

Report of the Director of Finance to the meeting of Executive to be held on 22 July 2014.

H**Subject:****Medium Term Financial Strategy 2015-16 to 2017-18 and beyond****Summary statement:**

The Medium Term Financial Strategy focuses on how the Council intends to respond to the forecasted financial challenge it faces in both the medium term up to 2017-18 and beyond. It sets out the approaches and principles that will be followed to ensure the Council remains financially viable and delivers sustainable public services in line with its priorities.

With further reductions in Government funding expected, inevitably the Forecast shows a Council continuing to get smaller. On top of the Budget decisions taken in February 2014, it identifies an immediate need to reduce revenue spending by a further c £22m by 31 March 2017. Beyond which the residual funding gap continues to rise to £131m by 2020-21.

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Portfolio: Leader of the Council

Overview & Scrutiny Area:

Corporate



1. SUMMARY

- 1.1 The Medium Term Financial Strategy (MTFS) focuses on how the Council intends to respond to the forecasted financial challenge it faces in both the medium term up to 2017-18 and beyond. It sets out the approaches and principles that will be followed to ensure the Council remains financially viable and delivers sustainable public services in line with its priorities.
- 1.2 With further reductions in Government funding expected, inevitably the Forecast shows a Council continuing to get smaller. On top of the Budget decisions taken in February 2014, it identifies an immediate need to reduce revenue spending by a further c £22m by 31 March 2017. Beyond which the residual funding gap continues to rise to £131m by 2020-21.

2. BACKGROUND

- 2.1 The Strategy forms part of the Council's planning and performance framework, and provides the context for the more detailed budgeting process.
- 2.2 The MTFS 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. This year the Medium Term Forecast has been extended to provide a longer term view up 2020-21.
- 2.3 The MTFS (Appendix A) comprises four sections
1. Purpose, priorities and principles – page 2
 2. Medium Term Financial Forecast and Gap Analysis – page 4
 3. Risks associated with the Forecast – page 6
 4. Capital Strategy – page 7

Followed by a series of Annexes

| | |
|---------|-------------------------------------|
| Annex A | Current Cost and Resource Structure |
| Annex B | Expenditure Forecast Assumptions |
| Annex C | Resource Forecast Assumptions |
| Annex D | Planning Framework |
| Annex E | Capital Investment Plan |

3. OTHER CONSIDERATIONS

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

4. FINANCIAL & RESOURCE APPRAISAL

The Strategy is a financial and resource appraisal.



5. 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

6. LEGAL APPRAISAL

Non specific

7. OTHER IMPLICATIONS

Non specific

7.1 EQUALITY & DIVERSITY

Non specific

7.2 SUSTAINABILITY IMPLICATIONS

Non specific

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Non specific

7.4 COMMUNITY SAFETY IMPLICATIONS

Non specific

7.5 HUMAN RIGHTS ACT

Non specific

7.6 TRADE UNION

Non specific

7.7 WARD IMPLICATIONS

Non specific

8. NOT FOR PUBLICATION DOCUMENTS

None



9. 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

10. RECOMMENDATIONS

- 10.1 That the Executive consider the Medium Term Financial Strategy as an assessment of the Council's financial outlook to 2017-18 and beyond, and as a framework for it to remain financially viable and deliver sustainable public services in line with its priorities.
- 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 2015-16 – 2017-18, including the Annexes to the Strategy

12. BACKGROUND DOCUMENTS

Council Budget Report 20th February 2014 Document L



**City of Bradford Metropolitan
District Council**

**Medium Term
Financial Strategy**

2015-16 – 2017-18

PURPOSE, PRIORITIES AND PRINCIPLES OF THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)

1.1 Purpose and priorities

The MTFS sets out how the Council intends to respond to:

- the forecasted size of the financial challenge it faces in both the medium and longer term (Medium Term Financial Plan – Annex A)
- the constraints of the national and local landscape
- the risks to financial resilience.

In the current financial climate the Council's principal financial aim is to remain viable so that it continues to deliver on its priorities of:

- Improved educational attainment, good schools and a good start for every child
- Economic growth delivering good quality jobs for local people
- Improving outcomes for the most vulnerable adults children and families
- Better health and reduced health inequalities
- Safe, clean and active neighbourhoods.
- An adequate supply of decent, affordable homes.

To remain affordable and deliver sustainable public services, the MTFS has three main objectives;-

- Continue the trend of recent years to manage down its recurrent cost base in line with reductions in overall resources
- Maintain income levels and increase them where possible, including growing the Council Tax and Business Rates tax base
- Maintain adequate unallocated reserves and balances to smooth the transition to a lower cost base and accommodate unforeseen challenges, and ensure its longer term liabilities and risks are adequately covered.

1.2 Approach and principles

The approach to deliver the MTFS will involve a combination of the following

- Making difficult decisions on what services the Council can afford to provide based on statutory requirements and those that have the greatest impact for the District
- Transforming service delivery to maximise the potential of all the District's assets, Council, other public sector bodies, the private sector or within the community, and exploring creative and innovative ways of delivering services and using resources
- Managing and reducing demand for services through changing citizen's behaviour
- Changing public expectations about the level and scope of Service they can expect from the Council and the role they can play in helping each other achieve positive results in their communities
- Ensuring resources are deployed to:
 - achieve an appropriate balance of preventative and reactive services
 - ensure the Council can operate effectively at neighbourhood, District and regional level
 - maintain cost-effective partnerships, through pooling resources and collaborating with various organisations in the District

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

- protect frontline services
- achieve the right-size corporate and support services
- reduce the cost of external borrowing in line with funding reductions
- prioritise investment in economic growth and skills in order to reduce pressure on public services and grow both the Council Tax and Business Rates tax bases
- balance recurrent and non-recurrent expenditure, to ensure that investment in capital and in revenue priorities is commensurate with strategic objectives and that Council's assets are usefully deployed.
- Making sure 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.
- Having in place a robust performance management arrangement which provides an increasingly sophisticated understanding of performance against district wide and local priorities set within the context of the financial outlook

Underpinning each of the above approaches, principles will be applied to ensure that the Council

- Continues to meet its statutory obligations
- Is honest, open and transparent
- Delivers fairness and equality in decision making and outcomes
- Supports local suppliers and providers
- Looks to the long term future of the District, not just short-term fixes
- Keeps Council Tax as low as possible and charges fair
- Promotes the active involvement of local people in delivering what they want for their families and communities
- Devolves decision making to the most appropriate level.

In the following sections the cumulative impact of past and future funding reductions and increasing demand on the long term sustainability of local public services are quantified.

The Forecast, which has been extended to cover both the medium term up to 2017-18 and the longer term up to 2020-21, reflects the difficult saving decisions taken at the Council Budget meeting in February 2014.

Inevitably the analysis shows a Council that will continue to get smaller. On top of the budget decisions already made, there is an immediate residual gap to be closed of £22m by 2016-17, even after drawing almost £23m from corporate reserves. Beyond that, the gap continues to rise, to £66m by 2017-18, and to over £130m by 2020-21.

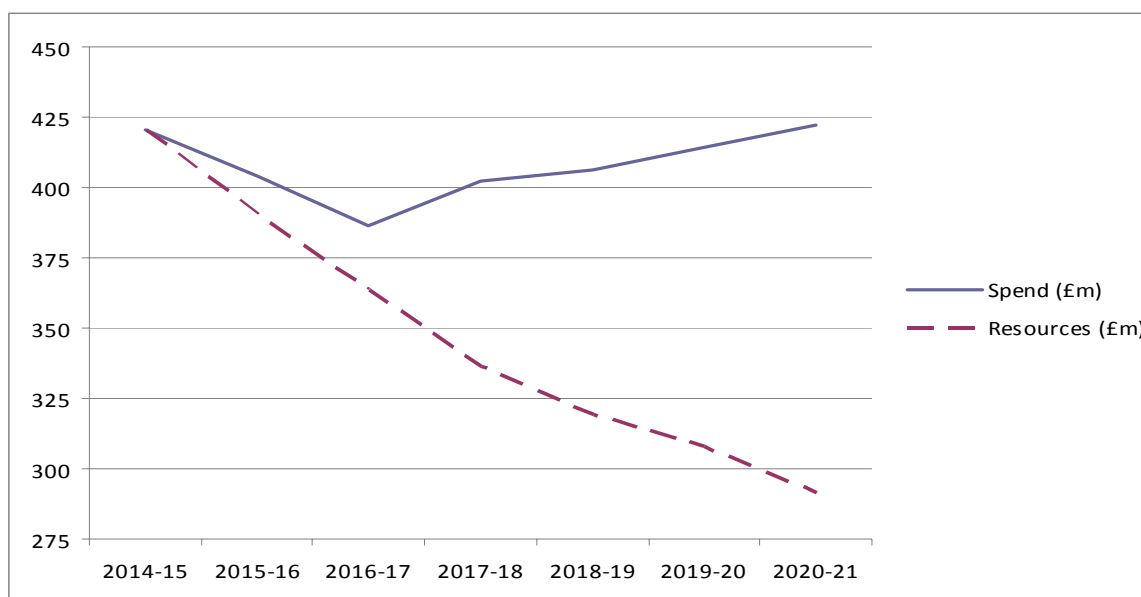
By that point, the Council measured in terms of net expenditure, is about two-thirds of its size now, in real terms

This forecast is based on a series of assumptions which are detailed in Annexes B and C. It starts from the current financial structure of the Council, which is analysed in more detail at Annex A.

The strategy and principles set out above lay down the framework and constraints for the next stage in the continuous cycle of operational and financial planning. Annex D shows in outline the plan for that next phase of planning and Annex E the Capital Investment Plan.

MEDIUM TERM FINANCIAL FORECAST AND GAP ANALYSIS

- 2.1 The medium term and longer term forecasts set out in Table 1 and Table 2 derive from comparing forecast expenditure assuming no changes to current plans, with forecast income, to give a deficit to be managed out through budget decisions.
- 2.2 The starting point for the Forecast is the current financial structure of the Council, which is analysed in Annex A. It also assumes that the 2015-16 saving proposals (£23.2m) and the indicative additional 2016-17 saving proposals (£29.5m) are all delivered in full.
- 2.3 Both the forecast cost structure and forecast future resources are affected by a number of factors, some that are within our control and others that are not, for example the impact of national policy changes. In Annex B we detail the material factors that are likely to affect the Council's spending forecasts and in Annex C the national and local influences that will influence the Council's future resource forecasts.
- 2.4 The graph below shows that after projecting the cost structure forward and taking into account future resources, we will need to make further savings or raise additional income totalling £22m by 2016-17, rising to over £130m by the end of 2012-12. When these additional shortfalls are added to the difficult saving decisions already made as part of the 2014-15 budget, the cumulative savings rise to a forecasted £118m by March 2018 and £184m by March 2021.



- 2.5 The two year 2014-15 and 2015-16 Budgets and the indicative 2016-17 Budget approved by Council in February 2014 were balanced through a combination of savings and use of unallocated reserves. The main reason why in the next two years the difficult decisions taken no longer bridge the fiscal gap are:-
- The downgrading of our assumption regarding the amount of funding that will flow to the Council from the Better Care Fund, netted off by the
 - Removal of discretionary support grant payments in line with the reduction in the funding.

TABLE 1 CUMULATIVE THREE YEAR MEDIUM TERM FORECAST

| | 2015-16 Forecast £'000 | 2016-17 Forecast £'000 | 2017-18 Forecast £'000 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| NET EXPENDITURE | | | |
| 2014-15 Base Budget | 420,552 | 420,552 | 420,552 |
| Reversal of non recurring investment | -2,268 | -2,268 | -2,268 |
| Sub total | 418,284 | 418,284 | 418,284 |
| FUNDING CHANGES | | | |
| Education Services Grant | 1,900 | 2,200 | 2,500 |
| Localisation of Council Tax Support | 268 | 268 | 268 |
| Discretionary Support Grant | 2,370 | 2,370 | 2,370 |
| New Homes Bonus Grant | -1,790 | -3,580 | -910 |
| Housing Benefit Subsidy Admin Grant | 404 | 404 | 404 |
| Return of New Homes Bonus Top Slice | -654 | -1,321 | -680 |
| Adult Social Care New Burdens | -2,728 | -2,728 | -2,728 |
| New Adult Social Care activity | 2,728 | 2,728 | 2,728 |
| Sub total | 2,498 | 341 | 3,952 |
| INFLATION | | | |
| Pay Award (1.5% in 2015-16, 2% in 2016-17.& in 2017-18) | 3,299 | 6,648 | 11,180 |
| Contract Price Indexation | 5,310 | 10,716 | 16,222 |
| Income | -1,597 | -3,226 | -4,887 |
| Employers LGPS Contribution | 0 | 0 | 2,640 |
| Employers contracted out | 0 | 5,100 | 5,100 |
| Base Net Expenditure Requirement | 427,794 | 437,863 | 452,491 |
| Demographic Pressures in Adults | 1,500 | 3,000 | 4,500 |
| Income from Better Care Fund | -6,000 | -6,000 | -6,000 |
| New activity funded from Better Care Fund | 6,000 | 6,000 | 6,000 |
| Discretionary Support Fund | -1,957 | -1,957 | -1,957 |
| 2014-15 Budget decisions | -23,241 | -52,759 | -52,759 |
| Net Expenditure Requirement | 404,096 | 386,147 | 402,275 |
| RESOURCES | | | |
| Localised Business Rates | -66,779 | -71,341 | -72,768 |
| Top Up Business Rate Grant | -57,040 | -58,925 | -61,047 |
| Rate Support Grant | -105,711 | -79,283 | -55,498 |
| Use of Reserves - Corporate | -14,993 | -7,608 | 0.0 |
| Council Tax Income | -145,749 | -146,478 | -147,211 |
| Total resources | -390,272 | -363,635 | -336,524 |
| Budget shortfall | 13,824 | 22,512 | 65,751 |
| Memorandum | | | |
| Council tax base | 128,530 | 129,173 | 129,819 |
| Council tax Band D | 1,133.97 | 1,133.97 | 1,133.97 |

TABLE 2 CUMULATIVE SIX YEAR OUTLOOK

| | 2015-16 Forecast £'000 | 2016-17 Forecast £'000 | 2017-18 Forecast £'000 | 2018-19 Forecast £'000 | 2019-20 Forecast £'000 | 2020-21 Forecast £'000 |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| NET EXPENDITURE REQUIREMENT | 404,096 | 386,147 | 402,275 | 406,326 | 414,333 | 422,344 |
| RESOURCES | | | | | | |
| Localised Business Rates | -66,779 | -71,341 | -72,768 | -74,224 | -75,708 | -77,222 |
| Top Up Business Rate Grant | -57,040 | -58,925 | -61,047 | -62,268 | -63,513 | -64,783 |
| Rate Support Grant | -105,711 | -79,283 | -55,498 | -35,000 | -20,000 | 0 |
| Use of Reserves - Corporate | -14,993 | -7,608 | 0 | 0 | 0 | 0 |
| Council Tax Income | -145,749 | -146,478 | -147,211 | -147,891 | -148,685 | -149,479 |
| Total resources | -390,272 | -363,635 | -336,524 | -319,383 | -307,906 | -291,484 |
| Budget shortfall | 13,824 | 22,512 | 65,751 | 86,943 | 106,427 | 130,860 |
| Memorandum | | | | | | |
| Council tax base | 128,530 | 129,173 | 129,819 | 130,419 | 131,119 | 131,819 |
| Council tax Band D | 1,133.97 | 1,133.97 | 1,133.97 | 1,133.97 | 1,133.97 | 1,133.97 |

RISKS ASSOCIATED WITH THE FORECAST

3.1 Inevitably in the current financial climate and with a General election imminent the numbers of uncertainties, sources of risk attached to the forecast are significant

- National policy/the future of local government
- Integration of health and social care
- Inflation – a 1% variance in pay equates to £2.2m and a 1% change in prices would have @ £2.3m impact on expenditure assumptions
- Debt management – will the Council hold sufficient cash balances not to have to take out any new borrowing when the over £100m long term loans mature over the next three years (see Section 4.7)
- Change management risk
- Academies/Schools sector – how many more schools will convert to Academy, what will a national funding formula mean for our schools
- Contractual risk
- Regional activity (esp re Local Growth Fund)
- Impact of demographics both in terms of additional demand but also additional opportunities.
- Deliverability of existing budget decisions

CAPITAL STRATEGY

- 4.1 Capital spending will remain a significant aspect of the Council's financial strategy, with planned capital investment of £244.5m over the next three years. The Council's objectives in managing this Capital Investment Plan (CIP) and its financing 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 fall as revenue resources reduce and therefore 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
- 4.2 Capital activity is financed either from borrowing, capital grants, capital receipts from the disposal of assets or directly from revenue. The revenue costs of financing past and current capital spend (which includes interest payments, provision for repayment of the principal element of the debt and any premia on loans redeemed early) are funded from a capital financing budget.
- 4.3 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.
- 4.4 The existing Capital Investment Plan has been updated to take account of carry forward of unused resources from 2013-14, the latest information with regard to grants and revised phasing of planned spend. The composition of the plan in terms of the objectives in 4.1 is summarised below with a full analysis by department in Annex E.

| Table 3 Capital Investment Plan (CIP) | Total £'m | % of Total |
|--|----------------------|-------------------|
| Maintenance of Council's Fixed Assets | 74.8 | 31% |
| Invest to Save | 4.2 | 1% |
| New Build or Acquisition | 72.8 | 30% |
| Waste Management Project | 0.1 | 0% |
| Schools Capacity | 52.0 | 21% |
| City Centre Regeneration | 27.6 | 11% |
| Grants to Third Parties | 9.1 | 4% |
| Other | 3.9 | 2% |
| TOTALS | 244.5 | 100% |
| Specific resources | | |
| - Grants & contributions | 114.6 | 47% |
| - Direct revenue funding | 4.7 | 2% |
| - Prudential borrowing | 20.0 | 8% |
| Corporate resources | | |
| - Renewal & Replacement Reserve | 14.2 | 6% |
| - Capital Receipts | 21.0 | 8% |
| - Prudential borrowing | 70.0 | 29% |
| Total | 244.5 | 100% |

- 4.5 The element of the CIP that is funded from borrowing is known as the Capital Financing Requirement. It can be funded either from external borrowing such as PWLB or bank loans or from the Council's own cash balances. Key to the Council's future capital financing strategy is to reduce its corporately funded Capital Financing Requirement and at the same time reduce the reliance on external borrowing.

To achieve this aim

- £20m of planned spend has already been taken out of the Capital Investment Plan
 - High interest loans that are coming to maturity within the next 2 years will not be replaced. Instead the Council's internal cash balances will be used thereby reducing the interest element of the capital financing costs.
 - Continuing to shift the Council's capital investment to schemes that either generate additional income (e.g. affordable housing schemes) or reduce costs (e.g. office rationalization that reduces running costs and allow for disposals). These schemes generate the revenue resources to pay for the capital financing costs of the prudential borrowing.
- 4.6 In 2013-14 savings of £3.9 m were achieved against the original budget of £54 m from capital financing costs. The forecast position over the next 3 years is show in table below. This reflects both planned savings in interest and the provision to repay principal.

Table 4 – Capital Financing Costs

| | 2014-15 £m | 2015-16 £m | 2016-17 £m |
|-------------------------|---------------|---------------|---------------|
| Capital financing costs | 49.0 | 48.7 | 42.2 |

- 4.7 At the end of 2013-14 the Council's external borrowing stood at £418.3m. The first tranche of loans maturing starts this year. The loans due to mature and the remaining outstanding borrowing are shown below:

Table 5- Loans maturing in the next three years

| | Value of Loans Maturing (£m) | External Debt remaining £m |
|---------|------------------------------------|----------------------------------|
| 2014-15 | 25.9 | 392.4 |
| 2015-16 | 53.6 | 338.8 |
| 2016-17 | 25.9 | 312.9 |

Based on the current planned capital investment it is expected that the Council's cash balances are sufficient for it to not have to replace the maturing loans for the next three years. But the position will need to be reviewed by 2017 in the light of actual cash balances and capital investment plans.

ANNEX A: CURRENT COST AND RESOURCE STRUCTURE

To put the size of the challenge facing the Council into context an understanding of the current cost and resource base is required.

a) Cost Base

Whilst the Council continues to have overall accountability for £1.3bn of spend, it cannot spend directly £435m which is controlled by schools. This leaves in 2014-15 a gross expenditure budget of £863m (£421m net expenditure) to fund non school activity.

| 2014-15 | Gross Expt £m | Net Expt £m |
|------------------|------------------|-------------------|
| Council Services | 862.6 | 420.6 |
| Schools | 434.7 | 0 |
| | 1297.3 | 420.6 |

If you then take into account that £179m is spent on benefit payments, £38m is required to meet the cost of the long term PFI contracts, £23m is the levy paid to the Combined Authority (former West Yorkshire Integrated Transport Authority), £36m must be spent on Public Health activity and £51m is the current capital financing budget, this leaves a much smaller gross cost base £536m from which to drive out further savings.

Of the net budget of £421m almost one third is allocated to Adult Services. This emphasises that if the Council is going to balance its books in the long term and make sure it is sustainable, controlling demand and spend on Adult and Integrated Health Care is key.

| 2014-15 Budget | Gross Expt £m | Net Expt £m | % of Net Budget |
|--|------------------|-------------------|-----------------------|
| Adults and Community Services | 153.2 | 124.8 | 29.7% |
| Children's Services | 157.1 | 84.9 | 20.2% |
| Capital financing, WYITA & contingency | 82.3 | 67.5 | 16.1% |
| Regeneration & Culture | 104.5 | 45.6 | 10.8% |
| Environment & Sport | 75.1 | 39.2 | 9.3% |
| Department of Finance | 216.9 | 26.6 | 6.3% |
| Human Resources | 15.2 | 13.2 | 3.1% |
| City Solicitor | 8.2 | 6.0 | 1.4% |
| Non Service | 7.1 | 5.6 | 1.3% |
| Policy Programme | 3.3 | 3.3 | 0.8% |
| Property Programme | 1.7 | 1.6 | 0.4% |
| Public Affairs & Communications | 1.5 | 1.5 | 0.4% |
| Chief Executive | 0.8 | 0.8 | 0.2% |
| Public Health | 35.7 | 0.0 | 0.0% |
| | 862.6 | 420.6 | |

b) Resource base

The Table below shows that in 2014-15 over half of the Council's net expenditure is funded from Council tax and locally retained Business Rates. As reductions in Government funding continue to bite, then the Council's ability to self finance will take on increasing significance.

| Sources of Funding in 2014-15 | Gross £m | % | Net £m | % |
|--|---------------------|----------|-------------------|----------|
| Dedicated Schools Grant | 434.7 | 33.6% | - | - |
| Other Govt Grants | 243.0 | 18.8% | - | - |
| Revenue Support Grant | 149.4 | 11.5% | 149.4 | 35.5% |
| Fees, Charges, Contributions | 199.0 | 15.1% | - | - |
| Council Tax and previous year surplus | 146.5 | 11.3% | 146.5 | 34.8% |
| Business Rates and previous year deficit | 64.3 | 5.0% | 64.3 | 15.3% |
| Top Up Grant | 55.5 | 4.3% | 55.5 | 13.2% |
| Use of Reserves | 4.9 | 0.4% | 4.9 | 1.2% |
| | 1297.3 | | 420.6 | |

ANNEX B: EXPENDITURE FORECAST ASSUMPTIONS

1.1 Inflation

a) Pay

Although the Council does not receive any specific funding for pay awards an amount equivalent to 1.5% for 2015-16 and 2% for 2016-17 and 2017-18 has been assumed. Services are expected to absorb incremental increases.

b) Non Pay

As in 2014-15 no inflationary increases have been provided for standard, non contractual expenditure budgets. Only specific contracts budgets have been increased by an average 2%.

In recognition of the pressures certain Services have experienced in delivering their income targets, selected income budgets within Sports Facilities, Asset Rental, Theatres and Catering continue to be protected from inflation increases to their income budgets.

1.2 Employers national Insurance

The ending of contracted out arrangements for pension schemes from April 2016 is forecasted to increase employers national insurance contributions for those employees who currently contribute to the Teachers / Local Government Pension scheme by an additional 3.4% of pay which attracts national insurance.

1.3 Pension Contribution Rates

As part of the 2013 Actuarial Valuation employers pension contribution rates have been fixed at 14.2% until the end of 2016-17. The forecast assumes that further provision will have to be made in 2017-18 to address back service pension deficit which at 31 March 2014 stood at £63m.

1.4 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.

1.5 West Yorkshire Combined Authority / Integrated Transport Authority

As part of the Leeds City Region Growth Deal announced on 7 July 2014, £30m of funding per annum for six years starting in 2015-16 was allocated to the West Yorkshire Transport Fund, with the prospect of further £420m over the next fourteen years. Whilst this investment combined with local contributions to date still leaves the Fund £217m short of its original £1bn target, the Council's proposed additional contributions to the West Yorkshire Transport Fund over the next three years have been removed from the latest Forecast.

1.6 Service and Non Service Saving Proposals

The Forecast assumes that the Service and Non Service savings approved by Council on 20 February when setting the Council's balanced revenue budget for 2014-15 and 2015-16 will be achieved in full. If the tracking of these savings identifies this not to be the case, the Forecast assumes Services will absorb the shortfall through compensating savings.

Likewise the forecast has incorporated the indicative 2016-17 savings set out in the 20 February Budget Report.

1.7 Better Care Fund (BCF)

At the time the 2014-15 Budget was approved, it was noted that largest single risk to the 2015-16 Budget (and beyond) derives from the need to agree with stakeholders in the District how to integrate health and social care, and the net impact of spending financed through the BCF. In the light of subsequent discussions with Health the original assumption that the Council would receive an ongoing additional £15m of resources has been downgraded to £6m additional income matched by £6m additional activity.

On 5 July 2014 the Government announced that greater controls will be placed over £1bn of the BCF, with about £400m being held back as performance related payments linked to reduced accident and emergency admissions. This late change to the programme may create significant further risks for the Council's adult social care service.

1.8 Care Bill

The Care Bill brings a number of challenges to the Council and potential increased costs. The Forecast takes a neutral stance in terms of the new burdens related to implementing the Bill but until further information is available does not quantify the impact of the new cap on care costs.

1.9 Living Wage

The Council recognises the benefits that the Living Wage would bring to its lowest paid workers and will give consideration as part of the next budget process to how it could introduce the Living Wage on a phased basis over a period of time. The Forecast does not reflect the resulting additional financial pressure.

ANNEX C: RESOURCE FORECAST ASSUMPTIONS

2013-14 marked the beginning of a Local Government funding regime that moves away from one that provides Council's with grant funding based on needs to one that requires Council's to raise money locally through Council Tax and Business Rates. This shift from dependency on Central Government grant to greater local autonomy is so marked that it is forecast by 2019-20, the Council will not receive any Government Revenue Support Grant funding.

1.1 National influences – Settlement Funding Assessment (SFA)

In the context of a difficult financial landscape for all local authorities, the challenges faced by Bradford are exacerbated:-

- the Government's Revenue Spending Power figures show that Government grant reductions have not been evenly distributed across the country. For 2014-15 and 2015-16 Bradford's cumulative Revenue Spending power reduction is 8.2%. This compares with a national average reduction of 4.7% with some more affluent areas, including Wokingham, Windsor, Kingston on Thames, Cheshire East and Richmond on Thames actually seeing an increase in their spending power.
- the current Local Government Funding system is one that rewards both Business Rates and Council Tax base growth, with the link to a "needs assessment" no longer a key determinant. With Bradford having relative to other Councils both a low Council Tax and Business rates, the capacity to self finance investment in priority services is limited compared to authorities with higher tax bases.

Settlement Funding Assessment

| | 2013-14 £m | 2014-15 £m | 2015-16 £m | Change since 2013-14 £m |
|--|---------------|---------------|---------------|----------------------------------|
| Business Rates | 67.2 | 68.5 | 70.4 | 3.2 |
| Top Up Grant | 54.4 | 55.5 | 57.0 | 2.6 |
| Revenue Support Grant | 182.9 | 149.3 | 105.7 | -77.2 |
| Settlement Funding Assessment | 304.5 | 273.3 | 233.1 | -71.4 |
| Annual change from previous years | | | | |
| SFA | | -31.2 | -40.2 | |
| Percentage Change % | | -10.2 | -14.7 | -23.4 |

The points to note from the above SFA are:-

- Of the Council's Settlement Funding Assessment, only the RSG and Top Up Grant elements are guaranteed cash figures, that is, the Council will definitely receive these amounts
- The Business Rates figure is what the Government has assumed the Council will be able to collect in Business Rates. To estimate local resource levels, the Council will therefore need to factor in local business rates income forecasts (see Section 1.2 a)

Revenue Support Grant (RSG) (17 % of 2014-15 gross funding excluding schools and 35% of 2014-15 net expenditure)

Whilst overall the reduction in **SFA** in 2015-16 is **14.7%**, the impact on **RSG** is considerably more **29%** (£43.6m).

By just how much the Government will reduce RSG in years beyond 2015-16 is uncertain, with final individual authority allocations for 2015-16 and indicative figures for 2016-17 not expected to be confirmed until late into the year. At this stage the reductions built into the MTFP are based on national Treasury announcements that indicate that to deliver a further £13bn from Government Department budgets in 2016-17 and 2017-18, future Government grant cuts will be of a similar magnitude to those of 2014-15 and 2015-16

1.2 Local Influences

a) Business Rates (7% of 2014-15 gross funding excluding schools and 15% of 2014-15 net expenditure)

Forecasting the amount of income the Council will be able to raise through locally retained Business Rates is complex and affected by both national and local decisions.

In the Autumn Statement it was announced that the increase in Business Rates paid by businesses in 2014-15 would be capped at 2%. To compensate the Council for the loss of business rates income and the capping of the Top Up Grant at 2%, the Council will receive a new Government grant estimated to be £1.317m.

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 capped at 2%. In 2016-17, the yield from Business Rates has been increased by £3.0m, to reflect the Council's share of the new Westfield Shopping Centre.

A temporary doubling of Small Business Rates relief continues in 2014-15, with the Council's share of the cost, estimated at £3.5m funded by a specific grant. If the Government chose to end the relief, the grant would also stop but this would be mitigated by an increase in Business Rates income. The forecast has therefore included £3.5m of income in each year.

Retail premises in the District with a rateable value up to £50,000 are benefiting from a Business Rates discount of up to £1,000. The Council is forecasting to receive £1.3m from the Government for the duration of the scheme.

The cost of back dated appeals against the 2010 rating list continues to adversely affect the Council's Business Rates income. At 31 March 2014, based on information provided by the Government's Valuation Office Agency, there were 741 appeals outstanding for which potential refunds totalling £12.3m have been provided for. The Business Rates forecast reflects that the Council will be taking advantage of recent regulations to spread the cost of back dated appeals before 1 April 2013 over five years.

The Council continues to commit 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. Until final Government Regulations are

announced it will not be known exactly how much levy income has been retained in the region as opposed to being paid over to the Government.

b Council Tax Levels (17 % of 2014-15 gross funding excluding schools and 35% of 2014-15 net expenditure)

With a 2014-15 Band D Council tax of £1,133.97 the Council continues to set one of the lowest Band D Council Taxes of all Metropolitan Districts – 4th lowest out of 36 in 2014-15.

In total the Council budgeted to raise £144.2m in Council Tax in 2014-15.

Any future increase in Council Tax will be consulted on as part of the Budget process. The resources included in the Forecast therefore assume no increase in Council Tax.

Likewise as the terms of any future Council Tax Freeze grant offers are still to be confirmed, the Forecast does not include a 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 £1.5m.

After taking into account the impact of Council Tax discounts and new properties built the Council Tax base has been increased by an estimated 1360 Band D properties in 2015-16 and a further 0.5% in subsequent years. This is a relatively cautious estimate and will be kept under review as the Local Plan is implemented.

With no guarantee referendum limits (currently 2%) and freeze grant offers will remain the same over the life of the MTFP; this again adds further uncertainty to forecasting the resources that will be available to the Council.

2.1 Core Funding – specific grants

The 2014-15 Local Government Settlement also included details of core grants that will be paid to the Council and used to fund over £65m of the Council's gross expenditure, the most significant being the ring fenced Public Health Grant

| | 2014-15 £m | 2015-16 £m |
|--|-----------------------|-----------------------|
| Public Health Grant | 34,699 | 34,699 |
| Housing Benefit Subsidy Grant | 4,595 | Not known |
| NHS Support for Social Care | 10,529 | N/A |
| Local Reform and Community Voices | 415 | 415 |
| Localisation of Council Tax Support | 268 | 0 |
| Discretionary Social Fund Payments | 1,957 | 0 |
| Discretionary Social Fund Administration | 379 | 0 |

a) Public Health

To cover the cost of public health services delivered by the Council, the Department of Health will pay the Council a ring fenced grant of £34.7m in 2014-15. For planning purposes it has been assumed that the ring fencing will remain and the grant will remain cash flat. This means future contract inflationary pressures will have to be absorbed from the within the £34.7m resource allocation.

b) Education Services Grant (ESG)

The Council and Academies in the District are allocated an Education Services Grant on a per pupil basis according to the number of pupils for whom they are responsible. In SR2014 it was announced that the Government would reduce ESG by £200m, an estimated loss for the Council of just under £2.0m. The net reductions in ESG factored into the forecast also take into account an estimated 3000 per year pupils transferring to Academies offset by an increase of 500 pupils per annum coming into maintained schools. The grant is not ring fenced; therefore the forecast has not assumed that savings equal to the reduction in the grant will be made in those areas that ESG currently funds.

c) New Homes Bonus Grant

New Homes Bonus (NHB) allocations received to date and anticipated for future years have been built into the MTFP base to support the corporate budget requirement. As at October 2013, (the basis for the Year 4, 2014-15 payment) 2,848 new homes and 778 affordable homes have been built and 3349 long term empty homes brought back into use.

2016-17 is the sixth and final year the Council will receive NHB for Year 1 new homes and long term empties brought back into use. It is expected therefore that it will lose £2.7m of income in respect of these properties. To date no announcement has been made as to whether the scheme will continue, with in effect 2017-18 becoming Year 1 of the next six year round of NHB.

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | £'000 | £000 | £000 | £000 | £000 | £000 | £00 |
| Year 1 (Actual) | 2,760 | 2,760 | 2,760 | 2,760 | 2,760 | 2,760 | 0 |
| Year 2 (Actual) | | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 |
| Year 3 (Actual)) | | | 1,664 | 1,664 | 1,664 | 1,664 | 1,664 |
| Year 4 (Actual)) | | | | 1,777 | 1,777 | 1,777 | 1,777 |
| Year 5 (Est) | | | | | 1,700 | 1,700 | 1,700 |
| Year 6 (Est) | | | | | | 1,700 | 1,700 |
| | 2,760 | 3,816 | 5,480 | 7,257 | 8,957 | 10,657 | 7,897 |
| Year 1 (Actual) | | 94 | 94 | 94 | 94 | 94 | 94 |
| Year 2 (Actual) | | | 92 | 92 | 92 | 92 | 92 |
| Year 3 (Actual) | | | | 87 | 87 | 87 | 87 |
| Year 4 (Est) | | | | | 90 | 90 | 90 |
| Year 5 (Est) | | | | | | 90 | 90 |
| Year 6 (Eest) | | | | | | | 90 |
| AHP Sub total | 0 | 94 | 186 | 273 | 363 | 453 | 543 |
| Total Empty Homes & AHP | 2,760 | 3,910 | 5,666 | 7,530 | 9,320 | 11,110 | 8,440 |

d) Discretionary Support Fund

In 2015-16, the Government will be withdrawing, two years after the function transferred from the DWP, the funding paid to the Council to provide goods and cash payments to residents in crisis. In anticipation of the funding been removed, the Council has set aside money in a reserve to draw up a local scheme to continue to provide support beyond 31

March 2015. Expenditure matching the grant payment element of the funding has been removed from the Forecast.

e) Families First

2014-15 is the third year that the Council has been working to address the issues of over 1,760 families in the District with complex needs. In return for which it is estimated that by 31 March 2015 the Council will have received over £6m.

In the SR2014 it was announced that the programme will be extended for a further 5 years from 2015-16 to work with 400,000 families. As it is not yet known how much of the of £200m set aside nationally will flow to Bradford, neither income or matching expenditure has been built into the forecast.

f) Council Tax Support New Burdens and Housing Benefit Administration

As expected in 2015-16 the Government has withdrawn the Local Council Tax Support Scheme New Burdens Grant (£0.268m). However with no clarity on the when Housing Benefit Administration will transfer to the DWP, a reduction of 10% in the grant has been assumed in the forecast in 2015-16. Both these reductions have been factored into the underlying funding gap as opposed to being addressed by the Service.

3.1 Schools Funding

Of the Council's gross spend of over £1.3bn, £435m is spend by schools and funded from the ring fenced grants, Dedicated Schools Grant (DSG), Pupil Premium and Young Peoples Learning Agency. In addition, under the oversight of the Schools Forum, it was agreed that an element of the DSG would contribute to the Council's 2014-15 budget and capacity, especially around school improvement. This allocation will be reviewed in time for setting the 2015-16 budget. If support was not agreed the Council would need to consider further options around trading services with schools and with academies or reducing spend in these areas.

The funding system for schools is currently very fluid and the anticipated national funding formula for primary and secondary will now not be implemented at April 2015.

4.1 Reserves

At the start of year, the Council has £31m of unallocated reserves. £23m of which will be used to support change and transition to much smaller level of resources, consistent with our stated Reserve Policy (see Annex D 1.8). This leaves just £8m as a contingency reserve in what will continue to be a turbulent financial environment.

All other balances are set aside to meet the cost of future commitments and political priorities. Over the Medium Term balances will be continued to be reviewed to ensure optimum use of available funds.

ANNEX D: PLANNING FRAMEWORK AND STRATEGIES FOR DELIVERING PRIORITIES AND EFFICIENCIES

1.1 Budget Setting

To manage changes in future resources, service demand and the impact on spending levels requires a robust planning framework. 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.

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.

1.2 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

1.3 Partnership Working

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

1.4 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 through the Bradford District VCS Assembly, 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.

1.5 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.

1.6 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.

1.7 Internal Changes

Managing the Council's Buildings

The Property Programme to manage the Council's buildings is now six 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.

1.8 Reserves Policy

In turbulent financial times, the Council's unallocated reserves enable a balanced budget to be set as the Council moves to a smaller organisation.

The Council will continue to use balances prudently, recognising that the volatile fiscal climate requires the Council to remain resilient, through the retention of adequate balances.

At the start of 2014-15, unallocated reserves of £31m available to support the annual revenue budget represented approximately 2% of gross Council expenditure. When the planned use of £23m unallocated resources over the three year period 2014-15 to 2016-17 is taken into account, this figure drops to just over 0.5%.

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

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 budget each year and informed by a risk assessment.

1.9 Fees, Charges and Income Stability

In 2013-14 a clear picture emerged of the difficulties faced by Services dependent on external fees and charges. To address this matter selected income targets have been reduced. Going forward Services should continue to

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

1.10 Capital Financing and the Capital Investment Plan

As explained in Section 4.7 a key aim of the Council's Medium Financial Strategy is to reduce the cost of borrowing in line with the reduction in overall funding. 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.

1.11 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 97.4% of all Council Tax debt raised.

1.12 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.

1.13 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.

1.14 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.

1.15 Performance Management Arrangements

The regular reporting of key corporate indicators and measures to Members is a key element of the Council's corporate performance framework that provides assurance around service performance, the Council's contribution to District outcomes, value for money and informs decision-making. At a time of reduced resources and increasing demand, the Corporate Indicator set is part of a performance framework that helps the Council be smarter about where to allocate its budget and assets and to measure their impact.

In June 2014 Executive reviewed the current Corporate Indicator set and agreed a revised set of 37 Corporate "delivery" indicators that measure the Council's performance in delivering services and its contribution to the District priorities and 14 Corporate "health" indicators to improve grip over organisational efficiency.

1.16 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.

1.17 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.

ANNEX E: CAPITAL INVESTMENT PLAN

| Scheme No | Scheme Description | Budget 2014- | Budget 2015-16 | Budget 2016-17 |
|---|---|---------------|----------------|----------------|
| | | £'000 | £'000 | £'000 |
| Adult & Community Services | | | | |
| CS0008 | HIV Capital Grant | 178 | 0 | 0 |
| CS0237 | Great Places to Grow Old - Adult Residential Strategy | 1,360 | 6,059 | 4,300 |
| CS0239 | Community Capacity Grant | 400 | 1,965 | |
| CS0257 | BACES Mattresses – purchase of mattresses rather than leasing | 163 | 0 | 0 |
| CS0275 | Bfd Demetia Friendly Environment Pilot | 306 | 0 | 0 |
| Total - Adult & Community Services | | 2,407 | 8,024 | 4,300 |
| Children's' Services | | | | |
| CS0039 | Surestart Early Years and Childcare Grant | 43 | 0 | 0 |
| CS0073 | Academies Programme | 381 | 0 | 0 |
| CS0181 | SEBD School (ESB) | 54 | 1 | 0 |
| CS0231 | C&I School (Conversion of Thorn Park) | 51 | 0 | 0 |
| CS0025 | Childrens Home Residential Provision | 33 | 143 | 0 |
| CS0227 | Designated Specialist Provision at Grange/ Southfield | 88 | 0 | 0 |
| CS0249 | Schools DRF | 0 | 0 | 0 |
| CS0256 | 2yr old Nursery Educ Expansion Programme | 2,265 | 0 | 0 |
| CS0278 | Targeted Basic Needs | 9,458 | 8,898 | 0 |
| CS0286 | Outdoor Learning Centres | 1,258 | 53 | 0 |
| CS0287 | S106 Education | 0 | 0 | 0 |
| CS0297 | Universal Free School Meals - Kitchen | 2,154 | 0 | 0 |
| CS0012 | Schools Access Initiative | 18 | 0 | 0 |
| CS0022 | Devolved Formula Capital | 1,860 | 1,200 | 1,200 |
| CS0030 | Capital Improvement Work | 178 | 0 | 0 |
| CS0042 | Primary Capital Programme | 101 | 0 | 0 |
| CS0188 | Capital Improvements Programme | 0 | 0 | 0 |
| CS0199 | Wyke Manor School Decom & Demolition | 1 | 0 | 0 |
| CS0240 | Capital Maintenance Grant | 7,144 | 11,354 | 0 |
| CS0244 | Primary Schools Expansion Programme | 13,737 | 13,175 | 6,302 |
| Total - Children's' Services | | 38,824 | 34,824 | 7,502 |
| Financial Services | | | | |
| CS0292 | Virtual Desktop Infrastructure (VDI) | 482 | 0 | 0 |
| Total - Financial Services | | 482 | 0 | 0 |
| City Solicitor | | | | |
| CS0258 | Forensic Science Centre - new equipment & flooring | 13 | 0 | 0 |
| Total - City Solicitor | | 13 | 0 | 0 |

Environment & Sports

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| | | | | |
|---|--|--------------|--------------|--------------|
| CS0060 | Replacement of Vehicles (funded by prudential borrowing with revenue funding identified by service dept) | 3,000 | 3,000 | 3,000 |
| CS0066 | Ward Investment Fund | 47 | 0 | 0 |
| CS0063 | Waste Infrastructure and Recycling projects | 0 | 1,100 | 0 |
| CS0090 | Landfill Restoration Sugden End | 53 | 0 | 0 |
| CS0259 | Gypsy & Traveller Site Improvement | 337 | 0 | 0 |
| CS0261 | Bowling Back Lane Gas Mains Move | 0 | | |
| CS0274 | Bradford Enhanced Recycling Collection Bid | 600 | 211 | 0 |
| CS0283 | Above Ground Fuel Storage | 60 | 0 | 0 |
| CS0121 | Roberts Park | 20 | 0 | 0 |
| CS0162 | Capital Projects - Recreation | 359 | 0 | 0 |
| CS0187 | Comm Sports Field & Facilities | 83 | 0 | 0 |
| CS0229 | Cliffe Castle Restoration | 2,705 | 1,250 | 0 |
| CS0242 | War Memorial | 11 | 0 | 0 |
| CS0245 | Doe Park | 312 | 0 | 0 |
| CS0260 | Rawdon Meadows | 0 | 0 | 0 |
| CS0288 | Thornton Grammar School ATP | 0 | 0 | 0 |
| CS0284 | City Centre Sports Facility | 1,000 | 0 | 0 |
| Total - Environment & Sports | | 8,587 | 5,561 | 3,000 |
| Regeneration - Culture and Tourism | | | | |
| CS0107 | Markets | 305 | 245 | 400 |
| CS0247 | Replace Box Office Equipment | 244 | 0 | 0 |
| Total - Regen - Culture & Tourism | | 549 | 245 | 400 |
| Regeneration - Property & Economic Development | | | | |
| CS0094 | Property Programme (former B-works) | 1,233 | 0 | 0 |
| CS0262 | Property Programme - Office Rationalisation / Former Library | 7,734 | 3,279 | 0 |
| CS0294 | Property Programme - Essential Maintenance | 3,300 | 925 | 0 |
| CS0295 | Property Programme - Invest to Save | 820 | 0 | 0 |
| | Building Security Project | 100 | 0 | 0 |
| CS0132 | Community Hubs | 60 | 0 | 0 |
| CS0184 | Baildon Community Link | 0 | 0 | 0 |
| CS0186 | Enterprise Hubs | 0 | 0 | 0 |
| CS0213 | Park Dam | 12 | 0 | 0 |
| CS0268 | Sun Lane Nature Reserve | 25 | 0 | 0 |
| CS0269 | Burley In Wharfedale Culvert repair | 100 | 0 | 0 |
| CS0084 | City Park | 206 | 0 | 0 |
| CS0085 | City Centre Growth Zone | 10,281 | 10,384 | 0 |
| CS0086 | LEGI | 29 | 0 | 0 |
| CS0087 | Bradford Centre Regeneration | 14 | 0 | 0 |
| CS0189 | Buck Lane | 360 | 140 | 0 |
| CS0228 | Canal Road | 300 | 0 | 0 |
| CS0241 | Re-use of Former College Buildings Keighley | 306 | 307 | 0 |
| CS0266 | Superconnected Cities | 2,000 | 0 | 0 |
| CS0290 | Odeon | 1,250 | 0 | 0 |
| CS0291 | Tyrls | 2,028 | 0 | 0 |
| CS0265 | LCR Revolving Econ Investment Fund | 0 | 3,956 | 0 |
| CS0285 | Strategic Development Fund | 0 | 1,667 | 0 |
| | DDA Compliance (resources moved to revenue) | 0 | | |

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| | | | |
|--|---------------|---------------|----------|
| Total - Regen – Property & Economic Development | 30,158 | 20,658 | 0 |
|--|---------------|---------------|----------|

Regeneration - Climate, Housing, Employment & Skills

| | | | | |
|--------|--|-------|-------|-----|
| CS0230 | Beechgrove Allotments | 277 | 0 | 0 |
| CS0050 | Carbon and Other Management Efficiencies incl Saltaire Hydro | 3,343 | 0 | 0 |
| CS0134 | Computerisation of Records | 10 | 0 | 0 |
| CS0136 | Disabled Housing Facilities Grant | 2,876 | 850 | 850 |
| CS0137 | Development of Equity Loans | 828 | 564 | 0 |
| CS0141 | Area Renewals | 120 | 0 | 0 |
| CS0144 | Empty Private Sector Homes Strategy | 1,000 | 1,005 | 0 |
| CS0157 | DEEP/Community Warmth | 237 | 0 | 0 |
| CS0158 | Regional HALS | 11 | 0 | 0 |
| CS0160 | New Affordable Housing - Longfield Dve | 271 | 0 | 0 |
| CS0223 | New Affordable Housing - Beech Grove | 221 | 0 | 0 |
| CS0225 | Affordable Housing Programme 2011-2015 | 8,274 | 0 | 0 |
| CS0250 | Goitside | 463 | 0 | 0 |
| CS0280 | Temporary Housing Clergy House | 686 | 2,064 | 0 |
| CS0145 | S106 monies Affordable Housing | 0 | 0 | 0 |
| CS0299 | CPO Monies to be held | 0 | 0 | 0 |

| | | | |
|--|---------------|--------------|------------|
| Total - Regen - Climate, Housing, Employment & Skills | 18,617 | 4,483 | 850 |
|--|---------------|--------------|------------|

Regeneration - Planning

| | | | | |
|--------|--|-------|-----|---|
| CS0131 | Keighley Town Centre Heritage Initiative | 1,006 | 693 | 0 |
| CS0178 | Ilkley Moor | 28 | 0 | 0 |
| CS0179 | Landscape Environmental Improvement | 24 | 0 | 0 |
| CS0281 | Saltaire - Public Realm imp | 360 | 117 | 0 |

| | | | |
|--|--------------|------------|----------|
| Total - Regeneration - Planning | 1,418 | 810 | 0 |
|--|--------------|------------|----------|

Regeneration - Highways & Transport

| | | | | |
|--------|---|-------|-----|---|
| CS0091 | Capital Highway Maintenance | 2,870 | 536 | 0 |
| CS0095 | Bridges | 1,408 | 0 | 0 |
| CS0096 | Street Lighting | 1,034 | 0 | 0 |
| CS0097 | Bridge Assessments | 40 | 4 | 0 |
| CS0099 | Integrated Transport | 755 | 0 | 0 |
| CS0101 | S. Bradford Integrated Transport Improvements | 8 | 0 | 0 |
| CS0103 | WY Casualty Reduction Partnership | 95 | 0 | 0 |
| CS0164 | Local Ingrid Trans Area Com CS0164 | 851 | 0 | 0 |
| CS0168 | Connecting the City (Westfield Agreement) | 200 | 44 | 0 |
| CS0169 | Public Realm Improvements, City Centre | 24 | 9 | 0 |
| CS0172 | Saltaire Roundabout Congestion & Safety Works | 741 | 0 | 0 |
| CS0175 | Connect 2 (Manchester Rd F'bridge) | 24 | 0 | 0 |
| CS0197 | Addtn Highways Maintenance Grant | 751 | 0 | 0 |
| CS0232 | Local Sustainable Transport Fund | 21 | 0 | 0 |
| CS0248 | Cycling initiatives | 0 | 0 | 0 |
| CS0252 | Measures to Support Hubs | 76 | 0 | 0 |
| CS0264 | Highway to Health | 383 | 0 | 0 |
| CS0276 | Stockbridge - Utley Airedale Greenway Link | 48 | 0 | 0 |

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| | | | | |
|--|---|----------------|----------------|---------------|
| CS0282 | Highways Strategic Acquisitions | 600 | 0 | 0 |
| CS0289 | Local Pinch Point Fund | 2,683 | 720 | 0 |
| CS0293 | West Yorkshire & York Transport Fund | 658 | 12,249 | 0 |
| CS0298 | Flood Damaged Roads | 211 | 0 | 0 |
| CS0071 | Highways S106 Projects | 35 | 0 | 0 |
| Total - Regen - Highways & Transport | | 13,516 | 13,562 | 0 |
| Reserve Schemes & Contingencies | | | | |
| | General Contingency | 0 | 1,900 | 2,000 |
| CS0277 | Wyke Manor Ph2 Sports Dev | 0 | 493 | 0 |
| CS0284 | City Centre Sports Facility | 0 | 13,151 | 3,000 |
| | Street Lighting Invest to Save | 0 | 846 | 0 |
| | WY Archive Service | 0 | 0 | 0 |
| CS0270 | Milton House | 0 | 75 | 0 |
| | Essential Maintenance+ Provision (Moved to Property & Economic Development) | 0 | 2,000 | 2,000 |
| <u>New Invest to Save Schemes</u> | | | | |
| | Libraries Consolidation | 0 | 75 | 0 |
| | The Oakes | 0 | 270 | 0 |
| | Birklands Hybrid Mail System | 0 | 0 | 0 |
| Total - Reserve Schemes & Contingencies | | 0 | 18,810 | 7,000 |
| TOTAL - All Services | | 114,571 | 106,997 | 23,052 |