

Report of the Director of Finance to the meeting of Executive to be held on July 16 2013

N

Subject:

Medium Term Financial Strategy 2014-16 to 2016-17

Summary statement:

The Medium Term Financial Strategy assesses the financial outlook to 2016-17, examining the main factors affecting the Council's resource position. It shows that public finances are expected to continue to come under strain, with a need to reduce revenue spending by a further c £100m by the end of 2016-17 compared to the 2013-14 baseline. The Strategy also describes how the Council will manage its resources to achieve value for money and financial resilience.

Stuart McKinnon-Evans
Director of Finance

Report Contact: Sarah Kirk, Strategic
Finance Manager

Phone: (01274) 434055

E-mail: sarah.kirk@bradford.gov.uk

Portfolio: Leader and Strategic Regeneration

Overview & Scrutiny Area: Corporate



INVESTORS
IN PEOPLE



2009-2010
Positive engagement
of older people
2006-2007
Improving Rural Services:
Empowering Communities



Suzan Hemingway, City Solicitor

1. SUMMARY

The Medium Term Financial Strategy assesses the financial outlook to 2016-17, examining the main factors affecting the Council's resource position. It shows that public finances are expected to continue to come under strain, with a need to reduce revenue spending by a further c £100m by the end of 2016-17 compared to the 2013-14 baseline. The Strategy also describes how the Council will manage its resources to achieve value for money and financial resilience.

The Strategy should be seen as the backdrop to the process by which the Council budget will be set for 2014-15 and beyond, during the 2013-14 municipal year.

2. BACKGROUND

The Strategy forms part of the Council's planning and performance framework, and provides the context for the more detailed budgeting process.

The Medium Term Financial Strategy is refreshed each year, to give a rolling three-year assessment of the fiscal environment, after the close of the previous year, and before the budgeting round commences.

It sets out key messages for efficient and effective management of the available resources. It aims to provide citizens and stakeholders with an insight into the financial environment the Council operates in.

On 26 June 2013 the Government published a one year Spending Round (SR2013) which set out the Government's spending plans for 2015-16. SR2013 included a number of announcements that are relevant to the Council's Medium Term Financial Planning. At present only limited information is available to quantify the full impact on the Council. As more information becomes available the Strategy and Forecasts will be updated.

3. OTHER CONSIDERATIONS

The Strategy is typically affected by Forward Plan decisions being considered by Executive and Council which have material financial implications.

4. OPTIONS

The Strategy does not propose different options, though it is based on a central estimate of incomes and expenditures determining the Council's resource position.

5. FINANCIAL & RESOURCE APPRAISAL

The Strategy is a financial and resource appraisal.

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

The principal risks arising from the strategic assessment spring from:

- the sensitivity of financial estimates to actions beyond the immediate control of the Council, in particularly Government decision on local authority financial regimes and spending levels
- the capability of the Council to influence Council Tax and Business Rates bases.

7. LEGAL APPRAISAL

Non specific.

8. OTHER IMPLICATIONS

8.1 EQUALITY & DIVERSITY

Equality Impact Assessments will be undertaken as part of subsequent budget setting.

8.2 SUSTAINABILITY IMPLICATIONS

None specific.

8.3 GREENHOUSE GAS EMISSIONS IMPACTS

None specific.

8.4 COMMUNITY SAFETY IMPLICATIONS

None specific .

8.5 HUMAN RIGHTS ACT

None specific

8.6 TRADE UNION

None specific

8.7 WARD IMPLICATIONS

None specific

8.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

None specific

9. NOT FOR PUBLICATION DOCUMENTS

None

10. RECOMMENDATIONS

10. 1 That the Executive consider the Medium Term Financial Strategy as an assessment of the Council's financial outlook to 2016-17, and as the framework in which the Council achieves value for money, stability and resilience.
10. 2 That the Executive recommends the updated and revised Medium Term Financial Strategy at Appendix 1 of this report to Council for approval.

11. APPENDICES

Appendix 1 Medium Term Financial Strategy 2014-15 – 2016-17, including the Annexes to the Strategy.

12. BACKGROUND DOCUMENTS

- Local Government Finance Act
- Localism Act
- Health and Social Care Act
- Welfare Reform Act
- Estimates made by LG Futures on the forecast funding for the Council
- SR2013

**City of Bradford Metropolitan
District Council**

**Medium Term
Financial Strategy**

2014/15 – 2016/17

1	FOREWORD	4
2	PURPOSE AND PRIORITIES	5
	2.1 Purpose of the Medium Term Financial Strategy	5
	2.2 Review	6
	2.3 Council Priorities	6
3	CONTEXT FOR POLICY SETTING	7
	3.1 National Economic Context	7
	3.2 Legislative Change.....	7
	3.3 Changes in Regional Arrangements	9
	3.4 District context.....	10
	3.5 The Local Economy	11
4	MEDIUM TERM FINANCIAL Forecast AND GAP ANALYSIS	12
	4.1 Local Government Funding	12
	4.2 Spending Review 2010 and beyond.....	12
	4.3 Recent fiscal announcements	12
	4.4 Changes to Local Government Funding from 1 April 2013	15
	4.5 Changes to Specific Grants.....	15
	4.6 School Funding	16
	4.7 The 2013-14 Resource Base	16
	4.8 Overall estimated impact of Changes in Government Funding and Business Rates.....	22
	4.9 Council Tax Levels	23
	4.10 Council Tax Referendum.....	23
	4.11 Medium Term Expenditure Forecast 2014-15 to 2016-17	25
	4.12 Revenue Funding Gap and Implications	26
	4.13 Risk Assessment and Sensitivity.....	26
	4.14 Capital Investment Plan	26
5	FINANCIAL PLANNING FRAMEWORK	28
6	STRATEGIES FOR DELIVERING PRIORITIES AND EFFICIENCIES	29
	6.1 Value for Money	29
	6.2 Partnership Working.....	29
	6.3 Relationship with the Voluntary and Community Sector.....	29
	6.4 Relationship with Business Sector Community Budgets	30
	6.5 Community Budgets/Payment by Results	30
	6.6 Internal Changes	30
	6.7 Reserves Policy	31
	6.8 Fees, Charges and Income Stability	32
	6.9 Capital Financing and the Capital Investment Plan.....	32
	6.10 Council Tax Setting	32
	6.11 Budgetary Control and Monitoring.....	33
	6.12 Internal Control and Reporting	33
	6.13 Improvements in Management Information	33
	6.14 Performance Management Arrangements	33
	6.15 Transparency	34
	6.16 Risk Management Strategy	34

Annex 1 Medium Term Financial Forecast	35
Annex 2 Capital Investment Plan	35

1 FOREWORD

The Council's Medium Term Financial Strategy (MTFS) assesses the financial outlook to 2016/17, sets out the main factors affecting the outlook, and describes in broad terms how the Council will manage its money.

The Strategy forms part of the Council's planning and performance framework, and provides the context for the more detailed budgeting process. It is updated each year, allowing a rolling three-year perspective of the money available to support the Council's priorities for the District. It sets out key messages for efficient and effective management of money.

The Strategy is approved by elected members, and aims to be a document which provides citizens, staff, and stakeholders an insight into the financial environment the Council operates in.

The introduction of new funding arrangements for Local Authorities combined with the Government's ongoing austerity measures means that the fiscal environment is expected to remain turbulent. It is inevitable therefore that some of the forecasts and intentions set out in the Strategy will need revision as events unfold. Nevertheless, it is important that we set out the future as best we understand it - in this way the Strategy serves an important part of the Council's decision-making.

The scale of the fiscal challenge set out in the Medium Term Forecast is huge. At the end of 2017, the Council will have taken around £200m off its cost base since the 2010 Spending Review. While all organisations can be more efficient at the margin, this step change in the size of the Council inevitably means that the Council in 2016-17 will look very different to the Council in 2011-12. It will also signal a change in the deal between citizens and the Council, and the balance between what the Council can deliver and what will be done through working with individuals, groups and organisations in different sectors.

Stuart McKinnon-Evans
Director of Finance
June 2013

2 PURPOSE AND PRIORITIES

2.1 Purpose of the Medium Term Financial Strategy

This strategy aims to secure the underlying financial health of the Council and ensure that effective financial planning and management plays its part in the delivery of the Council's ambitions for the District and its citizens. It seeks to optimise the availability and use of financial resources and assets in support of the vision, aims and priority outcomes of the Council and its partners.

It assesses the implications of the financial landscape and defines the ways in which the Council will manage its resources.

The strategy details the foundation for robust financial planning and decision making, setting out the guidelines, principles and processes to be employed by the Council. In following these, the Council seeks to ensure that:

- The Council's financial standing is sustainable and that it maintains sufficient reserves and balances to accommodate unforeseen challenges. This is particularly important in a period of financial turbulence.
- Resources are allocated in line with the Council's approved policies, strategies, plans and commitments, and are directed towards high priority areas to support Bradford District's overall objectives and continued improvement in service delivery. This is particularly important in time of austerity and restraint.
- Funding and other forms of income are maximised and managed well.
- Elected Members and officers receive appropriate guidance and technical support to enable them to make informed choices on issues relating to expenditure, resources and risks, both for the budget year and the longer term, including the setting of Council Tax levels.
- The Council is able to work effectively with external partners to share and optimise resources, improve services to the community and deliver better value for money.
- A three year medium term financial forecast and annual budget is set to ensure spending commitments do not exceed available resources and income is maximised.
- Value for money, sustainability, efficiency gains and the effectiveness of resource allocations can be demonstrated across the Council services, partnerships and commissioned service delivery; and that mechanisms are in place by which performance against these can be measured and managed.
- It has a robust performance management arrangement which provides an increasingly sophisticated understanding of performance against district wide and local priorities whilst fitting within clear resource parameters that reflect the current financial environment.

- In common with other Council strategies the MTFS is subject to an equalities impact assessment and to ensure that there is no potentially disproportionate adverse impact on any particular group with relevant protected characteristics.

2.2 Review

The MTFS is refreshed annually to ensure that it remains aligned to the Council's strategic and operational priorities and to ensure that the Council remains on a stable and sound financial footing.

2.3 Council Priorities

In its Corporate Plan, the Council sets out how it will contribute towards achieving the vision for the District that is shared with our partners in the District's Community Strategy.

The Corporate Plan also recognises the importance for the Council's future financial viability of investing resources and effort in growing our local economy. Hence the Council is committed to prioritising activity over the long term to achieve two transformational outcomes:

- Transforming educational outcomes by improving attainment
- Promoting prosperity by driving regeneration to support the District's economy, jobs and skills.

The Council acknowledges the importance and the resources that will need to be deployed to continue to promote the wellbeing of the District, its citizens, communities and businesses.

In recognition of this the Council will continue to prioritise:

- Maintaining safe, clean and welcoming neighbourhoods.
- Supporting and safeguarding the most vulnerable adults, children and families
- Securing an adequate supply of decent and affordable homes
- Reducing health inequalities

3 CONTEXT FOR POLICY SETTING

This section summarises the main legislative, social and economic factors which affect the Council's financial outlook, and which define the environment for policy making. They operate at national, regional and District level.

3.1 National Economic Context

The Council's MTFs has been formulated within the context of the wider national economic performance. The impact of the weak recovery following the global financial crisis and the effect of inflation on real income and business costs continue to put public finances under strain. Based on the two latest fiscal announcements, the 2012 Autumn Statement and the 2013 Budget real term reductions in total public expenditure will continue to be seen in the years immediately beyond the current 2010 Comprehensive Spending Review (CSR) period.

On 26th June the Chancellor announced the Government's spending plans and therefore Local Government Funding for 2015-16. The Spending Round 2013 is for one year.

3.2 Legislative Change

Since the previous MTFs was published, a number of Government reforms have passed into legislation following Royal Assent and new Bills announced. A number of these have particular relevance to the Council's financial planning:-

- **The Local Government Finance Act** received Royal Assent in October 2012. The Act provides for a new funding framework for local authorities (and with it the removal of certainty over Government funding levels). The key elements of the act are:
 - The introduction of a local Business Rates Retention scheme, allowing local authorities to retain a proportion of the business rates they generate. Local Authorities will also be able to co-operate with neighbouring authorities to 'pool' a proportion of business rates. Bradford has committed to being a part of the Leeds City Region Pool.
 - The Localisation of Support for Council Tax
 - Technical changes to the setting of Council Tax discounts and charging of premiums.
- **The Localism Act** received Royal Assent in October 2011 but due to the size and scope of the legislation (and the need for varying sets of guidance to implement each measure) it has been rolled out over a period of time. The Act contains a number of measures that are likely to have a financial and service delivery impact including:
 - Provision for Council Tax referendums to be held if an authority increases its tax by an amount exceeding principles determined by the Secretary of State
 - A series of provisions aimed to improve "Community Empowerment", including Assets of Community Value, and the Community Right to Challenge (CRTC).
 - Provision to pass down from Government to Local Authorities in whole or in part, fines imposed by the EU for which the LA is deemed to be held responsible for incurring.

- A power of general competence giving Local Authorities greater decision-making powers, which includes the ability to charge for the delivery of some services sufficient to recover cost of provision.
 - Provisions for Ministers to transfer local public functions from central government to local authorities, combined authorities and/or Economic Prosperity Boards - in order to improve local accountability or promote economic growth. The Leeds City Region is in the process of developing a Combined Authority by 2014.
 - The duty to administer the nomination process, to maintain lists of successfully and unsuccessfully nominated assets, manage and consider appeals against decisions to list land and property.
- **The Local Audit and Accountability Bill** was announced in the Queens Speech in May 2013. The Bill extends the Localism agenda with three key proposals
 - to disband the residual Audit Commission and introduce a new local audit framework
 - extend the council tax referendum rules to apply to levying authorities such as Integrated Transport Authorities and Internal Drainage Authorities.
 - strengthen the legal status of the existing Code of Recommended Practice on Local Authority Publicity.
 - **The Health and Social Care Act** sets out the Government's approach to modernising the NHS.
 - From 1st April 2013 the Public Health function transferred from the Primary Care Trust (NHS Airedale, Bradford and Leeds) to the Council. Public Health has two high level aims, namely to increase healthy life expectancy and to reduce inequalities in life expectancy. The transfer of staff comes with a two year ring-fenced budget to ensure continuity of service and reduce potential impacts on existing local authority budgets.
 - The Act has also abolished Strategic Health Authorities and Primary Care Trusts which have been replaced by Clinical Commissioning Groups (CCGs). These are made up of member practices who establish a governing body to oversee the way they carry out their responsibilities. As a minimum, the governing body includes GPs, a secondary care specialist, a nurse, two lay members, a chief financial officer and an accountable officer.

There are three CCGs in Bradford district, Bradford City, Bradford District and Airedale, Wharfedale and Craven CCGs.

- **The Welfare Reform Act** sets out the Government's approach to streamlining the benefits system, reducing the cost and incentivising people to find work. The biggest change to the welfare system for over 60 years it will have significant local impacts.
 - Universal credit will bring all current working age benefits into a single payment.
 - A cap on the total amount of benefits that a household can receive.
 - Changes to housing support where current and future working age tenants renting from a local authority, housing association or other registered social landlord will no longer receive help towards the costs of a spare room.
 - The Government is no longer providing Community Care Grants and Crisis Loans. Instead from 1 April 2013 the Council administers a Discretionary

Social Fund and decides how best to use the funding allocated by Central Government on local need.

The Council is part way through implementing these reforms.

- **The Public Services (Social Value) Act** received Royal Assent in March 2012 and entered statute in January 2013. The Act calls for all public bodies to have regard to 'social value' when they commission or procure services or suppliers and consider how these might contribute to the economic, social and environmental well-being of an area.

As part of its Strategic Commissioning Framework (2013-16), Bradford Council will identify opportunities to lever social value from existing and future contracts across its supplier base and will look to increase the proportion of Council expenditure that is spent locally.

3.3 Regional Arrangements

As Government's reforms have begun to take effect, regional arrangements have increased in significance. The following section outlines some of the key emerging regional organisations and arrangements:-

- **Leeds City Region** – the purpose of the Leeds City Region (LCR) is to bring together local authorities, business and a range of other partners, working to a common goal of creating economic prosperity for the people who live and work in the functional economic area. The work of the city region focuses on economic intelligence, business innovation and growth, skills, the green economy, transport, housing and regeneration
- **LCR Leaders Board** – the Leaders Board continues to provide the democratic mandate for the city region and comprises the Leaders of each of the 10 districts in the city region plus the Leader of North Yorkshire County Council.
- **LCR Local Enterprise Partnership (LEP)** – working along side the LCR Leaders Board is a business- led LEP board. The LEP's key objectives are to ensure growth in jobs, an increase in economic wealth and a reduction in carbon emissions across the LCR.
- **LCR funding streams** – current programmes for businesses include Growing Places Fund and the Business Growth Programme. A £1 billion West Yorkshire Plus Transport Fund is currently under development as part of moving decisions on transport investment from central government to West Yorkshire plus York. A city region Revolving Investment Fund will create an initial fund of £20m with a plan to grow it many fold leveraging private investment. The fund will lend to projects that can provide a commercial return. A strategic Investment Plan and Single Assessment Framework are being drafted, to provide direction and align decision making processes. The Investment Plan will include the strategic context for the new European programme which will be managed at a city region level.
- **West Yorkshire Combined Authority** – in June / July 2013, all five West Yorkshire Authorities will consider whether to approve the creation of a West

Yorkshire Combined Authority to help grow the economy through a joint approach to strategic investment and transport. The Combined Authority would be a separate legal body and would have powers and funding devolved from the Government. The Council would remain responsible for local regeneration and economic functions. If agreed and parliamentary approval is received, the West Yorkshire Combined Authority will start to meet in shadow form from September 2013, in advance of its anticipated formal establishment in April 2014.

The establishment of a Combined Authority is a key requirement of the Leeds City Region "City Deal" which gives partner councils and the Local Enterprise Partnership greater control over economic investment and decision making. The Transport Fund is a key feature of it.

3.4 District Context

Bradford is at the heart of a district of some 523,000 people, covering an area of 36,637 hectares two thirds of which is classified as rural. The latest available Index of Multiple Deprivation (IMD) data available (2010) places Bradford 26th most deprived authority in England. Of the 21 districts within the Yorkshire and Humber region Bradford is 2nd most deprived, after Kingston upon Hull, and by far the most deprived of any district in the Leeds City Region.

Bradford MDC also has the widest gap between its most and least deprived areas of any district in the country, indicating a high degree of polarisation. Nearly one third (31.4%) of the district's population live in 94 areas which rank amongst the 10% most deprived areas in England, representing some 157,000 Bradford residents. In contrast 5.9% of Bradford's population live in 19 areas across the district which are among the 10% least deprived in England, amounting to some 29,500 citizens.

These statistics confirm that tax and welfare changes introduced by Government are likely to impact on a significant proportion of the District's residents. The concern is that, as well as the direct impact these changes will have on individual and household income, there are likely to be growing pressures on services and the local economy as a consequence.

The changing demographics discussed below present the Council with both opportunities and challenges in terms of the pressures placed on the Council to secure lasting prosperity and improve wellbeing. Over the last ten years Bradford's population has increased by approximately 12%. This is the largest population growth of any authority in the Leeds City Region (+6.8%) and compares with an increase of 7.1% across England and Wales. Whilst, Bradford ranks as the youngest city in England and Wales with 22.0% of the population aged 0-14 years,

For a number of years the Council has experienced a period of sustained increase in demand for some of the key services it provides to the most vulnerable members of the community, especially within Adult Social Care and Children's services. In the foreseeable future with a continuing shift towards a greater proportion of older people in the population there is no sign of this trend reversing. To reflect this additional investment in Adult and Social Care has been built into the forecasts in the Medium Term Financial Plan.

3.5 The Local Economy

Whilst nationally the economy has struggled to avoid falling back into a third recession in five years, locally there have been positive figures with a growth of 12,000 in the number of residents in employment over the year to December 2012. The number of businesses in the district also increased between 2011 and 2012 following a decline that began in 2008 with the onset of recession. A recent report from Duport shows that there were 2004 new company formations in 2012 – a record year for Bradford. This was a 7% increase on 2011 and more than any year on record for the area. Further research from Duport places Bradford at number 22 in the top 100 UK towns for company growth, well ahead of neighbouring cities Leeds and Sheffield, who came in 44th and 80th respectively.

Encouragingly, unemployment also fell over the year to December 2012 and the unemployment rate now stands at 10.8% compared to 12.9% the previous year. Bradford's unemployment rate remains higher than the city region rate of 8.9% and a UK rate of 8.1% but the gap has reduced.

There are now 25,900 people aged 16-64 who were unemployed in Bradford at December 2012. The number of unemployed fell by 3,900 over the year, a fall of 13.1% that ran counter to the national picture which saw the number of unemployed increase by 0.3%.

Bradford's employment rate has also improved to 64.2% as of December 2012 compared to 61.3% at December 2011. However, it remains well below the UK rate of 70.6% and a regional rate of 69.8%.

4 MEDIUM TERM FINANCIAL FORECAST AND GAP ANALYSIS

This part of the Strategy forecasts income and expenditure levels over the next three years, and identifies the size of the fiscal gap to be closed.

4.1 Local Government Funding

The Council's ability to spend money on services is constrained by the availability of Government funding and funding it can generate through either Council Tax, Business Rates or fees and charges. For this reason, we start with an assessment of the impact of the Government's continued deficit reduction plans together with a summary of the major changes to the funding arrangements for local authorities which came into effect on 1 April 2013.

4.2 Spending Review 2010 and Beyond

The Government's Spending Review (SR2010) covering the period from 2011-12 to 2014-15 laid down a clear medium term view of the resources within which local authorities would need to plan and manage their resources. The expectation was that on average Local Authorities would see a 28% reduction in Government Grant over the four years.

With recovery from recession being longer than expected, falling tax revenues and continued borrowing, subsequent fiscal announcements have reaffirmed the Government's commitment to this approach and that austerity measures will continue beyond 2014-15.

4.3 Recent Fiscal Announcements

a) 2012 Autumn Statement and 2013 Budget

Announcements contained in the 2012 Autumn Statement and the 2013 Budget have made it clear that Government Department budgets would continue to be subject to reductions in 2015-16 and beyond in line with the same trajectory as in SR2010.

Given that further reductions in 2013-14 would have involved reopening the 2013-14 Local Government Finance Settlement, local authorities were exempt a one percent reduction in funding required of other Government Departments in 2013-14. However this exemption was only for 2013-14 reductions and did not extend to the 2014-15. The MTFP therefore assumes that the provisional 2014-15 funding announced in February 2013 will be reduced by a further 1%. £2.852m forecast impact on the Council. Confirmation from Communities and Local Government (CLG) that this is the case is still awaited.

b) Spending Round 2013

On 26 June 2013 the Chancellor published the Government's Spending Round (SR2013) setting out their spending plans for 2015-16. In the statement Local Government sees its total funding reducing from £25.6bn in 2014-15 to £23.5bn in 2015-16 **a headline reduction of 10%**. The Chancellor states the reduction will be only 2% when other changes to public spending are taken into account. At the time of writing the Government has not provided a numerical breakdown that supports the 2% reduction in spending calculation. Other key announcements include

- Funding for Councils who freeze council tax in 2014-15 and 2015-16 (the amount and length of the offer is unclear)
- Plans for the Council Tax Referendum threshold to be set at 2%
- £3.8bn pooled budget for health and social care services, £1bn of which would be paid on the achievement of local results
- In 2014-15 £200m transferred from NHS to local authorities to enable them to prepare for the operation of the new pooled budget
- £335m in 2015-16 to prepare for reforms to the system of social care funding, including the introduction of a cap on care costs from April 2016
- £200m reduction to the Education Services Grant which in 2013-14 was worth £800m to local authorities
- An additional £200m to extend the current Trouble Family programme for a further year in 2015-16
- £100m Transformation Fund to incentivise authorities to work collaboratively and implement efficiencies
- A Single Local Growth Fund worth £2bn per annum to be subject to bids from Local Enterprise Partnerships
- Consultation on a national funding formula for schools
- Pay rises in 2015-16 to be limited to 1%. Although this does not directly affect Local Government, local negotiations have in the past followed the Chancellor's announcement.

Until it can be established what new funding streams have been included in the Government's adjusted total Local Government 2014-15 baseline figures it is difficult to accurately forecast the reduction in the Council's 2015-16 Revenue Support Grant. Likewise until it is clear what new activity the Council will have to engage in to access a share of the £3.8bn pooled budget for health and social care it is very difficult to predict the additional net flow of funds to the Council.

4.4 Changes to Local Government funding from 1 April 2013

In addition to ongoing funding reductions, two major changes to funding arrangements for local authorities from April 2013 add a new element of uncertainty and complexity into the Council's medium term financial planning.

a) Business Rates Retention

Under the new arrangements that came into force on 1 April 2013 the previously guaranteed formula grant element of Government funding has been replaced with a system based in part on local business rates retention. Under the new arrangements the Council will:

- be able to retain a 49% local share of the business rates income it collects (estimated £66.615m in 2013-14)
- have its local share topped up by a grant because the amount the Council can raise through business rates is less than the Government has assessed the Council needs to spend on providing services (£54.447m in 2013-14)
- be paid a general revenue support grant (RSG - £182.862m in 2013-14)

Of the remaining Business Rates collected, 50% will be paid over to Central Government (central share) and 1% paid to the West Yorkshire Fire Authority. The balance of the Council's gross expenditure will continue to be funded from Council Tax and fees and charges.

For planning purposes the key difference from previous years is that only the Top Up Grant and RSG amounts the Council will receive are guaranteed cash amounts. The yield from Business Rates is a matter for the Council to estimate and approve as part of the budget setting process.

In the future, apart from being increased each year for RPI, the Top-Up Grant the Council will receive will not change until the system is reset (not expected to be before 2020). As the Council is a top-up authority as opposed to a tariff authority it will not be required to pay a levy to the Government on any growth in its Business Rates income. Conversely if the Council's income was to decline by more than 7.5% below its baseline funding, the Council in the following year would receive a safety net payment.

In summary, the Council's future funding will depend on it increasing its local share of Business rates, the indexed Top-Up Grant and RSG it receives from central government, and the amount of income it raises through Council Tax. Under these arrangements authorities that increase their business rates compared to their initially assessed position will be rewarded; however authorities that experience a decline in their business rates tax base will see a relative reduction in resources. At the same time, by creating a separate funding stream, RSG, the Government will still be able to change the amount of funding local authorities receive in future Spending Reviews. (see later section in Pooling and Business Rates).

b) Localisation of Council Tax Support and Council Tax Technical Changes

From 1 April 2013 Council Tax benefit was replaced with a localised system of Council Tax Support. This means households claiming council tax support will receive a discount and the Council's tax base will be reduced accordingly. To avoid the 10% reduction in Government funding for Council Tax Support creating an additional budget pressure on Council services, in December 2012 the Council approved a Local Council Tax Support Scheme which required all people of working age to pay at least 25% of their Council tax liability. Pensioners remained fully protected. Over time any increase in the number of benefit claimants will have the affect of reducing the Council's Council Tax base and hence the amount of Council Tax it can generate. Conversely a reduction in benefit claimants would see an increase in the Council Tax and Council tax income.

In setting the 2013-14 Budget it was assumed that the discounts awarded in 2013-14 would be in line with Council Tax Support funding the Council would receive through the new Business Rates Retention scheme, £29.8m. Two months into 2013-14 early indications are that this is the case but the position will be closely monitored. Out of £29.8m, £0.2m has been transferred to Parish Councils to help offset the impact of the new Localised Council tax Support scheme on their tax bases.

At the same meeting in December the Council agreed changes to Council Tax discounts and the implementation of a council tax premium of 50% on properties that have been empty for more than two years. These changes were estimated to increase the Council's tax base by 2441 Band D equivalents, equating to £2.7m Council Tax income. Whilst early

billing information confirms an increase of this magnitude in the 2013-14 Council Tax base, actual levels of cash collected will be monitored throughout the year.

4.5 Changes to Specific Grants

a) Public Health

As stated in Section 3.2 from 1st April 2013 the Public Health function transferred from the Primary Care Trust (NHS Airedale, Bradford and Leeds) to the Council. To cover the cost of public services transferring, the Department of Health will pay the Council a ring fenced grant of £31.5m in 2013-14 and £34.7m in 2014-15. For planning purposes it has been assumed that the ring fencing will be removed in 2015-16, with no further growth in the funding.

The transfer of the responsibility for the public health represents a significant shift, with many transformational opportunities, and some risks. Whilst currently the work of the Public Health Department is focused on the indicators within the Public Health outcomes framework, work has commenced to identify opportunities for working effectively and efficiently with other Council Services. This is likely to lead to service redesign and commissioning and or re and de commissioning over the medium term.

b) Education Services Grant

In the 2013 Local Government Settlement funding for central education functions was transferred out of the Council's general funding and transferred into a new Education Services Grant (ESG). At the time the 2013-14 Budget was approved it was assumed that the Council would receive in 2013-14 £9.6m for services provided to pupils for whom the Council is still responsible, a reduction of £2.9m to be absorbed. As there has been a delay in certain schools converting to Academies, the Council now expects to receive £10.3m. The MTFP makes assumptions about the rate of future Academy conversions and the impact on ESG.

4.6 Schools Funding

On 1 April 2013 the Council, following detailed consideration by the Schools Forum, implemented changes in the allocation of Dedicated Schools Grant and school funding system, in line with guidance issued by the Department for Education (DfE). These changes make the first steps towards the implementation of a national funding formula. Subsequently the Government has announced that in 2014-15 all local authority areas, will be required to allocate a minimum of 80% of delegated schools block funding through an appropriate and locally determined combination of pupil led factors, deprivation, prior attainment, looked after children and English as an additional language. Although there are some small changes, the approach taken by the Council in 2013-14 broadly follows the new requirements.

However, the Council and the Schools Forum, have initiated a number of reviews, which may significantly alter the approach to funding provision across the District from 1 April 2014. The reviews include;-

- The approach to the funding and delivery of provision for children with hearing and visual impairments

- The delivery of SEN support services for children below statutory school age (including Children's Centre Plus provision)
- The funding of behaviour support services for both primary and secondary aged pupils
- The future approach to the funding and delivery of services for schools that are current managed centrally by the Local Authority

In particular, the latter review may have significant consequences for the Council's budget and service provision, where DSG currently allocated to support central services (such as school improvement, where the DSG currently contributes £2.8m to the Council) may no longer be directly available from April 2014. The Council may have to consider further options around trading services with schools and with academies. In parallel, centrally held contingencies within the overall Dedicated Schools Grant funds held by schools will be reviewed to ensure that their historical purpose still makes sense in the context of the revised formula rules.

4.7 The 2013-14 Resource Base

Taken together the developments outlined in Section 4.2 to 4.4 contribute to an environment of considerable financial risk which our financial planning and management of systems must manage.

In this section we look in more detail at the composition of the Council's funding and map the factors that will influence the Council's future resource forecasts.

4.7.1 National Determinants – Government General Funding

a) The first two years of SR2010 (2011-12 and 2012-13)

In the first two years of SR2010 the Council experienced reductions in formula grant as set out in Table 1.

Table 1

Formula Grant Breakdown 2011-12 and 2012-13

	2010-11 Adjusted £m	2011-12 Actual £m	2012-13 Actual £m
Core Formula Grant	308.7	273.8	252.3
<i>Council Tax Freeze Grant</i>			4.1
Total Formula Grant	308.7	273.8	256.4
<i>Cash Reduction in Core Formula Grant</i>		(34.9)	(21.5)
<i>% Reduction</i>		11%	8%

b) **2013-14**

2013-14 sees a radical change in the way local authorities are now funded with what was previously known as formula grant becoming known as "Start up Funding Assessment" SUFA. To pave the way for the new arrangements in February 2013 the Council was informed of its 2013-14 and provisional 2014-15 SUFA's as set out in Table 2.

The change led to a restatement of the 2012-13 funding basis to reflect that a number of former funding streams, notably Early Intervention Grant, Council Tax Support and Learning Disability Grant have been rolled into the new Business Rates Retention Scheme. Table 2 shows the restated figure (a technical adjustment, not a change to the actual amount of money).

Table 2

Start Up Funding Assessment

	Adjusted 2012-13 £m	2013-14 £m	2014-15 £m	% Change
Business Rates baseline		67.206	69.266	3.1%
Top Up		54.447	56.119	3.1%
Revenue Support Grant		182.862	150.919	-17.5%
Start-Up Funding Assessment	314.883	304.515	276.304	-9.26%
Change		-10.368	-28.211	

SUFA is an assessment of the Council's share of the overall funding available for local authorities. Only the Top Up and RSG elements are guaranteed cash amounts,

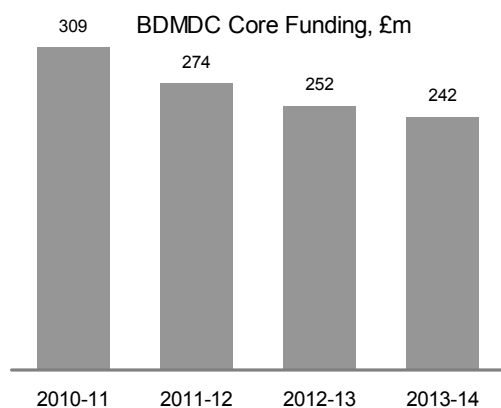
c) **2014-15 onwards**

Nationally the percentage reduction in SUFA from 2013-14 to 2014-15 as set out in the February 2013 Finance Settlement was 8.5%. However as under the new Business Rates Retention regime, the Government expects Local Authorities to increase their Business Rates this means less money will be distributed as RSG. So whilst overall the reduction is 8.5% the impact on RSG is considerably more 16.8% or in Bradford's case 17.5%

Based on announcements made in the 2013 Budget the Council is now expecting that the national provisional SUFA for 2014-15 will reduce by a further 1% £239m. Whilst confirmation is still awaited from the Government that this is the case, it is estimated that this change will lead to a £2.8m reduction in RSG for the Council.

By just how much the Government will reduce RSG in years beyond 2014-15 remains uncertain. Whilst information set out in SR2013 indicated an overall reduction in Department of Local Government funding of 10%, individual local authority RSG allocations will not be confirmed until much later in the year. At this stage the MTFP assumes reductions in RSG for 2015-16 and 2016-17 of 19% and 16% .

The changes to how the Council is funded, including the transfer of grants from other sources, mean that it is not straightforward to explain the year on year changes in the Council's funding. However the graph below clearly shows the loss in Government funding the Council has experienced over the past four years.



When inflationary and service pressures are also taken into account the net result has been that the Council's budgets from 2011-12 to 2013-14 have targeted savings of over £100m.

	£m
2011-12	44
2012-13	28
2013-14	29
Total savings	101

4.7.2 Local Influences

a) Business Rates

The £67.206m Business Rates figure included in the Council's 2013-14 SUFA is the Government's assessment of the amount of Business Rates income the Council will collect in 2013-14. The Business Rates income the Council included in the 2013-14 Budget, is £0.591m lower and is based on the Council's own forecast as set out in the NDR1 return to Government.

For future years the MTFP assumes an underlying level of growth in the Council's net rates yield consistent with the Government's assumptions of the increase in Business rates multiplier 3.1%. It is too early to take a view as to whether assumptions regarding net new businesses, losses on collection and appeals (see below) are accurate, actual performance will be monitored during the year

Appeals

From the 1 April 2013 the Council will be responsible for 49% of the cost of all backdated successful business rate appeals. The Valuation Office Agency has advised that there are currently 1495 appeals outstanding against the 2010 rating list and 127 against the 2005 list and that approximately 25% of appeals are successful. However this can still amount to a significant sum given that appeals for some of our larger properties are amongst those yet to be settled. These figures do not include future appeals against the 2010 rating list as ratepayers have until March 2018 to submit them. As part of the 2013-14 Budget setting process the Council made an assumption that £5m of Business rates income would be lost due to appeals.

Small Business Rates Relief

In the Autumn Statement the Chancellor announced two tax changes affecting Business Rates. They were:

- a further one year extension of the temporary increase in Small Business Rate Relief; and
- a new measure to extend empty property rate relief for empty new builds, starting on 1 October 2013.

The Government proposes to fund authorities 49% share of the costs of both measures through a specific grant outside of the Business Rates Retention scheme and based on authorities' actual costs. Actual costs will not be known until mid 2014. However owing to the significant costs of the Small Business Rate Relief measure, the Government proposes to provide an advance payment to authorities based on a proportion of estimated costs. For Bradford this means it is forecast to receive a one off grant of £3m over two years. As it is unclear whether the scheme will be extended for another year and how it will be funded, the additional income via grant or increased Business Rates yield has not been built into the Forecast.

Pooling of Business Rates

The Council has committed to being a Member of the Leeds City Region Pool along with the other four West Yorkshire Authorities, Harrogate and York. Under the terms of the pooling proposal, during the year each authority will receive exactly the same funding as they would have if treated individually. However the levies from the tariff Authorities, Leeds, Harrogate and York that would otherwise be paid over to the Government will be used to support the Leeds City Region Infrastructure Fund. At the time of writing detailed in year monitoring information is not yet available but based on Member's initial assessment of their Business Rates yield, the levies projected to be generated are forecast to be in the region of £1m. The exact figure will not be available until after the 2013-14 year end. This pooling arrangement has a nil impact on the Forecast.

Table 3

Forecasted Business Rates Increase

	2013-14 £m	2014-15 £m	2015-16 £m	2016-17 £m
Retained Business Rates income	66.615	68.680	70.809	73.004
Percentage increase		3.1%	3.1%	3.1%

If the Business Rates yield is less than the 2013-14 budgeted amount or the future projected amount, this will add to the Council's funding gap. A 1% variation in Business Rates raised would mean a +/- variation of £0.7m.

b) Specific grants

Although a number of grants were rolled into the Business Rates Retention scheme at 1 April 2013, the Council still receives a number of specific grants for defined purposes, the most significant being the new Public Health Grant.

Table 4 – Specific Grants

	2013-14 £m	2014-15 £m
Public Health Grant	31,545	34,699
Housing Benefit Subsidy Grant	4,595	Not known
NHS Support for Social Care	8,222	8,615
Local Reform and Community Voices	402	415
Social Fund	1,957	1,957
Social Fund Administration	414	379

As the methodology and amounts that will be included in future settlements are not yet known, for the purpose of the MTFP, it is assumed that services will manage spend within the level of grant that is subsequently received.

New Homes Bonus Grant

The New Homes Bonus (NHB) scheme provides the Council with an unringfenced grant, equal to the national average for the Council Tax band on each additional property built in its area, or on each long term empty property that is brought into use. The scheme commenced in April 2011 and the annual allocation is paid for the next six years. In addition an enhancement of £350 per property is paid for each affordable home which is developed. Allocations received to date and anticipated for future years have been built into the MTFP base to support the corporate budget requirement.

Whilst the Council has done extremely well in securing NHB monies, (15th highest out of 353 authorities for the period 2011-12 to 2013-14), the monies the Government has allocated for NHB has in part been redirected from general grant funding. Research undertaken by the Special Interest Group of Metropolitan Authorities SIGOMA shows that in 2011-12 and 2012-13 Bradford would have received £1.3m more funding from the Government if the money had been distributed under the formula grant mechanism rather than in NHB.

In Spending Round 2013 it was announced that there would be a top slice of £400m from New Homes Bonus to partly fund the £2bn the Single Local Growth Fund (SLGF). As the mechanism for this top slice is not yet known no adjustment has been made to forecasted NHB allocations. However as £400m represents 35% of the total NHB national funding, the Council could face a 35% reduction from its 2015-16 allocations onwards.

Table 5 – Actual and Forecast New Homes Bonus Allocations

	New Homes	Empty Homes brought back into use	2011-12 £'000	2012- 13 £000	2013- 14 £000	2014- 15 £000	2015- 16 £000	2016- 17 £000
Year 1 (Actual)	616	1918	2,760	2,760	2,760	2,760	2,760	2,760
Year 2 (Actual)	299	435		1,056	1,056	1,056	1,056	1,056
Year 3 (Actual))	531	501			1,664	1,664	1,664	1,664
Year 4 (Est)						1,043	1,043	1,043
Year 5 (Est)							1,200	1,200
Year 6 (Est)								1,400
Empty Homes I			2,760	3,816	5,480	6,523	7,723	9,123

Affordable Homes Premium (AHP)

Year 1 (Actual)	94	94	94	94	94
Year 2 (Est)		92	92	92	92
Year 3 (Est)			93	93	93
Year 4 (Est)				94	94
AHP Sub total	0	94	186	279	373
Total Empty Homes & AHP	2,760	3,910	5,666	6,802	8,096

Education Services Grant (ESG)

From 1 April 2013 the Council and Academies in the District will be allocated an Education Services Grant on a per pupil basis according to the number of pupils for whom they are responsible. ESG is not ring fenced. In 2013-14 the Council will receive £116 per pupil in maintained schools plus £15 for all pupils in the District for the statutory duties that do not transfer to academies.

In setting the 2013-14 Budget an ESG grant of £9.6m was built into the base budget. The latest forecast which takes into account the delay in certain schools converting to Academies shows that the Council is more likely to receive in the region of £10.3m in 2013-14, an increase of £0.7m. The table below based on the current known academy transfers taking place from the 1st of September 2013 and a further 5,000 pupils per annum from 2014-15 sets out how much ESG the Council can expect to receive in the next three years and the impact on the Forecast. It does not take into account the £200m reduction announced in SR2013.

Table 6 – Estimated ESG allocation

	Estimated ESG allocation £m	Impact on the Forecast £m
Included in 2013-14 Budget	9.6	
Latest forecast		
2013-14	10.3	0.7
2014-15	9.0	-0.6
2015-16	8.4	-1.2
2016-17	7.8	-1.8

Families First

As part of Families First initiative the Council began working in 2012-13 to address the issues faced by 1,760 families in Bradford with complex needs. The project is initially being funded for three years (extended by a further year as part of SR2013) and is split into three elements:- an annual allocation for Programme Coordination, a funding per family and a reward payment by result element. In 2013-14 and 2014-15 the following income streams are forecast:-

2013-14 £2.400m (£0.175m Co-ordination, £1.125m grant, Payment by Results £1.1m)
 2014-15 £2.050m (£0.175m Co-ordination, £0.75m grant, Payment by Results £1.125m)

The payment by results depends on the service delivering set outcomes and can be claimed anytime over the 3 year period with the final claim being made on the 1st of May 2015. Matching spend and income has been built into the Forecast.

4.8 Overall estimated Impact of Changes in Government Funding and Business Rates

The new Business Rates Retention Scheme and the announcement that the 2015-16 Spending Round will be for one year, makes it very difficult to accurately forecast the resources available to the Council over both the short and medium term.

Indicative Forecasts funding allocations for the medium term (include increases in top up grant and retained Business Growth) are presented in the table below.

Table 7 – Forecast funding reductions 2014-15 – 2016-17

	2013-14 Actual £m	2014-15 Estimate £m	2015-16 Estimate £m	2015-16 Estimate £m
Core funding				
Retained Business Rates	66.615	68.680	70.809	73.004
Top Up Grant	54.447	56.119	57.632	59.419
Revenue Support Grant	182.862	148.067	118.679	99.252
Sub total	303.924	272.866	247.120	231.675
Cumulative net decrease		-31.058	-56.804	-72.249
Forecast % reduction in Core Resources		10.2%	18.7%	23.8%
Other resource adjustments				
New Homes Bonus Top Slice		1.834	0	0
Return of capitalisation contingency		0	1.578	1.578
Additional New Homes Bonus funding		1.136	2.430	3.830
Education Service Grant		-0.573	-1.173.0	-1.773
Changes in specific grants		0.108	0.150	0.140
Sub total		2.505	2.985	3.775

4.9 Council Tax levels

With a Band D Council tax of £1116.11 the Council continues to set one of the lowest Band D Council Taxes of all Metropolitan Districts – 4th lowest out of 36 in 2013-14.

In total the Council budgeted to raise £138.2m in Council Tax in 2013-13, 9.9% of the Council's gross expenditure.

The resources included in the Forecast has assumed no increase in Council Tax. As the terms of the Council Tax Freeze grant announced in SR2013 are yet to be confirmed, the Forecast does not include either a 2014-15 or 2015-16 Council Tax Grant. For planning purposes it is forecast either a 1% increase in Council Tax or a 1% Council Tax freeze grant would raise an additional £1.4m.

After taking into account the impact of Council Tax discounts and council tax changes an increase of 500 Band D properties has been built into the Council Tax base in each of the three years of the Forecast.

4.10 Council Tax Referendum

For 2013-14 the Council Tax referendum principles stated that Councils would be required to hold a referendum if compared to 2012-13 they wished to increase their relevant basic amount of council tax by over 2%. The comparison was derived from a calculation which for referendum purposes excluded the levies set by Transport Authorities and Drainage Boards, both of which are included in resident's final council tax bills.

Under the Government's planned changes to Council Tax referendum rules (See Section 3.2) levies set by bodies outside full Council control would have to be included in Council tax referendum calculations. This change adds a further uncertainty to forecasting the Council's resources especially in the light of the proposed creation of a Combined Authority which would be a levying body.

4.11 Medium Term Expenditure Forecast 2014-15 to 2016-17

Turning now to expenditure, we have made assumptions about the likely trends on the main types of spending. The starting point for the forecast is the 2013-14 base Council Tax requirement approved by Council 26th February adjusted for £11.2m of one off items and transitional expenditure funded from reserves. Below, we detail the material financial planning assumptions.

Pay Inflation

Although the Council does not receive any specific funding for pay awards, the Spending Round 2013 assumed public sector pay awards in 2015-16 would be limited to an average of up to 1 per cent. Pay related awards of 1% for 2014-15 and 2015-16 and 2% for 2016-17 have therefore been assumed. Services are expected to absorb incremental increases.

In the base budget £0.3m remains unallocated following the implementation of a new single status pay line for staff below Scale 6. The forecasts may be affected by the outcome of extending the new single status pay structure to former Education Bradford staff.

The current Forecast assumes that the £250 payment to staff earning less than £21k will be repeated in the three years of the Forecast. If this is not the case a saving of £1.9m will be delivered.

Non Pay Inflation

In previous forecasts general expenditure budgets have been increased in line with anticipated increases in inflation and income budgets indexed by a similar amount. (Option 1 below)

In recognition of the pressures certain Services are experiencing in delivering their income targets a number of options are available for internal budgeting.

Option 1 – increase all general expenditure budgets and income budgets by 2%. For significant contracted services, where known, apply the actual indexation.

Option 2 – no inflationary increases provided for standard, non contractual expenditure budgets only specific contracts. Income inflation of 2% applied to all income budgets.

Option 3 – increase all general expenditure budgets but exempt certain income budgets from a 2% uplift.

The impact on the forecast of each of these options is set out in Table 8. Option 1 is the amount included in the current Forecast Appendix A

Table 8 Price indexation options- 2014-15 only

	Expenditure Indexation £m	Income Indexation £m	Net Impact on Forecast £m
Option 1 – 2 % all expenditure and income	6.730	-2.452	4.278
Option 2 – specific contract indexation and 2% on income budgets	4.225	-2.452	1.773
Option 3 – 2% on all expenditure budgets but 2% only on selected income budgets	6.730	-1.702	5.028

The choice of option does not change the amount of money available for Departmental spending, only the internal distribution of funds and the measure of the budget to be closed by budget decisions.

An increase of £8 per tonne (12.5%) in the standard rate of landfill of tax from 1 April 2014 and in each of the subsequent two years of the plan has been built into the cost base.

Pension Contribution Rates

For the three years commencing April 2014 pension contribution rates will be determined by the outcome of the 2013 Actuarial valuation. The result of this valuation will be determined by the state of financial markets at that date and the impact of the introduction of the new LGPS on 1 April 2014. Given that at this point therefore it is not possible to quantify any changes in contribution rates, the forecast assumes the employers contribution rate will remain at 15%.

Capital Financing Costs

To support the cost of financing the current capital investment plan, the Council has set aside a base budget of £54m. The Forecast assumes that the Council will continue to use internal cash balances to fund new capital expenditure and not redeem early any loans outstanding. All capital expenditure financed by borrowing after 1 April 2013 will be repaid on an equal instalment basis.

Demand-Led Service Pressures

With the exception of the continuing cost pressure within Adult Services no other demand led cost pressures have been built into the forecast.

West Yorkshire Transport Fund

Leaders of the five West Yorkshire Authorities and York have agreed in principle to create a £1bn West Yorkshire Transport Fund to invest in a ten year targeted in infrastructure programme. The Fund is currently forecast to deliver 20,000 jobs and grow West Yorkshire's economy by over £1bn a year. Bradford's contributions of £0.3m, £1.9m and £3.1m over the next three years have been included in the Forecast.

Service Saving Proposals

The Forecast assumes that in 2014-15 £16.3m of specified Service savings and £4m reduction in non pay budgets will be achieved. If the tracking of these savings identifies this not to be the case, the Forecast assumes Services will absorb the shortfall through compensating savings.

Risk Action Budget

Given the significant uncertainty around forecast income streams, the risk action budget of £2.5m created to mitigate against the possibility that savings of £28m savings required in the third year of the SR2010 might not be delivered in full has been retained in the Forecast.

Reserves

It is assumed that the Council will continue to strictly adhere to its policy (see paragraph 6.7) on the use of Reserves and place no reliance on reserves to fund base expenditure.

4.12 Revenue Funding Gap and Implications

Based on the assumptions made, the Medium Term Financial Forecast initially identifies the need for further savings of £37 in 2014-15 rising to £98 by 2016-17. This Forecast derives from comparing forecast expenditure assuming no changes to current plans, with forecast income, to give a deficit to be managed out through budget decisions. The figures should be read in the context of £101m savings being delivered in the first three years of SR2010 (2011-12 to 2013-14). In terms of the size of the Council this means that over six years the resources available to the Council will have reduced by a third.

Table 9 – Funding Gap

	2014-15 Estimate £m	2015-16 Estimate £m	2016-17 Estimate £m
Net Expenditure	451.184	458.798	469.576
Resources			
Business Rates	-68.680	-70.809	-73.004
Top Up Grant	-56.119	-57.632	-59.419
Revenue Support Grant	-148.067	-118.679	-99.252
Council Tax	-138.718	-139.276	-139.834
Use of reserves	-2.516	-421	0
	-414.100	-386.817	-371.509
Funding Gap	37.084	71.981	98.067
As a % of net expenditure	8.2%	15.7%	20.9%

Further detail of the Forecast components is set out in Annex A.

What are the implications of this Forecast for decision making? Cost control will remain the dominant lever available to the Council to manage its financial health. However with 46% of its current expenditure funded from local Business Rates (15%) and Council Tax (31%) growing both Business and Council tax bases are also vital to the Council's financial health and its ability to invest

4.13 Risk Assessment and Sensitivity

Given the changes in Local Government Finance implemented in 2013-14 and the absence of any individual authority funding allocations beyond 2014-15 means there is a considerable risk and uncertainty attached to predicting the medium term resources likely to be available to the authority.

Whilst both the partial localisation of Business Rates and the localisation of Council Tax Support provides the Council with an incentive to grow its local economy, at the same time they transfer significant risk to the local authority.

As demonstrated in Table 10 a relatively small change in any of the key underlying assumptions can produce a significant change in the forecast. The key sensitivities are outlined below:

Table 10 – Risk assessment

Impact of a 1% change	£m
Pay	2.2
Non pay – expenditure	3.4
Non pay – income	1.2
Employers Pension contribution	1.5
Business Rates	0.7
Government funding – RSG	1.5

4.14 Capital Investment Plan

Capital spending will remain a significant aspect of the Council's financial strategy. Capital activity is financed either from borrowing, capital grants, and capital receipts or directly from revenue. The revenue costs of financing past and current capital spend (including interest, provision for repayment of the principal element of the debt and any premia on loans redeemed early) are funded from a capital financing budget of around £54 million.

The Government has ceased to provide additional resources to fund new borrowing by the Council. Therefore any borrowing undertaken by the Council has a net direct effect on its revenue budgets. Currently interest rates available to local authorities are at an historic low making the costs of borrowing cheap. Equally the returns on any cash balances invested are also low. However a change in the PWLB rules for the early redemption of loans, has increased the cost and made it disadvantageous to redeem debt early.

The Council's objectives in managing the capital financing budget, which is approximately 12% of the Council's net revenue budget are:

- To ensure that the schemes in the CIP are funded in the most cost effective way for the Council.
- To ensure that the financing costs do not become an unsustainable burden on the Council revenue.
- To manage the portfolio of debt in such a way that the Council is not exposed to major shifts in interest rates by managing the maturity structure of debt and exposure to interest fluctuations.
- To ensure that capital spending is aligned to the Council's priorities

The existing Capital Investment Plan has been updated to take account of carry forward of unused resources from 2012-13, the latest information with regard to grants and revised phasing of planned spend. This is the starting point for capital activity in the medium term. It is summarised at Annex B, and is distinguished by the following features:

- The current plan is affordable within known forecast resources
- The composition of the plan in terms of objective is as follows, (the full analysis by department is shown in Annex B):

Table 11– Capital Investment Plan

	Total 2013-14 £'000	% of Total
Maintenance of Council's Fixed Assets	72,665	35%
Invest to Save	1,476	1%
New Build or Acquisition	81,116	38%
Waste Management Project	2,742	1%
Schools Capacity	17,124	8%
City Centre Regeneration	18,376	9%
Grants to Third Parties	11,042	5%
Other	6,389	3%
TOTALS	210,930	100%
Specific resources	94,214	44%
Corporate resources	116,716	56%
Total	210,930	100%

Table 12 – Capital Financing Costs

	2013-14 £m	2014-15 £m	2015-16 £m	2016-17 £m
Capital financing costs	50.5	51.3	49.4	38.9

The capital financing cost forecast for future years, shown in Table 12, assumes no additional schemes are funded from corporate resources and that the Council does not seek to refinance loans that are due to mature in those years. The significant drop in 2016-17 is due to the expensive loans taken out in the 1980s coming to an end. The repayment of the principal of these loans would result in a drop in the council's cash balances.

For the purpose of calculating the overall funding gap, the Forecast does not take into account the decrease in costs set out in Table 12 (it assumes expenditure remains the same). The Forecast therefore, allows additions to the Capital Investment plan which are currently not specified.

The squeeze on revenue resources does however mean that future capital spending decisions must be justified against stricter criteria than before in terms of affordability, benefit realisation and cash return on investment.

5 FINANCIAL PLANNING FRAMEWORK

A local authority must have a sound planning system enabling it to manage changes in future resources, service demand and the impact on spending levels. Budget setting is at the core of the financial planning process. It is a complex process that must be fully integrated with the authority's strategic planning, service planning and value for money planning.

More and more financial planning will draw on zero based budgeting techniques as the financial constraints force root and branch reappraisal of all activities. Strategic Directors and Portfolio Holders working together are at the centre of the budget process

In determining its Budget, the Council will take account of the public sector equality duty as detailed in the Equality Act 2010. Strategic Directors in consultation with Portfolio Holders will seek to address any concerns about any potential disproportionate impact of particular proposals on any 'protected characteristic' group (as defined by the Act) when carrying out their responsibilities under the budget setting process. The Council will also adopt the same approach in assessing the impact of budget proposals on low income groups.

The Council will ensure that there is meaningful consultation throughout this process. The Council will ensure it meets its legal obligations in this respect, both as a public authority responsible for the delivery of services in the District, and as an employer (in the event that workforce implications are envisaged).

The Council will apply rigorous project management principles to its budget setting process to ensure consistency, effective management of interdependencies across Council services and compliance with the principles of the current internal design.

6 STRATEGIES FOR DELIVERING PRIORITIES AND EFFICIENCIES

This section of the Strategy looks at the approach and policies adopted by the Council to deal with the effect of the savings the Council has had to and will continue to have to make, together with the growing needs, demands and expectations of the District's citizens.

6.1 Value for Money

The Council will use a full range of strategies, approaches and tools to ensure it gets value for every pound it spends. They include:

- Exploring the options for innovative and alternative models of service delivery
- Commissioning and procurement strategies and frameworks
- Reviewing and identifying the opportunities to share services and jointly commission services with other organisations
- A performance management framework
- Use of wide range of management information on efficiency and productivity
- External benchmark and other comparative indicators
- Qualitative surveys
- User involvement (co-production, devolved decision-making) and emphasis on social value
- Demand management and other techniques to manage non-pay costs
- Pricing and charging
- Contract management tools
- Business case and other decision-support techniques
- Cross-Agency pooling of resources
- System and process reviews
- Zero based budgeting

6.2 Partnership Working

A review of Partnership arrangements in 2011 led to a rationalisation of structures and streamlining governance arrangements, with fewer standing partnership meetings.

The partnerships and networks are responsible, with the Bradford District Partnership (BDP) Executive Board, for the joint delivery of outcomes identified in our shared Community Strategy 2011-14. The Executive Board provides strategic leadership and oversight to the delivery of shared priorities and provides a collective response to challenges facing the district.

6.3 Relationship with the Voluntary and Community Sector

The Council values its relationship with the Voluntary and Community Sector (VCS) as a partner and recognises the significant role it plays in delivering on our shared priorities for the District.

As Government reforms and reductions in public spending continue to take effect, the Council remains committed to working with the VCS and engaging in a mature and ongoing dialogue about delivering on priorities and addressing the key strategic issues affecting the District. In particular, the Council will seek the close involvement of the sector in reviewing VCS commissioning arrangements.

6.4 Relationship with Business Sector

To help deliver a thriving local economy and support business growth the Council maintains strong links to the business community in order to understand its needs and help identify potential opportunities for investment and growth. The Council will continue this approach to working with the private sector through direct contact with business and through relevant partnerships/networks. This activity helps to both promote Bradford District as a place to do business in and to support local entrepreneurs, skills and the delivery of additional employment opportunities.

6.5 Community Budgets / Payment by Results

The Council is committed to making wise use of the totality of all of the assets and resources available to the District. This means thinking more radically and planning for larger-scale transformational change in service delivery. It is clear that efficiency measures alone will not be sufficient to meet the challenges that the District faces.

Families First is one example of such a radical response, as part of the Bradford district partners' approach to the national Community Budget programme to more effective ways to improve outcomes while driving efficiency savings across all services at a local level. Families First is focusing on addressing the issues faced by families with complex needs, as it has been shown the cost to public spend in an area of dealing with such families is disproportionately high.

6.6 Internal Changes

Managing the Council's Buildings

The programme to manage the Council's buildings (the Property Enabler) is now five years into a 10 year invest-to-save strategy, with the objectives of;

- Generating financial savings by reducing the size and running costs of the Councils operational estate
- Disposing of surplus operational property to generate capital receipts and reduce levels of backlog maintenance
- Re-investing in the retained estate to aid service delivery improvements and reduce backlog maintenance
- Implementing flexible working to reduce the amount of office accommodation required.

6.7 Reserves Policy

The Council's reserves play a pivotal part in our approach to resource management.

The Council ended 2012-13 with £163.8m revenue reserves (£120.7m Council and £43.1m Schools). After £9.0m of Corporate Reserves and £0.2m of Service earmarked are used to support the 2013-14 budget only £17.3m (10%) of reserves are unallocated.

Table 13

	Balance at 1 April 2013	Reserves used to support 2013-14 Budget	Released in First Qtr of 2013-14	Balance at 1 July 2013
	£m	£m	£m	£m
Planned Use of Revenue Reserves				
Total	163.8	-11.3	-12.2	140.3
Comprising:-				
Corporate earmarked reserves to cover specific financial risks or initiatives	46.6		-5.5	41.1
Reserves to support the capital investment plan	13.7			13.7
Service earmarked reserves supported by spending plans	16.6	-0.2	-1.9	14.5
Grants received but not yet used for their specified purposes	6.7		-4.8	1.9
General Fund balance	10.8			10.8
School balances	43.1	-2.1		41.0
Remaining unallocated corporate reserves	26.3	-9.0		17.3

At the start of 2013-14, reserves available to support the annual revenue budget (non-earmarked reserves) represented approximately 1% of gross Council expenditure.

The Council will continue to manage its usable and earmarked reserves prudently, recognising that the volatile fiscal climate requires the Council to remain resilient, through the retention of adequate balances.

Accordingly, reserves should be used only to:

- Support transitional arrangements both organisational and in our communities, in recognition of the fact that some changes cannot be implemented in one financial year or over the short-term.
- Fund non-recurrent or time limited activities contributing to Council priorities (where there is a compelling business case)
- Support invest-to-save activity

In setting the 2013-14 Budget £9.2m of Council and £2.1m of School reserves have been used in accordance with this policy.

As part of the 2014-15 budgeting cycle a thorough review of all reserves will be undertaken, including those previously earmarked to ensure optimum use of available

funds. The level of general balances and specific earmarked reserves will be reported quarterly in the Director of Finance's monitoring report to Executive.

The Council has a long standing principle to maintain a prudent level of general reserves. This is currently set at 2.5% of the net general fund budget each year and informed by a risk assessment.

6.8 Fees, Charges and Income Stability

Of the Council's overall gross expenditure spend of £1.3bn, approximately 12% is funded from fees and charges. Given the protracted economic recovery in the District a clearer picture is emerging of the risk to both delivering this level of income in the short term and forecasting resources from fees and charges.

To address these issues

- Services will maximise income opportunities whilst having regard to Council and partners priorities, service performance and the impact on key service groups and businesses in Bradford.
- The Council will have regard to the cost of collection when setting charges and aim to recover promptly all income that it is due.

6.9 Capital Financing and the Capital Investment Plan

The resources included in the revenue budget to meet the cost of borrowing will be continuously reviewed, to establish the level of future borrowing that can be supported. At the same time the level of resources from capital receipts and grants will be refreshed in order to establish whether capital spend can be increased or alternatively schemes will have to be delayed or removed.

A Project Appraisal Group will be the expert officer forum for reviewing the Capital Investment Plan and scrutinising individual business cases, in support of Directors and Members.

All capital receipts will be treated as a Corporate Resource.

6.10 Council Tax Setting

Historically the Council has set relatively low levels of Council Tax, below the averages for both Metropolitan Districts and all local authorities in England. This means that there is a wider gap between resources and expenditure when there are reductions in central government funding.

Going forward the key objective will be to strike a balance between protecting services, investing in priority areas and setting an appropriate level of Council Tax.

The Council aims to collect a minimum of 98.5% of all Council Tax debt raised.

6.11 Budgetary Control and Monitoring

- Budgets will be controlled by the relevant budget holders, monitored regularly throughout the year and reported alongside performance information to individual Assistant Directors and Strategic Directors on a monthly basis. Executive will receive quarterly reports to ensure that action is taken to address any significant unplanned deficits or surpluses.
- Service areas are required in the first instance to accommodate unforeseen expenditure or income shortfalls from within their approved cash limits in any particular year. Allocations from reserves will only be made if there is no alternative and on the approval of Executive.

The detailed principles applying to all aspects of financial management are set out in the Council's Constitution.

6.12 Internal Control and Reporting

The maintenance of a sound internal control environment is paramount, and the Council has developed and embedded effective corporate governance. Within the prevailing internal and external protocols and guidance, including the local Code of Corporate Governance, the Council will aim to deliver best practice in this important area.

Financial monitoring and reporting will be undertaken in accordance with the budget management and control framework and in line with the corporate financial monitoring and reporting timetable. The current and estimated year end financial position will be reported, including progress against savings targets at regular intervals to both Members and officers. Reporting will be on an exception basis bringing managers' and Members' attention to important financial issues linked to cost drivers and strategy. The emphasis will be on future corrective action to bring performance back on track rather than explaining past performance.

Quarterly financial monitors presented to Members will report on key balance sheet balances as well as the forecast revenue and capital expenditure positions.

6.13 Improvements in Management Information

A programme of work continues to make more use of activity-based and unit cost information, to focus more on productivity and value for money. It is planned that increasing emphasis will be placed on performance reporting alongside financial stewardship reporting.

6.14 Performance Management Arrangements

The Council's performance management framework provides focuses our activities on agreed corporate priorities and business objectives, and measuring progress towards these. Key elements of the framework are the arrangements for corporate and service planning, performance monitoring, reporting and decision making. The performance management framework is being continuously enhanced especially to strengthen links with the management of finance and other resources.

A key element of the Council-wide performance management arrangements is its corporate performance indicators. This set is aimed at assessing both the Council's progress towards its priorities and District wide outcomes, and also the effectiveness of the Council's operational arrangements. While the spread of indicators will be reviewed in order to ensure that the set continues to be relevant, currently 12 out of 50 indicators are closely linked to the management of financial and other resources. At a departmental/ service level a focus on finance and performance issues is maintained by the participation of finance officers in the regular review of performance at departmental management teams.

6.15 Transparency

The Council will aim to provide a much wider, more relevant and up to date range of financial information on the Council's website. Financial information will be accompanied by a range of relevant operational and other information to put it into context and make it more useful to the public.

In line with Government directive, the Council makes available information on payments made in excess of £500 on a monthly basis together with information on its Pay Policy.

6.16 Risk Management Strategy

The Council has in place a comprehensive Risk Management Strategy and action plan. All financial decisions take place within the principles set out in the risk management strategy. Responsibility for the management of financial risk is shared between elected members and officers with overall risk management being the responsibility of the Executive.

The Risk Management Strategy provides a framework which is designed to enable the Council to take a proactive approach to the identification and management of risk and opportunity, and to ensure that it is best placed to seize the opportunities that present themselves. The Council will not be risk averse, and will seek to seize and maximise opportunities by the appropriate identification and management of risk.

In constructing and assessing the annual budget for the forthcoming year, a comprehensive financial risk assessment is undertaken for all parts of the budget, including sensitivity analysis, and steps are taken to manage identified risks to the extent appropriate.

The Council has adopted the Covalent Risk management database for recording, monitoring and overall management of its risk register. It provides a consistent method for scoring and evaluating a risk status and promotes pro-active risk management.

The Risk Register is reviewed, assessed and updated on a regular basis, with each service formally documenting its key risks and potential impacts and the actions taken to mitigate those risks. New this year is the addition of risks to the Council's Public Health priorities. Corporate and significant departmental risks are reported to the Executive in reports dealing with financial monitoring and budget setting.

Annex A

THREE YEAR MEDIUM TERM FINANCIAL PLAN

	2014-15	2015-16	2016-17
	Forecast	Forecast	Forecast
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
NET EXPENDITURE			
2013-14 Base Budget	453,401.6	453,401.6	453,401.6
Reversal of one off and transitional funding	-11,175.5	-11,175.5	-11,175.5
Sub total	442,226.1	442,226.1	442,226.1
FUNDING CHANGES			
Public Health Grant	-3,154.0	-3,154.0	-3,154.0
Matching Public Health expt	3,154.0	3,154.0	3,154.0
Education Services Grant	573.0	1,173.0	1,773.0
Social Fund Admin	35.0	50.0	60.0
NHS Funding to support social care	-393.0	-500.0	-600.0
Additional Year 4,5 and 6 New Homes Bonus Grant	-1,136.0	-2,430.0	-3,830.0
Housing Benefit Subsidy Admin Grant	250.0	300.0	400.0
Return of New Homes Bonus Top Slice	-1,834.0	0.0	0.0
Return of monies top sliced for capitalisation	0.0	-1,578.0	-1,578.0
	-2,505.0	-2,985.0	-3,775.0
INFLATION			
Pay Award (1% in 2014-15 & 2015-16. 2% in 2015-16)	2,330.0	4,905.3	9,793.4
Employers LGPS Contribution - no increase	0.0	0.0	0.0
Prices	4,278.0	8,641.6	13,092.4
Landfill tax	700.0	750.0	800.0
West Yorkshire Integrated Transport Levy	400.0	800.0	1,200.0
Base Net Expenditure Requirement	447,429.1	454,38.0	463,336.9
One off investment	2,316.0	421.0	
Service pressures – Adults	1,139.0	2,139.0	3,139.0
West Yorkshire Integrated Transport Fund	300.0	1,900.0	3,100.0
NET EXPENDITURE REQUIREMENT	451,184.1	458,798.0	469,575.9
RESOURCES			
Localised Business Rates	-68,680.1	-70,809.1	-73,004.2
Top Up	-56,119.0	-57,632.0	-59,419.0
Rate Support Grant	-148,067.0	-118,679.0	-99,252.0
	-272,866.1	-247,120.1	-231,675.2
Use of Reserves – Corporate	-2,316.0	-421.0	0.0
Use of Reserves –Earmarked	-200.0	0.0	0.0
Use of Reserves –Schools	0.0	0.0	0.0
Council Tax Income	-138,718.0	-139,276.0	-139,834.1
Collection Fund Surplus/Deficit			
Total resources	-414,100.0	-386,817.2	-371,509.3
Budget shortfall	37,084.1	71,980.8	98,066.6
Memorandum			
Council tax base	123,787	124,287	125,287
Council tax Band D (2.0% referendum limit)	£1,116.11	1,116.11	1,116.11

Capital Investment Plan

Annex B

Scheme No	Scheme Description	Funding	Budget & Forecast 2013-14 £'000	Budget 2014-15 £'000	Budget 2015-16 £'000	Total £'000
Adult & Community Services						
CS0237	Adult Residential Strategy	C	0	17,040	0	17,040
CS0239	Community Capacity Grant	SG	1,661	745	0	2,406
CS0008	HIV Capital Grant	SG	240	0	0	240
CS0257	BACES Mattresses	DRF	534	0	0	534
Total - Adult & Community Services			2,435	17,785	0	20,220
Children's Services						
CS0073	Academies Programme	C,SG	5,564	0	0	5,564
CS0181	SEBD School	C	1,223	0	0	1,223
CS0231	C&I School (Conversion of Thorn Park)	C	1,368	0	0	1,368
CS0025	Childrens Home Residential Provision	SG	826	0	0	826
CS0227	Designated Specialist Provision at Grange/ Southfield	SG	397	0	0	397
CS0256	2 yr old Nursery Educ Expansion Prog	SG	1,266	0	0	1,266
CS0199	Wyke Decom & Demolition	C	277	0	0	277
CS0012	Schools Access Initiative	C	64	0	0	64
CS0022	Devolved Formula Capital	SG	1,594	0	0	1,594
CS0030	Capital Improvement Work	SG	15	0	0	15
CS0040	Extended Schools	SG	17	0	0	17
CS0042	Primary Capital Programme	C,SG	464	0	0	464
CS0043	Modernisation Grant	SG	14	0	0	14
CS0188	Capital Improvements Programme	SG	226	0	0	226
CS0240	Capital Maintenance Grant	SG	9,830	0	0	9,830
CS0244	Primary Schools Expansion Programme	SG	11,096	0	0	11,096
Total - Children's Services			34,241	0	0	34,241
City Solicitor						
CS0258	Forensic Science Centre - new equipment & flooring	C	48	0	0	48
CS0284	Forensic Science Development	C	100	0	0	100
Total - Performance			148	0	0	148
Environment & Sports						
CS0060	Replacement of Vehicles (funded by prudential borrowing with revenue funding identified by service dept)	PB	3,821	3,000	3,000	9,821
CS0061	Air Quality Monitoring	SG	20	0	0	20
CS0064	Urban and Rural Villages	C	28	0	0	28
CS0066	Ward Investment Fund	C	47	0	0	47
CS0090	Landfill Restoration Sugden End	C	65	0	0	65

City of Bradford Metropolitan District Council's Medium Term Financial Strategy

CS0092	Parry Lane Depot - demolish and make safe car park - adding value to site	C	92	0	0	92
CS0193	NWOW Parking Services	PB	132	0	0	132
CS0063	Waste Infrastructure and Recycling projects	SG	630	0	0	630
CS0226	DEFRA Grant		75	75	0	150
CS0253	Contaminated Land (Bfd TLS) req'd for Bowling Back Lane site	C	1,000	0	0	1,000
CS0254	Waste Infrastructure to Facilitate PFI	C	909	0	0	909
CS0259	Gypsy & Travellers Site Imp	C	345	0	0	345
CS0283	Above Ground Fuel Storage	C	96	0	0	96
CS0121	Roberts Park	C,SG	196	0	0	196
CS0187	Comm Sports Field & Facilities	C	125	0	0	125
CS0229	Cliffe Castle restoration	C,SG	74	666	0	740
CS0242	War Memorial	C	104	0	0	104
CS0260	Rawdon Meadows	PB	125	0	0	125
CS0004	S106 Recreation	SG	22	0	0	22
Total - Environment & Sports			7,906	3,741	3,000	14,647

Regeneration - Culture and Tourism						
CS0107	St James Wholesale Market	C	25	0	0	25
CS0108	Oastler Shopping Centre	C	30	0	0	30
CS0109	Kirkgate Market	C	20	0	0	20
CS0111	Markets Events, Minor Works, Plant & Equipment	C	180	0	0	180
CS0117	Haworth Library	C,SG	0	0	444	444
CS0118	Library Management System	C	16	0	0	16
CS0247	Replace Box Office Equipment	C	248	0	0	248
Total - Regen - Culture & Tourism			519	0	444	963

Regeneration - Property & Economic Development						
CS0094	Property Programme (Formerly B-Works)	C	1,488	0	0	1,488
CS0262	Property Programme - Knowledge Tower/Library reprovion	PB	3,998	6,734	5,091	15,823
CS0264	Property Programme Office Rationalisation	C	0	4,000	0	4,000
CS0055	DDA Compliance, Access Work	C	200	100	81	381
CS0230	Beechgrove Allotments	PB	225	0	0	225
CS0213	Park Dam	C	14	0	0	14
CS0084	City Park	C,SG	451	0	0	451
CS0085	City Centre Business District	C	4,940	5,444	0	10,384
CS0086	LEGI	SG	55	0	0	55
CS0087	Bradford Centre Regeneration	C	23	0	0	23
CS0189	Buck Lane	C	875	140	0	1,015
CS0224	Grosvenor Play Area	SG	5	0	0	5
CS0228	Canal Road	C	300	0	0	300
CS0241	Re-use of Former College Buildings Keighley	C	657	0	0	657
CS0265	LCR Revolving Econ Investment Fund	C	4,100	0	0	4,100
CS0266	Superconnected Cities	C	2,000	0	0	2,000
CS0268	Sun Lane Nature Reserve	C	50	0	0	50
CS0269	Burley In Wharfedale Culvert repair	C	100	0	0	100
CS0270	Milton House	C	75	0	0	75
CS0271	Wakefield Rd - improvements & relocation	C	300	0	0	300

City of Bradford Metropolitan District Council's Medium Term Financial Strategy

CS0272	Greyhound Dr - highways works to Mumtaz	C	27	0	0	27
CS0273	Silsden Town Hall - library relocation	C	300	0	0	300
CS0276	Keighley Town Hall - move Connexions	C	80	0	0	80
CS0279	Shipley Town Hall - relocation of 39 Kirkgate	C	60	0	0	60
CS0285	Strategic Development Fund	C	5,560	0	0	5,560

Total - Regen – Property & Economic Development			25,883	16,418	5,172	47,473
--	--	--	---------------	---------------	--------------	---------------

Regeneration - Climate, Housing, Employment & Skills

CS0050	Carbon and Other Management Efficiencies	C	4,079	1,800	0	5,879
CS0134	Computerisation of Records	C	24	0	0	24
CS0136	Disabled Housing Facilities Grant	C,SG	3,754	1,436	0	5,190
CS0137	Development of Equity Loans	C	1,318	500	500	2,318
CS0142	Neighbourhood Plan (Master planning)	SG	38	0	0	38
CS0144	Empty Private Sector Homes Strategy	SG	1,214	0	0	1,214
CS0145	Affordable Housing PPG	DC	376	0	0	376
CS0146	Housing Market Renewal	SG	260	0	0	260
CS0157	DEEP/Community Warmth	C,SG	317	0	0	317
CS0160	New Affordable Housing - Longfield Dve	SG, PB	607	0	0	607
CS0223	New Affordable Housing - Beech Grove	SG, PB	624	0	0	624
CS0225	Affordable Housing Programme 2011-2015	SG,PB	8,261	3,280	0	11,541
CS0233	Great Places	C	375	0	0	375
CS0250	Goitside	C	1,200	0	0	1,200
CS0255	Mail & Post Relocation to Birkslands	C	29	0	0	29
CS0288	Saltaire Hydro	C	1,100	0	0	1,100
CS0280	Empty Homes - bring back into use	C	490	450	450	1,390

Total - Regen - Climate, Housing, Employment & Skills			24,066	7,466	950	32,482
--	--	--	---------------	--------------	------------	---------------

Regeneration - Planning

CS0105	Buildings Elevation Restoration	SG	21	0	0	21
CS0131	Keighley Town Centre Heritage Initiative	C,SG	2,349	0	0	2,349
CS0178	Ilkley Moor	C,SG	64	0	0	64
CS0179	Landscape Environmental Improvement	SG	113	0	0	113
CS0281	Saltaire - Public Realm imp	C,SG	250	250	250	750

Total - Regeneration - Planning			2,797	250	250	3,297
--	--	--	--------------	------------	------------	--------------

Regeneration - Highways & Transport

CS0091	Capital Highway Maintenance	SG	4,207	540	0	4,747
CS0095	Bridges	SG	1,459	0	0	1,459
CS0096	Street Lighting	SG	836	0	0	836
CS0097	Bridge Assessment	SG	180	0	0	180
CS0099	Integrated Transport	SG	2,206	0	0	2,206
CS0101	S. Bradford Integrated Transport Improvements	SG	11	0	0	11
CS0103	WY Casualty Reduction Partnership	SG	95	0	0	95
CS0104	Worth Valley (Haworth Main St)	C	20	0	0	20

City of Bradford Metropolitan District Council's Medium Term Financial Strategy

CS0164	Local Integrated Transport Schemes	SG	1,613	0	0	1,613
CS0168	Connecting the City (Westfield Agreement)	SG	344	0	0	344
CS0169	Public Realm Improvements, City Centre	C,SG	545	262	0	807
CS0171	Connecting Airedale	C	9,452	0	0	9,452
CS0172	Saltaire Roundabout Congestion & Safety Works	SG	2,680	0	0	2,680
CS0175	Connect 2 (Manchester Rd F'bridge)	SG	171	0	0	171
CS0190	City Ring IV Facilitating Regeneration	C,SG	2,950	3,050	0	6,000
CS0232	Local Sustainable Transport Fund	SG	144	0	0	144
CS0252	Measures to Support Hubs	SG	42	0	0	42
CS0282	Highways Strategic Acquisitions	C	600	0	0	600
Total - Regen - Highways & Transport			27,555	3,852	0	31,407
Reserve Schemes & Contingencies						
	Markets	C	400	400	400	1,200
	General Contingency	C	1,964	2,000	2,000	5,964
	Wyke Manor Ph2 Sports Dev	C	493	0	0	493
	City Centre Sports Facility	C	0	3,000	14,500	17,500
	Street Lighting Invest to Save	PB	846	0	0	846
	Allotments	C	50	0	0	50
Total - Reserve Sch & Contingencies			3,753	5,400	16,900	26,053
TOTAL - All Services			129,302	51,912	26,716	210,930