ensuring the funds invested are available for expenditure when needed. Yield is the expected return of the investment over its lifetime and can be expressed either in financial terms or as the achievement of policy or strategic aims.

In considering Other Investments, the balance between security, liquidity and yield will be considered as part of the business case, alongside the contribution the Other Investment can make to achieving policy objectives.

3.5 Investment Limit

The Council will from time to time set one or more Investment Limits and keep them under review. The Council will use prudential borrowing to fund Other Investments / strategic acquisitions. Currently interest rates remain at a low level and the rental income / Contribution from Other Investments should more than cover the associated debt costs, whilst also providing a net yield to support the Council's revenue budget. The Council can fix interest over the long-term which removes the risk of interest rate volatility.

Provision of £20 million has been included in the capital programme, phased across the programme and funded by prudential borrowing. Any new approved schemes for this budget will need to meet the new Prudential Code requirements. A small £0.7m budget is also included, as part of the Leeds City Region Revolving Investment Fund.

4. GOVERNANCE ARRANGEMENTS

The Council has set up an Investment Advisory Group to consider specific business cases in relation to investing in Other Investments / strategic acquisitions. The core group consists of:

- Leader of the Council – (Chair)
- Portfolio holder for Regeneration, Planning & Transportation
- A representative nominated by the Leader of the Conservatives
- A representative nominated by the Leader of the Liberal Democrat & Independent Group
- Strategic Director of Corporate Resources
- Strategic Director of Place
- Director of Finance / s151 Officer
- Assistant Director Estates & Property
- City Solicitor / Monitoring Officer

Other officers will attend as relevant to the specific business case.

5. RISK ASSESSMENT

Any capital expenditure falling within the definition of investment (but excluding Treasury Management) will be risk assessed as follows:

- i. Whether, and if so, on what terms the Council uses external advisors as treasury management advisors, property investment advisors or any other relevant persons. In each case such engagements will be on the Council's standard terms and conditions unless there is an agreed exception, as is provided for under No. 20 of the Council's Contract Standing Orders.
- ii. The outcome of any monitoring by the Council of the quality of advice provided by its external advisors.

- iii. To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies, and the reliability of such ratings given the current degree of engagement between the rating agency and the market under assessment.
- iv. Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- v. What other sources of information are used to assess and monitor risk.
- vi. Any specific property-related risks – covenant strength, lease period/s, condition, maintenance costs, etc.

Risk Assessment will be undertaken as part of business case considerations and regularly reviewed.

6. CAPACITY, SKILLS AND CULTURE

The Investment Strategy Guidance requires that Councillors and Officers involved in investment decisions need the appropriate capacity, skills and information to enable them to take an informed decision as to whether or not to enter into a specific investment. As part of this, the Council will procure specialist legal and financial support as required.

7. PRUDENTIAL INDICATORS

As noted above, the Council has a historic portfolio of investment property. This has been expanded with two investments in property, with the intention of making a profit that will be spent on local public services. These assets fall under the definition of Investment Properties in the CIPFA Accounting Code and are valued at fair value in the accounts in accordance with IFRS13. Fair value is when an asset is valued at its highest and best use.

Overall Return

| | 2022-23 |
|---|----------------|
| | £m |
| Rental income | -2.4 |
| Service charges | -0.1 |
| Repairs and Maintenance | 0.4 |
| Capital Financing costs & other | 0.6 |
| Total return | -1.5 |
| <i>Source 2022-23 Draft Statement of Accounts</i> | |

The value of the Council's investment property as at 31 March 2023 was £51.3m, making a return of 3%. The historic investment property has been revalued upwards above its purchase cost, so taking this into account, the return would be higher. This means historic spend on investment property is supporting the current revenue estimates.

No new acquisitions were completed in 2022-23 and one of the recent investment acquisitions is no longer in this category due to a change in operational use. This asset is not included in current prudential indicators.

Debt to Net Service Expenditure (NSE) Ratio

This indicator measures the gross debt associated with the recent property investment as a percentage of the Council's net expenditure requirement, where the Net Expenditure Requirement is a proxy for the size and financial strength of a council.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|-------------------------|---------------------------|-----------------------------|-----------------------------|
| Gross Debt | 6,111 | 6,000 | 5,887 |
| Net Service Expenditure | 428,000 | 453,000 | 435,000 |
| Debt to NSE Ratio | 1.4% | 1.3% | 1.3% |

The indicator shows the proposed debt level for the Council's recent investment. It shows that the debt ratio from investment in a property portfolio will be approximately less than 2% of the Council's net revenue budget if the investment in this property is funded solely from borrowing. There is no specific debt that can be identified against the Council's historic portfolio. No additional investments are assumed in the indicator at present, in the light of DLUCH guidance.

Income to NSE Ratio

This indicator measures the Council's dependence on the income from property investments to deliver core functions.

The income generated from all property investments will fund 0.4% of the Council's net service expenditure but this reduced to 0.2% due to the planned property disposals. The Council's reliance on income from property investments is low.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|--------------------------------|---------------------------|-----------------------------|-----------------------------|
| Commercial Income | 2,500 | 2,000 | 885 |
| Net Service Expenditure | 428,000 | 453,000 | 435,000 |
| Commercial Income to NSE Ratio | 0.6% | 0.4% | 0.2% |

Investment Cover Ratio

This indicator measures the total net income from the recent property investment compared to interest expense.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|------------------------|---------------------------|-----------------------------|-----------------------------|
| Investment Cover Ratio | 3.1 | 1.9 | 1.9 |

The indicator shows that net income is expected to be higher than the interest expense in future years.

Loan to Value Ratio

This indicator measures the amount of debt compared to the total asset value. In the period immediately after purchase it is normal for the directly attributable costs of purchasing commercial property investments to be greater than the realisable value of the asset (for example, because of non value adding costs such as stamp duty and fees). The Loan to value ration should gradually decrease, reflecting the assumption that property values will remain constant while borrowings will be repaid.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|---------------------|---------------------------|-----------------------------|-----------------------------|
| Loan to value Ratio | 1.4 | 1.3 | 1.3 |

Target Income Returns

This indicator shows net revenue income compared to equity and is a measure of the achievement of the property portfolio.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|-----------------------|---------------------------|-----------------------------|-----------------------------|
| Target Income Returns | 7.3% | 4.3% | 4.3% |

Gross and Net Income

The net income targets are included in the Council's financial projections. The achievement of target income streams will be managed as part of the Council's standard budget monitoring process. Targets are dependent upon further investments being made. The indicator shows the proposed income for the Council's recent investment.

| | 2022-23 Actual £000 | 2023-24 Estimate £000 | 2024-25 Estimate £000 |
|--------------|---------------------------|-----------------------------|-----------------------------|
| Gross Income | 552 | 368 | 368 |
| Net Income | 443 | 257 | 255 |

Operating Costs

Operating costs relate to the cost of the Council's internal Estate Management function in relation to managing assets acquired under the property investment strategy.

Additional operating costs may be incurred because of the purchase of investment properties. Any such costs will be factored into financial appraisals as part of the purchase

assessment to ensure that target net rates of return are achieved. This indicator may therefore be revised if further investments are made.

| | 2023-24 Estimate £000 | 2024-25 Estimate £000 | 2025-26 Estimate £000 |
|-----------------|-----------------------------|-----------------------------|-----------------------------|
| Operating Costs | 400 | 400 | 400 |

Appendix 1

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|----------------------------------|---------------------------------------|-------------------|----------------|------------------------|----------------|----------------|----------------|--------------|---|------------------------|---------------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Adult Social Care | | | | | | | | | | | | |
| CS0237a | Saltaire Residential Care Home | 2,051 | 0 | 2,051 | 4,500 | 4,961 | 1,657 | 0 | 0 | 4,033 | 9,136 | 13,169 |
| CS0237c | Kghly Rd Residential Care Valley View | 293 | 0 | 293 | 0 | 0 | 0 | 0 | 0 | 293 | 0 | 293 |
| CS0373 | BACES | 848 | 0 | 848 | 750 | 750 | 0 | 0 | 0 | 0 | 2,348 | 2,348 |
| CS0239 | Community Capacity Grant | 206 | 0 | 206 | 0 | 0 | 0 | 0 | 206 | 0 | 0 | 206 |
| CS0311 | Autism Innovation Capital Grant | 31 | 0 | 31 | 0 | 0 | 0 | 0 | 31 | 0 | 0 | 31 |
| CS0312 | Integrated IT system | 44 | 0 | 44 | 0 | 0 | 0 | 0 | 44 | 0 | 0 | 44 |
| CS0532 | Changing Places Toilets | 514 | 0 | 514 | 0 | 0 | 0 | 0 | 212 | 0 | 302 | 514 |
| CS0535 | Beckfield Resource Centre | 237 | 0 | 237 | 0 | 0 | 0 | 0 | 0 | 0 | 237 | 237 |
| CS2000 | DDA | 81 | 0 | 81 | 80 | 10 | 0 | 0 | 0 | 0 | 171 | 171 |
| CS0567 | MH Crisis House | 70 | 0 | 70 | 0 | 0 | 0 | 0 | 70 | 0 | 0 | 70 |
| CS0570 | Adults Technology Enabled Care | 400 | 0 | 400 | 807 | 344 | 0 | 0 | 151 | 0 | 1,400 | 1,551 |
| CS0546 | Capital Items 23-24 | 0 | 63 | 63 | 0 | 0 | 0 | 0 | 0 | 0 | 63 | 63 |
| Total - Adult Social Care | | 4,775 | 63 | 4,838 | 6,137 | 6,065 | 1,657 | 0 | 714 | 4,326 | 13,657 | 18,697 |
| Children's Services | | | | | | | | | | | | |
| | | 0 | | | | | | | | | | |
| CS0249 | Schools DRF | 1,500 | 0 | 1,500 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 1,500 |
| CS0022 | Devolved Formula Capital | 568 | 0 | 568 | 0 | 0 | 0 | 0 | 568 | 0 | 0 | 568 |
| CS0030 | Capital Improvement Work | 100 | 0 | 100 | 100 | 100 | 0 | 0 | 300 | 0 | 0 | 300 |
| CS0240 | Capital Maintenance Grant | 6,239 | 0 | 6,239 | 2,500 | 0 | 0 | 0 | 8,739 | 0 | 0 | 8,739 |
| CS0244a | Primary Schools Expansion Programme | 342 | 0 | 342 | 0 | 0 | 0 | 0 | 342 | 0 | 0 | 342 |
| CS0244b | Silsden School | 1,900 | 0 | 1,900 | 0 | 0 | 0 | 0 | 1,900 | 0 | 0 | 1,900 |
| CS0362 | Secondary School Expansion | 371 | 0 | 371 | 1,000 | 0 | 0 | 0 | 1,371 | 0 | 0 | 1,371 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|-----------------------------------|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0244c | SEN School Expansions | 4,000 | 0 | 4,000 | 4,000 | 6,000 | 1,900 | 0 | 15,900 | 0 | 0 | 15,900 |
| CS0550 | SEND Expansion Capital Works | 4 | 0 | 4 | 3,990 | 0 | 0 | 0 | 0 | 0 | 3,994 | 3,994 |
| CS0531 | Bingley Grammar Expansion | 1,500 | 0 | 1,500 | 3,700 | 4,000 | 2,000 | 0 | 11,200 | 0 | 0 | 11,200 |
| CS0421 | Healthy Pupil Capital Grant | 32 | 0 | 32 | 0 | 0 | 0 | 0 | 32 | 0 | 0 | 32 |
| CS0436 | Children's Homes | 17 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 17 |
| CS0488 | Digital Strategy | 80 | 0 | 80 | 100 | 0 | 0 | 0 | 0 | 0 | 180 | 180 |
| CS0500 | TFD | 13 | 0 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 13 |
| CS0338 | Ingleborough Hall | 81 | 0 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 81 | 81 |
| CS0568 | Children's Residential Care | 1,900 | 0 | 1,900 | 401 | 0 | 0 | 0 | 0 | 0 | 2,301 | 2,301 |
| CS0559 | Connect the Classroom | 1,235 | 578 | 1,813 | 0 | 0 | 0 | 0 | 1,813 | 0 | 0 | 1,813 |
| CS0580 | Resilient Schools Project Funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0364 | Capital Items 23-24 | 0 | 34 | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 34 | 34 |
| Total - Children's Services | | 19,882 | 612 | 20,494 | 15,791 | 10,100 | 3,900 | 0 | 43,665 | 0 | 6,620 | 50,285 |
| Place - Economy & Development Services | | | | | | | | | | | | |
| CS0136 | Disabled Housing Facilities Grant | 5,900 | 0 | 5,900 | 7,097 | 4,058 | 4,058 | 0 | 8,902 | 0 | 12,211 | 21,113 |
| CS0137 | Development of Equity Loans | 770 | 0 | 770 | 700 | 700 | 0 | 0 | 0 | 0 | 2,170 | 2,170 |
| CS0144 | Empty Private Sector Homes Strat | 498 | 0 | 498 | 1,000 | 1,000 | 1,000 | 1,000 | 498 | 0 | 4,000 | 4,498 |
| CS0299 | CPO Monies to be held | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0496 | Towns Fund Keighley & Shipley | 68 | 0 | 68 | 0 | 0 | 0 | 0 | 68 | 0 | 0 | 68 |
| CS0527 | Towns Fund Keighley Phase 2 | 8,234 | 0 | 8,234 | 12,745 | 11,519 | 0 | 0 | 32,498 | 0 | 0 | 32,498 |
| CS0526 | Towns Fund Shipley Phase 2 | 4,905 | 0 | 4,905 | 9,597 | 9,598 | 0 | 0 | 24,100 | 0 | 0 | 24,100 |
| CS0577 | UKSPF hyper-local programme | 309 | 248 | 557 | 1,350 | 0 | 0 | 0 | 1,907 | 0 | 0 | 1,907 |
| CS0084 | City Park | 192 | 0 | 192 | 0 | 0 | 0 | 0 | 0 | 0 | 192 | 192 |
| CS0085 | City Centre Growth Zone | 350 | -350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0291 | One City Park | 15,531 | 0 | 15,531 | 2,902 | 0 | 0 | 0 | 3,294 | 15,134 | 5 | 18,433 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|---|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0408 | City Village - stage one | 750 | 0 | 750 | 0 | 0 | 0 | 0 | 500 | 0 | 250 | 750 |
| CS0228 | Canal Road | 100 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 |
| CS0266 | Superconnected Cities | 200 | 0 | 200 | 429 | 0 | 0 | 0 | 0 | 0 | 629 | 629 |
| CS0265 | LCR Regional Invest Fund | 0 | 0 | 0 | 658 | 0 | 0 | 0 | 0 | 0 | 658 | 658 |
| CS0107 | Markets | 21 | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 21 |
| CS0363 | Markets - City Centre | 14,753 | 0 | 14,753 | 325 | 0 | 0 | 0 | 1,926 | 0 | 13,152 | 15,078 |
| CS0411 | Parry Lane | 21 | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 21 |
| CS0579 | Capital Items 23-24 | 0 | 183 | 183 | 0 | 0 | 0 | 0 | 0 | 0 | 183 | 183 |
| Total - Place - Economy & Development Services | | 52,602 | 81 | 52,683 | 36,803 | 26,875 | 5,058 | 1,000 | 73,693 | 15,134 | 33,592 | 122,419 |
| Place - Planning, Transportation & Highways | | | | | | | | | | | | |
| CS0178 | Ilkley Moor | 13 | 0 | 13 | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 13 |
| CS0285 | Blight Sites - Manningham Manor House | 450 | 0 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 450 |
| CS0071 | Highways S106 Projects | 199 | 0 | 199 | 0 | 0 | 0 | 0 | 199 | 0 | 0 | 199 |
| CS0372 | Countryside S106 Projects | 264 | 0 | 264 | 0 | 0 | 0 | 0 | 264 | 0 | 0 | 264 |
| CS0450 | CILS Parish / Town Councils | 227 | 0 | 227 | 0 | 0 | 0 | 0 | 227 | 0 | 0 | 227 |
| CS0563 | CILS Highways | 484 | 0 | 484 | 0 | 0 | 0 | 0 | 484 | 0 | 0 | 484 |
| CS0099 | Integrated Transport | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0172 | Saltaire R/about Cong& Safety Works | 4 | 0 | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 4 |
| CS0293 | West Yorks & York Transport Fund | 1,509 | 0 | 1,509 | 12,937 | 0 | 0 | 89,897 | 104,343 | 0 | 0 | 104,343 |
| CS0396 | WYTF Corr Imp Projects | 4,879 | 0 | 4,879 | 2,100 | 2,000 | 943 | 0 | 9,922 | 0 | 0 | 9,922 |
| CS0512 | Bradford Beck | 1,441 | -1,371 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 |
| CS0306a | Strategic Transport Infrastructure Priorities | 1,188 | 0 | 1,188 | 0 | 0 | 0 | 0 | 223 | 0 | 965 | 1,188 |
| CS0323 | Flood Risk Mgmt | 71 | 0 | 71 | 0 | 0 | 0 | 0 | 71 | 0 | 0 | 71 |
| CS0386 | Cycling & Walking Schemes LTP3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0398 | Bfd City Ctre Townscape Heritage (grants) | 592 | 0 | 592 | 1,613 | 0 | 0 | 0 | 2,205 | 0 | 0 | 2,205 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|---|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0398b | Top of Town Public Realm | 1,037 | 0 | 1,037 | 0 | 0 | 0 | 0 | 0 | 0 | 1,037 | 1,037 |
| CS0430 | Hwys Maintenance Fund Oct18 | 97 | 0 | 97 | 0 | 0 | 0 | 0 | 97 | 0 | 0 | 97 |
| CS0432 | Steeton/Silsden Crossing | 7 | 0 | 7 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 7 |
| CS0434 | Smart Street Lighting | 20,710 | 0 | 20,710 | 5,261 | 2,933 | 0 | 0 | 0 | 28,904 | 0 | 28,904 |
| CS0455 | IP4 projects | 511 | 0 | 511 | 0 | 0 | 0 | 0 | 511 | 0 | 0 | 511 |
| CS0464 | Ben Rhydding Railway Station Car Park | 0 | 0 | 0 | 1,042 | 750 | 259 | 0 | 2,051 | 0 | 0 | 2,051 |
| CS0467 | Transforming Cities Fund (TCF) | 8,120 | 0 | 8,120 | 0 | 0 | 0 | 0 | 6,882 | 0 | 1,238 | 8,120 |
| CS0469 | IP4 Safer Roads 20-21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0470 | IP4 Safer Roads 21-22 | 601 | 0 | 601 | 0 | 0 | 0 | 0 | 601 | 0 | 0 | 601 |
| CS0529 | Safer Rds 22-23 | 1,652 | 0 | 1,652 | 1,164 | 1,164 | 1,164 | 0 | 5,144 | 0 | 0 | 5,144 |
| CS0562 | CRSTS - Safer Roads 23/24 | 1,232 | 0 | 1,232 | 0 | 0 | 0 | 0 | 1,232 | 0 | 0 | 1,232 |
| CS0483 | Motorcycle Parking | 40 | 0 | 40 | 0 | 0 | 0 | 0 | 40 | 0 | 0 | 40 |
| CS0486 | Active Travel Fund Programme | 861 | 0 | 861 | 0 | 0 | 0 | 0 | 861 | 0 | 0 | 861 |
| CS0502 | Corridor Improvement Prog (CIP2) | 75 | 0 | 75 | 0 | 0 | 0 | 0 | 75 | 0 | 0 | 75 |
| CS0477 | CCTV Infrastructure | 485 | 0 | 485 | 0 | 0 | 0 | 0 | 0 | 0 | 485 | 485 |
| CS0533 | UTMC – CRSTS Traffic Mgmt System | 0 | 0 | 0 | 1,150 | 1,150 | 1,150 | 0 | 3,450 | 0 | 0 | 3,450 |
| CS0539 | Traffic Management | 230 | 0 | 230 | 0 | 0 | 0 | 0 | 0 | 230 | 0 | 230 |
| CS0542 | UTMC – CRSTS Traffic Mgmt System22-23 | 12,423 | 0 | 12,423 | 10,657 | 10,657 | 10,657 | 0 | 44,394 | 0 | 0 | 44,394 |
| CS0555 | Moorland Restoration for Climate Emergency | 250 | 0 | 250 | 150 | 0 | 0 | 0 | 200 | 0 | 200 | 400 |
| CS0556 | CRSTS - Kings Rd & Wakefield Rd | 684 | 0 | 684 | 0 | 0 | 0 | 0 | 684 | 0 | 0 | 684 |
| CS0575 | City Centre Ducting | 450 | 0 | 450 | 450 | 0 | 0 | 0 | 0 | 0 | 900 | 900 |
| Total Place - Planning, Transportation & Highways | | 60,786 | -1,371 | 59,415 | 36,524 | 18,654 | 14,173 | 89,897 | 184,184 | 29,134 | 5,345 | 218,663 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|---------------------------------------|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Dept of Place - Clean Air Zone | | | | | | | | | | | | |
| CS0471 | Clean Air Zone | 8,225 | 0 | 8,225 | 3,080 | 2,265 | 0 | 0 | 13,570 | 0 | 0 | 13,570 |
| Total Place - Clean Air Zone | | 8,225 | 0 | 8,225 | 3,080 | 2,265 | 0 | 0 | 13,570 | 0 | 0 | 13,570 |
| Dept of Place - Waste, Fleet & Transport | | | | | | | | | | | | |
| | | 0 | | | | | | | | | | |
| CS0060 | Replacement of Vehicles | 2,500 | 0 | 2,500 | 1,541 | 0 | 0 | 0 | 0 | 4,041 | 0 | 4,041 |
| CS0517 | Electric vehicles | 520 | 0 | 520 | 355 | 18 | 0 | 0 | 0 | 197 | 696 | 893 |
| CS0435 | Sugden End Landfill Site | 22 | 0 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 22 |
| CS0359 | Community Resilience Grant | 3 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 3 |
| CS0497 | Climate Change Initiatives – Vehicles | 105 | 0 | 105 | 0 | 0 | 0 | 0 | 105 | 0 | 0 | 105 |
| CS0503 | Environmental Delivery Works | 22 | 0 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 22 |
| Total Place - Waste, Fleet & Transport | | 3,172 | 0 | 3,172 | 1,896 | 18 | 0 | 0 | 108 | 4,238 | 740 | 5,086 |
| Dept of Place - Sports & Culture | | | | | | | | | | | | |
| CS0487 | Alhambra Theatre Lift | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| CS0162 | Capital Projects - Recreation | 105 | 0 | 105 | 0 | 0 | 0 | 0 | 105 | 0 | 0 | 105 |
| CS0530 | LDP (Active Bradford) | 358 | 0 | 358 | 50 | 0 | 0 | 0 | 408 | 0 | 0 | 408 |
| CS0004 | S106 Recreation | 50 | 0 | 50 | 0 | 0 | 0 | 0 | 50 | 0 | 0 | 50 |
| CS0501 | Parks Development Fund | 275 | 0 | 275 | 0 | 0 | 0 | 0 | 275 | 0 | 0 | 275 |
| CS0404 | SPIP Phase 1 | 1,715 | 0 | 1,715 | 0 | 0 | 0 | 0 | 1,683 | 0 | 32 | 1,715 |
| CS0576 | SPIP - Phase 2 | 625 | 0 | 625 | 11,000 | 0 | 0 | 0 | 7,125 | 0 | 4,500 | 11,625 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|---------------------------------------|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0537 | Silsden Park Section 106 Projects | 224 | 0 | 224 | 0 | 0 | 0 | 0 | 224 | 0 | 0 | 224 |
| CS0489 | Playable Spaces | 537 | 0 | 537 | 1,500 | 1,337 | 1,081 | 0 | 1,035 | 0 | 3,420 | 4,455 |
| CS0541 | Levelling Up Parks – Grosvenor Park | 85 | 0 | 85 | 0 | 0 | 0 | 0 | 85 | 0 | 0 | 85 |
| CS0543 | Corn Mill Green Improvements, Steeton | 49 | 0 | 49 | 0 | 0 | 0 | 0 | 49 | 0 | 0 | 49 |
| CS0549 | Allerton Cricket Clubhouse | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0560 | Marley Tip Top Land Slip | 500 | 0 | 500 | 1,000 | 500 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| CS0564 | Bolton Woods Play equipment | 27 | 0 | 27 | 0 | 0 | 0 | 0 | 27 | 0 | 0 | 27 |
| CS0403 | Bereavement Strategy | 7,481 | 0 | 7,481 | 8,000 | 1,055 | 0 | 0 | 0 | 7,000 | 9,536 | 16,536 |
| CS0552 | New Cemetery Extension | 2,565 | 0 | 2,565 | 1,000 | 800 | 0 | 0 | 0 | 0 | 4,365 | 4,365 |
| CS0508 | Theatres Website | 45 | 0 | 45 | 0 | 0 | 0 | 0 | 45 | 0 | 0 | 45 |
| CS0245 | Doe Park | 27 | 0 | 27 | 0 | 0 | 0 | 0 | 27 | 0 | 0 | 27 |
| CS0461 | Shipleigh Gym extension & equipment | 51 | 0 | 51 | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 51 |
| CS0572 | Gym Equipment Keighley & Sedbergh | 300 | 0 | 300 | 0 | 0 | 0 | 0 | 300 | 0 | 0 | 300 |
| CS0356 | Sedbergh SFIP | 46 | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 46 | 46 |
| CS0354 | Squire Lane | 1,000 | 0 | 1,000 | 17,437 | 12,866 | 0 | 0 | 16,403 | 0 | 14,900 | 31,303 |
| CS0498 | Libraries IT Infrastructure | 165 | 0 | 165 | 0 | 0 | 0 | 0 | 0 | 60 | 105 | 165 |
| CS0519 | CILS Libraries | 191 | 0 | 191 | 0 | 0 | 0 | 0 | 191 | 0 | 0 | 191 |
| CS0509 | Libraries (Equipment/Shelving) | 21 | 0 | 21 | 0 | 0 | 0 | 0 | 21 | 0 | 0 | 21 |
| CS0534 | Libraries as Locality Hubs (LIF) | 222 | 0 | 222 | 0 | 0 | 0 | 0 | 222 | 0 | 0 | 222 |
| CS0571 | Victoria Hall Seating | 140 | 0 | 140 | 0 | 0 | 0 | 0 | 0 | 0 | 140 | 140 |
| CS0545 | Capital Items 23-24 – Sport | 0 | 13 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 13 |
| CS0578 | Capital Items 23-24 - Libraries | 0 | 75 | 75 | 0 | 0 | 0 | 0 | 0 | 0 | 75 | 75 |
| Total Place - Sports & Culture | | 16,806 | 88 | 16,894 | 39,987 | 16,558 | 1,081 | 0 | 28,275 | 7,060 | 39,185 | 74,520 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|--|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Corp Resources - Estates & Property Services | | | | | | | | | | | | |
| CS0333 | Argus Chambers / Britannia Hse | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 150 | 150 |
| CS0511 | Property Programme 21-22 | 292 | 0 | 292 | 0 | 0 | 0 | 0 | 0 | 0 | 292 | 292 |
| CS0528 | Property Programme 22-23 | 2,381 | 0 | 2,381 | 0 | 0 | 0 | 0 | 0 | 0 | 2,381 | 2,381 |
| CS0554 | Property Programme 23-24 | 2,000 | 0 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 4,000 | 4,000 |
| CS0460 | Mitre Court CPU Property & Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0230 | Beechgrove Allotments | 0 | 0 | 0 | 0 | 148 | 0 | 0 | 148 | 0 | 0 | 148 |
| CS0565 | CILS-Allotments Refurbishment | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 150 | 0 | 0 | 150 |
| CS0476 | Carbon and Other Mngmt Efficiencies P2 | 780 | 0 | 780 | 500 | 750 | 0 | 0 | 0 | 0 | 2,030 | 2,030 |
| CS0420 | Electric vehicle charging Infr (Taxi Scheme) | 56 | 0 | 56 | 0 | 0 | 0 | 0 | 56 | 0 | 0 | 56 |
| CS0495 | Bradford LAD Scheme | 1,835 | 0 | 1,835 | 0 | 0 | 0 | 0 | 1,835 | 0 | 0 | 1,835 |
| CS0381 | Godwin St | 18,000 | 0 | 18,000 | 4,986 | 2,000 | 0 | 0 | 0 | 6,986 | 18,000 | 24,986 |
| CS0409 | Coroner's Court and Accommodation | 350 | -220 | 130 | 0 | 0 | 0 | 0 | 0 | 0 | 130 | 130 |
| CS0520 | Regeneration Opportunity | 534 | 0 | 534 | 5,500 | 4,000 | 2,000 | 0 | 0 | 0 | 12,034 | 12,034 |
| CS0408 | City Village | 0 | 0 | 0 | 74 | 0 | 0 | 0 | 0 | 0 | 74 | 74 |
| CS0573 | Newhall Park – BHT site | 127 | 0 | 127 | 0 | 0 | 0 | 0 | 0 | 0 | 127 | 127 |
| CS0522 | Children's Homes Capital Works | 121 | 0 | 121 | 0 | 0 | 0 | 0 | 0 | 0 | 121 | 121 |
| CS0525 | Baildon Library | 929 | 0 | 929 | 0 | 0 | 0 | 0 | 929 | 0 | 0 | 929 |
| CS0445 | Core IT Infrastructure | 3,867 | 0 | 3,867 | 2,360 | 0 | 0 | 0 | 0 | 0 | 6,227 | 6,227 |
| CS0551 | Future Security Strategy | 965 | 0 | 965 | 0 | 0 | 0 | 0 | 100 | 0 | 865 | 965 |
| CS0378 | Customer Services Strategy | 50 | 0 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |
| CS0544 | Capital Items 23-24 | 0 | 134 | 134 | 0 | 0 | 0 | 0 | 0 | 0 | 134 | 134 |
| Total Corp Resources – Estates & Property Services | | 32,587 | -86 | 32,501 | 15,420 | 6,898 | 2,000 | 0 | 3,218 | 6,986 | 46,615 | 56,819 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|-------------------------------------|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Reserve Schemes & Contingencies | | | | | | | | | | | | |
| CS0395z | General Contingency | 235 | 0 | 235 | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 2,235 | 2,235 |
| CS0397z | Property Programme | 0 | 0 | 0 | 2,000 | 4,000 | 2,000 | 0 | 0 | 0 | 8,000 | 8,000 |
| CS0399z | Strategic Acquisition | 0 | 0 | 0 | 5,000 | 5,000 | 10,000 | 0 | 0 | 20,000 | 0 | 20,000 |
| CS0400z | Keighley One Public Sector Est | 0 | 0 | 0 | 200 | 400 | 400 | 0 | 0 | 1,000 | 0 | 1,000 |
| CS0576z | Sports Pitches | 0 | 0 | 0 | 0 | 2,000 | 6,990 | 3,627 | 10,142 | 589 | 1,886 | 12,617 |
| CS0405z | City Hall | 500 | 0 | 500 | 3,000 | 3,500 | 500 | 0 | 0 | 3,750 | 3,750 | 7,500 |
| CS0408z | City Village Stage 2 | 0 | 0 | 0 | 1,925 | 0 | 0 | 0 | 0 | 0 | 1,925 | 1,925 |
| CS0060z | Vehicles | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 0 | 3,000 | 0 | 3,000 |
| CS0060zb | Electric vehicles/ street cleansing | 0 | 0 | 0 | 323 | 0 | 0 | 0 | 0 | 323 | 0 | 323 |
| CS0472z | District Heating | 0 | 0 | 0 | 750 | 750 | 0 | 0 | | | 1,500 | 1,500 |
| CS0473z | Renewable Energy (Solar Farm) | 0 | 0 | 0 | 3,000 | 2,000 | 0 | 0 | 2,000 | 3,000 | 0 | 5,000 |
| CS0474z | Transforming cities fund | 13,737 | 0 | 13,737 | 44,090 | 9,444 | 0 | 0 | 67,271 | 0 | 0 | 67,271 |
| CS0484z | New Reserve | 2,000 | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| 2021-22 Schemes | | | | | | | | | | | | |
| CS0244z | SEND | 0 | 0 | 0 | 1,500 | 500 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| 2022-23 Schemes | | | | | | | | | | | | |
| CS0060w | Vehicles | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 3,000 | 0 | 3,000 |
| CS0395w | Contingency | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 | 1,000 | 1,000 |
| CS0538w | Energy efficiency | 250 | 0 | 250 | 500 | 500 | 500 | 250 | 0 | 0 | 2,000 | 2,000 |
| 2023-24 Schemes | | | | | | | | | | | | |
| CS0395f | Children's Residential Care | 0 | 0 | 0 | 2,899 | 0 | 0 | 0 | 0 | 0 | 2,899 | 2,899 |
| CS0395i | Inflation Contingency | 350 | 0 | 350 | 5,000 | 0 | 0 | 0 | 0 | 0 | 5,350 | 5,350 |
| CS0395j | Area office accommodation | 800 | -800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0395m | Bereavement Strategy – Phase 2 | 0 | 0 | 0 | 1,620 | 0 | 0 | 0 | 0 | 0 | 1,620 | 1,620 |
| CS0445f | IT Programme | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 | 2,000 | 2,000 |
| CS0060f | Vehicles | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 3,000 | 0 | 3,000 |
| CS0397f | Property Programme | 0 | 0 | 0 | 0 | 0 | 4,000 | 0 | 0 | 0 | 4,000 | 4,000 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|-------------------------|----------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0395g | Contingency | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 1,000 | 1,000 |
| CS0566g | City of Culture | 1,000 | 0 | 1,000 | 1,500 | 500 | 0 | 0 | 3,000 | 0 | 0 | 3,000 |
| CS0574z | New Towns Fund Keighley | 0 | 0 | 0 | 500 | 1,500 | 1,500 | 6,500 | 10,000 | 0 | 0 | 10,000 |
| | 2024-25 Schemes | | | | | | | | | | | |
| CS0395h | Contingency | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 1,000 | 1,000 |
| CS0445g | IT Programme | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 | 2,000 | 2,000 |
| Total - Reserve Schemes & Contingencies | | 18,872 | -800 | 18,072 | 82,007 | 34,294 | 31,890 | 13,377 | 92,413 | 37,662 | 46,165 | 176,240 |
| TOTAL - General Fund | | 217,707 | -1,413 | 216,294 | 237,445 | 121,727 | 59,759 | 104,274 | 439,840 | 104,540 | 191,919 | 736,299 |

| CS Ref | Scheme Description | 2023-24 Budget Q3 | Service change | Revised 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026-27 Budget | 2027 onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|--|-------------------|----------------|------------------------|----------------|----------------|----------------|----------------|---|------------------------|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Housing Revenue Account (HRA) | | | | | | | | | | | | |
| CS0308 | Affordable Housing Program 2015-18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0407 | Property Acquisition – Local Authority Housing Fund (LAHF) | 1,580 | 0 | 1,580 | 4,471 | 0 | 0 | 4,931 | 1,120 | 0 | 6,051 | |
| CS0558 | HRA Disabled Adaptations | 160 | 0 | 160 | 40 | 20 | 0 | 0 | 220 | 0 | 220 | |
| Total - Housing Revenue Account (HRA) | | 1,802 | 0 | 1,802 | 4,511 | 20 | 0 | 4,931 | 1,340 | 62 | 6,333 | |
| Reserve Schemes & Contingencies | | | | | | | | | | | | |
| CS0407z | Affordable Housing | 1,000 | 0 | 1,000 | 10,000 | 10,000 | 8,224 | 0 | 14,430 | 14,794 | 0 | 29,224 |
| TOTAL - HRA | | 2,802 | 0 | 2,802 | 14,511 | 10,020 | 8,224 | 0 | 19,361 | 16,134 | 62 | 35,557 |
| TOTAL - All Services | | 220,509 | -1,413 | 219,096 | 248,956 | 131,547 | 67,983 | 104,274 | 459,201 | 120,674 | 191,981 | 771,856 |

Appendix 2: Minimum Revenue Policy 2024-25

1.1 The Local Government Act 2003 requires the Council to make a provision for the repayment of borrowing used to finance its capital expenditure, known as the Minimum Revenue Provision (MRP).

1.2 The MRP is the amount of principal capital repayment that is set aside each year in order to repay the Capital Financing Requirement (CFR) based on the requirement of statutory regulation and the Council's own accounting policies.

1.3 DLUHC regulations require full Council to approve an MRP statement in advance of each year. The Policy may be revised during the year by full Council, or the appropriate body of Members where required.

1.4 The regulations allow the Council to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review to ensure that the annual provision is prudent.

1.5 The method for calculating the MRP on each category of debt is outlined below:

a) For supported borrowing MRP will be calculated using an Asset Life annuity basis on the annuity asset life method over the remaining 36 years. This is more prudent than other available methods.

b) Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. From 1 April 2022 the MRP is calculated on the annuity basis.

c) Since 2009-10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations. In 2018-19 the MRP policy for PFI assets was brought into line with the main MRP Policy and the charge of the principal to the revenue account is now over the life of the school building assets. As per the main borrowing from the 1 April 2022 this is on an annuity asset life basis.

d) Finance lease MRP is equal to the principal repayment.

e) There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

f) Asset lives are reviewed on an ongoing basis to match the MRP charge to the Revenue Estimates with the service benefit derived from the asset. The Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

g) MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.

h) MRP overpayments – DLUHC MRP Guidance makes allowance for any charges made over the statutory MRP, VRP or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. For these sums to be reclaimed for use in the budget, this

policy must disclose the cumulative overpayment made each year. There are no plans for VRP to be made in 2024-25. However, VRP will be kept under review, and should it be deemed prudent to make any VRP this will be the decision of the S.151 Officer and reported to Executive and Governance & Audit Committee at the next available opportunity.

i) Where capital expenditure involves repayable loans to third parties no MRP is charged where the principal element of the loan is being repaid in annual instalments. The capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

APPENDIX 3: CAPITAL STRATEGY TABLES

Table (i)

Asset Balance Sheet values as at 31 March 2023

| Category | Value as at 31 March 2023 £'000 |
|--|------------------------------------|
| Council Dwellings | 34,723 |
| Land & Buildings | 540,567 |
| Vehicles, Plant, Furniture & Equipment | 28,334 |
| Infrastructure | 281,315 |
| Community Assets | 56,027 |
| Surplus Assets | 16,453 |
| Assets Under Construction | 42,500 |
| Heritage Assets | 38,986 |
| Investment Property | 51,341 |
| Intangible Assets | 295 |
| Assets held for sale | 593 |
| Total | 1,091,134 |
| <i>Source: Draft Statement of Accounts 2022-23</i> | |

Table (ii)

Capital Investment Plan 2024-25

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 onwards | 2027-28 onwards | Total |
|---|--------------|--------------|--------------|--------------------|--------------------|----------------|
| Funding: | £m | £m | £m | £m | £m | £m |
| Grants | 107.6 | 144.9 | 86.5 | 52.1 | 65.3 | 456.4 |
| Miscellaneous | 2.5 | - | - | - | - | 2.5 |
| Borrowing | 109 | 104 | 45 | 16 | 39 | 313 |
| Capitalisation Direction - borrowing | 80 | 122 | 88.1 | 72.9 | 36.5 | 399.5 |
| Capitalisation Direction – capital receipts | - | 18 | 18 | 15 | 15 | 66 |
| Total Spend: | 299.1 | 388.9 | 237.6 | 156.0 | 155.8 | 1,237.4 |

Table (iii)
Split of Invest to Save Borrowing

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 onwards | Total |
|---------------------------------|----------------|----------------|----------------|----------------|------------------------|--------------|
| Funding: | £m | £m | £m | £m | £m | £m |
| Borrowing: Invest to Save | 28 | 39 | 20 | 11 | 23 | 121 |
| Borrowing: Other | 81 | 65 | 25 | 5 | 16 | 192 |
| Capitalisation Direction | 80 | 122 | 88.1 | 72.9 | 36.5 | 399.5 |
| Total borrowing estimate | 189 | 226 | 133.1 | 88.9 | 75.5 | 712.5 |

Table (iv)
Capital financing costs

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m |
| MRP, excluding PFI** | 17.8 | 22.4 | 25.1 | 27.0 | 27.3 |
| MRP PFI, finance lease | 3.3 | 3.3 | 3.4 | 3.4 | 3.5 |
| Old West Yorkshire Waste debt | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest on external borrowing | 22.4 | 28.4 | 28.7 | 28.8 | 28.6 |
| Interest on PFI | 15.3 | 14.6 | 14.0 | 13.2 | 12.4 |
| Premium on debt repayment | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Capitalisation Direction (MRP / Interest) * | - | 3.7 | 12.7 | 19.3 | 23.9 |
| Total Capital Financing Costs | 59.2 | 72.8 | 84.3 | 92.1 | 96.1 |
| Projected Net Revenue Stream | 453 | 435 | 459 | 492 | 513 |
| Ratio to Net Revenue Stream | 13.1% | 16.8% | 18.4% | 18.7% | 18.7% |

*2024-25 onwards - Year of EFS includes half year interest, years afterwards include MRP and interest over a 20-year timeframe

**2024-25 onwards includes MRP on 2023-24 £80m EFS

**Table (v):
Capital Financing Requirement 31 March 2023**

| Balance Sheet | 31/03/2023 |
|---|------------|
| | £m |
| Capital financing Requirement | 769 |
| Private finance Initiative & Leasing | -139 |
| External Borrowing | -465 |
| Underlying Borrowing Requirement | 165 |
| Investments Held | -65 |
| Earmarked Reserves | 98 |
| General Fund Balance | 73 |
| Capital Grants Unapplied | 59 |
| Provisions/Collection Fund | 12 |
| Working capital (deficit) / surplus | -12 |
| Under-Borrowing | 165 |
| <i>Source 2022-23 Draft Statement of Accounts</i> | |

**Table vi:
Projected increase in Capital Financing Requirement**

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--|------------|------------|--------------|--------------|--------------|--------------|
| | Actual | Estimate | Estimate | Estimate | Estimate | Estimate |
| | £m | £m | £m | £m | £m | £m |
| Opening Capital Financing Requirement | 712 | 769 | 937 | 1,138 | 1,239 | 1,291 |
| Increase in borrowing - CIP | 77 | 109 | 104 | 45 | 16 | 39 |
| Increase in borrowing – capitalisation direction | - | 80 | 122 | 88 | 73 | 36 |
| Less MRP and other financing movements CIP | -20 | -21 | -23 | -26 | -28 | -29 |
| Less MRP EFS | - | - | -2 | -6 | -9 | -11 |
| Closing Capital Financing Requirement | 769 | 937 | 1,138 | 1,239 | 1,291 | 1,326 |

Table vii:
External debt indicators

Operational boundary

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|-------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Estimate | Estimate | Estimate | Estimate | Estimate |
| | £m | £m | £m | £m | £m |
| Total | 860 | 1,140 | 1,250 | 1,300 | 1,330 |

Authorised limit

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|-------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Estimate | Estimate | Estimate | Estimate | Estimate |
| | £m | £m | £m | £m | £m |
| Total | 880 | 1,160 | 1,270 | 1,320 | 1,350 |

Table viii:
Capital Strategy indicators

| Measure | Current Position | Potential Position |
|---|---|---|
| Total Borrowing related to long term assets | As at 31-03-2023 £465m total borrowing is 42.6% of long terms assets of £1,091m. | CIP2023-24 to 2027-28 has £192m of Corporate Borrowing and £121m of Invest to Save (self-financing borrowing), totalling an assumed increase of £313m in borrowing to £778m. Assuming this increases long term assets also by £313m to £1,404m, this is 55.4% of long-term assets. Due to additional capitalisation direction there will also be an increase in borrowing of £398m. This will not increase long term assets. If included in total borrowing this is 77.7% of long-term assets. |
| Total Borrowing costs as a percentage of net budget | For 2022-23 borrowing costs of £48m plus Invest to Save borrowing costs of £6.4m, totalling £54.4m are 12.6% of net budget. | At 2023-24 borrowing costs of £54.2 plus invest to save of £5.0m total £59.2m. 13.1% of the net revenue budget. |

Table ix
Capital Strategy Actions

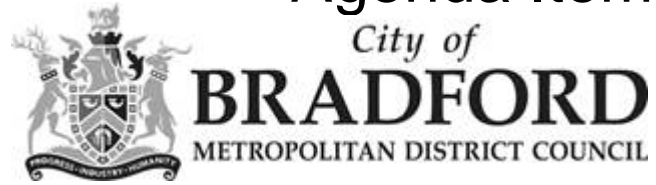
| NUMBER | ISSUE | ACTION |
|---------------|---------------------------------|---|
| 1. | Management of the Balance Sheet | A balance sheet projection and analysis is included in the Council's quarterly monitoring reports to Executive and Council. The purpose of this is to monitor the Council's assets and liabilities going forward and report on any increase in liabilities. Further, it would develop the reporting of potential financial risks to the Council in relation to the Capital Investment Plan and other expenditure. |
| 2. | Loans to External Organisations | <ul style="list-style-type: none"> <li data-bbox="768 684 1437 821">i. A responsible officer is assigned to monitor all outstanding loans to external organisations and assess on a quarterly basis any risk of non-payment. <li data-bbox="768 852 1437 1136">ii. The rate of interest on loans to external organisations will reflect the level of risk and liquidity of them. Where additional loans are considered, the rate of interest may be above the rate at which the Council can borrow from the Public Works Loan Board. The Capital Strategy proposes that a more detailed policy is drawn up. <li data-bbox="768 1167 1437 1388">iii. Loans for regeneration and local growth purposes may be granted at discounted rates (soft loans). Indicators on proportionality and total level of loans by type will be developed by the responsible officer. <li data-bbox="768 1419 1437 1535">iv. The responsible officer will also maintain a central list of financial guarantees provided to external organisations. <li data-bbox="768 1566 1437 1976">v. The purpose is to ensure that the Council's long-term debts are fully repaid, or any future difficulties are anticipated so mitigating action can be taken. Any loans given to an external organisation used for capital expenditure increase the Council's Capital Financing Requirement. If it looks likely that the loan will not be repaid, additional capital financing costs will be a cost pressure within the revenue estimates. |

| | | |
|------------------|---|---|
| <p>3.</p> | <p>Forecasts of spend against the Capital Investment Plan</p> | <ul style="list-style-type: none"> i. Responsible finance officers will arrange departmental meetings to provide accurate capital forecasting of the 2024-25 Capital Investment Plan. As part of this to develop the Council's shared understanding of the critical paths of the capital schemes. ii. The Treasury Management Officer will monitor current interest rates and expectations of future rate increases on a daily basis. iii. The Treasury Management Officer will develop options to contractually borrow in the future at current interest rates. iv. A responsible officer will calculate the sensitivity of Invest to Save schemes to interest rate increases. v. The overall purpose is to enable the Council to take out borrowing at the most optimal time. Accurate forecasting will help the Council understand when borrowing will be required. vi. The purpose of the option to contractually borrow in the future at current interest rates would reduce the risk of interest rates rising. An interest rate rise would increase capital financing costs. Further the calculations for the Invest to Save schemes, embody assumptions about interest rates which may be incorrect. |
| <p>4.</p> | <p>Investigate borrowing with annuity loans</p> | <ul style="list-style-type: none"> i. The Treasury Management Officer and Business Advisor Capital will assess the optimal use of annuity loans compared to repayment at maturity loans. ii. The Treasury Management Officer and Business Advisor Capital also consider whether equal instalment of principal loans would be appropriate. iii. The purpose is to take out borrowing in a way which minimises the Council's costs. Repayment at maturity loans require the Council to repay the loan principal at the end of the period of the loan and pay annual interest on the outstanding amount. |

| | | |
|----|---|---|
| | | <p>Annuity loans require the Council to make a uniform payment each year over the whole term of the loan. This method of repayment would align more closely with how capital financing costs are charged in practice to the Revenue Estimates. Such alignment could help the Council manage its cash flow, reducing overall capital financing costs. Annuity loans may be more appropriate where there is an expectation that the size of the Capital Investment Plan reduces in future years.</p> <p>iv. Equal instalments of principal loans require that an equal amount of the principal is repaid each year. The purpose of investigating this option is to ascertain whether this would reduce capital financing costs and improve cash flow.</p> |
| 5. | Review lease arrangements that involve an asset to determine if a purchase arrangement would be more cost effective | <p>i. A responsible officer to review lease arrangements to determine if it would more cost effective to buy any assets outright.</p> <p>ii. The purpose is to ensure that lease arrangements are as cost effective as possible. Further the purpose is to prepare for a likely change in accounting rules which may increase the Council's capital financing costs arising from lease arrangements.</p> |
| 6. | Project Appraisal Group (PAG) | <p>i. Any new proposals which are not funded from capital grants or receipts from the sale of land / buildings would have to be: either financed directly from the Revenue Estimates and vired from another capital scheme.</p> <p>ii. The quarterly monitoring of capital spend will be reported to Project Appraisal Group. As part of the Capital Strategy's aim to continually align the Capital Investment Plan with Council strategies, budget challenge sessions will be conducted with senior officers and Councillors.</p> |

| | | |
|----|----------------|---|
| | | <ul style="list-style-type: none"> iii. Post completion statements for schemes costing in excess of £10m will be brought to Project Appraisal Group to appraise value for money and achievement against the Council Plan. As part of this, a revised process for evaluating benefits will be developed during 2024-25 by the Business Advisor Capital. iv. Project Appraisal Group will determine whether there are opportunities to share expertise in accessing capital grants across the Council. v. The schemes in the 2024-25 Capital Investment are formerly linked for reporting purposes to the Council's strategies. Capital Financing Costs are modelled over the asset life as standard, under the guidance of the Business Advisor Capital. vi. The purpose is to minimise the Council's requirement for borrowing and to streamline the Project Appraisal Group. |
| 7. | Risk Reporting | <ul style="list-style-type: none"> i. A responsible officer will be assigned to develop the reporting and escalation of risks arising from the Capital Investment Plan and monitoring of balance sheet liabilities. This would involve the Project Appraisal Group, the Section 151 Officer and to align with the Corporate Risk Register as appropriate. ii. The Council's risk appetite is low. This is consistent with the CIPFA Treasury Management Code of Practice which stipulates that investments are prioritised according to security, liquidity and yield, in that order of importance. Subject to careful due diligence, the Council will consider a moderately higher level of risk for capital schemes which meet an important objective in the Council plan and generate significant non-financial benefits for the District. |

| | | |
|--|--|---|
| | | <ul style="list-style-type: none"> <li data-bbox="753 100 1438 499">iii. A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the Council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the Council. Each capital investment will be closely reviewed to assess its VAT implications. <li data-bbox="753 537 1438 789">iv. Inflation risk will be managed through close contract management. Further the Capital Investment Plan includes £1m annual contingency, plus an additional £5m for 2024-25. There is an additional risk contingency for the capital financing costs in the revenue estimates. <li data-bbox="753 827 1438 898">v. The purpose is to ensure that risks are monitored and escalated appropriately. |
|--|--|---|



Report of the Strategic Director of Corporate Resources to the meeting of the Executive to be held on 5 March 2024

AO

Subject:

COUNCIL TAX PREMIUMS ON LONG TERM EMPTY PROPERTIES AND SECOND HOMES

Summary statement:

This report makes recommendations for changes to Council Tax premiums for long term empty homes and second homes to incentivise occupation of property in the district and increase the housing stock.

The Executive is asked to apply the discretion given to Local Authorities by the Levelling Up and Regeneration Act 2023 to:

- Reduce the minimum period for the implementation of a 100% Council Tax premium for empty and unfurnished properties from 2 years to 1 year from April 2024 and
- Introduce a Council Tax premium of 100% in respect of second homes (properties that are empty and furnished) from April 2025.

Exceptions to the premiums are set by the Government and will be applied once confirmed.

Equality and Diversity

The report sets out proposals to increase Council Tax charges for properties that have been empty for a year and for second homes. A full Equality Impact Assessment has been produced for this report and details of the proposed changes were included in the 11 January Budget Proposals Report and Council Tax base report to the Executive. The proposed changes support the Council's Housing strategy of bringing empty homes back into use.

Joanne Hyde
Strategic Director of Corporate Resources

Portfolio Leader of the Council and Corporate Portfolio

Report Contact: Caroline Lee
Assistant Director Revenues, Benefits and Customer Services
E-mail: caroline.lee1@bradford.gov.uk

Overview & Scrutiny Area: Corporate

1. SUMMARY

This report makes recommendations for changes to Council Tax premiums for long-term empty properties and second homes to support delivery of the Council's Housing Strategy 2020-30¹ following the introduction of the Levelling Up and Regeneration Act 2023.

2. BACKGROUND

- 2.1 The Council recognises the impact that long term empty properties have on neighbourhoods and communities and the importance of bringing these properties back into use as good quality housing in the Bradford District. Empty Homes can contribute to housing supply pressures whilst also reducing the desirability of local areas. The Council has an agreed Empty Homes programme of work aimed at bringing these properties back into use.
- 2.2 Billing Authorities have the power to increase Council Tax on properties that have been empty and unoccupied for a long period of time. This is known as the Empty Homes Premium and the power to apply a premium for properties that have been empty and substantially unfurnished for 2 years has been in place since 2013. The empty period is calculated by determining the length of time the property has been empty not the length of time empty under a particular owner. If for example, a property that has been empty for 2 years is purchased, then the premium becomes payable by the new owner.
- 2.3 When the premium was first established in 2013/14, the maximum premium local authorities could apply was 50%. This increased to 100% from 2019/20 for properties empty for 2 years, with a 200% premium for properties empty for 5 years (commencing in 2020/21) and 300% for those properties empty for 10 years plus (commencing in 2021/22).
- 2.4 Billing Authorities are encouraged to adopt Council Tax premiums on empty properties to incentivise property owners to bring properties back into use. The Council has previously resolved to apply the power granted by the legislation and charge an empty homes premium of the relevant maximum in addition to the full Council Tax charge.
- Current Premium charges are:
- 100% for dwellings that have remained unoccupied and substantially unfurnished for a period of between 2 and 5 years. Total charge is 200%.
 - 200% for dwellings that have remained unoccupied and substantially unfurnished for a period of between 5 and 10 years. Total charge is 300%.
 - 300% for dwellings that have remained unoccupied and substantially unfurnished for a period of at least 10 years. Total charge is 400%.
- 2.5 In October 2023, the Government introduced the Levelling Up and Regeneration Act, which contained a provision to amend the definition of long-term empty properties so that from 2024/25 onwards, unoccupied, and substantially

¹ <https://www.bradford.gov.uk/media/5754/bradford-housing-strategy-2020-to-2030.pdf>

unfurnished properties that have been empty for a year or more can attract a premium.

- 2.6 In England, the empty homes premium cannot be applied to empty properties that are furnished (commonly known as a second home). The definition of a second home is that it is substantially furnished and has no resident (it is not someone's sole or main residence). In Wales, the power to apply a second homes premium has been in place since 2017. The Levelling up and Regeneration Act 2023 introduces an equivalent power in England. Under the provision in the Act, a second home does not have to be empty for a fixed period before a premium can be applied. A premium up to 100% can be applied as soon as the property is defined as a second home effectively doubling the Council Tax (total charge 200%). However, English billing authorities intending to adopt any changes on second homes (empty furnished properties) are required to declare their intentions at least 12 months prior to the financial year in which the changes come into effect. This would mean that changes can only be implemented from the financial year commencing 1 April 2025.
- 2.7 The Council Tax (Exempt Dwellings) Order 1992 (as amended)² sets out the classes of empty properties that are not subject to Council Tax. This is set out in Appendix 2. If a property is exempt from Council Tax, it will also be exempt from the premium. In addition, two classes of property are already excepted from the long-term empty homes premium. These are:
- Homes that are empty where the occupant is living in armed forces accommodation for job related purposes or
 - Annexes being used as part of a main property.
- 2.8 The Government has also recognised that there will be additional circumstances where it would not be appropriate for the premiums to apply, and the Act allows for the secretary of state to determine the classes of dwelling where the premiums would not apply. These were consulted on in 2023, the consultation closed on 31 August 2023 and the outcome of the consultation has not yet been published.
- 2.9 The exceptions being considered by the Government are properties empty because the owner has died, where the properties are being actively marketed for sale, or are undergoing major repair. In the case of second homes, consideration is being given to applying exceptions to properties not occupied for job related reasons, occupied annexes, caravans, and properties that are prohibited from yearlong occupation. No firm details are known about how many properties may qualify for these exceptions should they be introduced. Summary information about the exceptions set out in the Government consultation³ is set out in Appendix 3.

² <https://www.legislation.gov.uk/ukxi/1992/558/article/3/made>

³ <https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-england#proposed-circumstances-in-which-the-empty-homes-and-second-homes-premiums-should-not-be-applied>

3. OTHER CONSIDERATIONS

- 3.1. Council Tax Premiums are considered as just one of a suite of measures designed to encourage and support owners to bring their properties back into full occupation or to make them marketable. The Housing Strategy for Bradford 2020 - 30 has a clear objective to reduce the number of empty properties in the Bradford District. This is underpinned by The Empty Homes Action Plan 2021-2025⁴ which has four objectives:
- Objective 1 – Preventing properties from becoming empty.
 - Objective 2 – Partnership approach to tackling empty homes.
 - Objective 3 – Practical solutions to bringing empty homes back into use.
 - Objective 4 – Prosperity for the district
- 3.2. The key focus of the Action Plan is to reduce the number of empty homes in the district by directly bringing empty properties back into use or by influencing others to do so. This includes using the Council Tax system to encourage empty homeowners to return their properties to use and maintaining a commitment to reducing homelessness through the increased supply of affordable housing. It also includes supporting the owners of empty homes to find best options, opportunities and the products and services that can help them return properties to use.
- 3.3. The Government's intention is to give greater freedom to shape local Council Tax charging policies for properties that have been classed as empty so that local authorities are better able to influence and encourage owners to bring properties back into use. The changes to the application of premium on second homes and empty properties will allow Councils to raise additional revenue and to acknowledge the impact that second and empty homes can have on some communities.
- 3.4. Concentrations of second homes reduce the size of the permanent population, reducing demand for local services. This in turn could lead to the permanent closure of local services relied upon by the local population.
- 3.5. Initial analysis shows that the application of an earlier introduction of both premiums could ultimately increase the level of collectable Council Tax:
- For the year 2024/25, £840,000 could be raised by the Council (this is the estimated net gain after the Major Preceptors such as West Yorkshire Police Authority and the West Yorkshire Fire Authority take their share) by the introduction of a long-term empty premium after 1 year (from 1 April 2024)
 - For the year 2025/26, an estimated gross £3m (including the major preceptors' share) could be raised by the introduction of a premium for second homes (1 April 2025). The estimate for second homes will require further validation. Owners of second homes will be contacted in the coming months to verify the status of these properties.
- 3.6 The policy intention of the Empty Property Premiums is to bring properties back into

⁴ <https://www.bradford.gov.uk/media/6583/tackling-empty-homes-in-the-bradford-district-action-plan-2021-2025.pdf>

use and there the income from these measures may reduce over time as properties come back into use. Further activity in the Council Tax team will be required to manage queries and appeals against the premium charged, reduce the likelihood of tax avoidance and to verify an application for an exemption. The calculation of the figures in paragraph 3.5 considers a bad debt provision for the scheme.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 The additional income the Council is estimated to receive from the changes is outlined in the report paragraph 3.5, which is consistent with the budget assumptions. These figures are based on the level of empty properties as of 30 November 2023 and Band “D” Council Tax proposed level for 2024/25 in empty properties. In respect of the increase linked to extending the Empty Properties premium, £840k, to between 1 to 2 years, this has been based on a full year charge to just under 60% of existing empty band D properties that would currently fall into this category, reduced appropriately to reflect Bradford’s share. The increase relating to second homes premium, £3m, is based on just over 50% of the total number of properties currently classed as such (65% of Band D only) after allowing for estimated levels of exemptions etc.

4.2 It should be noted that although that, although allowed for in the calculations, there is a risk that these figures might be significantly reduced by a greater than anticipated number of properties going back into occupation and/or owners identifying means of avoiding liability for the Premium.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 There is a risk that avoidance of the tax could increase if premiums were applied after 1 year and to second homes. Additional administrative activity will be required to mitigate this including inspections if required.

6. LEGAL APPRAISAL

6.1 The relevant provisions of the Levelling-up and Regeneration Act 2023 came into force in October 2023.

6.2 The Council must have regard to any statutory guidance issued by the Secretary of State in connection with council tax premiums on long term empty homes.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

Not applicable

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

Not applicable

7.3 COMMUNITY SAFETY IMPLICATIONS

Not applicable

7.4 HUMAN RIGHTS ACT

Not applicable

7.5 TRADE UNION

Not applicable

7.6 WARD IMPLICATIONS

Information on the current breakdown of empty properties and those subject to a premium is in Appendix 1

**7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

Not applicable

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

8.1 None

9. OPTIONS

9.1 Option 1 – That the Council elects not to introduce the revised Council Tax Premium charges. This option would

- Not incentivise owners of empty and unfurnished properties to bring them back into use quickly.
- Not apply a premium to those owners of second homes in the Bradford District
- Not increase the level of Council Tax applied to empty properties and second homes.
- Not align with the Council's Housing Strategy 2020-2030.

9.2 Option 2 – That the Council introduce increased Council Tax Premium Charges as enabled by the Levelling Up and Regeneration Act. This Option would

- Incentivise owners of empty and unfurnished properties to bring them back into use quickly.
- Increase engagement with other support mechanisms provided by the Empty Homes Team.
- Increase the level of Council Tax applied to empty properties and second homes.
- Some property owners may face financial hardship and require help and support. Those who are likely to face hardship are currently covered by the proposed exemptions by the Government.
- Have the potential to disincentivise prospective purchasers of homes subject to a premium charge or increase avoidance and evasion of the tax. Some property owners may face financial hardship and require help and support if not entitled

to an exemption (as set by the Government).

10. RECOMMENDATIONS

10.1 Option 2 is the preferred option. That the Council introduce increased Council Tax Premium Charges as enabled by the Levelling Up and Regeneration Act 2023. This would:

- Reduce the minimum period for the implementation of a 100% Council Tax premium for empty and unfurnished properties from 2 years to 1 year from April 2024 and
- Introduce a Council Tax premium of 100% in respect of second homes (properties that are empty and furnished) from April 2025.

10.2 Following a consultation on proposed exemptions, the Government is yet to publish the final list of exceptions. The Executive is asked to delegate the responsibility to implement the exceptions once finalised to the Strategic Director, Corporate Resources.

11. APPENDICES

11.1 Appendix 1 Breakdown of empty homes and second homes by ward January 2024

11.2 Appendix 2 Current Council Tax Exemptions for empty properties (Council Tax (Exempt Dwelling) Order 1992 (as amended)).

11.3 Appendix 3 Proposed Government exceptions to the empty homes and second homes premium (not yet finalised post consultation).

| Appendix 1 Empty and Unfurnished Properties and second homes by ward. January 2024 | | | | | | |
|---|---|---|---|---|---|---|
| Ward | Empty and unfurnished (no premium) | Empty and Unfurnished 100% premium | Empty and Unfurnished 200% premium | Empty and Unfurnished 300% premium | Total Number of Empty, unfurnished properties) | Second Homes (Empty and Furnished) |
| Baildon | 100 | 6 | 3 | 2 | 111 | 54 |
| Bingley | 185 | 25 | 5 | 5 | 220 | 75 |
| Bingley Rural | 134 | 14 | 9 | 4 | 161 | 60 |
| Bolton And Undercliffe | 143 | 24 | 6 | 8 | 181 | 60 |
| Bowling And Barkerend | 168 | 37 | 18 | 8 | 231 | 133 |
| Bradford Moor | 102 | 40 | 11 | 12 | 165 | 92 |
| City | 333 | 103 | 35 | 8 | 479 | 596 |
| Clayton And Fairweather Green | 134 | 16 | 1 | 2 | 153 | 51 |
| Craven | 128 | 10 | 8 | 2 | 148 | 97 |
| Eccleshill | 246 | 31 | 3 | 0 | 280 | 54 |
| Great Horton | 178 | 37 | 13 | 6 | 234 | 96 |
| Heaton | 137 | 38 | 8 | 7 | 190 | 73 |
| Idle And Thackley | 121 | 12 | 3 | 3 | 139 | 50 |
| Ilkley | 154 | 23 | 5 | 3 | 185 | 137 |
| Keighley Central | 216 | 54 | 10 | 9 | 289 | 66 |
| Keighley East | 136 | 27 | 6 | 4 | 173 | 75 |
| Keighley West | 135 | 20 | 7 | 2 | 164 | 53 |
| Little Horton | 127 | 38 | 10 | 5 | 180 | 93 |
| Manningham | 119 | 47 | 21 | 12 | 199 | 84 |
| Queensbury | 118 | 22 | 3 | 5 | 148 | 50 |
| Royds | 134 | 21 | 6 | 4 | 165 | 39 |
| Shipley | 139 | 23 | 8 | 4 | 174 | 87 |
| Thornton and Allerton | 133 | 27 | 3 | 4 | 167 | 54 |
| Toller | 100 | 39 | 14 | 7 | 160 | 76 |
| Tong | 153 | 12 | 12 | 6 | 183 | 56 |
| Wharfedale | 73 | 6 | 2 | 3 | 84 | 58 |
| Wibsey | 132 | 23 | 4 | 4 | 162 | 69 |
| Windhill And Wrose | 106 | 7 | 2 | 1 | 116 | 52 |
| Worth Valley | 136 | 18 | 6 | 2 | 162 | 114 |
| Wyke | 110 | 13 | 7 | 3 | 133 | 52 |
| Total | 4330 | 813 | 249 | 145 | 5537 | 2706 |

Appendix 2 – Current Council Tax Exemptions for empty properties (Council Tax (Exempt Dwelling) Order 1992 (as amended))

| Class | Description |
|-------|---|
| B | Unoccupied dwellings owned by a charity (up to 6 months). |
| D | Unoccupied dwelling, due to a person being in prison. |
| E | An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home. |
| F | Dwellings left empty by deceased persons (6 months from date of probate). |
| G | An unoccupied dwelling where the occupation is prohibited by law. |
| H | Unoccupied dwelling which is held for the purpose of being available for a Minister of Religion. |
| I | An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved to receive personal care. |
| J | An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved to provide personal care to another person. |
| K | An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home. |
| L | An unoccupied dwelling which has been taken into possession by a mortgage lender. |
| M | A hall of residence provided predominately for the accommodation of students. |
| N | A dwelling occupied only by students, school, or college leavers or by certain spouses and dependants of students (including relevant Ukrainian persons). |
| O | Armed forces' accommodation. |
| P | A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force. |
| Q | Unoccupied dwelling left empty by a bankrupt person. |
| R | Unoccupied caravan pitch or boat mooring. |
| S | Dwelling occupied only by persons under 18 and relevant Ukrainian persons. |
| T | Unoccupied annexe to an occupied dwelling, which may not be let separately. |
| U | Dwelling occupied only by people who are severely mentally impaired or those with students or relevant Ukrainian persons. |
| V | Main residence of a person with diplomatic privilege or immunity. |
| W | An occupied annexe to an occupied dwelling, where the annexe is occupied by a dependent relative. |

Appendix 3 Government consultation on proposed exceptions (extract)

Details of the consultation can be found at www.gov.uk ⁵ No regulations or guidance have yet been issued confirming the proposals as set out in the consultation.

Proposed exceptions to the premium for empty properties and second homes

1. Properties undergoing probate.

Unoccupied properties which have become vacant due to the death of the owner or tenant and where no one is liable for council tax except an executor or administrator, are exempt from council tax until probate is granted.

Following a grant of probate (or the issue of letters of administration) a further period of exemption of up to 6 months is possible (Class F exemption), so long as the property remains unoccupied and has not been sold or transferred to someone else.

The government proposes that these properties should be exceptions to both the second homes and empty homes premiums for 12 months. The exception would start once probate or letters of administration is granted. This does not affect the Class F exemption or the ability for billing authorities to charge the normal rate of council tax following the expiry of the Class F exemption.

If the property is then put on the market for sale or let, the owner of the property would be able to apply for the 'sales or let' exception. This would provide the owner an additional 6-month exception period. As such, where both exceptions are granted, the maximum exception period would be up to 18 months.

2. Properties being actively marketed for sale or let.

The government proposes that empty properties that are being actively marketed for sale or to let should be an exception to the council tax premiums. This exception would apply for up to a maximum of 6 months from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner.

Alternatively, there may be periods where second homes are unoccupied between lets or while they are in the process of being sold. The government wishes to ensure that owners of second homes should be able to benefit from an exception to the second homes premium where the property is being actively marketed for sale or rent.

In order to qualify for an exception to the premiums, the owner (of either a long-term empty home, or a second home) would be expected to demonstrate they are actively marketing the property for sale or let at a reasonable price on the open market (i.e., an offer to purchase at that price would be accepted by the owner or an offer to pay rent at that level would be accepted). Some examples of evidence could include:

- evidence that the property is being actively marketed by an agent.

⁵ <https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-england#proposed-circumstances-in-which-the-empty-homes-and-second-homes-premiums-should-not-be-applied>

- evidence that the property is being actively marketed by a sale or letting website.
- evidence that the property has recently been sold subject to contract or rented out subject to tenancy agreement but is still vacant because the sale or rental agreement is taking time to complete because it is part of a chain.

With regard to the long-term empty homes' premium, the exception will be available only once to the same owner of a property, but it is proposed that the exception may apply again if the property has new owners, and they begin the process of marketing for sale or rent.

Exceptions for Empty Properties only

1. Empty properties undergoing major repairs – time limited to 6 months

Homes that have remained empty for long periods may require extensive repair work. In situations where an owner of an empty property is undertaking major repair work or structural alterations to make it habitable, the government believes that it is not appropriate for a premium to be charged as soon as the property has been empty for one year. It proposes therefore that empty properties undergoing major repair works or structural alterations should be an exception to the premium for up to 6 months once the exception has been applied or when the work has been completed, whichever is the sooner.

The exception could be applied at any time after the property has been empty for at least 12 months, so long as the billing authority is satisfied that the necessary repair work is being undertaken. This could mean, for example, that a premium is applied once a property has been empty for more than 12 months but will be removed if and when the billing authority is satisfied that the conditions for the exception are met.

Owners using this exception could also potentially benefit from the proposed exception for properties being actively marketed for sale or rent. So long as the criteria for both exceptions are met, then a potential total exception of up to 12 months may be available in circumstances where an owner has carried out major repair works and is then carrying out active marketing of the property for sale or rent. It is proposed that the major repairs exception can only be applied again where the property has new owners or tenants, and extensive repair work is necessary to bring the property back into useable condition.

Exceptions for Second homes only

1. Annexes forming part of, or being treated as part of, the main dwelling.

For the purposes of council tax, parts of a dwelling constructed or adapted for separate occupation (e.g., an annex) are generally treated as separate dwellings for the purposes of council tax. Each dwelling could, therefore, be potentially liable for the second homes premium. Certain annexes are exempt from council tax altogether and will therefore be exempt from the premium. These are:

- an unoccupied annexe which forms part of a single property which includes another dwelling and may not be let separately from that dwelling without a breach of planning control (Class T); and

- an annexe which is the sole or main residence of a dependent relative (a relative who is aged 65 or older, or is severely mentally impaired, or is substantially and permanently disabled) (Class W)

Separately, a 50% council tax discount may be available if the annexe is being occupied as a sole or main residence by a relative of the council taxpayer of the main home. This discount will continue where the annexe meets the relevant criteria to be eligible for it. As the annexe will be a sole or main residence, it will not be subject to a second homes premium. Where the council has determined that such a discount is appropriate, then a second homes premium would not apply.

A 50% council tax discount is also available for an annexe that is being used as part of the sole or main residence. There will be no change to this discount, and it is proposed that such annexes should be an exception to the council tax premium on second homes.

2. Job-related dwellings

Currently, there is a council tax discount of up to 50% for properties which are unoccupied because the owner is required to live elsewhere for employment purposes.

In order to be considered as residing in a job-related accommodation, a job-related dwelling is prescribed as job-related if it is provided by reason of a person's employment or for the person's spouse or civil partner by reason of their employment including in any of the following cases (subject to some exceptions):

- a) Where it is necessary for the proper performance of the duties of the employment
- b) Where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings for employees
- c) where it is contractually obligated to be resident at that property and to carry on a trade or profession at that address,

It is for the local authority, in the first instance, to determine application of the job-related discount.

Where a job-related dwelling discount is in place, the government proposes that that dwelling should also be an exception to the second homes premium. The exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address.

3. Occupied caravan pitches and boat moorings.

There is currently a mandatory 50% council tax discount for dwellings that consist of a pitch occupied by a caravan, or a mooring occupied by a boat where they are not a person's sole or main residence. The government wants to ensure that caravans and boats that are currently eligible for this discount continue to receive the discount. As a

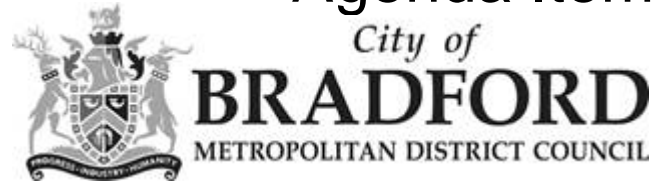
result, the government proposes that these caravans and boats should be an exception to the council tax premium on second homes.

4. Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupancy as a person's sole or main residence.

The government recognises that there are properties which may have a restriction on the use or occupation of the property. If the property has planning or other conditions which means that it cannot be occupied for part of the year, it may not be practical for those properties to be used as a "sole or main residence."

The government proposes that properties that have restrictions or conditions preventing occupancy for a continuous period of at least 28 days in any 12-month period, or specifies its use as a holiday let, or prevents occupancy as a person's sole or main residence should be an exception to the second homes premium. These types of properties tend to be classed as 'seasonal homes' and cover a broad range of properties but mainly comprise caravans, chalets and purpose-built holiday homes which cannot be lived in all year due to planning, licensing, or other restrictions.

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Report of the Director of Finance to the meeting of Executive to be held on 5th March 2024 and Council to be held on 7th March 2024

AP

Subject:

2024/25 Budget Proposals, Forecast Reserves, Risks, Overall Financial Position and Emerging Financial Strategy– Section 151 Officer Assessment under s25 of the Local Government Act 2003.

Summary statement:

This report assesses the adequacy of forecast levels of reserves, the risks associated with the budget, the overall financial position of the Council, the developing financial strategy and actions needed and being taken to secure the Council's long term financial stability and the robustness of the proposed budget for 2024/25.

It concludes that assuming that provided that:

- the current and planned actions are successfully concluded;
- the Government supports the Council with a “minded to” Capitalisation Direction (CD) and will agree to do so in future years;
- the recommendations in this report are agreed and actioned in full;

then the overall estimates are sufficiently robust for the Council to set a balanced budget for 2024/25.

It should be noted that:

- this assessment is the result of emerging and recent work. The situation will change and the estimated financial position and solutions will require continual development and refinement and will likewise vary as the year progresses;
- the s151 officer is not minded to issue a s114 notice at this point working on the basis that the above assumptions will be supported and seen through on time and in full;
- given the extremely challenging financial situation the Council finds itself in, which it has in recent months started to address, if the recommendations are not agreed, or if the assumptions are not delivered as assumed then very serious consideration will

be given to the issuing of a s114 notice.

EQUALITY & DIVERSITY:

The Equality and Diversity issues arising from the new budget proposals are analysed in the reports accompanying the budget documentation presented to Executive on 11th January 2024 and 5th March 2024. The outcome of consultation with the public, relevant groups and trade unions is reported in the Revenue Estimates report.

Steven Mair
Director of Finance

Portfolio:
Leader of Council and Corporate

Report Contact: Steven Mair – Director
of Finance
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Overview & Scrutiny Area:
Corporate

1. SUMMARY

This report assesses the adequacy of forecast levels of reserves, the risks associated with the budget, the overall financial position of the Council, the developing financial strategy including actions needed and being taken to secure the Council's long term financial stability and the robustness of the proposed budget for 2024/25

Reserves

In recent years the Council has utilised reserves of:

- £110m in 2022/23
- £49m of budgeted reserves in 2023/24

Reserves have reduced from a high of £256m in 2020/21 to c£78m of reserves now. The remaining c£78m reserves include c£33m of General Fund reserve balance, with the remainder being required for specific purposes that the Council is committed to.

Thus the reserves available to support the budget in 2024/25 are practically speaking £nil and none are proposed to be used. The Council will need to build up its reserves in future years and only utilise them in future for one off purposes.

Risks

A full risk assessment is shown in Appendix 1. This identifies that there are many risks facing the Council and that there are proposals for mitigating them which will need to be enacted as set out in the analysis.

Overall Financial Position

The Council faces:

- a 2023/24 budget that is currently forecasted to overspend by circa £75m;
- having no reserves it can appropriately utilise to support the budget;
- a CD in 2023/24 of £80m;
- a CD in 2024/25 of £140m;
- a CD that will continue through to 2029/30 that may total c£450m;
- an emerging Dedicated Schools Grant (DSG) deficit it will also need to resolve.

Emerging Financial Strategy

In order to address the current forecast financial position that the Council finds itself in there will need to be a seven part financial strategy covering:

- large, recurrent and robust:
 - revenue savings;
 - asset sales;
 - reductions in the capital programme;
 - income increases;

all the subject of an enhanced and accelerated budget process for 2025/26. The actual mix of these will be kept under review and will vary as work is undertaken.

- a complete grip on revenue expenditure through the use of expenditure control panels;
- a full review of the financial management and finances of the Council;
- investment in core functions to facilitate the recovery of the Council;

over a 5 year period

This will be combined with a review of the deliverability of the 2024/25 planned budget savings.

2024/25 Budget

The Council is setting its budget for 2024/25 including proposed revenue savings and some proposed investment in service delivery predominantly to provide for cost-of-living inflationary increases; additional Treasury management costs resulting from higher borrowing and also the demand pressures and improvement activity within Children's Social Care and demand for Adults Social Care.

The budget also assumes that prior approved investments, savings and mitigations that impact in 2024/25 will be fully implemented as required during 2024/25.

In line with assumptions in the Government's Autumn Statement the proposals include an increase to the Council Tax and Adult Social Care precept by 4.99% that will raise c£11.6m.

2. BACKGROUND

Under Section 25 of the Local Government Act 2003, when the Council sets the budget, the Council's Section 151 Officer (Finance Director) is required to report on:

- the robustness of the estimates made for the purposes of the calculations, and
- the adequacy of the proposed financial reserves.

This report comments on the revenue and capital estimates in the proposed budget, the risks, emerging financial strategy and the overall financial position of the Council.

3. OPTIONS

This report does not set out alternative options. Legislation requires the Council to have regard to this report and the assessment when setting the budget.

4. FINANCIAL & RESOURCE APPRAISAL

The financial estimates underpinning this assessment are set out in the separate reports to this Executive on planned revenue and capital spending.

Context

- 4.1 In the current financial year, the Council is forecast to overspend by circa £75m. This is driven by significant national issues including the cost-of-living crisis, demand and cost pressures in Children's and Adults Social Care. This is combined with a very clear need to accelerate financial savings to address this gap and prevent it recurring in future years. Additional core budget allocation has been invested in Children's Services over the past 4-years and the proposed budget includes further investment to manage demand pressures and support the improvement programme. To supplement this the Council now has an emerging financial strategy to enable it to address the challenges it faces.
- 4.2 By way of background the Council as all Councils have has faced diminishing government support since 2011/12; the cost of living crisis and inflation on Council resources and demand for services; and the current uncertainties of national local government funding arrangements. In the period from 2011/12 to 2023/24 the Council has taken measures to reduce costs and increase income amounting to over £350m. This will need to accelerate and increase in future years to secure the Council's financial stability.

Use of Reserves

- 4.3 The Council has used its previously healthy reserve balances over recent years to fund, by way of example, the growing demand from Children's Social Care and the impact of inflation in place of reducing expenditure to deal with these matters.
- 4.4 Reserve levels are however now at a level which can be reduced no further, and they will have to be rebuilt in the coming years.
- 4.5 The reserves held within the balance sheet include:
- reserves not available to the Council; for example, schools reserves;
 - grant reserves held for specific purposes;
 - statutory reserves held and ring-fenced for particular identified requirements;
 - earmarked reserves, which are set aside for designated purposes and for specific liabilities and risks;
 - the General Fund Reserve; which is essentially the Council's backstop for unforeseen risks and pressures. The reserve is currently inadequate and will need to be built up in future years.
- 4.6 Although some grant reserves and legally committed earmarked reserves will be drawn down in 2024-25 in line with those activities, subject to a review of the activities they are planned to support, there are no plans to use reserves to support the Council's budget in 2024-25. In the coming years, reserves will need to be rebuilt and this will be reflected in the emerging Medium Term Financial Strategy and multi year improvement plan.

Risks

- 4.7 Risks and mitigations have been analysed and set out in Appendix 1. The risks are extensive and their resolution will depend on government support through the CD and enhanced and accelerated budget processes along with improved financial management

Overall Financial Position

- 4.8 The Council's overall financial position is one of an unsustainable budget with a £75m overspend in 2023/24, a structural deficit as at 31 March 2024 of £120m, practically speaking no reserves that can be utilised, under performance in previous years in identifying and delivering revenue savings, an extensive capital programme with planned major borrowing, little generation of capital receipts to minimise borrowing, no financial ability to fund the change and transformation that will be needed and a range of financial management improvements needed to ensure the Council's financial sustainability. All of which culminates in the need for a CD of £220m to allow it to finance the overspent 2023/24 revenue budget, balance the 2024/25 budget and address the systemic weaknesses in its Council wide budget and financial management.

- 4.9 While the CD will provide breathing space for the Council this will itself increase debt and be an additional charge on the revenue budget.
- 4.10 Taken together these lead to the emerging financial strategy set out below that will enable the Council to become financially sustainable.

Emerging Financial Strategy

- 4.11 The emerging financial strategy is the result of an initial analysis of the Council's financial position and the preparation of the levers the Council can use to correct the position and set itself on a path to financial sustainability.
- 4.12 The vast majority if not all of this work will depend solely upon the Council taking action. While the CD provides greater flexibility on the use of its resources and spreads this over 20 years, it brings with it no additional resource rather it increases the Council's debt and costs the Council additional financing expenditure.
- 4.13 Part of the financial strategy will be to seek additional/revised funding but this is unlikely to materialise in any significant way or any immediate timescale.
- 4.14 As noted in the summary there are seven levers within the Council's financial strategy, the first four of which require large, recurrent and robust reductions in expenditure/increases in income. This strategy will be combined with a review of the deliverability of the 2024/25 planned budget savings.

Revenue savings

- 4.15 The Council needs to save in the region of circa £35m per annum every year for 5 years. In 2025/26 this is estimated at £40m
- 4.16 The Council does not have a track record of delivering substantial revenue savings in full in recent years, inevitably delivery becomes more challenging after easier to deliver savings have been made:
- 2022/23 budgeted £13.6m savings, delivered £5.6m (roll forward £8m);
 - 2023/24 budget £38m savings, forecast delivery at Q3 £27.5m;
 - work is currently ongoing to verify the 2024/25 budgeted savings;
- 4.17 In order to give the Council the best chance of achieving this the revenue budget process has been revised and will include for 2025/26 a plan to identify all savings by 30/9/24. The benefits of this timeline include:
- improved practice – it represents improved practice and will allow Bradford to demonstrate that;
 - implementation – it gives more time for implementation than achieved for the 24/25 process and thus should enable more secure delivery;
 - consultation – as below;

- longer term planning – by getting 2025/26 into a financially balanced position by 30/9/24 it then frees up more time for longer term transformational approaches to be effected.
- 4.18 The process will be continuous and start from the 7 March 2024. **Purely as a guide**, this means identifying **as an average** £5.7m per month from March to September 2024 inclusive for the £40m needed for 2025/26.
- 4.19 Final Scrutiny will take place in October/November and Executive in December to approve proposals, allowing 3+ months for consultation/further consideration/implementation etc.
- 4.20 Initial plans on areas that could be targeted will include:

The Basics

Full cost recovery of fees and charges
 Income collection and bad debt reviews
 Expenditure control panels for **all** expenditure
 Budget and actual data cleansing to ensure robust budgets

More Fundamental

Departmental initiatives – stop, reduce, defer
 Commercial strategy – develop new income streams
 Contract reviews – contract register analysis and review, third party spend
 Benchmarking analysis

Tactical

Service Redesign
 ICT initiatives
 Devolve to partnerships, community
 Council re structure

Strategic

Whole Council approach
 Zero Based Budgeting (ZBB) – depends on financial and service data cleanse above
 One front door
 One data and insight

- 4.21 Leadership, co-ordination etc will be by the Interim s151 reporting to the Chief Executive.
- 4.22 Delivery of proposals, business cases and robust action plans will be the responsibility of Strategic Directors in accordance with the agreed timetable and process working very closely with the Finance Team/Interim s151 as necessary.

Asset Sales

- 4.23 The sale of assets will generate capital receipts which can be used to finance the CD without incurring revenue financing costs. An initial disposal programme is reported elsewhere on this agenda and represents the first stage in a planned programme of assets disposals.

Reductions in the capital programme

- 4.24 The current capital programme totals £1,236m over five years from 2023/24 to 2027/28, of which £712m, 57.6%, is borrowing.
- 4.25 This will cost approximately £38.6m in MRP and interest per year based on the average borrowing rate of 4.5%.
- 4.26 Each £1m reduction in the programme would save approximately £2.2m over an average asset live of 40 years. It is planned to undertake this review in the same timeframe as the preparation of the 2025/26 revenue budget savings
- 4.27 In 2023-24 the Council made use of capital receipt flexibilities that allow for qualifying revenue expenditure to be funded from capital receipts. This was a deviation from the previous policy of using capital receipts to support only the capital investment plan and consequently reduce the borrowing requirement. In 2024-25 the Council is not currently planning on doing this as the benefits of these flexibilities are already part of the Council's Exceptional Financial Support request.
- 4.28 The Government is however currently consulting on changes to the capital receipts flexibilities that are open to all councils without the need to apply for Exceptional Financial Support, and if these proposed changes prove to be financially beneficial then the Council will seek to take advantage of these.
- 4.29 One of the proposals for example includes allowing councils to borrow from the Public Works Loan Board (PWLB) at prevailing rates less 0.4% for Transformation activity. This is 1.4% less than the rate the Council would otherwise be borrowing at under the Bradford specific capitalisation directive.
- 4.30 A recommendation to Budget Council is thus made to delegate powers to the s151 to ensure that the Council achieves the most advantageous financial position that derives from proposals that are not yet agreed by Government.

Income increases

- 4.31 As well as reducing expenditure the Council will need to consider increasing income.

Expenditure control panels

- 4.32 It is proposed to introduce expenditure control panels with effect from 1 April 2024 which will in essence introduce a process whereby all expenditure irrespective of

funding source is subject to challenge by a Departmental panel as to whether the expenditure is essential and then onto a further panel which will bring a further degree of challenge. The fundamental question being not is the expenditure within budget but irrespective of the budget is it absolutely essential that the expenditure takes place

A full review of the financial management and finances of the Council

4.33 The focus of the recent and immediate work has been on the Council's budgets, however to supplement this there is a wide range of work that it will be necessary to undertake to provide assurance to the Council over time that it can place reliance on the state of other financial issues/functions. If there are issues identified that then impact on the CD these will need to be assessed and resolved. Examples include:

- a restructured financial service, enhance overall financial control and reduce fragmentation;
- an enhanced programme of training and development at all levels and throughout the Council;
- resolving a projected DSG deficit from 2025/26. This will require actions to address the deficit and get it back to a balanced position;
- building up the Council's general reserves, sinking funds, specific reserves such as dilapidations etc along with a reserves strategy;
- preparation and capability building for the imminent SAP upgrade/migration project and to ensure full utilisation of system integration;
- automation of processes such as Capita to SAP posting, bank reconciliations, system reconciliations, clearing holding accounts;
- an accelerated closure of accounts process;
- quality assurance processes;
- better understanding of group accounts, pensions, and VAT;
- enhanced cash flow and balance sheet management;
- a culture of challenge, total ownership and rigour;
- improved financial standards;
- improved budget and actuals data and ownership;
- staffing resource succession planning etc;
- a review of income and debt management.

Investment in core functions to facilitate the recovery of the Council

- 4.34 To allow the Council to successfully identify and deal with the scale of change needed to secure the Council's sustainable financial future it will be necessary to invest in transformation expenditure, including financing the possible cost of staff reductions, ICT, core functions such as project management, finance and others without which the Council will struggle to drive the level of change needed.
- 4.35 The IT infrastructure by way of example needs investing in both to continue to have its ageing key systems supported and invest in automation to make efficiencies. £10m has been added in for this for 2024-25, and investment of this scale will need to happen in subsequent years.
- 4.36 Considering the challenges associated with delivering £45m of savings and mitigations by the Council and the Trust in 2024-25; demand pressures, and historically low reserve levels, £20m has also been added as a contingency.
- 4.37 These improvements will all be subject to business case approval in 2024-25.

2024/25 Budget

Savings

- 4.38 The revenue estimates include a further £16.8m of savings for 2024-25
- 4.39 Further, the BCFT Business Plan predicts that they will be able to reduce spend in comparison to 2023-24 by c£17.7m when adjusted for inflation in 2024-25; Adult Social Care have identified mitigating actions totalling £10m to stop their overspend recurring in 2024-25, and the Home to School Transport Service have also identified c£0.9m of mitigations to stop 2023-24 overspends recurring in 2024-25.
- 4.40 When combined the quantum of savings and mitigating actions required to be delivered in 2024-25 totals circa £45m, which will be challenging to deliver.
- 4.41 Enhanced challenge and monitoring processes are being put in place to provide assurance about delivery and early sight of issues. The first action will be to review the plans for 2024/25 to ensure that they are realistic and can be delivered. Any non-delivery will need to be absorbed within existing cash limited Departmental budgets.

Governance

- 4.42 The Council's financial management, reporting and governance processes continue to ensure that senior Leadership has the financial data and analysis to enable effective management decisions. Monthly budget monitoring reports include mitigation actions to address underlying budget variances and balance budgets.
- 4.43 The Corporate Management Team, Executive members, and senior officers have

been heavily involved in the development of the budget proposals.

- 4.44 The Chief Executive has also established an emergency financial response governance process which includes all CMT members and other senior officers to identify new savings opportunities, and monitor implementation. This is being further enhanced through the accelerated budget process, expenditure control panels etc

Investments

- 4.45 The Budget proposals for 2024/25 propose recurring investment in critical areas of activity including significant additional resources for Children's Social Care provided by the Bradford Children & Families Trust (£42m), and Children's Social Care related costs for legal and transport that are provided by the Council. £4m has also been provided for Adult Social Care which is on top of amounts for inflation and demographic growth.
- 4.46 Recurring pressures in Treasury Management of c£17.3m have also been included in the budget to take account of higher interest rates, higher MRP costs, and the financing costs linked to Exceptional Financial Support.
- 4.47 The grading review will also help address staffing pay related issues and cost c£10m.
- 4.48 £7.5m has been included to increase capacity and capability in core Corporate services that will be central to returning the Council to a financially sustainable position.
- 4.49 £5.9m has been used to add back under delivered savings from prior years to stop the under delivery recurring again in 2024-25. These and other investments are detailed in the Revenue Estimates Report.
- 4.50 The proposals also sustain services to communities and investment in the regeneration of the district for example the delivery of City of Culture 2025, Keighley and Shipley Towns Funds, Darley Street Market; One City Park; Bradford Live and other regeneration programmes.

Inflation and Demographic Growth Pressures

- 4.51 The proposed 2024/25 budget includes £37m to cover the estimated costs of inflation in the Council and the Bradford Children and Families Trust. This is inclusive of an estimated 4% pay award for 2025-26 and a catch up for a higher than budgeted pay award in 2023-24. There are also inflationary increases on contracts linked mainly to CPI, amounts to cover the increase in national living Wage for Social Care and other workers, and inflation on Fees and Charges. The amount required for inflationary pressures is high given the current economic climate, and price volatility.
- 4.52 If the pay award is settled at a higher rate than the 4% included within the budget this will create a structural cost pressure for the Council given each 1% in pay equates to c.£2.6m.

- 4.53 Should general inflation pressures be higher than budgeted this will create a structural cost pressure for the Council given each 1% in prices equates to c.£2.3m.
- 4.54 £2.0m has also been budgeted to pay for the cost of demographic growth on Council services, primarily in Adults and Waste Services.

Funding Changes

- 4.55 The proposed budget also takes account of funding changes announced by the Government in the Final Local Government Settlement that will see increases in funding for Social Care, and compensation from Government for their decision to support businesses by freezing the Business Rates multiplier for small businesses.

Resources

- 4.56 Council Tax
This budget proposes the maximum allowable increase in Council Tax without recourse to a local referendum including the Social Care precept of 4.99%. For a Band D property this equates to an annual rise of £80.89, and a weekly rise of £1.56p for a Band D property. The proposed budget for Council Tax will be £246.583m in 2024-26 and a £3.394m surplus from 2023-24 that will be a one off benefit in 2024-25.
- 4.57 Business Rates
The Business Rates budget has been set based on information at the end of December 2023, and submitted to Government in line with statutory guidelines. The Council will pay itself £61.506m from the Collection Fund in 2024-25, and will also receive a surplus of £2.228m from 2023-24.
- 4.58 Government Grant
The Council will receive £43m of Revenue Support Grant, and £78.579m of Business Rates Top up grant, as outlined in the Final Local Government settlement.

Housing Revenue Account

- 4.59 The Council opened a Housing Revenue Account (HRA) on 1 April 2023 in line with the s74 direction from DLUHC ceasing. The direct impact upon the general fund has been assessed and reflected in budget proposals. The HRA will provide options for the Council to lead housing development and directly influence the market. The HRA is a ring-fenced account but there may be options to maximise funding opportunities within those constraints. In the first year of operation, the HRA is forecast not to balance without the use of HRA reserves which are nearing depletion. There are a number of areas that are planned to make the HRA sustainable without the use or reserves in 2024-25, and these include reducing the void rates, and getting improved value out of contracts. The Council's HRA is very small relative to other councils.

Schools Budgets

- 4.60 The proposed allocation of the Dedicated Schools Grant (DSG) has been the subject of extensive and detailed development, scrutiny and ratification by the Schools Forum and its working groups.
- 4.61 It is understood that, nationally, around £3bn of deficits are currently being held in DSG accounts across local authorities. Demand-led high needs spending pressure is the root cause of these deficits. The 'statutory accounting override' that is currently in place means that these deficits are set aside from Council accounts, but are still to be dealt with and may come back into Council accounts in the near future (in 2026/27). Two thirds of local authorities are now within the DfE's high needs 'intervention' programmes – the Safety Valve Programme and the Delivering Better Value Programme. Bradford has not yet needed to engage with these programmes. It has been successful so far in managing the DSG account, remaining in surplus whilst also responding to demand-led pressures and creating more specialist places (despite lack of success in securing a new special school free school). However, due to expected continued demand-led growth, and an insufficient high needs DSG settlement from Government, it is forecast that there will be a significant downturn in the DSG position from April 2024.
- 4.62 The planned Schools Budget for 2024/25 as proposed (as recommended by the Schools Forum) forecasts an overspend of £23m on 2024/25 DSG income. On this basis, the DSG account reserve will reduce from an estimated £30m at the end of 2023/24 to a surplus of £7m at the end of 2024/25. Where demand-led growth continues in high needs at similar rates, the DSG account will be in deficit at the end of the 2025/26 financial year.
- 4.63 In recent years structural changes have been delivered and a number of mitigations have been applied, which roll forward within the 2024/25 planned budget and which have contributed so far to the success in delivering a balanced High Needs Block budget and in securing carry forward DSG surplus resilience reserves. A number of the actions that have already taken place feature in the DfE's recommendations to local authorities that are within the Safety Value and Delivering Better Value intervention and support programmes. The much more challenging forecasted position for 2024/25 onwards is the result of an expectation of the continued significant growth in numbers of EHCPs alongside other demand-led spending pressures and the reduction in the annual increases in High Needs Block income that the Council has received / expect to receive within the DSG settlements.
- 4.64 A deficit in the DSG account is potentially significant for the Council's overall financial position. Mitigations will continue to be discussed with the Schools Forum. As discussed with the Schools Forum, one of the new mitigating actions is to request advice and support from the DfE in the management of the future position. This will be instigated after the budget has been set by the Council.

Health and Social Care

- 4.65 Continuing developments in the integration of health and social care may bring cost consequences for our longer term financial planning. It is important to acknowledge the growing interdependencies in public sector finances, and in particular Health, and the way that we use our funds, and partners use theirs, will have an increasing bearing on outcomes in the district.

City of Culture.

- 4.66 The Council has previously committed £10m towards City of Culture (£7m revenue and £3m capital), and the budget includes the last year of contributions towards it.

New burdens.

- 4.67 The Government is also looking at Waste reforms to incorporate food waste and move towards consistent collection in the near term. The financial consequences of this are not yet known, and it is currently assumed that new burdens would also result in new funding.

Section 151 Officer's assessment

- 4.68 It is concluded that assuming that:

- the current and planned actions are successfully concluded ie that the emerging financial strategy is agreed and implemented in full
- the Government supports the Council with a “minded to” Capitalisation Direction and will agree to do so in future years
- the recommendations in this report are agreed and actioned in full

then the overall estimates are sufficiently robust for the Council to set a balanced budget for 2024/25.

- 4.69 Given the unprecedented level of financial challenge that the Council currently faces, there is however significant uncertainty and volatility in which the proposed budget is set, it is inevitable that there will be a number of risks to its delivery. These risks along with mitigating actions are identified in Appendix 1 to this report.

The financial challenges in future years beyond 2024/25 call for continued very significant action undertaken at pace, and the investment in the transformation programme will prove to be a vital contribution to this endeavour. The longer-term financial resilience depends on successfully implementing the cost improvement plans.

- 4.70 Related to this the s151 officer is not minded to issue a s114 notice at this point working on the basis that the above assumptions will be supported and seen through

on time and in full. Nevertheless given the extremely challenging financial situation the Council finds itself in, and has in recent months started to address, if the recommendations are not agreed and the assumptions are not delivered as assumed then very serious consideration will be given to the issuing of a s114 notice.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

The potential impacts of the identified risks have been modelled in Appendix 1 to this paper. This risk analysis will be used to inform management action during the year. The existing and proposed governance mechanisms to manage the budget are examined as part of the risk assessment.

6. LEGAL APPRAISAL

This assessment is made in accordance with the requirements of the Local Government Acts 1972 and 2003. The Council's Constitution provides that each year, before the budget is determined the s151 Officer will produce a report for the Executive showing ongoing commitments and a forecast of the total resources available to the Council to enable the Executive to determine any financial strategy guidelines

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

No direct implications arising from this report.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

No direct implications arising from this report.

7.3 COMMUNITY SAFETY IMPLICATIONS

No direct implications arising from this report.

7.4 HUMAN RIGHTS ACT

There are no direct human rights implications arising from this report.

7.5 TRADE UNION

As this report details, the Council is facing significant budget challenges and as a result, will be required to make changes to the delivery of services and deliver services at a reduced cost. These proposals will, if adopted, unfortunately result in a reduced requirement for employees to carry out work of particular kinds, and/or a requirement to change the terms and conditions of some employees.

These proposals identify that there is the potential for up to 113 employees to be made redundant. Consultation has taken place since 3 January 2024 on these budget proposals with the recognised Trade Unions as required by Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (“TULRCA 1992”). The consultation period ran through to 17 February 2024. Briefing and consultation meetings involving members of Corporate Management Team and the recognised Trade Unions were held on 3 January 2024 and 11 January 2024. In addition, departments have held frequent consultation meetings with the recognised Trade Unions at OJC Level 2 and OJC Level 3 meetings during January and February 2024.

The purpose of the consultation with the trade unions has been to explore ways of avoiding redundancy dismissals and to reduce the number of employees who will be dismissed. For any proposed redundancy dismissal, that selection will be in accordance with the Council’s Procedure for Managing Workforce Change and alternative employment opportunities will be considered. Every opportunity will be explored to avoid a compulsory redundancy situation.

Feedback from the recognised trade unions is included in Appendix G to the Revenue Estimates Report submitted for the meeting of Executive on 5 March and of Council on 7 March.

7.6 WARD IMPLICATIONS

There are no direct implications arising from this report,

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

The budget proposals include proposals that will affect children and young people, and have been subject to equality impact assessments.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

N/A

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. RECOMMENDATIONS

- 9.1 That Members have regard to this report in setting the budget, and in particular note the conclusions that provided that :
- the current and planned actions are successfully concluded ie that the emerging financial strategy is agreed and implemented in full;
 - the Government supports the Council with a “minded to” Capitalisation Direction and

will agree to do so in future years;

- the recommendations in this report are agreed and actioned in full;

then the overall estimates are sufficiently robust for the Council to set a balanced budget for 2024/25.

9.2 That Members agree:

- that the level of general reserves is inadequate at £33m and that reserves need to be replenished
- that there is accordingly no planned use of reserves to support the 2024/25 budget;
- to required implementation in full of the emerging financial strategy ie that the Council:
 - identifies an estimated £40m of revenue savings for 2025/26;
 - identifies assets to be sold to generate capital receipts;
 - undertakes a review of the capital programme;
 - considers increasing income;
 - operates expenditure control panels as set out in the report from 1 April 2024;
 - undertakes a full review of financial management and finances of the Council;
 - invests in core functions necessary and subject to business cases;
- any non delivery of planned 2024/25 revenue savings will need to be absorbed within existing cash limited Departmental budgets.

9.3 That Members note:

- the assessment of the current financial position of the Council;
- that this assessment is the result of emerging and recent work. The situation will change and the estimated financial position and solutions will require continual development and refinement and will likewise vary as the year progresses;
- the s151 officer is not minded to issue a s114 notice at this point working on the basis that the above assumptions will be supported and seen through on time and in full;
- given the extremely challenging financial situation the Council finds itself in, which it has in recent months started to address, if the recommendations are not agreed, or if the assumptions are not delivered as assumed then very serious consideration will be given to the issuing of a s114 notice
- that the 2024/25 savings are being reviewed for deliverability;

- as with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, it should be highlighted that this statement would have to be amended if a decision was proposed that leads to the Council's reserves reducing below their recommended General Fund balance level. In addition, any other amendments would be considered against the scale of the overall budget and depending upon the extent and nature, may result in a revised statement.

10. APPENDICES

10.1 Appendix 1: Risk-Based Assessment

11. BACKGROUND DOCUMENTS

Executive reports and supporting information / working papers

- 5th March 2024 Revenue Estimates Report for 2024-25
- 5th March 2024: Capital Investment Plan 2024-25 to 2027-28
- 5th March 2024: Allocation of the Schools Budget for 2024/25 Financial year
- 6th February 2022: Quarter 3 Finance Position Statement 2021/22
- 11st January 2024: 2024-25 Budget Proposals Report
- 9th January 2024: Calculation of Bradford's Council Tax Base and Business Rates Base for 2024-25
- 21st December 2023: Budget Update – Exceptional Financial Support Request
- February 2023: The Council's Revenue Estimates for 2023/24
- 17th February 2023: Capital Investment Plan 2023-25 to 2026-27
- 17th February 2023: Allocation of the Schools Budget for 2023/24 Financial year
- 17th February 2023: 2023/24 Budget Proposals and Forecast Reserves – s151 Officer Assessment and Addendum

Risk-Based Assessment of Potential Events Affecting the Proposed 2024/25 Budget and Beyond

The table outlines: the risk event that could occur and cause the plan to vary; the mitigations that are in place; and an assessment of the potential quantified impact of the individual risk materialising, together with the additional mitigating factors.

The fundamental underpinning mitigation that applies to all of the risks is the implementation of the Council’s underpinning emerging financial strategy, without this strategy being agreed and actioned the Council’s position will worsen

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|--|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| Outcome of Central Government reviews such as fair funding review and/or business rate review may adversely impact Bradford funding levels | There is little mitigation we can undertake directly as this is an external Central Government review. However, the expectation would be for funding to additionally recognise the impact of deprivation, local tax bases and other factors upon Councils and address prior funding streams which have seen Met/ Unitary Councils adversely impacted more than others. | Low / Medium Indications are that funding revisions and business rates reset would be beneficial. |
| Demand for services may increase placing pressure on budgets | Demand for services may increase both in terms of general service demands, especially in Children’s and Adults Social Care. MTFS includes provision for general demand pressures such as demographics and additional budget provision for services where demand is currently forecast to increase or generate an upward pressure on budgets, for example Children Social Care and SEND. | Medium / High MTFS includes allocation of budget to reflect key demographics and spend pressures. |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--------------------------------------|---|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | Investing in prevention via the transformation programme, including innovative technology and channel shift to lower cost, more effective methods of delivery, prioritising working with our partners to manage demand across the system and build requirements that meet the demand needs of individual localities. | |
| Taxation streams may be unstable | Collection Rates, bad debt provisions, appeals provisions, rateable property and the cost of the Council Tax Reduction Scheme are regularly monitored. Business Rates performance continues to be more volatile than Council Tax, with the outcome of appeals significantly reducing the tax yield. In year losses and gains can be handled through the Collection Fund, while variances can be dealt with in future year's plans. | Low/Medium Contingency provided through adjustment of budget plans for subsequent years. |
| Other income streams may be unstable | Non-taxation income streams remain impacted by economic conditions and further impacted by cost of living pressures. Fees and charges are planned to rise by 6% across many services, and higher where specifically identified. NHS funding streams may be at risk in the wake of current financial difficulties. Past performance suggests that unplanned income may materialise, offsetting generally some of the risks against the aggregate net revenue budget. Fees and Charges reviews take account of potential impact on customer resistance / revenue streams. | Medium / Medium Contingency provided through in-year budget control. Continuous dialogue with NHS partners over funding flows More active bidding for external funds Close monitoring of trading and general fees and charges revenues |
| Non-payment of | Potential economic downturn may result in additional non- | Low / Low |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|---|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| debtors may lead to additional write-offs | <p>payment of debts over and above existing bad debt provisions.</p> <p>Existing mitigation is through existing debt management processes and recovery action.</p> <p>Debt management review is seeking where possible for services to be paid at point of service/order. Where not possible, charges will be raised through debtor invoice processes enabling effective monitoring and tracking of debt to enable recovery</p> | <p>Contingency provided through bad debt provision.</p> <p>Should a trend be identified, the MTFS will be adjusted to reflect additional bad debt provision / write off requirements and amendments proposed to provision of services where possible</p> |
| Plans for implementation of savings may not be delivered. | <p>Each savings proposal is required to be accompanied by a detailed project plan setting out the implementation path. As appropriate, business cases will provide detailed options appraisal and full analysis of costs and benefits. This process has been strengthened further through monitoring at CMT and the inclusion of a savings tracker in monthly DMT/CMT finance reports. The impact of the plans has been tested in consultation, with the Chief Executive, Strategic Directors and Executive members.</p> <p>Implementation requires a dedicated project management resource and the Corporate Transformation team have driven weekly highlight reporting through CMT for the current budget savings plan.</p> <p>Underdelivered savings from 2023-24 have been reviewed and added back – this includes £5m for vacancy and abatement amongst others.</p> <p>A c£20m contingency for the impact of underdelivered savings and mitigations has been proposed.</p> | <p>Medium / High</p> <p>Close monitoring and mitigation provided through continuous improvement of plans and regular monitoring reports through CMT.</p> |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| Plans for implementation of transformation and change projects may not deliver expected outcomes | Transformational activity across all departments are progressing and a large pipeline of change projects has been identified. Robust governance and documentation will support decision making including robust business case development as appropriate, using the CIPFA Better Business Case model to provide detailed options appraisal and cost benefit analysis. Project controls will be in place to anticipate potential risks, identify mitigations in advance, and manage issues as they arise should plans have potential for under delivery. Frequent and effective tracking and monitoring will be in place via the corporate transformation team to ensure issues are escalated in a timely way to provide additional delivery confidence. | Medium /High Transformational plans developed and transformation programme re-established building upon the effective CMT Budget Mitigation plans and weekly highlight reports into some detail. Budget does not include a 'targeted' saving from transformation and therefore is not predicated upon achieving an outcome. Transformation is expected to feed into future MTFS and mitigate a level of future savings and /or enable investment in services |
| Planning may be insufficiently flexible to respond to unexpected events | Governance arrangements allow Strategic Directors, under delegated authorities, and in consultation with Portfolio Holders, to flex plans during the year. If necessary, recourse can be had to the Executive to approve changes within the overall agreed budget envelope. Project controls will be in place to anticipate potential risks, identify mitigations in advance, and manage issues as they arise should plans have potential for under delivery. Frequent and effective tracking and monitoring will be in place via the corporate transformation team to ensure issues are escalated in a timely way to provide additional delivery confidence. | Low/Low Evidenced through high extensive period of need to be flexible to effectively manage Covid related events and recent CMT budget mitigation plan. |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| The Council may have insufficient reserves to manage future uncertainties and volatilities | <p>The Council's reserve levels are at an historic low and will need to be rebuilt in the medium term. The Councils General fund reserve has been increased from c£22m at the start of 2023-24 to c£33m at the start of 2024-25.</p> <p>The budget proposals include the creation of a £20m contingency to mitigate the risk of unfunded pressures and underdelivered savings and mitigations.</p> | <p>Medium/High</p> <p>Identified savings and mitigations need delivering</p> <p>Services need to manage within approved budget</p> |
| Insufficient inflation allowance is provided in the plan | <p>Expenditure budgets have been selectively inflated at indices appropriate for the relevant budget line with c£37m inflation added to core budgets. This is inclusive of an estimated 4% pay award for 2024-25 and a catch up for a higher than budgeted pay award in 2023-24. There are also inflationary increases on contracts linked mainly to CPI, amounts to cover the increase in national living wage increases for Social Care and other workers, and inflation on Fees and Charges based on CPI.</p> <p>Where appropriate, budget managers will need to absorb unfunded inflation through reducing consumption of goods and services.</p> | <p>Medium/Medium</p> <p>Compensating action to reduce net costs</p> |
| Capital budgets are insufficient to meet rising costs, including inflationary pressures | <p>Capital budgets are approved with some contingency. Recent experience has evidenced a significant inflationary increase on cost of core materials and capital works. As a result a number of capital budgets have had to be increased.</p> <p>As external funding is generally finite these pressures will result in additional borrowing with a consequential pressure on capital financing budgets.</p> | <p>Medium/Medium</p> <p>Contingency in budgets</p> <p>Balancing risk with suppliers,</p> <p>Value engineering upon tender response</p> |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|---|---|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | The capital investment plan has been reviewed and c£9m of schemes are proposed to be deleted from the programme. A further review will also occur in the near term which will seek to reduce the size of the capital investment plan further. | |
| Capital investment is poorly controlled | Experience from prior years suggests capital projects take longer to implement than planned with a significant degree of slippage. PAG processes have been updated, and period capital monitoring, including Leader and Portfolio Holder engagement implemented. Capital challenge sessions provide for further Executive member led scrutiny and challenge | Low/Low Close monitoring is required to ensure that schemes do not overspend and deliver to plan. Contingency provided through adjustment of plans for subsequent years |
| Capital receipts to fund Exceptional Financial Support do not materialise | The Council has developed a c£60m asset disposal plan to help fund the cost of Exceptional Financial Support, and c£35m has been assumed for 2024-25. If they do not materialise, the Council would have to borrow for the difference – this would however result in additional financing costs. Enhanced monitoring processes have been put in place to provide assurance about delivery and early sight of issues. | Medium/Medium |
| Capital projects do not deliver expected Invest to Save returns | A number of capital projects have been approved on an Invest to Save basis, with financial benefits forecast to offset capital borrowing costs. If these savings do not materialise the relevant service area will have a budget pressure in meeting these costs. Cost of living impacts upon capital costs will impact invest to save return. | Low / Medium Business plan approval subject to service sign off and PAG approval, before being approved by Executive. Capital and revenue monitoring |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|--|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | | processes. |
| Interest Rates are higher than anticipated over the life of the plan | Interest rate rises would have a corresponding impact on the capital and EFS financing budget as external borrowing becomes more expensive. This may in turn have an impact on the affordability of the capital programme, in particular in later years. Interest Rates assumed in the budget are based on the latest available information from professional treasury management advisors. Their future year forecasts are that there will be a reduction in interest rates, and these have been reflected in future estimates of the Councils financing costs. Regular updates are received and form part of our monitoring processes and also the timing of when new loans are taken to fund the capital programme including advance borrowing against the programme forecast | Medium/Medium Compensating action to reduce net costs Re-profiling and reprioritisation of the capital plan Strong link between capital forecast, Treasury Management and MTFS Appropriate levels of advance borrowing taken where opportunities exist |
| The baseline budget is structurally compromised | The proposed budget is set using the 2023/24 baseline as amended for specific changes. The 2023/24 forecast outturn shows a combination of overspend pressures and compensating underspends, the most significant of which have been accounted for as part of those specific changes, and where appropriate included within the MTFS, or within budget proposals, for example the proposed further increased base budget for Children's Social Care provide by BCFT. | Medium / Medium Strategic Directors can use their delegated budgets flexibly Structural budget issues are identified and tracked, and if appropriate reflected in MTFS and budget plans. c£20m contingency budget c£33m General Fund Reserve |
| Changes in school funding and in school structures | Three factors could lead to financial stress in schools, which, under some circumstances, could create liabilities for the Council's budget: the increasing gap between funding and | Medium/Medium Support for/intervention in individual |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| <i>There is a risk that...</i> | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| created unforeseen and unfunded liabilities | inflation-driven costs; the impact of the National Funding Formula on individual schools; conversions to academies. As outlined in the Schools Budget, reserves are being used in 2024-25, but the Schools budget may go into deficit by 2025-26. Mitigation plans are being formed, and the Council will be liaising with the Department for Education. | schools On-going dialogue with Regional Schools Commissioner Engagement with Bradford Schools Forum Position regarding known conversions and deficits has been provisioned where material and appropriate |
| Internal governance arrangements are not fit for purpose | Constitutional arrangements, internal delegations, and the financial control environment are in place and, from audit testing, are effective. The Schools Forum and the supporting mechanisms are likewise effective at enabling a mature discussion about the use of local authority and DSG funds to support schools and pupils. Governance arrangements for health and social care are also well established. Internal governance supporting change management also reduces the risk of departmental silo mentality. | Low/low |

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