



**Agenda for a meeting of the Executive to be held on Tuesday, 21 February 2017 at 10.30 am in the Council Chamber - City Hall, Bradford**

**Members of the Executive – Councillors**

<b>LABOUR</b>
Hinchcliffe (Chair)
V Slater
I Khan
Ross-Shaw
Ferriby
Jabar

**Notes:**

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

**From:**

Parveen Akhtar

City Solicitor

Agenda Contact: Jill Bell / Yusuf Patel

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**To:**



## A. PROCEDURAL ITEMS

### 1. DISCLOSURES OF INTEREST

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

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

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

*Notes:*

- (1) *Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) *Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

### 2. MINUTES

**Recommended –**

**That the minutes of the meeting held on 10 January 2017 be signed as a correct record (previously circulated).**

(Jill Bell / Yusuf Patel - 01274 434580 434579)

### 3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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



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

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

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

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

(Jill Bell / Yusuf Patel - 01274 434580 434579)

#### 4. **RECOMMENDATIONS TO THE EXECUTIVE**

To note any recommendations to the Executive that may be the subject of report to a future meeting. (Schedule to be tabled at the meeting).

(Jill Bell / Yusuf Patel - 01274 434580 434579)

### **B. STRATEGIC ITEMS**

<p><b>LEADER OF COUNCIL &amp; CORPORATE</b></p>
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<p><i>(Councillor Hinchcliffe)</i></p>
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#### 5. **COUNCIL BUDGET 2017/18 AND 2018/19: THE COUNCIL'S REVENUE ESTIMATES FOR 2017-18 AND 2018-19**

1 - 22

The Strategic Director Corporate Services will submit a report (**Document "BG"**) which provides Members with details of the Council's Revenue Estimates for 2017-18 and 2018-19.

**Recommended –**

**That the recommendations set out in Paragraphs 8 and 9 to Document "BG" be approved SUBJECT TO ENDORSEMENT BY COUNCIL.**

(Corporate Overview and Scrutiny Committee)

(Tom Caselton - 01274 434472)



**6. ALLOCATION OF THE SCHOOLS BUDGET 2017/18 FINANCIAL YEAR**

23 - 42

The Strategic Director Corporate Services will submit a report (**Document “BH”**) which seeks Executive approval of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2017/18 and subsequent recommendation to Full Council.

**Recommended –**

**It is recommended that the Executive asks Council to:**

- a) Approve the total amount of £521.321m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2017/18.**
- b) Accept and approve the proposals from the Schools Forum for the allocation of the 2017/18 DSG as set out in this report.**

(Corporate Overview and Scrutiny Committee)

(Andrew Redding - 01274 432678)

**7. THE COUNCIL'S CAPITAL INVESTMENT PLAN FOR 2017-18 ONWARDS**

43 - 54

The Strategic Director Corporate Services will submit a report (**Document “BI”**) which proposes the programme of Capital Expenditure for 2017-18 onwards.

**Recommended –**

**(1) The Executive requests Council to approve that:**

- a) The Capital Investment Plan as set out at Appendix 2 is adopted. Commitments against reserve schemes and contingencies can only be made after a business case has been assessed by the Project Appraisal Group and approved by Executive.**



- b) **The Chief Executive, Strategic Directors and Directors enter into commitments on capital schemes within the Capital Investment Plan subject to approval of business cases by Executive up to the approved amounts each year except that, where it is indicated that schemes are funded or partly funded from specific resources such as capital grants or contributions, revenue or capital receipts, the approved amount will be subject to the securing of those resources and be adjusted to reflect the amounts actually received.**
  - c) **Where necessary, the payments arising under the Capital Investment Plan are met from loans.**
  - d) **In order to provide the flexibility necessary to manage effectively the Capital Investment Plan, the Chief Executive, Strategic Directors and Directors be specifically empowered to advance or defer approved schemes subject to consultation with the Strategic Director Corporate Services and the availability of resources.**
  - e) **Additional capital schemes shall only commence where the scheme is wholly funded from specific resources on the approval of the Strategic Director Corporate services in accordance with Financial Regulations.**
- (2) **The Borrowing Limits and Prudential Indicators as set out in Appendix 1 are adopted by the Council.**
  - (3) **The Minimum Revenue Provision (MRP) policy as set out in paragraph 3.2 of this report is approved and adopted by the Council.**

(Corporate Overview and Scrutiny Committee)

(Tom Caselton – 01274 434472)

**8. S151 OFFICER'S ASSESSMENT OF THE ROBUSTNESS OF THE PROPOSED BUDGET ESTIMATES FOR 2017/18, AND OF THE ADEQUACY OF FORECAST FINANCIAL RESERVES**

55 - 68

The Strategic Director Corporate Services will submit a report (**Document “BJ”**) which assesses the risks related to the proposed budget for the financial year 2017/18, and the adequacy of the available mitigations, in the context of the forecast reserves.



It concludes that the estimates are sufficiently robust for the Council to set the budget. It signals the need for unallocated reserves to be maintained in the range of £12-15m in future years in order to ensure financial resilience.

**Recommended –**

**That Members have regard to this report in setting the budget, and in particular note my conclusions that:**

- **the estimates presented to Council are sufficiently robust for the purpose of calculating the budgetary requirement**
- **the reserves are adequate for the 2017/18 proposed budget, and will be drawn on in accordance with proposed plan and reserves policy, recognising that estimates will be subject to review as part of the rolling planning cycle**
- **the projected corporate reserves to 2020/21 would, on current estimates, be adequate, subject to the implementation of the rest of the proposed financial plan.**

(Corporate Overview and Scrutiny Committee)

(Stuart McKinnon-Evans – 01274 432800)

**9. CONSULTATION FEEDBACK AND EQUALITY ASSESSMENTS FOR THE 2017-18 AND 2018-19 COUNCIL BUDGET PROPOSALS - SECOND ADDENDUM TO DOCUMENT "BA"**

69 - 76

The Chief Executive will submit a **Second Addendum** to the report presented to the meeting of Executive on 7 February 2017 (**Document "BA"**), which provides additional feedback received from the public engagement and consultation programme which ended on 12 February 2107, and sets out a summary of the equality assessments carried out on the Executive's Budget proposals for 2017-18 and 2018-19.

**Recommended –**

**That in accordance with Section 149 of the Equality Act 2010, the Executive has regard to the information contained in Document "BA", the appendices and equality assessments to that report and the First Addendum presented to Executive on 7 February 2017, together with the information contained in this Second Addendum when considering the recommendations to make to the Council on a budget for 2017-18 and 2018-19 on 23 February 2017.**

(Corporate Overview & Scrutiny Committee)

(Dave Preston – 01274 431241)



10. **INTERIM TRADE UNION FEEDBACK ON THE COUNCIL'S BUDGET PROPOSALS FOR THE 2017/18 AND 2018/19 COUNCIL BUDGET - SECOND ADDENDUM**

The Director of Human Resources will submit a **Second Addendum (to be tabled at the meeting)** to the report presented to the meeting of Executive on 7 February 2017 (**Document “BB”**), which provides further feedback from the Council’s Trade Unions on the Council’s budget proposals for the 2017/18 and 2018/19 Council Budget for consideration by Executive.

**Recommended –**

**That Executive has regard to the further feedback received from the Council’s Trade Unions contained in the addendum presented (Document “BB” Second Addendum) together with the information contained in the Report, appendices and First Addendum presented to Executive on 7 February 2017 (Document “BB”) when considering its recommendations to Council on the Council’s budget for the financial years 2017/18 and 2018/19.**

(Corporate Services Overview & Scrutiny Committee)

(Michelle Moverley – 01274 437883)

**PORTFOLIO ITEMS**

**HEALTH & WELLBEING PORTFOLIO & DEPUTY LEADER**

*(Councillor Val Slater)*

11. **FOSTERING ALLOWANCES REVIEW**

77 - 150

The Strategic Director Children’s Services will submit a report (**Document “BK”**) which sets out a discussion of the review of Fostering Allowances at the Children’s Services Overview and Scrutiny Committee on 31 January 2017.

Prior to the call-in, the matter was considered by the Executive at its meeting on 10 January 2017.



**Recommended –**

**That Executive confirms the decision previously taken on 10 January 2017, having regard to all the consultation feedback and the documents attached to Document “BK”.**

(Children’s Service Overview and Scrutiny Committee)

(Jim Hopkinson - 01274 432904)

- 12. MINUTES OF THE WEST YORKSHIRE COMBINED AUTHORITY** 151 -  
162
- To receive the minutes of the meeting(s) of the West Yorkshire Combined Authority held on 1 December 2016 (**Document “BL”** attached)

(Angie Shearon – WYCA)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER





# Report of the Strategic Director Corporate Services to the meeting of Executive to be held on 21 February 2017 and Council to be held on 23 February 2017

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Document BG

## Subject:

The Council's Revenue Estimates for 2017-18 and 2018-19

## Summary statement:

The report provides Members with details of the Council's Revenue Estimates for 2017-18 and 2018-19

**ALL FINANCIAL DATA IN THIS REPORT AND APPENDICES WILL BE REVIEWED AFTER THE EXECUTIVE HAS CONSIDERED AND HAD REGARD TO THE FEEDBACK RECEIVED TO DATE FROM THE CONSULTATION ON THE COUNCIL'S NEW BUDGET PROPOSALS INCLUDING INFORMATION REGARDING EQUALITY ISSUES.**

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**Portfolio: Leader of the Council**

**Overview & Scrutiny Area:**

**Corporate**



## THE COUNCIL'S REVENUE ESTIMATES FOR 2017-18 and 2018-19

**ALL FINANCIAL DATA IN THIS REPORT AND APPENDICES WILL BE REVIEWED AFTER THE EXECUTIVE HAS CONSIDERED AND HAD REGARD TO THE FEEDBACK RECEIVED TO DATE FROM THE CONSULTATION ON THE COUNCIL'S NEW BUDGET PROPOSALS INCLUDING INFORMATION REGARDING EQUALITY ISSUES.**

### 1.0 PURPOSE

1.1 This report proposes the estimates of net revenue expenditure be recommended for approval as the Council's balanced revenue budget for 2017/18 and proposes the recommendation for approval of budget savings proposals for 2018/19.

It also forecasts the revenue position for 2019/20 and 2020/21.

1.2 The revenue estimates are part of the overall budget proposal for the Council which includes:

- the recommended Capital Investment Plan (Document BI)
- the allocation of the Schools Budget 2017/18 (Document BH).

1.3 This report is submitted to enable the Executive to make recommendations to Budget Council on the setting of the 2017/18 budget and the Council Tax for 2017/18, as required by Part 3C of the Council's Constitution.

### 2.0 PROPOSED REVENUE BUDGET 2017/18 and BUDGET SAVINGS PROPOSALS FOR 2018/19

2.1 The balanced 2017/18 revenue budget is predicated on total available general resources (Council Tax income, Business Rates income, general government grant and use of reserves) of £374.624m in 2017/18.

2.2 The total expenditure takes account of changes to the underlying (base) level of expenditure at the start of the year arising from:

- The net effect of previous years' policy decisions, including decisions made by Budget Council in February 2016 in respect of 2017/18 which amounted to £24.263m. Appendices F(i) and F(ii) set out amendments to the February 2016 decisions with a net reduction in proposals of £1.038m in 2017/18 and falling to a cumulative net reduction of £598.5k by 2018/19.
- Provision for pay and price increases (an average of 1.0% applied to contract budgets in 2017/18 rising to 1.4% in later years, 2.0% to utilities and specific indexation applied to income budgets)
- The impact on the Council's funding arising from 2017/18 Local Government Settlement
- Council's decisions about changes to Council Tax, including a 3% increase for Adult Social Care, as enabled by the Local Government Settlement
- Additional expenditure to deal with recurrent Service pressures

- One-off and transitional investment in other services
- Public Health Grant reductions and estimates on other specific grants not yet announced
- Service and non Service savings
- Decision by West Yorkshire Combined Authority on the 2017/18 levy resulting in an amendment to saving proposal 4R2 with a reduction in 2017/18 of £484.1k but increased target saving in 2018/19 of £484.1k.

2.3 The summary position is shown at Appendix A, with further detail in Appendices B to G:

- On-going and non recurrent investments (Appendices B and C)
- Previously agreed savings for which on-going budget will be removed and replaced with transitional funding ( Appendix D)
- Service and non service savings (Appendix E)
- Schedule of amendments to previous budget decisions (Appendices F(i) and F(ii))
- Use of reserves statement (Appendix G).

*At the time of publication all Appendices are based on savings proposals previously approved by Council in February 2016 for 2017/18, together with new proposals which were approved by Executive for consultation on 6 December 2016.*

2.4 Executive is asked to recommend to Council following their consideration of the feedback received to date from the on-going consultation processes with the public, interested parties and stakeholders, staff and Trade Unions and consideration of equality issues on the Council's new Budget Proposals:

- a 2017/18 budget; and
- budget savings proposals for 2018/19, requiring the Chief Executive, Strategic Directors and Directors to take necessary action during 2017/18 to ensure those savings are fully achievable for 2018/19.

Consultation has previously been carried out on the saving proposals approved by Council in February 2016 for 2017/18.

2.5 After taking into account the full year effect of the 2017/18 proposed budget, the projections for 2018/19 shows a balanced budget with additional indicative savings required for 2019/20 of £19.7m and a further £31.3m in 2020/21.

2.6 The projected use of £15.9m of reserves over the period 1 April 2017 to 31 March 2021 There are no current proposals to use unallocated reserves given the increasingly challenging nature of delivering budget proposals against a backdrop of rising demand and costs. The risks associated with this position and an assessment of the adequacy of reserves are discussed in the separate Section 151 Officer's report (Document BJ).

### **3.0 COUNCIL TAX IMPLICATIONS**

3.1 In setting the Council Tax for 2017/18, Council will have regard to the Council Tax base approved by the Executive on 10 January 2017. The Council will also wish to note the precepts of the parish and town councils, of the West Yorkshire Fire and

Rescue Authority (WYFRA) and the Police and Crime Commissioner for West Yorkshire.

#### **4.0 MATTERS RELATING TO 2017/18 FINANCIAL POSITION**

4.1 The 2017/18 financial position is contingent upon the 2016/17 audited out-turn. The Executive is therefore asked to give the Strategic Director Corporate Services authority to secure the best position for the Council in respect of 2017/18 in preparing the Final Accounts for 2016/17.

#### **5.0 RISK MANAGEMENT**

5.1 The uncertainties regarding the funding that will be available to the Council are considered within the Strategic Director Corporate Services's Section 151 Budget Report (Document BJ).

#### **6.0 LEGAL APPRAISAL**

6.1 It is necessary to ensure that Executive have comprehensive information when considering the recommendations to make to Council on the budget for 2017/18 and the budget savings proposals for 2018/19 at their meeting on 21 February 2017. It is a legal requirement that Members have regard to all relevant information. The information in this report and any updated information produced to Executive on 21 February 2017 following their consideration on 7 February 2017 of the feedback received to date from the on-going consultation processes and their consideration of equality issues is considered relevant in this context.

#### **7.0 OTHER IMPLICATIONS**

##### **7.1 EQUAL RIGHTS**

7.1.1 The equality implications of the new budget proposals were highlighted in the separate report presented to the meeting of Executive on 7 February 2017 (Document BA) together with the Addendum to that Report circulated to Executive on 7 February 2017. The equality implications of the 2017/18 proposals previously approved by Budget Council in February 2016 were fully considered by Council at that time.

##### **7.2 SUSTAINABILITY IMPLICATIONS**

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

##### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

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

##### **7.4 COMMUNITY SAFETY IMPLICATIONS**

7.4.1 Community safety implications of specific new budget proposals were highlighted in

a separate report presented to the meeting of Executive on 7 February 2017 at paragraph 12.4 (Documents BA).

## **7.5 HUMAN RIGHTS ACT**

7.5.1 There are no human rights implications resulting from this report.

## **7.6 TRADE UNION**

7.6.1 The Interim Trade Union feedback on the Council's new budget proposals was detailed in a separate report presented to the meeting of Executive on 7 February 2017 (Document BB). The Trade Union feedback on the proposals previously approved by Budget Council in February 2016 was fully considered by Council at that time.

## **7.7 WARD IMPLICATIONS**

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

## **7.8 NOT FOR PUBLICATION DOCUMENTS**

7.8.1 None.

## **8.0 RECOMMENDATIONS – SUBJECT TO ENDORSEMENT BY COUNCIL**

### **8.1 REVENUE ESTIMATES 2017/18**

- (a) That the Base Revenue Forecast of £392.620m for 2017/18 as set out in this report "BG" (Revenue Estimates) be approved.
- (b) That Executive Document "BG" and the consequent net investment of £19.820m in 2017/18 be approved.
- (c) That Executive Document "BG" and the service savings and additional income of £37.816m in 2017/18 be approved.
- (d) That it be noted that within the revenue budget there is a contribution of £16.262m from revenue reserves in 2017/18.
- (e) That Executive Document "BG" and the service savings proposals for 2018/19 be approved, requiring the Chief Executive, Strategic Directors and Directors to take necessary action during 2017/18 to ensure those savings are fully achievable for 2018/19.
- (f) That the comments of the Strategic Director Corporate Services set out in Executive Document "BJ" on the robustness of the estimates and the adequacy of reserves taking account of the decisions made at 8.1(a) to (e) above be noted.

## **8.2 PROPOSED COUNCIL TAX 2017/18**

8.2.1 That it be noted that the projected council tax base and expenditure forecasts outlined in this report together with the 2017/18 resources and the budget variations approved at 8.1(b) and 8.1(c) above produce a proposed Band D council tax of £1,257.86 for 2017-18. This includes a social care precept of 3.0% which is to be ring fenced for expenditure on adult social care.

## **8.3 PAYMENT DATES FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES**

8.3.1 That the first instalment date for payment of National Non-Domestic Rates and Council Tax shall be specified by the Strategic Director Corporate Services.

## **8.4 DELEGATION TO OFFICERS**

8.4.1 That for the avoidance of doubt and without prejudice to any of the powers contained in Article 14 of Part 2 of the Council's Constitution on the Function of Officers, the Strategic Director Corporate Services shall have full delegated powers to act on behalf of the Council on all matters relating to the Council Tax, Non-Domestic Rates and Accounts Receivable Debtors including (without prejudice to the generality of the delegation) assessments, determinations, recovery, enforcement and, in accordance with the statutory scheme, full delegated powers to act on behalf of the Council with regard to all aspects of the granting of Discretionary and Hardship Rate Relief to qualifying ratepayers.

## **8.5 PREPARATION OF ACCOUNTS**

- (a) That in preparing the Final Accounts for 2016/17, the Strategic Director Corporate Services be empowered to take appropriate steps to secure the best advantage for the Council's financial position.
- (b) That the Strategic Director Corporate Services be empowered to deal with items which involve the transfer of net spending between the financial years 2016/17 and 2017/18 in a manner which secures the best advantage for the Council's financial position.
- (c) That the Strategic Director Corporate Services report any action taken in pursuance of 8.5(a) and 8.5 (b) above when reporting on the Final Accounts for 2016/17.

## **9.0 RECOMMENDATIONS TO COUNCIL**

### **COUNCIL TAX REQUIREMENT 2017/18**

- (a) That the council tax base figures for 2017/18 calculated by the Council at its meeting on 10th January 2017 in respect of the whole of the Council's area and individual parish and town council areas be noted.
- (b) That the only special items for 2017/18 under Section 35 of the Local Government Finance Act 1992 are local parish and town council precepts and

no expenses are to be treated as special expenses under Section 35(1) (b) of that Act.

- (c) That the Council Tax Requirement, excluding parish and town council precepts, be calculated as follows:

<b>Gross expenditure</b>	<b>£1,223,838,994</b>
<b>Income</b>	<b>£1,050,742,278</b>
<b>Council Tax requirement</b>	<b>£173,096,716</b>
<b>Council tax base</b>	<b>136,252</b>
<b>Basic amount of council tax</b>	<b>£1,270.42</b>
<b>Adjustment in respect of parish and town council precepts</b>	<b>£ 12.56</b>
<b>Basic amount excluding parish and town councils</b>	<b>£1,257.86</b>

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

<u>Parish or Town Council Area</u>	<u>Local Precept</u> £	<u>Council Tax Base</u>	<u>Parish/Town Council Tax</u> £	<u>Whole Area Council Tax</u> £	<u>Basic Council Tax Amount</u> £
Addingham	58,688	1,679	34.95	1,257.86	1,292.81
Baildon	176,000	6,166	28.54	1,257.86	1,286.40
Bingley	135,340	8,480	15.96	1,257.86	1,273.82
Burley	142,920	2,976	48.02	1,257.86	1,305.88
Clayton	40,321	2,375	16.98	1,257.86	1,274.84
Cullingworth	18,873	1,104	17.10	1,257.86	1,274.96
Denholme	25,271	1,054	23.98	1,257.86	1,281.84
Harden	16,180	809	20.00	1,257.86	1,277.86
Haworth, Crossroads and Stanbury	44,941	2,221	20.23	1,257.86	1,278.09
Ilkley	262,325	7,009	37.43	1,257.86	1,295.29
Keighley	489,378	14,513	33.72	1,257.86	1,291.58
Menston	109,936	2,143	51.30	1,257.86	1,309.16
Oxenhope	23,635	1,016	23.26	1,257.86	1,281.12
Sandy Lane	15,480	860	18.00	1,257.86	1,275.86
Silsden	41,306	2,875	14.37	1,257.86	1,272.23
Steeton with Eastburn	46,585	1,553	30.00	1,257.86	1,287.86
Wilsden	47,997	1,723	27.86	1,257.86	1,285.72
Wrose	15,540	2,072	7.50	1,257.86	1,265.36
<b>Total of all local precepts</b>	<b>1,710,716</b>	<b>60,628</b>			

- (e) That the council tax amounts for dwellings in different valuation bands in respect of the Council's budget requirement, taking into account parish and town council precepts applicable to only part of the Council's area, be calculated as follows, which includes the 3% social care precept:

	Council Tax Amount for Each Valuation Band							
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
All parts of the Council's area other than those below	838.57	978.34	1,118.10	1,257.86	1,537.38	1,816.91	2,096.43	2,515.72
The parish and town council areas of:								
Addingham	861.87	1,005.52	1,149.16	1,292.81	1,580.10	1,867.39	2,154.68	2,585.62
Baildon	857.60	1,000.53	1,143.47	1,286.40	1,572.27	1,858.13	2,144.00	2,572.80
Bingley	849.21	990.75	1,132.28	1,273.82	1,556.89	1,839.96	2,123.03	2,547.64
Burley	870.59	1,015.68	1,160.78	1,305.88	1,596.08	1,886.27	2,176.47	2,611.76
Clayton	849.89	991.54	1,133.19	1,274.84	1,558.14	1,841.44	2,124.73	2,549.68
Cullingworth	849.97	991.64	1,133.30	1,274.96	1,558.28	1,841.61	2,124.93	2,549.92
Denholme	854.56	996.99	1,139.41	1,281.84	1,566.69	1,851.55	2,136.40	2,563.68
Harden	851.91	993.89	1,135.88	1,277.86	1,561.83	1,845.80	2,129.77	2,555.72
Haworth, Crossroads and Stanbury	852.06	994.07	1,136.08	1,278.09	1,562.11	1,846.13	2,130.15	2,556.18
Ilkley	863.53	1,007.45	1,151.37	1,295.29	1,583.13	1,870.97	2,158.82	2,590.58
Keighley	861.05	1,004.56	1,148.07	1,291.58	1,578.60	1,865.62	2,152.63	2,583.16
Menston	872.77	1,018.24	1,163.70	1,309.16	1,600.08	1,891.01	2,181.93	2,618.32
Oxenhope	854.08	996.43	1,138.77	1,281.12	1,565.81	1,850.51	2,135.20	2,562.24
Sandy Lane	850.57	992.34	1,134.10	1,275.86	1,559.38	1,842.91	2,126.43	2,551.72
Silsden	848.15	989.51	1,130.87	1,272.23	1,554.95	1,837.67	2,120.38	2,544.46
Steeton with Eastburn	858.57	1,001.67	1,144.76	1,287.86	1,574.05	1,860.24	2,146.43	2,575.72
Wilsden	857.15	1,000.00	1,142.86	1,285.72	1,571.44	1,857.15	2,142.87	2,571.44
Wrose	843.57	984.17	1,124.76	1,265.36	1,546.55	1,827.74	2,108.93	2,530.72

- (f) That it be noted that for the year 2017/18 the Police Crime and Commissioner has issued the following precept. As the West Yorkshire Fire and Rescue Authority (WYFRA) will not be meeting to set its precept until 17<sup>th</sup> February (after this report has been published) the West Yorkshire Fire and Rescue Authority precept shown in the table below is based on an estimate of 1.99%. Executive will be provided with the precept issued by WYFRA at the meeting of Executive on 21 February 2017.



<u>Precept Amount</u> £	<u>Council Tax Amount for Each Valuation Band</u>							
	<u>Band A</u> £	<u>Band B</u> £	<u>Band C</u> £	<u>Band D</u> £	<u>Band E</u> £	<u>Band F</u> £	<u>Band G</u> £	<u>Band H</u> £
<b><u>West Yorkshire Fire and Rescue Authority</u></b>								
8,297,747	40.59	47.37	54.12	60.90	74.43	87.96	101.49	121.79
<b><u>Police and Crime Commissioner for West Yorkshire</u></b>								
20,567,239	100.63	117.40	134.18	150.95	184.49	218.04	251.58	301.90

- (g) That having calculated the aggregate in each case of the amounts at (e) and (f) above, the Council set the following amounts of council tax for 2017/18 in each of the categories of dwellings shown below which includes the 3% social care precept:

	<u>Band A</u> £	<u>Band B</u> £	<u>Band C</u> £	<u>Band D</u> £	<u>Band E</u> £	<u>Band F</u> £	<u>Band G</u> £	<u>Band H</u> £
<b>All parts of the Council's area other than those below</b>	979.79	1,143.11	1,306.40	1,469.71	1,796.30	2,122.91	2,449.50	2,939.41
<b>The parish and town council areas of:</b>								
<b>Addingham</b>	1,003.09	1,170.29	1,337.46	1,504.66	1,839.02	2,173.39	2,507.75	3,009.31
<b>Baildon</b>	998.82	1,165.30	1,331.77	1,498.25	1,831.19	2,164.13	2,497.07	2,996.49
<b>Bingley</b>	990.43	1,155.52	1,320.58	1,485.67	1,815.81	2,145.96	2,476.10	2,971.33
<b>Burley</b>	1,011.81	1,180.45	1,349.08	1,517.73	1,855.00	2,192.27	2,529.54	3,035.45
<b>Clayton</b>	991.11	1,156.31	1,321.49	1,486.69	1,817.06	2,147.44	2,477.80	2,973.37
<b>Cullingworth</b>	991.19	1,156.41	1,321.60	1,486.81	1,817.20	2,147.61	2,478.00	2,973.61
<b>Denholme</b>	995.78	1,161.76	1,327.71	1,493.69	1,825.61	2,157.55	2,489.47	2,987.37
<b>Harden</b>	993.13	1,158.66	1,324.18	1,489.71	1,820.75	2,151.80	2,482.84	2,979.41
<b>Haworth, Crossroads and Stanbury</b>	993.28	1,158.84	1,324.38	1,489.94	1,821.03	2,152.13	2,483.22	2,979.87
<b>Ilkley</b>	1,004.75	1,172.22	1,339.67	1,507.14	1,842.05	2,176.97	2,511.89	3,014.27
<b>Keighley</b>	1,002.27	1,169.33	1,336.37	1,503.43	1,837.52	2,171.62	2,505.70	3,006.85
<b>Menston</b>	1,013.99	1,183.01	1,352.00	1,521.01	1,859.00	2,197.01	2,535.00	3,042.01
<b>Oxenhope</b>	995.30	1,161.20	1,327.07	1,492.97	1,824.73	2,156.51	2,488.27	2,985.93
<b>Sandy Lane</b>	991.79	1,157.11	1,322.40	1,487.71	1,818.30	2,148.91	2,479.50	2,975.41
<b>Silsden</b>	989.37	1,154.28	1,319.17	1,484.08	1,813.87	2,143.67	2,473.45	2,968.15
<b>Steeeton with Eastburn</b>	999.79	1,166.44	1,333.06	1,499.71	1,832.97	2,166.24	2,499.50	2,999.41
<b>Wilsden</b>	998.37	1,164.77	1,331.16	1,497.57	1,830.36	2,163.15	2,495.94	2,995.13
<b>Wrose</b>	984.79	1,148.94	1,313.06	1,477.21	1,805.47	2,133.74	2,462.00	2,954.41

- (h) That Council notes the movement in Band D equivalent charges for 2017/18 over 2016/17 as set out in the table below.

	Council Tax 2017-18	Council Tax 2016-17	Percentage change 2017-18 on 2016-17
	Band D Equivalent	Band D Equivalent	
<b>Bradford Metropolitan District Council</b>	<b>1,257.86</b>	<b>1,198.08</b>	<b>4.99%</b>
<b>West Yorkshire Fire and Rescue Authority</b>	<b>60.90</b>	<b>59.71</b>	<b>1.99%</b>
<b>West Yorkshire Police Authority</b>	<b>150.95</b>	<b>145.95</b>	<b>3.43%</b>
<b>Local (Parish Council) Precepts:</b>			
<b>Addingham</b>	<b>34.95</b>	<b>27.25</b>	<b>28.3%</b>
<b>Baildon</b>	<b>28.54</b>	<b>27.18</b>	<b>5.0%</b>
<b>Bingley</b>	<b>15.96</b>	<b>15.35</b>	<b>4.0%</b>
<b>Burley</b>	<b>48.02</b>	<b>15.88</b>	<b>202.4%</b>
<b>Clayton</b>	<b>16.98</b>	<b>14.37</b>	<b>18.2%</b>
<b>Cullingworth</b>	<b>17.10</b>	<b>14.21</b>	<b>20.3%</b>
<b>Denholme</b>	<b>23.98</b>	<b>18.92</b>	<b>26.7%</b>
<b>Harden</b>	<b>20.00</b>	<b>15.00</b>	<b>33.3%</b>
<b>Haworth etc</b>	<b>20.23</b>	<b>20.02</b>	<b>1.0%</b>
<b>Ilkley</b>	<b>37.43</b>	<b>26.00</b>	<b>44.0%</b>
<b>Keighley</b>	<b>33.72</b>	<b>33.72</b>	<b>0.0%</b>
<b>Menston</b>	<b>51.30</b>	<b>27.00</b>	<b>90.0%</b>
<b>Oxenhope</b>	<b>23.26</b>	<b>17.25</b>	<b>34.8%</b>
<b>Sandy Lane</b>	<b>18.00</b>	<b>18.00</b>	<b>0.0%</b>
<b>Silsden</b>	<b>14.37</b>	<b>16.99</b>	<b>-15.4%</b>
<b>Steeton/ Eastburn</b>	<b>30.00</b>	<b>28.75</b>	<b>4.3%</b>
<b>Wilsden</b>	<b>27.86</b>	<b>24.13</b>	<b>15.5%</b>
<b>Wrose</b>	<b>7.50</b>	<b>7.50</b>	<b>0.0%</b>

\* The West Yorkshire Fire and Rescue Authority will be setting their precept on Friday 17<sup>th</sup> February. The amount shown in the above table is estimated precept based on a 1.99% increase.

## 10.0 BACKGROUND DOCUMENTS

- 10.1 Proposed Financial Plan 2017/18 – 2020/21 - Executive Report 6 December 2016 (Doc AJ)
- 10.2 2017/18 and 2018/19 Budget Update and Financial Outlook to 2020/21– Executive Report 7 February 2017 (Doc AZ)
- 10.3 Consultation Feedback and Equality Assessments for the 2017/18 and 2018/19 Council Budget Proposals – Executive Report 7 February 2017 (Doc BA) and the addendum to that report circulated to Executive on 7 February 2017
- 10.4 Interim Trade Union Feedback on the Council’s Budget Proposals for the 2017/18 and 2018/19 Council Budget - Executive Report 7 February 2017 (Doc BB) and the addendum to that report circulated to Executive on 7 February 2017

10.5 Strategic Director Corporate Services Section 151 Report – Executive 21 February 2017 – (Doc BJ)

## **11.0 APPENDICES**

11.1 Appendix A - Council Cumulative Budget 2017/18, 2018/19 and outlook to 2020/21

11.2 Appendix B - Recurring pressures and investment proposals

11.3 Appendix C - Non -recurring investment

11.4 Appendix D - Previously agreed savings for which on-going budget will be removed and replaced with transitional funding

11.5 Appendix E - New Draft Proposals Open for Consultation until 12 February 2017

11.6 Appendix F - Schedule of amendments to previous budget decisions

11.7 Appendix G – Use of Reserves statement

## Appendix A- COUNCIL CUMULATIVE BUDGET 2017/18, 2018/19 and outlook to 2020/21

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
<b>NET EXPENDITURE</b>				
2015/16 Base Budget	378,045	378,045	378,045	378,045
Reversal of non recurring investment	(1,478)	(2,728)	(2,728)	(2,728)
Full year effect of recurring pressures (Appendix B)	1,305	1,305	1,305	1,305
<b>Sub total</b>	<b>377,872</b>	<b>376,622</b>	<b>376,622</b>	<b>376,622</b>
<b>FUNDING CHANGES</b>	(2,149)	(2,091)	(4,934)	(3,769)
<b>INFLATION</b>	16,897	26,379	37,072	50,405
<b>Base Net Expenditure Requirement</b>	<b>392,620</b>	<b>400,910</b>	<b>408,760</b>	<b>423,258</b>
Demographic pressures in Adults	2,934	5,927	8,979	12,094
Adult social care costs funded by existing BCF	4,189	4,189	4,189	4,189
Children's demographic pressure	625	1,250	1,875	2,500
Apprenticeship levy	1,000	1,000	1,000	1,000
One off investment (Appendix C)	475	150	0	0
Transitional funding	(745)	(980)	(980)	(980)
Termination costs	8,842	4,500	4,500	4,500
Transformation fund	2,500	2,500	0	0
Public Health reduction in expenditure due to grant cut	(1,085)	(2,201)	(3,288)	(3,288)
2016/17 Budget decisions	(24,263)	(24,263)	(24,263)	(24,263)
Amended 2016/17 Budget decision (Appendix F)	1,038	598	598	598
New Budget proposals for consultation 2017/18 and 2018/19 (Appendix E)	(13,506)	(32,382)	(32,382)	(32,382)
Indicative savings required for 2019/20 and 2020/21 to achieve a balanced budget	0	0	(19,705)	(51,037)
<b>Net Expenditure Requirement</b>	<b>374,624</b>	<b>361,198</b>	<b>349,283</b>	<b>336,189</b>
<b>RESOURCES</b>				
Localised Business Rates	(63,477)	(64,747)	(66,042)	(67,363)
Council Tax Surplus 2016/17	(2,000)	0	0	0
Business Rates Deficit 2016/17	5,862	0	0	0
Top Up Business Rate Grant	(64,512)	(66,587)	(68,956)	(70,335)
Revenue Support Grant	(62,849)	(48,539)	(34,054)	0
Use of Reserves (Appendix G)	(16,262)	(397)	5,307	(4,500)
Council Tax	(171,386)	(180,928)	(185,538)	(193,991)
<b>Total Resources</b>	<b>(374,624)</b>	<b>(361,198)</b>	<b>(349,283)</b>	<b>(336,189)</b>
<b>Budget shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Memorandum</b>				
Council Tax base	136,252	137,002	137,752	138,502
Council Tax Band D (proposed 4.99% increase†)	£1,258	£1,321	£1,347	£1,401

† includes 3.0% social care precept

**Appendix B**  
**Recurring pressures and investment proposals**  
*(2017-18 impact is shown on an incremental basis)*

Ref.	Investment Proposal	Description of Option	2017-18 Impact £'000	2018-19 Impact £'000
	<b>Better Health Better Lives</b>			
CRP4.1		Investment for increase in costs of Looked After Children	700	0
	<b>Total Better Health Better Lives</b>		<b>700</b>	<b>0</b>
	<b>Better Skills More Jobs and a Growing Economy</b>			
ERP4.2		Provision for match funding for events and small contribution to events	105	0
	<b>Total Better Skills More Jobs and a Growing Economy</b>		<b>105</b>	<b>0</b>
	<b>Safe Clean and Active Communities</b>			
ERP4.1		Provision for anticipated loss of recyclates income	500	0
	<b>Total Safe Clean and Active Communities</b>		<b>500</b>	<b>0</b>
	<b>TOTAL</b>		<b>1,305</b>	<b>0</b>

## Appendix C

### Non-recurring investment

(2017-18 impact is shown on an incremental basis)

Ref.	Investment Proposal	Description of Option	2017-18 Impact £'000	2018-19 impact £'000
	<b>Safe Clean and Active Communities</b>			
ENR4.1	Communities	Additional waste haulage costs to be funded from Waste minimisation reserve – see Appendix F	259	(259)
	<b>Total Safe Clean and Active Communities</b>		<b>259</b>	<b>(259)</b>
	<b>A Well Run Council</b>			
LNR4.2	Temporary funding for mortuary services		66	(66)
LNR4.3	Two year temporary funding to support acceleration of community asset transfers		150	0
	<b>Total - A Well Run Council, Using All Our Resources to Deliver Our Priorities</b>		<b>216</b>	<b>(66)</b>
	<b>Total Non-recurring investment</b>		<b>475</b>	<b>(325)</b>

## Appendix D

### Previously agreed savings for which on-going budget will be removed and replaced with transitional funding

*(Figures quoted are cumulative)*

Ref.	Service	Description	2017-18 £'000	2018-19 £'000
R34	City Centre Management	Withdraw from current City Centre Management provision and move to a new model over the next three years	72	0
R35	Cultural Strategic Support and Events	Create a Cultural Company outside the direct control of the Council over a period of three years and move to a new model of delivery for supporting cultural activities. This reduces reliance on Council funding over a three year period and enables additional funding streams to be accessed which are not available to council run organisations.	163	0
<b>Total</b>			<b>235</b>	<b>0</b>

## Appendix E

### New Draft Proposals Open for Consultation until 12 February 2017

REF	Proposal for Change	2017/18 £'000 Impact	2018/19 £'000 Impact
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#### Better Health Better Lives

4PH1	<b>School Nursing and Health Visiting</b> - service based efficiencies – primarily management, back office and vacancy control <i>Please note this proposals is split between Better Health, Better Lives and Great Start, Good Schools</i>	428.9	770.8
4PH2	<b>Substance Misuse Service</b> - combination of redesign, re-commissioning and ceasing recovery service, dual diagnosis service, supervised medication programme, inpatient detoxification services.	1,169.0	1,634.0
4PH3	<b>Sexual Health</b> - combination of redesign, review and ceasing services Health development with young people, sex and relationship education in schools, emergency hormonal contraception	70.5	25.0
4PH4	<b>Tobacco</b> – combination of redesign, review and ceasing services	2.0	59.2
4PH5	<b>Homestart, Worksafe, Injury Minimisation Programme</b> - phase out of these services providing support for vulnerable parents and children age 0-5 years.	190.0	55.0
4PH6	<b>Physical Activity, Food and Nutrition</b> - cessation of grants to VCS organisations delivery range of activities including 'cook and eat', physical activity, food growing and breastfeeding support.	1,000.0	0.0
4PH7	<b>Small Grants (VCS funding)</b> - cessation of small grants delivering projects on sexual health, smoking cessation, cancer awareness, teenage pregnancy, and healthy lifestyles	101.0	0.0
4PH8	<b>Warm Homes Healthy People</b> – reduction in the short term winter activity based programme	25.0	40.0
4PH9	<b>CCG Rebasing</b> – to redesign services as part of an accountable care system, involving health, social care and other providers	0	499.0
4PH10	<b>Public Health</b> – reduction in staffing in line with redirecting investment profile towards reducing demand and maintaining health and wellbeing	300.0	350.0
4PH11	<b>Environmental Health</b> – management restructure	35.0	40.0
4E11	<b>Sport and Physical Activity</b> – investigate all methods of future operational service delivery	0.0	150.0
4A1	Adults - Overall Demand Management Strategy - moving from a dependency model to one that promotes independence and resilience (e.g. reducing numbers coming in to care, care system culture change, speeding up integration, redesign enablement, reviewing financial needs, continued personalisation).	8,000.0	8,000.0
4C4	<b>Child Protection management restructure</b> – reduction in teams by four to ten with potential reduction in team managers plus review other overall budgets	240.0	240.0
4C5	<b>Children's Social Care management restructure</b> – review of management structure leading to proposed reduction of two service manager posts and one team manager	85.0	85.0
4C6	<b>Early Help</b> –review structures in early help for children and families commissioned from VCS, youth offending team, crime prevention, family centres, families first	80.0	120.0



## Appendix E

### New Draft Proposals Open for Consultation until 12 February 2017

REF	Proposal for Change	2017/18 £'000 Impact	2018/19 £'000 Impact
4C7	<b>Looked After Team</b> – review of staffing and non staffing budgets	19.0	19.0
4C8	<b>Fostering and Adoption</b> – review team manager structure with potential reduction of one team manager post	0	50.0
4C9	<b>Disabled Children Team</b> – to build on review already underway with CAMHS, review overall staffing and no staffing budget	250.0	34.0
4C10	<b>Child Protection Review Team</b> – vacancy management, use of software to reduce administrative requirements	0	24.0
4C11	<b>Leaving Care</b> – to review staffing and non staffing budgets to achieve a saving of 2% in yr 1 and a further 1% in yr 2	68.0	34.0
4C13	<b>Drugs and Alcohol Team</b> – review of the work of the team and all other services that support young people with alcohol and drug issues	50.0	50.0
	<b>Reduction to Public Health Grant Cut met from proposals above</b>	(1,085.0)	(1,116.0)
	<b>Total - Better Health Better Lives</b>	<b>11,028.4</b>	<b>11,163.0</b>

### A Great Start and Good Schools for All Our Children

4C1	<b>Education Services</b> – From 2017 part of the Dedicated Schools Grant will be passed directly to schools. There will therefore be a reduction in Council spending but no reduction in base budget. The proposal is included here as there could be staffing implications.	0.0	0.0
4C2	<b>Early Years</b> - From 2017 part of the Dedicated Schools Grant will be removed. Plans are being formulated to develop a coherent and targeted suite of early years' services including early help, family centres and early years' including Children's Centres. The proposal is included here as there could be staffing implications.	0.0	0.0
4C12	<b>Early Years and School Readiness</b> –reduction in grants to small providers undertaking community based activity to help prepare children for school.	60.0	0.0
4PH1	<b>School Nursing and Health Visiting</b> – service based efficiencies – primarily management, back office and vacancy control <i>Please note this proposals is split between Better Health, Better Lives and Great Start, Good Schools</i>	398.1	619.2
	<b>Total – A Great Start and Good Schools for All Our Children</b>	<b>458.1</b>	<b>619.2</b>

### Better Skills More Jobs and a Growing Economy

4E7	<b>Remodel of Visitor Information &amp; frontline service</b> - reduce the number and/or size of Visitor Information Centres (VICs), moving to a more digital basis promoting the district to target audiences, with the potential for VIC information points as co-located provision.	0.0	50.0
4E8	<b>Events and Festivals</b> - review to develop a more sustainable and balanced events programme	0.0	150.0
4E9	<b>Libraries</b> - reduction in the number of libraries directly provided. Investigate potential for alternative delivery models	0.0	100.0
4E10	<b>Theatres and Community Halls</b> - Trust type models being investigated. Community halls to be transferred through Community Asset Transfer where	0.0	130.0

## Appendix E

### New Draft Proposals Open for Consultation until 12 February 2017

REF	Proposal for Change	2017/18 £'000 Impact	2018/19 £'000 Impact
	possible		
4E12	<b>Ministry of Food</b> - possible cessation of the service teaching people how to cook, eat and improve their long term health	0.0	96.0
4C3	<b>Children's Services</b> - staffing, restructure, reduction in the Connexions contract with longer term service brought back in to Council, investigate regional data centre, cessation of Employment Opportunities Fund (EOF).	150.0	150.0
4R1	<b>Industrial Services Group (ISG)</b> – reduce the staffing structure to suit the present workloads	0.0	43.3
4R2	<b>West Yorkshire Combined Authority (WYCA) Transport Levy</b> – proposed reduction in the levy	265.9	1,234.1
4R3	<b>Commercialise Highway Delivery Unit (HDU)</b> – to increase the range of services provided by the HDU through increasing involvement in existing capital works programmes and delivery of services which are externally funded	223.0	223.0
4R4	<b>Centralisation of Urban Traffic Control</b> including reduced maintenance of street lighting asset	119.0	246.0
4R5	<b>Planning, Transportation and Highways</b> – increase in discretionary charges	30.0	30.0
4R6	<b>Planning, Transportation and Highways</b> - options related to discretionary budgets for highway maintenance works including minor drainage improvements, pavement repairs and footpath and snicket maintenance	128.0	(6.4)
4R7	<b>Planning, Transportation and Highways</b> - reduction in Highways Services operational budgets associated with operational accommodation, transport gateway and subway maintenance	64.0	31.6
4R8	<b>Planning, Transportation and Highways</b> - increase fine income enforcement of contraventions by statutory undertakers of the Yorkshire Common Permit Scheme on highways	30.0	70.0
4R9	<b>Planning, Transportation and Highways</b> - reduce area committee support and stop processing/charge for all requests for service delivery for non casualty led projects	0.0	124.0
4R10	<b>Education Capital Team</b> – combination of vacancy control, reduction in facilities management and other charges	50.0	50.0
4R11	<b>Planning, Transportation and Highways</b> - introduction of limited lighting hours / switch off of street lighting on non-principal road network	50.0	60.0
4R12	<b>School Catering and Cleaning</b> – increased sales and price reviews	30.0	35.0
4R13	<b>Economic Development Service</b> – reduction in City Park sinking fund, matched funding for European Strategic Investment Fund programmes. Remove support for B-funded community funding information website	150.5	0.0
4R20	<b>Regeneration</b> – no longer accept new schools onto the Active School Travel programme with existing provision being phased out over the following years of this budget process	0.0	28.0
4R21	<b>Regeneration</b> – reduction in the funding for the Road Safety Team	0.0	62.5
	<b>Total - Better Skills More Jobs and a Growing Economy</b>	<b>1,290.4</b>	<b>2,907.1</b>

## Appendix E

### New Draft Proposals Open for Consultation until 12 February 2017

REF	Proposal for Change	2017/18 £'000 Impact	2018/19 £'000 Impact
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#### Decent Homes That People Can Afford to Live In

4R18	<b>Homelessness Private Rented Sector Housing</b> – delete vacant post	32.0	0.0
4R19	<b>Housing Operations</b> – increase income generation from agency fees	0.0	44.0
	<b>Total - Decent homes that people can afford to live in</b>	<b>32.0</b>	<b>44.0</b>

#### Safe Clean and Active Communities

4E1	<b>Parks and Bereavement</b> – parks, recreation grounds and woodlands offered as community asset transfer; management rationalisation; withdrawal from direct management of sport pitches and bowling greens; raise prices of bereavement services.	0.0	160.0
4E2	<b>Waste Collection and Disposal Services</b> - introduction of co-mingled recycling enabling more plastic recycling	50.0	807.0
4E3	<b>Trade Waste</b> – process improvements and revision of charging policy plus a move to a cashless payment system	50.0	0.0
4E4	<b>Customer Services</b> – redirect face to face contact towards self service and telephone services will see a continuing decline in contact resulting in staffing efficiencies. Automated services will increase with fewer options for people to speak to a customer services advisor. More people will be expected to 'self serve' using on line services	0.0	50.0
4E5	<b>Street Cleansing and Public Conveniences</b> - reduction in number of ward based clean teams and mechanical sweepers; removal of funding for public conveniences (except City Park)	0.0	336.3
4E6	<b>Pest Control</b> – cessation of the pest control service	0.0	36.2
	<b>Total - Safe Clean Active Communities</b>	<b>100.0</b>	<b>1,389.5</b>

#### A Well Run Council, Using All Our Resources to Deliver Our Priorities

4F1	<b>Financial Services</b> – reduction in function reflecting reduced emphasis on retrospective reporting, more self service by budget managers and targeting staffing resources at highest risk, most complex issues	32.0	130.0
4F2	<b>Insurance</b> – reduce the total cost of insurance, including premiums paid to the Council's insurer, the cost of maintaining and internal insurance fund for self-insured risks and the cost of meeting claims	200.0	300.0
4F3	<b>Revenues and Benefits</b> – reduce significantly the amount of cash used by and within the organisation and reduce the cost of cash management functions through the increased digitalisation of customer payment options. Also consider if transactional functions across the Department will be more efficient and sustainable by bringing them together	0.0	160.0
4F4	<b>West Yorkshire Joint Committees</b> – cap contribution to Joint Committees at £1.1m which will require concerted action with other Councils	75.0	35.0
4S1	<b>Information Technology Services</b> – reduction in costs associated with device support, licences and infrastructure. Switching technology solutions where better value can be achieved and rationalising the number of existing	0.0	500.0

## Appendix E

### New Draft Proposals Open for Consultation until 12 February 2017

REF	Proposal for Change	2017/18 £'000 Impact	2018/19 £'000 Impact
	IT applications to simplify the technology in use		
4H1	<b>Human Resources</b> – reduce HR transactional support, to reduce volume of service specific training	0.0	204.0
4H2	<b>Terms and Conditions</b> – removal of non contractual overtime payments and removal of essential car allowance lump sum payments	0.0	400.0
4L1	<b>Legal and Democratic Services</b> – to reflect the reduced size and scope of the Council, reductions to Civic, Legal and Committee Services, including Overview and Scrutiny are proposed	20.0	55.0
4X1	<b>Office of the Chief Executive</b> – restructure of the Office of the Chief Executive to improve coherence and integration of core corporate functions	0.0	479.0
4R14	<b>Asset Management</b> – make the best use of the Council's and public sector partners' estate working with the Voluntary and Community Sector Also seek to invest in non-operational property to generate surplus income	270.0	240.0
4R15	<b>Facilities Management</b> – operational cost reductions reflecting the continued contraction of the organisation	0.0	100.0
4R16	<b>Facilities Management</b> – reduction in the maintenance budget as the size of the operational estate shrinks	0.0	100.0
4R17	<b>Facilities Management</b> – reduction in the size of the estate together with energy efficiency measures	0.0	50.0
	<b>Total - A Well Run Council, Using All Our Resources to Deliver Our Priorities</b>	<b>597.0</b>	<b>2753.0</b>
	<b>Total – New Draft Proposals Open for Consultation until 12 February 2017</b>	<b>13,505.9</b>	<b>18,875.8</b>

**Appendix F (i) – SCHEDULE OF AMENDMENTS TO PREVIOUS BUDGET DECISIONS  
SUBJECT TO CONSULTATION UP TO 12 FEBRUARY 2017 (incremental basis)**

Ref	Description	2017-18 £'000	2018-19 £'000
<b>Better Health Better Lives</b>			
3A5	Staffing Efficiencies Replaced by	(2,000.0)	0
4A2	Demand management – further reductions in high cost packages, further reductions in Supported Living contracts/packages, various reductions in travel and fees Also see proposal 4A1 in Appendix E for more detail on the proposed actions in 2017/18	2,000.0	0
3C8	Reducing cost of high cost placements & reducing numbers of Looked After Children Replaced by	(1,630.0)	0
4C14	Reducing agency spend in Children's Social Care Services	1,025.0	36.0
4C15	Review of front door customer contact to Children's Social Care Services	0	46.0
4C16	Administrative Support restructure – rationalisation of the supervision and management structure	100.0	0
Net effect Better Health Better Lives		(505.0)	82.0
<b>Safe Clean Active Communities</b>			
3E25	Parking services income generation Replaced by	(319.0)	0
4E13	Remove Christmas parking concessions, amend tariffs in Little Germany and other car park changes.	222.0	108.0
Net effect Safe Clean Active Communities		(97.0)	108.0
Net amendments to previous budget decisions <b>subject</b> to consultation		(602.0)	190.0

**Appendix F (ii) - SCHEDULE OF AMENDMENTS TO PREVIOUS BUDGET DECISIONS  
NOT SUBJECT TO CONSULTATION (incremental basis)**

Ref	Description	2017-18 £'000	2018-19 £'000
<b>Better Health Better Lives</b>			
3C7	Reducing the cost of high cost placements	(624.0)	0
3C9	Early Help staffing efficiencies Re-profiled to	(1,080.0)	0
3C7	Reducing the cost of high cost placements	500.0	250.0
3C9	Early Help staffing efficiencies	767.5	0
Net amendments to previous budget decisions <b>not</b> subject to consultation		(436.5)	250.0
<b>Total Net effect of Appendix F(i) and Appendix F(ii) – see Appendix A</b>		<b>(1,038.5)</b>	<b>440.0</b>



## Appendix G

### Use of Reserves Statement

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Pre agreed use of reserves					
Transitional Reserve	(235)				(235)
Financial Services VAT Reserve	(120)	(120)	(103)		(343)
<b>Total</b>	<b>(355)</b>	<b>(120)</b>	<b>(103)</b>		<b>(578)</b>
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Proposed use of reserves					
Redundancy Costs	(8,842)			(4,500)	(13,342)
Transformation Costs	(2,500)	(2,500)			(5,000)
Additional Waste Haulage Costs	(259)				(259)
To close budget gap	(4,306)				(4,306)
Forecast replenishment of reserves		2,223	5,410		7,633
<b>Total</b>	<b>(15,907)</b>	<b>(277)</b>	<b>5,410</b>	<b>(4,500)</b>	<b>(15,274)</b>
<b>Total pre agreed and proposed use of reserves per Appendix A</b>	<b>(16,262)</b>	<b>(397)</b>	<b>5,307</b>	<b>(4,500)</b>	<b>(15,852)</b>

### Proposed Redirection of Earmarked Reserves

	Redundancy £'000	Transformation £'000	To Close Gap £'000	Replenish Reserves £'000	Total £'000
Managed severance reserve	(4,093)				(4,093)
Repairs and renewals reserve	(3,449)	(1,511)	(2,280)		(7,240)
Waste collection and disposal reserve †			(2,285)		(2,285)
Transformation programme		(124)			(124)
Care Act reserve	(1,300)	(1,700)			(3,000)
Culture company		(100)			(100)
Art Fund		(12)			(12)
Customer services strategy reserve		(750)			(750)
Facilities Management service improvement reserve		(515)			(515)
Business support centre reserve		(72)			(72)
District elections reserve		(216)			(216)
2020/21 redundancy funded through surplus in 2019/20	(4,500)				(4,500)
Replenishment of reserves				7,633	7,633
<b>Total</b>	<b>(13,342)</b>	<b>(5,000)</b>	<b>(4,565)</b>	<b>7,633</b>	<b>(15,274)</b>

## Report of the Director of Finance to the meeting of the Executive to be held on 21 February 2017 and Council to be held on 23 February 2017.

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Document BH

**Subject:**

**Allocation of the Schools Budget 2017/18 Financial Year**

**Summary statement:**

The report seeks Executive approval of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2017/18 and subsequent recommendation to Full Council.

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Stuart McKinnon-Evans  
Director of Finance

**Portfolio: Leader and Strategic  
Regeneration**

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**Overview & Scrutiny Area: Corporate**



## 1. SUMMARY

- 1.1 This report informs the Executive of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant (DSG) for the 2017/18 financial year.
- 1.2 The Schools Budget is part of the overall budget proposal for the Council, which includes:
  - the recommended Capital Investment Plan (Document BI)
  - the Revenue Estimates (Document BG)
- 1.3 This report is submitted to enable the Executive to make recommendations to Council on the setting of the budget and the Council Tax for 2017/18, as required by Article 4 of the Council's Constitution.

## 2. BACKGROUND

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The primary function of a Schools Forum is consultative; to recommend to the Council's Executive Committee how the funding, which the Government provides for schools and individual pupils (known as the Dedicated Schools Grant (DSG)), is managed. The Schools Forum also has some specific technical decision making powers.
- 2.2 The DSG in 2017/18 is calculated in three notional blocks: the Schools Block, based on October 2016 pupil census data; the Early Years Block, based on January 2017 and 2018 census data; and the High Needs Block, which is based on 2016/17 planned spending levels with some uplift for demographic growth.
- 2.3 In setting out the Schools Forum's recommendations in previous years for the allocation of the DSG, the changes that have been made in preparation for the implementation of a National Funding Formula for the DSG and for schools have been highlighted. The key changes have been:
  - The number of Schools Block formulae factors has been reduced.
  - Budgets for High Needs providers must be calculated using the national 'Place-Plus' methodology.
  - A greater proportion of the DSG must be delegated to school budgets, with strict rules around how DSG monies can be centrally retained.
  - The Minimum Funding Guarantee (MFG) continues for primary and secondary schools, and special schools, at minus 1.5%.
- 2.4 National Funding Formula for the Schools and High Needs Blocks is set to be implemented by Government from April 2018. The Government published, on 14





December 2016, its 2<sup>nd</sup> stage of consultation on its proposals. The Schools Forum has made its recommendations on the 2017/18 DSG in this context. The Authority, with the Schools Forum, will formally respond to this consultation in due course.

2.5 A separate consultation was conducted by Government earlier in 2016 on reform of the funding of early years. The details of the changes in the Early Years Block, beginning from April 2017, are now confirmed and are incorporated into the recommendations set out in this report.

2.6 The total estimated amount of DSG available for distribution in 2017/18 is £521.321m, which includes a forecasted value of under spend (one off carry forward) within the DSG up to 31 March 2017 of £5.874m. The final 2017/18 DSG allocation, and one off DSG carry forward, will be confirmed by July 2017. The recommended distribution of the estimated DSG is summarised in the table below:-

Description	Early Years £m	Schools £m	High Needs £m	One Off £m	Total £m
Estimated DSG available 2017/18	42.041	414.122	59.284	-	515.447
Estimated DSG B'fwd from 2016/17	-	-	-	5.874	5.874
<b>Total DSG Funding 2017/18</b>	<b>42.041</b>	<b>414.122</b>	<b>59.284</b>	<b>5.874</b>	<b>521.321</b>
Delegated to Schools / Providers	41.827	401.279	49.699	-	492.805
Non-Delegated Items	0.214	7.114	15.835	-	23.163
Allocation of One Off	-	-	-	1.639	1.639
<b>Total Funding Allocated</b>	<b>42.041</b>	<b>408.393</b>	<b>65.534</b>	<b>1.639</b>	<b>517.607</b>
<b>Difference (reserve)</b>	<b>0.000</b>	<b>5.729</b>	<b>- 6.250</b>	<b>4.235</b>	<b>3.714</b>

2.7 The National Funding Formula, as currently proposed, is neutral to us on a cash basis at the level of total DSG over the next 5 years. However, within this overall position:

- National Funding Formula will not address the very significant cut in the real terms value of school funding. This is a national issue. The National Audit Office has calculated, in its report published in December, that on a national average basis the reduction in the real terms value of existing levels of education funding is 8.7% across 2016-2020. 8.7% is roughly a reduction in £44m in Bradford's DSG in real terms. The NAO's figure includes inflationary pressures on non-staffing spending, the apprenticeship levy, annual pay awards and salaries increases, teacher pension scheme costs and increases in national insurance contributions. In addition to these factors, locally, education budgets will be required to absorb increased employer contributions to non-teaching staffing pension costs (an increase in contributions from 14.2% to 17.5% at April 2017).
- National Funding Formula cuts our funding for early years provision by a net £2.4m (-6.2%).



- National Funding Formula reduces the on-going budgets of 89% of Bradford's primary and secondary schools and academies, albeit that the full scale of reduction is mitigated by a proposed mechanism which limits the reduction for any school to a maximum of 3%. (This 3% protection is just on the main schools block of the funding i.e. excludes early years and post 16 funding) 68% of our schools will be on the 3% floor. These reductions amplify the impact of the cut in the value of school funding in real terms. Our smaller schools are demonstrably more negatively affected.
- National Funding Formula does increase Bradford's High Needs Budget. However, under damping proposals, Bradford will not receive the full value of the increase that the National Formula would otherwise legitimately allocate (a full gain of £16m is damped to £8m) and also, under transitional protection, this £8m will take up to 5 years to be received. Under these terms, our High Needs Budget will be insufficient to meet increasing pupil need.

2.8 Members are asked to consider and approve the recommendations of the Schools Forum. Should Members wish to propose amendments then representation must be made back to the Schools Forum.

### 3. **SCHOOLS FORUM RECOMMENDATIONS ON THE ALLOCATION OF THE SCHOOLS BUDGET IN 2017/18**

#### **SCHOOLS BUDGET AVAILABLE IN 2017/18 (€000)**

##### 3.1 **The Schools Block €414,122**

This Block funds delegated budgets, support services and funds held centrally, for Primary and Secondary schools and academies (including free schools). The total is calculated on the number of pupils recorded in Primary & Secondary schools and academies in the October 2016 Census x £4,826 per pupil (this figure is set by the Education Funding Agency (the EFA)). There is no increase for inflationary cost pressures in the 2017/18 DSG settlement. The Schools Block however, includes £4m of growth for the additional 835 pupils recorded in schools and academies in the October 2016 Census. In preparation for the National Funding Formula, the existing values of the Schools and High Needs Blocks have been adjusted so that the previous 'notional' allocations now reflect 2016/17 spending by block. The DfE has also transferred the £1.4m Education Services Grant – Centrally Retained Duties – funding into the Schools Block for 2017/18.

Please note that the funding for the delegated budgets of academies and free schools is 'top sliced' from this Block so that these settings can be funded directly by the Education Funding Agency.

##### 3.2 **The High Needs Block €59,284**



This Block funds resources for pupils in mainstream schools with Special Educational Needs (Statements and Education Health and Care Plans), delegated budgets for Special Schools, Pupil Referral Units and resourced units. These budgets are calculated under the national 'Place-Plus' framework. All other DSG provision relating to high needs pupils, which is either delegated or centrally managed, is funded from this Block. This includes behaviour support, the Behaviour and Attendance Collaboratives (BACs), Early Years SEN support, Education in Hospital provision and the placement of Bradford children in out of authority and in non-maintained provisions. The value of funding in 2017/18 is based on our planned spending on high needs provision in 2016/17 with some uplift for demographic growth.

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

	<b>(£'000)</b>
<b>3.3 The Early Years Block</b>	<b>£42,041</b>

This Block funds delegated budgets, support services and other funds held centrally, relating to the provision of the free entitlement to nursery education for 2, 3 and 4 year olds in Nursery schools, Primary schools and academies with nursery classes and private, voluntary and independent settings. The total value of this Block is currently estimated and will be finalised on the number of children recorded in the January 2017 and January 2018 Censuses x £4,588 per FTE pupil aged 3 / 4 and £4,940 per FTE pupil aged 2. The January 2018 Census will record the uptake of the new extended 30 hours entitlement for eligible 3 and 4 years olds and our DSG will be funded on this basis. Estimated figures of £0.342m and £0.160m are included in this Block for the Early Years Pupil Premium and for the new Disability Access Fund. In addition, an estimated £1m is included for the DfE's Nursery School Supplement, which is a separate specific allocation to protect current levels of funding for maintained nursery schools.

As part of its recommendations, the Schools Forum proposes to establish the 'ring-fencing' of the Early Years Block going forward from April 2017, meaning that increases and decreases in both expenditure and income relating to the Early Years Block are to be contained within this block.

	<b>(£'000)</b>
<b>3.4 DSG Carry Forward from Previous Years</b>	<b>£5,874</b>

Final DSG allocations are not confirmed by the DfE until later in the financial year and the Forum's recommendations are based on estimates of expenditure. These estimates are reconciled at the end of each year and differences are added to the DSG headroom for the Schools Forum to allocate on a one off basis.



	<b>(£'000)</b>
<b>Total Schools Budget Available in 2017/18</b>	<b>£521,321</b>
<b>4. ALLOCATION TO SCHOOL DELEGATED BUDGETS</b>	<b>(£000)</b>

**Total Allocated to School / Provider Delegated Budgets** **£492,805**

**Broken down as follows:**

	<b>(£'000)</b>
<b>4.1 Early Years Providers via Single Funding Formula</b>	<b>£41,827</b>

This is funding delegated to maintained Nursery Schools, nursery classes in Primary provisions and Private, Voluntary and Independent (PVI) providers, to support the delivery of the free entitlement to nursery education:

- Nursery Schools 3 / 4 year old entitlement, incorporating the Nursery School Supplement £2.741m
- Nursery Classes in Primary Provisions 3 / 4 year old entitlement £14.417m
- PVI Providers 3 / 4 year old entitlement £10.289m
- Delivery of the extended 30 hours 3 / 4 year old entitlement from September 2017 (estimate of cost across all settings) £4.453m
- The free entitlement for the 40% most deprived 2 year olds £8.925m
- Early Years Pupil Premium £0.342m
- Disability Access Fund (new for 2017/18) £0.160m
- Contribution to the delegated Early Years Inclusion budget £0.300m
- Contingency for the cost of delegated allocations £0.200m

The Schools Forum recommends that the amendments that were set out in the Authority's consultation document, published in October 2016, are taken forward to be incorporated into our Early Years Single Funding Formula (EYSFF) used to calculate budget shares for settings delivering provision for 2 and 3 / 4 year olds in 2017/18. These amendments specifically respond to the Government's early years funding reform, which has placed further restrictions on how early years funding can be allocated e.g. in setting a maximum spend on additional supplements, including deprivation. A simple summary of Bradford's EYSFF, recommended for 2017/18, is attached at Appendix 3.

	<b>(£'000)</b>
<b>4.2 Primary and Secondary Schools and Academies</b>	<b>£401,279</b>

Primary £228.624m  
Secondary £172.655m

The Forum has agreed to:

- Use the formulae outlined in Appendix 1 to calculate budget shares. The formulae have been agreed, following consultation with schools in the autumn.



We submitted the final version of the required Pro-forma on 19 January and this is subject to final validation by the EFA.

- Set formulae funding rates incorporating a transfer of £5.605m in total from the delegated Schools Block to the High Needs Block. £2.145m of this total comes from the transfer of headroom (unallocated monies) within the Schools Block. The remaining £3.460m comes from an explicit contribution of £1.823m; £33.25 per pupil (primary phase) and £1.637m; £52.73 per pupil (secondary phase).
- Continue the value of the DSG contribution to the Building Schools for the Future affordability gap, at £6.608m in 2017/18.
- Meet the cost (estimated) of expanding places in primary and secondary schools and academies through the DSG Growth Fund; a total planned budget of £1.790m, excluding items funded by one off monies.
- Delegate the sums released from changes to the DSG's Matched Contribution to School Improvement and Early Childhood Services to individual school budgets in support of the sector-led delivery model. These changes are further detailed in paragraph 5.1.

**4.3 Special Schools and Special Academies** **(£'000)**  
**£22,044**

The national definition of a “High Needs” pupil is one whose education, incorporating all additional support, costs more than £10,000 per annum. The Government has introduced a national framework of “Place Plus” to allocate funding to schools and other settings. The “Place” element has been set nationally at £10,000 for both SEN and Alternative Provision settings. The “Plus” element is the top up funding above the “Place” funding and is based on an assessment of the additional need of an individual pupil. Local authorities are permitted to establish bands or ranges for this element of funding. The allocation of the High Needs Block for 2017/18 is recommended on the basis on Bradford’s existing Place-Plus model with two significant structural amendments, which were set out in the autumn term consultation document; the amendment of the cash budget protection factor from 1.5% to 3% of the previous year’s allocation, and the establishment of a small setting factor for resourced provisions. This uniform banding model, and the values of ‘Plus’ funding attached to each range, are outlined in Appendix 2. The funding values are reduced by 1.50% on those in 2016/17.

**4.4 Pupil Referral Units (PRUs)** **(£'000)**  
**£6,449**

The PRUs are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. The Schools Forum has recommended, in its measures to balance the overall DSG budget in 2017/18, to adjust the formulaic funding of placements of pupils without SEN Statements or Education Health and Care Plans (EHCPs) in alternative provisions, so that a greater proportion of the cost of these placements is met by mainstream schools from September 2017, recognising current double funding. The initial adjustment for the period September 2017 to March 2018 is relatively small (£0.1m) but is begun in anticipation of a larger adjustment in 2018/19.



4.5 **Behaviour Centres (Primary)** (€'000)  
£834

The Primary Behaviour Centres are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. The adjustment described in paragraph 4.4 above relating to the funding of placements of pupils without Statements or EHCPs also applies to this sector. The amendments, described in paragraph 4.3, of the cash budget protection factor from 1.5% to 3% of the previous year's allocation, and the establishment of a small setting factor for resourced provisions, are also applicable here.

4.6 **Resourced Provisions** (€'000)  
£6,100

All Resourced Provisions attached to mainstream schools and academies; Designated Specialist Provisions (DSPs) and Additional Resourced Centres (ARCs), in 2017/18 are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. The amendments, described in paragraph 4.3, of the cash budget protection factor from 1.5% to 3% of the previous year's allocation, and the establishment of a small setting factor for resourced provisions, are also applicable here. Please note that ARC provision is centrally managed, with places funded in schools.

4.7 **SEN Statements in Mainstream Schools and Academies** (€'000)  
£4,668

The funding is delegated to mainstream schools and academies for pupils with Statements of Special Educational Needs and Education Health and Care Plans. This cost incorporates the SEN Funding Floor (the factor that ensures a minimum level of funding for SEND provision in schools and academies). The Schools Forum has recommended, in its measures to balance the overall DSG budget in 2017/18, that the variable values of the SEN Funding Floor are reduced by 1.5% and the lump sum values reduced by 25% on 2016/17.

4.8 **Post 16 Further Education Providers** (€'000)  
£3,964

The cost of Post 16 High Needs provision was partly transferred into the DSG at August 2013. The remaining place-element for Further Education providers has been transferred into the DSG at April 2017. For the 'Plus' element, Further Education providers are funded for the vast majority of students at 60% of the Ranges Model value (shown in Appendix 2) for the primary need of the student. The exceptions are students with the primary need of sensory impairment (Hearing / Visual), where funding is calculated on an actual cost basis.

4.9 **Early Years Children's Centre Plus** (€'000)  
£300

Early Years Children's Centre Plus provision is funded via the Place-Plus



framework explained above. The Schools Forum has established the principle that the total £1.06m earmarked DSG budget for Early Years SEND in 2017/18 can be allocated flexibly across the different early years provisions (including portage – out of school - support services) to respond to the distribution of demand. The £300,000 planned budget here is the value of the £1.06m that is initially estimated will be delegated to settings in 2017/18, with the remaining element being centrally managed.

**4.10 Early Years Inclusion (EYIP)** **(£'000)**  
**£300**

Within the 2017/18 DSG allocations it is recommended that a total budget of £600,000 is available for funding additional support for children with additional educational needs accessing the 2, 3 and 4 year old free entitlements. £300,000 of this budget is funded by the Early Years Block (see paragraph 4.1) with the remaining £300,000 coming from the existing High Needs Block EYIP fund. How this budget is to be fully deployed is to be further considered by the Schools Forum, but it will build on the already established Early Years Inclusion Panel framework.

**4.11 Education in Hospital and Tracks Provision** **(£'000)**  
**£837**

Education in Hospital and Tracks provision is funded on the agreed planned number of places, with the Finance Regulations requiring that the funding per place in 2017/18 is not lower than the value in 2016/17.

**4.12 Planned Budget for Additional High Needs Places** **(£'000)**  
**£4,203**

The Schools Forum has recommended that a total sum of £4.203m is established within the 2017/18 DSG High Needs Block to finance the creation of additional places in high needs provisions in Bradford for pupils with SEND and SEMH. This recommendation is based in the detailed discussions that have taken place across the last 18 months about the distribution and sufficiency of high needs places in Bradford. £4.203m will finance a 1<sup>st</sup> tranche of 120 SEND and 20 SEMH places for a full year plus a 2<sup>nd</sup> tranche of 120 SEND and 20 SEMH places for the period September 2017 to March 2018.

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

**Total Allocated to non-delegated Budgets** **£23,163**

**Broken down as follows:**

In preparation for National Funding Formula, the School and Early Years Finance (England) Regulations 2012 altered the treatment of non-delegated items and contingencies. The Regulations now require a greater proportion of the DSG to be delegated to school budgets and also require that the Forum makes



recommendations for individual items that are permitted and some on a phase basis.

**5.1 Early Years and Schools Block non-delegated budgets** **(£'000)**  
**£7,328**

A total of £7.328m is recommended to be held within the Early Years and Schools Blocks, to fund centrally managed items, 'de-delegated' items and contingency funds in 2017/18. These are funds that support historic commitments, centrally managed services that schools access, budget 'insurance' schemes and enable specific additional resources to be allocated to schools in year e.g. to support the cost of capacity expansion.

The Forum has agreed the following key recommendations that change the position from that of the 2016/17 financial year. These recommendations respond to the review work that has taken place, including the development and establishment of the sector-led school improvement model, to:

- Make more substantial provision for the revenue formula funding cost of places capacity growth in the secondary phase from September 2017, with a budget of £680,000 increased from £300,000.
- Continue the DSG's contribution to school improvement and Early Childhood services at a reduced value of £0.458m for the period 1 April to 31 August 2017 and then to fully cease the DSG's contribution at 31 August 2017, with sums released to Primary, Secondary and Early Years delegated budgets. In this, the Schools Forum has ratified the recommendation that was accepted by Council in February 2016, but with a recommended further £24,121 reduction in the 2017/18 budget (as one of the measures for balancing the 2017/18 DSG budget).
- Passport to the Local Authority's budget 95% of the Education Services Grant Centrally Retained Duties that has been transferred into the DSG Schools Block, at £1.331m in 2017/18, in support of the statutory duties delivered by the Local Authority on behalf of all state funded schools and academies. This incorporates a 5% reduction recommended as one of the measures for the balancing of the 2017/18 DSG.
- Cease de-delegation from the maintained secondary phase for licences subscription (Fischer Family Trust), the school maternity / paternity 'insurance' fund (from 1 July 2017), school staff public duties and suspensions fund and the exceptional circumstances / schools in financial difficulties fund.
- Establish a new de-delegated fund from the maintained primary phase, with an initial value of £150,000, to be available to meet the cost of deficit balances of primary schools that convert to academy status under sponsored arrangements during 2017/18.

**5.2 High Needs Block non delegated budgets** **(£'000)**  
**£15,835**

A total of £15.835m is to be held within the High Needs Block, to continue existing centrally managed statutory support provisions, out of authority and independent provision and other provision costs. This total incorporates:





- A £0.900m increase in the planned budget for placements in non-maintained and independent settings
- A £0.481m reduction across centrally managed budgets from the application of a 5% reduction, which is one of the measures recommended to balance the 2017/18 DSG budget.
- The cessation of the additional specialist equipment budget for special schools (£0.037m), which again is one of the DSG balancing measures.

**6. AMOUNTS ALLOCATED ON A ONE OFF BASIS (€000)**

**Total allocated on a one off basis in 2017/18 €1,639**

The €1.639m is made up of the following allocations:

- €0.268m allocated back into Schools Block delegated formula funding as required by Regulations.
- €0.324m for the financing of the final amount for the agreed post-opening diseconomies of scale budget for Bradford Forster Academy.
- €0.253m carried over from the initial €0.600m used to finance additional placements in alternative provisions (managed by the BACs). This will be spent in 2017/18 on additional provision.
- €0.500m estimated for the cost in 2017/18 of the financial support for Beckfoot Upper Heaton Academy via the agreed model.
- €0.294m balance from the Joint Improvement Investment Fund, which will be allocated by the Bradford Education Improvement Commissioning Board in 2017/18.

**7. AMOUNTS NOT ALLOCATED IN 2017/18 (€000)**

**Total amount not allocated in 2017/18 €3,714**

The Schools Forum has agreed to earmark €0.52m of one off monies to be available to balance the 2017/18 DSG budget should further savings not be found during 2017/18 against planned estimated expenditure. The assumption that this €0.52m is used for this purpose leaves a remaining value of €3.714m of DSG unallocated in 2017/18.

The Forum has agreed to hold an amount of the one off monies available both to support specific expenditures committed after March 2018 and to ensure that the Schools Budget remains resilient.

The €3.714m is made up of the following sums:

- €1.438m to support meeting the cost of the agreed financial support model for Beckfoot Upper Heaton Academy after 31 March 2018.
- €0.650m for the deficit of a school converting to academy status.



- £0.500m earmarked to be allocated via the Early Years Single Funding Formula in 2018/19 to protect early years providers for one year against the full value of the reduction in funding rates resulting from the Government's early years national reform.
- £1.126m DSG resilience reserve, available to be used to support unexpected additional costs but also to finance items that are currently under negotiation. This sum is effectively the remaining unallocated balance within the DSG.

## **8. RISK MANAGEMENT AND GOVERNANCE ISSUES**

If the allocations are not agreed by Elected Members then representations have to be made to the Schools Forum. In the event that agreement cannot be reached with the Schools Forum, the Council must refer the matter to the Department for Education (DfE).

## **9. LEGAL APPRAISAL**

Local Authorities are required to calculate budgets for all maintained schools using a funding formula. The School and Early Years Finance (England) Regulations 2017 require the Local Authority to decide the formula it will use for the financial year 2017-2018. The Schools Forum has some decision making powers in relation to school budget functions. The role of the Local Authority is to make proposals to the Forum on those matters which the Forum can decide and to consult the Forum annually in connection with various schools budget function. Where the Schools Forum and the Local Authority are in disagreement about proposals made by the Authority the Secretary of State for Education will adjudicate.

## **10. OTHER IMPLICATIONS**

There are no direct implications resulting from this report.

### **11.1 EQUALITY & DIVERSITY**

There are no direct implications resulting from this report.

### **11.2 SUSTAINABILITY IMPLICATIONS**

There are no direct implications resulting from this report.

### **11.3 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no direct implications resulting from this report.

### **11.4 COMMUNITY SAFETY IMPLICATIONS**

There are no direct implications resulting from this report.



## **11.5 HUMAN RIGHTS ACT**

There are no direct implications resulting from this report.

## **11.6 TRADE UNION**

There are no direct implications resulting from this report.

## **11.7 WARD IMPLICATIONS**

There are no direct implications resulting from this report.

## **12. NOT FOR PUBLICATION DOCUMENTS**

None

## **13. OPTIONS**

Please see the recommendations below.

## **14. RECOMMENDATIONS**

### **14.1 It is recommended that the Executive asks Council to:**

- a) Approve the total amount of £521.321m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2017/18.**
- b) Accept and approve the proposals from the Schools Forum for the allocation of the 2017/18 DSG as set out in this report.**

## **11. APPENDICES**

- Appendix 1 – Local Authority Funding Reform Pro-Forma 2017/18
- Appendix 2 – High Needs Provision: Proposed Fund Categories, Bands & Amounts 2017/18
- Appendix 3 – Early Years Single Funding Formula 2017/18

## **12. BACKGROUND DOCUMENTS**

None



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Local Authority Funding Reform Proforma 2017/18 (Form the Schools Forum on 18 January 2017)

LA Name: Bradford  
 LA Number: 380

**Pupil Led Factors**

Reception uplift		Yes	Pupil Units		105.00					
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£2,796.67		55,091.00		£154,071,466	£281,684,810	38.66%	7.51%	
	Key Stage 3 (Years 7-9)	£4,019.66		19,119.00		£76,851,867		19.28%	6.28%	
	Key Stage 4 (Years 10-11)	£4,256.79		11,924.83		£50,761,476		12.74%	6.28%	
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM6 % Primary	£1,023.09		17,264.73		£17,663,317	£61,545,562	15.44%	23.08%	
	FSM6 % Secondary		£927.71		11,865.15	£11,007,471			10.16%	
	IDACI Band F	£324.96	£426.54	7,322.70	4,281.25	£4,205,716			22.45%	19.18%
	IDACI Band E	£406.20	£533.18	9,289.73	5,513.57	£6,713,196			22.45%	19.18%
	IDACI Band D	£487.44	£639.81	7,701.81	4,421.19	£6,582,898			22.45%	19.18%
	IDACI Band C	£568.68	£746.45	3,643.95	2,018.83	£3,579,195			22.45%	19.18%
	IDACI Band B	£731.16	£959.72	7,177.24	3,833.37	£8,926,666			22.45%	19.18%
	IDACI Band A	£893.64	£1,172.99	1,902.32	995.00	£2,867,104			22.45%	19.18%
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC X March 16	£0.00		494.36		£0	£4,140,207	0.00%	0.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£197.99		12,195.93		£2,414,714		0.90%	0.00%	
	EAL 3 Secondary		£1,192.48		983.27	£1,172,528		0.00%		0.00%
5) Mobility	Pupils starting school outside of normal entry dates	£1,608.19	£1,915.87	332.05	9.90	£552,965	0.14%	0.00%	0.00%	
Description		Weighting	Amount per pupil	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment % new EFSP	47.86%	£241.31	19.64%	10,801.37	£2,606,472	£6,894,759	1.73%	100.00%	
	Low Attainment % old FSP 73			19.64%						
	Secondary low attainment (year 7)	48.02%	£494.40	26.42%	8,673.67	£4,288,287				100.00%
	Secondary low attainment (years 8 to 11)			28.36%						

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£175,000.00	£175,000.00			£33,250,000	8.34%	0.00%	0.00%
8) Sparsity factor	£0.00	£0.00	£0.00	£0.00	£0	0.00%	0.00%	0.00%
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.								
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?		Fixed		
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?		Fixed		
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?		Fixed		
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?		Fixed		
9) Fringe Payments					£0	0.00%		
10) Split Sites					£378,758	0.10%	0.00%	
11) Rates					£4,722,846	1.19%	0.00%	
12) PFI funding					£5,895,360	1.48%	0.00%	
13 ) Exceptional circumstances (can only be used with prior agreement of EFA)								
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY16-17					£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools					£0	0.00%	0.00%	
Exceptional Circumstance3					£0	0.00%	0.00%	
Exceptional Circumstance4					£0	0.00%	0.00%	
Exceptional Circumstance5					£0	0.00%	0.00%	
Exceptional Circumstance6					£0	0.00%	0.00%	
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>					<b>£398,512,302</b>	<b>100.00%</b>	<b>£38,594,864</b>	
14) Minimum Funding Guarantee (MFG is set at -1.5%)					£6,197,758			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					Yes			
Capping Factor (%)	0.00%	Scaling Factor (%)	100.00%					
Total deduction if capping and scaling factors are applied					-£624,335			
					Total (£)	Proportion of Total funding(%)		
MFG Net Total Funding (MFG + deduction from capping and scaling)					£5,573,423	1.38%		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)								
Additional funding from the high needs budget					£331,811.93			
Growth fund (if applicable)					£2,614,161.15			
Falling rolls fund (if applicable)					£0.00			
<b>Total Funding For Schools Block Formula</b>					<b>£404,027,154</b>			
% Distributed through Basic Entitlement					70.68%			
% Pupil Led Funding					88.90%			
Primary: Secondary Ratio					1 :	1.34		
Total funding for schools block formula contains funding from outside of the 2017-18 Schools Block allocation?					No			

## HIGH NEEDS PROVISION: PROPOSED FUNDING CATEGORIES, BANDS &amp; AMOUNTS 2017/18

	Range 1	Range 2	Range 3	Range 4				Range 5	Range 6	Range 7
	Delegated Place Funding			Band A (16.5-21.5 hours)	Band B (22-27 hours)	Band C (27.5-34.5 hours)	Band D (35+ hours)			
PRIMARY NEED Additional "Plus" Funding			£0	£966	£3,045	£4,667	£7,270	£10,599	£14,122	£23,205
Mainstream Autism & SLCN						SLCN	ASD		ASD+	ASD++
Mainstream MLD/SLD/PMLD			MLD		MLD+	SLD	PMLD	SLD+	PMLD+	PMLD++
Mainstream PD							PD		PD+	PD++
Mainstream HI/VI						HI/VI		HI+/VI+		
Mainstream BESD							BESD		BESD+	BESD++

Points

Mainstream funding is within colour coded Bands (mainly range 4)

Special School funding is determined by actual Primary Need and is shown as text

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**Early Years Single Funding Formula (EYSFF) Pro-forma 2017/18**

	Description	Unit Value (£)			Unit Applied Unit Type	Number of Units (estimated)			Total Spend
		PVI	Nursery School	Primary Nursery Class		PVI	Nursery School	Primary Nursery Class	
1a. EYSFF (three and four year olds) Base Rate(s) per hour, per provider type	All settings - Base Rate ( <i>units are estimated at this stage</i> )	£4.62	£5.70	£4.13	PerHour	2,434,891	414,954	3,615,488	<b>£28,740,838</b>
2a. Supplements: Deprivation ( <i>Average rate per hour</i> )	Deprivation Variable 1 - using 3 year average IMD scores to calculate funding for all providers	£0.79	£0.79	£0.79	PerHour	734,973	192,132	1,488,522	<b>£2,095,521</b>
	Deprivation Variable 2 - using 3 year average IMD scores to calculate additional funding for providers with above average IMD scores	£0.20	£0.20	£0.20	PerHour	859,871	311,835	2,194,413	<b>£664,990</b>
2b. Supplements: Sustainability	Nursery Schools Sustainability Top-Up: this funding tops up the school to a minimum level of funding based on that school's specific circumstances, taking into account premises, rates, insurance, base allocations, mainstreamed grants		Variable		Top Up	0	7	0	<b>£375,803</b>
3. Two year old Base Rate(s) per hour, per provider type	All settings ( <i>units are estimated at this stage</i> )	£5.20	£5.20	£5.20	PerHour	1,716,346			<b>£8,924,998</b>

Please note deprivation rates are subject to change once January 2017 postcode data is available to calculate updated IMD scores  
 Number of units (estimated) include an estimate of 30 hours delivery from September 2017

**2017/18 Summary - Recommended Total Hourly Funding Rates by Sector**

	2017/18 Recommended	2016/17 Actual	Cash Difference	% Difference
<b>2 Year Offer - Universal Base Rate</b>	<b>£5.20</b>	<b>£4.83</b>	<b>£0.37</b>	<b>7.7%</b>
3 & 4 Year Old Setting Base – Nursery Schools	£5.70	£5.70	£0.00	0.0%
3 & 4 Year Old Setting Base – Nursery Classes	£4.13	£4.13	£0.00	0.0%
3 & 4 Year Old Setting Base – PVI Providers	£4.62	£4.62	£0.00	0.0%
3 & 4 Year Old Mean Deprivation & SEN Rate	£0.43	£0.68	<b>-£0.25</b>	-37.4%
3 & 4 Year Old Nursery Schools Sustainability	£1.06	£1.07	<b>-£0.01</b>	-0.9%
Looked After Children Additional Funding	£0.00	£1.75	<b>-£1.75</b>	
Early Years Pupil Premium	£0.53	£0.53	£0.00	0.0%
<b>3 &amp; 4 Year Old Total - Nursery Schools</b>	<b>£7.70</b>	<b>£7.56</b>	<b>£0.13</b>	<b>1.8%</b>
<b>3 &amp; 4 Year Old Total - Nursery Classes</b>	<b>£4.57</b>	<b>£4.89</b>	<b>-£0.31</b>	<b>-6.4%</b>
<b>3 &amp; 4 Year Old Total - PVI</b>	<b>£4.93</b>	<b>£5.13</b>	<b>-£0.21</b>	<b>-4.0%</b>
<b>3 &amp; 4 Year Old Total - All Settings</b>	<b>£4.91</b>	<b>£5.16</b>	<b>-£0.25</b>	<b>-4.9%</b>

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## Report of the Director of Corporate Services to the meeting of Executive to be held on 21 February 2017 and Council to be held on 23 February 2017

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**Subject:**

**Document: BI**

The Council's Capital Investment Plan for 2017-18 onwards

**Summary statement:**

This report proposes the programme of capital expenditure for 2017-18 onwards

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Stuart McKinnon-Evans  
Strategic Director Corporate Services

**Portfolio:**

**Leader of the Council**

Report Contact: Tom Caselton  
Head of Budgeting, Management  
Accounting and Projects

**Overview & Scrutiny Area:**

**Corporate**

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## 1. SUMMARY

1.1 The report provides the proposed capital expenditure plans to 2020/21. The Capital Investment Plan is part of the overall budget proposal for the Council which includes:

- The Council's Revenue Estimates for 2017-18 (Document BG)
- Allocation of the Schools Budget 2017-18 Financial Year (Document BH)

1.2 This report is submitted to enable the Executive to make recommendations to Budget Council on the setting of the budget and the Council Tax for 2017-18 as required by Article 4 and Part 3C of the Council's Constitution.

## 2. BACKGROUND

2.1 The proposed Capital Investment Plan (CIP) for 2017-21 provides for capital expenditure of £342m. Capital expenditure is forecast as per Table 1 below:

**Table 1: Profile of capital expenditure**

Financial year	£m
2017-18	124
2018-19	155
2019-20	44
2020-21	19
Total	342

This plan is based on known resources and does not anticipate further funding streams.

2.2 In recent years the Council was notified in the Local Government Finance Settlement that all capital allocations across the Spending Review would be made by capital grant and that there would be no allocations by means of supported borrowing.

2.3 Given the contraction in the Council's revenue resources over the past few years the Council adopted a strategy of bringing down the capital financing costs broadly in line with the reduction in those revenue resources by not committing to new capital investment activity unless it is fully funded or an invest to save scheme with a short pay back period.

2.4 In 2015 the Council repaid £53 million of maturing loans without needing to replace that debt. This is in addition to the £25 million repaid in the previous year. The repayment of maturing loans has resulted in a reduction in cash balances. In 2016 the Council took out £26 million in order to ensure cash balances did not fall too low when a similar amount of loans are due to mature in March 2017. The new loans are at a significantly lower rate than the maturing loans. The Council will continue to monitor its cash balances to determine whether it will need to replace loans due to mature in 2017-18 in order to maintain adequate working capital.

- 2.5 Four proposed new capital bids were outlined in the published budget proposals. In addition the Council is considering bidding for grant funding towards a District Heating Scheme that if successful would require match funding. These are included in the last section of the Proposed CIP shown in Appendix 2. In addition there may be a requirement to incur capital expenditure that is not foreseen and a contingency of £2m p.a. is included within the Capital Investment Plan.
- 2.6 Table 2 below shows the revised capital financing expenditure in the revenue budget for the next four years and the proposed movement in budget. This reflects the impact of the savings achieved from decision made in previous years and those arising from last year's change in the MRP policy outlined in 3.2 below, as well as the effect of additional capital investment decisions since February 2016 and the effect of the revised spend profiles.

Table 2: Revised Capital Financing Costs

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Corporate Budget	37,819	37,819	37,819	37,819
Budget vired from service to fund Prudential Borrowing	4,897	5,241	6,395	7,370
<b>Total Budget</b>	<b>42,716</b>	<b>43,060</b>	<b>44,214</b>	<b>45,189</b>

- 2.7 As part of the local government settlement the Government announced greater flexibility for councils in how they make use of capital receipts. Councils were previously only allowed to spend such money on further capital projects or repay debt. But now capital receipts can be used to fund the revenue costs of transformation projects which are designed to generate ongoing revenue savings in the delivery of public services and /or to transform service delivery in a way that reduces costs or demand for services in the future.
- 2.8 There are no plans to use this flexibility in the 2017/18 financial year. However, given the size and scale of the transformation programme, it is possible that the Council may seek approval from the Secretary of State to use capital receipts in this flexible manner in future.

### 3. OTHER CONSIDERATIONS

- 3.1 The Local Government Act 2003 requires the Council to make a provision for the repayment of borrowing used to finance its capital expenditure, known as the Minimum Revenue Provision (MRP).

The MRP is the amount of principal capital repayment that is set aside each year in order to repay the Capital Financing Requirement (CFR) based on the requirement of statutory regulation and the Council's own accounting policies.

- 3.2 The Council is required to state as part of its budget process the policy for determining its MRP. The policy was changed last year generating savings in the

current and future years. There are no proposed changes to the policy adopted last year. The method for calculating the MRP on each category of debt is outlined below:

- a) The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.
  - b) Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31<sup>st</sup> March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1<sup>st</sup> April 2012 the MRP is calculated on an equal instalment basis. This means no change to existing policy.
  - c) Since 2009/10 the appropriate financing costs for the Council’s Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations.
- 3.3 The CFR represents the amount of capital expenditure that has been financed from borrowing, less any amounts that the Council has set aside to repay that debt through the MRP. Borrowing may come from loans taken from the Public Works Loan Board (PWLB) or commercial banks, finance leases (including PFI) or from the use of the Council’s own cash balances.
- 3.4 External debt can be less than the CFR. External debt cannot exceed the CFR (other than for short term cashflow purposes or cashflow management.)
- 3.5 There is an International Financial Reporting Standards requirement that assets funded from finance leases (including PFI deals) are brought onto the balance sheet. This also includes the liability as well as the asset. Therefore the term borrowing does not just include loans from PWLB and banks, but also the liability implicit in PFI and other finance leases.
- 3.6 The CIP will need to be reviewed through the planning cycle to ensure it remains affordable within revenue resources and to take account of the actual implementation

#### **4. FINANCIAL & RESOURCE APPRAISAL**

- 4.1 The CIP as proposed remains balanced to forecast capital resources up to and including 2020/21. Projects beyond that period will require the identification of resources such as capital receipts from the sale of Council owned assets, additional and specific funding or prudential borrowing. The latter would have revenue budget implications.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 The uncertainties regarding the funding that will be available to the Council; and the control of the capital programme are considered within the Strategic Director Corporate Services’ Section 151 Budget Report.

- 5.2 The inclusion of contingencies as detailed in paragraph 2.6 above means that there is some scope for additional unforeseen and unfunded capital expenditure that may arise.
- 5.3 The existing governance arrangements for controlling the capital programme remain appropriate.

## **6. LEGAL APPRAISAL**

- 6.1 The legal issues are set out in the body of the report. Legal Services will provide further advice on the implementation of the Capital Programme as required.

## **7. OTHER IMPLICATIONS**

- 7.1 Equality and diversity, sustainability, greenhouse gas emissions impacts, community safety, Human Rights Act, Trade Union and Ward Implications will be considered on an individual project basis.

## **8. NOT FOR PUBLICATION DOCUMENTS**

- 8.1 None.

## **9. RECOMMENDATIONS**

- 9.1 The Executive requests Council to approve that:
- a) The Capital Investment Plan as set out at Appendix 2 is adopted. Commitments against reserve schemes and contingencies can only be made after a business case has been assessed by the Project Appraisal Group and approved by Executive.
  - b) The Chief Executive, Strategic Directors and Directors enter into commitments on capital schemes within the Capital Investment Plan subject to approval of business cases by Executive up to the approved amounts each year except that, where it is indicated that schemes are funded or partly funded from specific resources such as capital grants or contributions, revenue or capital receipts, the approved amount will be subject to the securing of those resources and be adjusted to reflect the amounts actually received.
  - c) Where necessary, the payments arising under the Capital Investment Plan are met from loans.
  - d) In order to provide the flexibility necessary to manage effectively the Capital Investment Plan, the Chief Executive, Strategic Directors and Directors be specifically empowered to advance or defer approved schemes subject to consultation with the Strategic Director Corporate Services and the availability of resources.
  - e) Additional capital schemes shall only commence where the scheme is wholly funded from specific resources on the approval of the Strategic Director Corporate services in accordance with Financial Regulations.

- 9.2 The Borrowing Limits and Prudential Indicators as set out in Appendix 1 are adopted by the Council.
- 9.3 The Minimum Revenue Provision (MRP) policy as set out in paragraph 3.2 of this report is approved and adopted by the Council.

## **10. APPENDICES**

- Appendix 1 – Borrowing Limits and Prudential Indicators
- Appendix 2 – Proposed Capital Investment Plan for 2017/18 to 2020/21

## **11. BACKGROUND DOCUMENTS**

- Proposed Financial Plan 2017/18 - 2020/21 – Executive Report 6 December 2016 (DocAJ)
- 2017/18 and 2018/19 Budget Update and Financial Outlook to 2020/21- Executive Report 7 February 2017 (Doc AZ)
- The Council's Revenue Estimates for 2017/18 and 2018/19 – Executive Report 21 February 2017 (Doc BG)
- Strategic Director Corporate services Section 151 Report – Executive 21 February 2017 (Doc BJ)



## Appendix 1

### BORROWING LIMITS AND PRUDENTIAL INDICATORS

In compliance with the Council's duty under Section 3 of the Local Government Act 2003 to set an affordable borrowing limit and in accordance with Regulation 2 of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and the Prudential Code for Capital Finance in Local Authorities the Council makes the following determinations.

(a) The capital expenditure (all of which is non-Housing Revenue Account (HRA)) in each of the following financial years will be:

2015/16	Actual	£70m
2016/17	Estimate	£80m
2017/18	Estimate	£124m
2018/19	Estimate	£155m
2019/20	Estimate	£44m

(b) The capital financing requirement at the end of each of the following financial years will be:

2015/16	Actual	£666m
2016/17	Estimate	£653m
2017/18	Estimate	£675m
2018/19	Estimate	£707m
2019/20	Estimate	£720m

(c) In the medium term external borrowing will only be for capital purposes and will not (except in the short term) exceed the capital financing requirement in 2017/18, 2018/19, and 2019/20 as determined in (b) above.

(d) The ratio of capital financing costs to the net revenue stream in each of the following financial years is forecast to be:

2015/16	Actual	16.0%
2016/17	Estimate	15.5%
2017/18	Estimate	16.2%
2018/19	Estimate	16.5%
2019/20	Estimate	16.7%

(e) The estimates of the incremental impact of the new capital investment decisions (arising from (a) above) on the council tax (Band D), over and above capital investment decisions that have previously been taken by Council will be:

2017/18	Estimate	£0.00
2018/19	Estimate	£0.00
2019/20	Estimate	£0.00

This reflects the fact that the financing consequences of new capital investment decisions are within existing revenue budgets.

(f) The actual external debt of the authority at 31 March 2016 was £336 million in external borrowing and £218 million in Other Long Term Liabilities (including PFI and other finance leases) and the authorised limit for external debt in future years will be:

<b>Financial Year</b>	<b>Borrowing £m</b>	<b>Other Long Term Liabilities £m</b>
2016/17	440	240
2017/18	440	240
2018/19	440	240

(g) The operational boundary for external debt in future years will be:

<b>Financial Year</b>	<b>Borrowing £m</b>	<b>Other Long Term Liabilities £m</b>
2016/17	400	220
2017/18	400	220
2018/19	400	220

(h) In relation to the borrowing limits set at (f) and (g) above the Strategic Director Corporate Services is authorised to amend the separately identified figures for borrowing and for other long term liabilities provided that the total limits remain unchanged and subject to such action subsequently being reported to Council.

(i) The authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

(j) The upper limit for fixed interest rate exposure in 2017/18, 2018/19 and 2019/20 will be +175% of net outstanding principal sums.

(k) The upper limit for variable interest rate exposure in 2017/18, 2018/19 and 2019/20 will be +20% of net outstanding principal sums.

(l) The upper and lower limits for the amount of fixed rate borrowing maturing in each of the periods below expressed as a percentage of total estimated fixed rate borrowing will be:

<b>Maturing in:</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 1 year	20%	0%
1 to 2 years	20%	0%
2 to 5 years	50%	0%
5 to 10 years	75%	0%
10 years and above	90%	20%

(m) There is a limit of £40 million for the Council to invest sums for periods longer than 364 days.

## Appendix 2: Proposed Capital Investment Plan

Scheme No	Scheme Description	Sources of funding	Budget 2017-18 £'000	Budget 2018-19 £'000	Budget 2019-20 £'000	Budget 2020-21 £'000	Total £'000
<b>Adult &amp; Community Services</b>							
CS0237	Great Places to Grow Old	SG,C,PB	11,756	3,914	1,313	0	16,983
CS0239	Community Capacity Grant	SG	3,593	0	0	0	3,593
<b>Total - Adult &amp; Community Services</b>			<b>15,349</b>	<b>3,914</b>	<b>1,313</b>	<b>0</b>	<b>20,576</b>
<b>Children's' Services</b>							
CS0278	Targeted Basic Needs	SG	47	0	0	0	47
CS0286	Outdoor Learning Centres	SG	30	0	0	0	30
CS0240	Capital Maintenance Grant	SG	4,538	0	0	0	4,538
CS0244	Primary Schools Expansion Prog	SG	16,392	16,906	0	0	33,298
CS0244	Silsden School	C,SG	1,900	5,000	1,045	0	7,945
CS0313	School Capital Loans	SG	550	0	0	0	550
CS0322	Horton Park Prim Open Spaces	SG	14	0	0	0	14
<b>Total – Children's Services</b>			<b>23,471</b>	<b>21,906</b>	<b>1,045</b>	<b>0</b>	<b>46,422</b>
<b>Environment &amp; Sports</b>							
CS0060	Replacement of Vehicles		3,000	3,000	3,000	3,000	12,000
CS0063	Waste Infrastructure & Recycling	SG	797	267	0	0	1,064
CS0340	St George's Hall	C,SG	3,568	0	0	0	3,568
CS0129	Scholemoor Project	SG	83	0	0	0	83
CS0229	Cliffe Castle Restoration	C,SG	605	479	0	0	1,084
CS0284	Sport Facilities Invest Prog (SFIP)	C	7,000	15,000	4,580	0	26,580
CS0107	Markets	C	50	50	707	0	807
CS0327	Oastler Market Redevelop	C, PB	100	2,159	0	0	2,259
CS042	Westgate Carpark	C	125	0	1,115	0	1,240
<b>Total - Environment &amp; Sports</b>			<b>15,328</b>	<b>20,955</b>	<b>9,402</b>	<b>3,000</b>	<b>48,685</b>

<b>Scheme No</b>	<b>Scheme Description</b>	<b>Sources of funding</b>	<b>Budget 2017-18 £'000</b>	<b>Budget 2018-19 £'000</b>	<b>Budget 2019-20 £'000</b>	<b>Budget 2020-21 £'000</b>	<b>Total £'000</b>
<b>Regen - Estates &amp; Property Services</b>							
CS0333	Argos Chambers / Britannia Hse	C	723	0	0	0	723
CS0050	Carbon Management	C	1,620	0	0	0	1,620
<b>Total - Regen – Estates &amp; Property Services</b>			<b>2,343</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,343</b>
<b>Regen - Economy &amp; Development Services</b>							
CS0136	Disabled Housing Facilities Grant	C,SG	4,273	2,471	2,471	2,471	11,686
CS0137	Development of Equity Loans	C	1,500	1,466	2,300	0	5,266
CS0144	Empty Private Sector Homes Strat	SG	1,021	243	0	0	1,264
CS0225	Afford Housing Prog 11-15	C,SG, PB	240	0	0	0	240
CS0308	Afford Housing Prog 15 -18	C,SG,PB	18,468	2,258	0	0	20,726
CS0250	Goitside	C	205	0	0	0	205
CS0134	Computerisation of Records	SG	10	0	0	0	10
CS0280	Temp Housing Clergy House	C,SG,PB	50	0	0	0	50
CS0335	Bfd Cyrenians 255- 257 Mnghm Ln	SG	30	0	0	0	30
CS0084	City Park	C	205	0	0	0	205
CS0085	City Centre Growth Zone	C,SG	1,300	4,400	0	0	5,700
CS0086	LEGI	SG	51	0	0	0	51
CS0189	Buck Lane	C	111	0	0	0	111
CS0228	Canal Road	C	200	0	0	0	200
CS0241	Re-use of Frmr College Builds Kghly	C	306	0	0	0	306
CS0266	Superconnected Cities	C	882	0	0	0	882
CS0291	Tyrils	C	1,000	3,715	0	0	4,715
CS0265	LCR Revolving Econ Invest Fund		1,956	0	0	0	1,956
CS0285	Strategic Development Fund		1,167	0	0	0	1,167
CS0345	Develop Land at Crag Rd, Shply		1,441	0	0	0	1,441
<b>Total - Regen - Economy &amp; Development Serv</b>			<b>34,416</b>	<b>14,553</b>	<b>4,771</b>	<b>2,471</b>	<b>56,211</b>
<b>Regen - Planning, Transport &amp; Highways</b>							
CS0178	Ilkley Moor	SG	18	0	0	0	18
CS1000	Countances Way - Bridge grant	SG	30	0	0	0	30
CS0071	Highways S106 Projects	SG	556	0	0	0	556
CS0252	Measures to Support Hubs	SG	45	0	0	0	45

Scheme No	Scheme Description	Sources of funding	Budget 2017-18 £'000	Budget 2018-19 £'000	Budget 2019-20 £'000	Budget 2020-21 £'000	Total £'000
<b>Regen - Planning, Transport &amp; Highways (continued)</b>							
CS0293	West Yorks & York Transport Fund		2,966	38,314	0	0	41,280
CS0306	Strategic Transp Infrastr Priorit		1,810	5,500	0	0	7,310
CS0319	Challenge Fund	SG	750	0	0	0	750
CS0350	Street Lighting Invest to Save		1,650	0	0	0	1,650
CS0353	Strat land purch Hard Ings Kghly		950	0	0	0	950
CS0355	Strat land purc Harrogate Rd/New Line Jct		3,500	0	0	0	3,500
<b>Total - Regen - Planning, Transport &amp; Highways</b>			<b>12,275</b>	<b>43,814</b>	<b>0</b>	<b>0</b>	<b>56,089</b>
<b>Reserve Schemes &amp; Contingencies</b>							
CS0277	General Contingency	C	2,000	2,000	2,000	2,000	8,000
	Wyke Manor Ph2	C	0	493	0	0	493
	Sports Dev Essential	C	2,000	2,000	2,000	2,000	8,000
	Maintenance Prov Bfd City Ctre	SG	2,750	0	0	0	2,750
	Townscape Herit Keighley One Public Sector Est	C, PB	3,000	10,000	5,000	0	18,000
	Depot Strategy		0	3,000	0	0	3,000
	Bereavement Strategy	C	0	8,500	8,500	0	17,000
	<i>New Schemes</i>						
	Strategic Property Acquisition	PB	10,000	10,000	10,000	10,000	40,000
	School Catering CPU Refurb	C	1,000	0	0	0	1,000
Customer Services Strategy	C	250	0	0	0	250	
Canal Road Land Assembly	C	0	450	0	0	450	
District Heating Scheme	SG,C	0	13,000	0	0	13,000	
<b>Total - Reserve Schemes &amp; Contingencies</b>			<b>21,000</b>	<b>49,443</b>	<b>27,500</b>	<b>14,000</b>	<b>111,943</b>
<b>TOTAL - All Services</b>			<b>124,182</b>	<b>154,585</b>	<b>44,031</b>	<b>19,471</b>	<b>342,269</b>

Key to Sources of Funding

SG – Specific grants and contributions

C – Corporate resources (capital receipts, renewal reserve and borrowing)

PB – Service funded prudential borrowing

DRF – Direct revenue funding

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## Report of the Strategic Director - Corporate Services to the meeting of Executive to be held on 21 February 2017 and Council to be held on 23 February 2017

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Document BJ

### Subject:

S151 Officer's assessment of the robustness of the proposed budget estimates for 2017/18, and of the adequacy of forecast financial reserves

### Summary statement:

This report assesses the risks related to the proposed budget for the financial year 2017/18, and the adequacy of the available mitigations, in the context of the forecast reserves.

It concludes that the estimates are sufficiently robust for the Council to set the budget. It signals the need for unallocated reserves to be maintained in the range of £12-15m in future years in order to ensure financial resilience.

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Stuart McKinnon-Evans  
Strategic Director – Corporate  
Services

**Portfolio: Leader of Council and  
Corporate**

Report Contact: Stuart McKinnon-  
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## **1. SUMMARY**

This report assesses the risks associated with the proposed budget for 2017/18, and the adequacy of the available mitigations. The assessment is made in the context of the proposed use of reserves and the outlook to 2020/21.

The Council is setting the budget for 2017/18, and making decisions about savings for 2018/19 which will require management action during 2017/18. A Council Plan has been agreed for 2017/18-2020/21, and through this budgeting process, an indicative financial plan to 2020/21 has been produced, which is balanced and sets a clear direction for the next 4 years' financial management.

Last year, I concluded that unallocated reserves in the range of £12-15m would be adequate, pending agreement of a new round of cost reductions. The new reductions are being proposed through this budget, and my conclusion about the level of unallocated reserves required remains the same. Indeed, the proposed budget anticipates unallocated reserves to be in that range for the next 4 years.

Based on my current risk assessment, in my view, subject to the Council successfully implementing the planned level of net cost reduction over the next four years, the balance sheet will be sufficiently resilient to deal with residual uncertainties in the environment.

The report concludes that the estimates are sufficiently robust for the Council to set the budget for 2017/18.

## **2. BACKGROUND**

I am the Council's S151 Officer under the Local Government Act 1972. Under Section 25 of the Local Government Act 2003, when the Council sets the budget, I am required to report on:

- the robustness of the estimates made for the purposes of the calculations, and
- the adequacy of the proposed financial reserves.

This report comments on the revenue and capital estimates in the proposed budget. My assessment is informed by extensive personal involvement in the development of the proposed budget.

## **3. OPTIONS**

This report does not set out alternative options. Legislation requires Council to have regard to this report and my assessment when setting the budget.



#### 4. FINANCIAL & RESOURCE APPRAISAL

The financial appraisal underpinning my assessment is set out in the separate reports to this Executive on planned revenue and capital spending.

My assessment is as follows:

- the principal financial imperative for the Council is to reduce its recurrent cost base, in order to remain a credible and viable organisation. The detailed budget being proposed is balanced in 2017/18 and 2018/19, with the indicative budget also balanced through to 2020/21. The Council is setting a clear path for financial sustainability, which means the key task now becomes converting the plan into reality
- The forecast outturn for 2016/17 is for a balanced position in aggregate terms. However, the budgets for adult services and children's specialist services remain under pressure. (Their projected overspend of c £6m is being financed by underspends in other services.) The baseline budget for those services has been uplifted by £3.5m to reflect the anticipated demand caused by demographic growth. The baseline has otherwise not been adjusted to reflect the 2016/17 actual result, in line with the well-established principle that the baseline is adjusted only by the specific budget changes proposed by Executive. This approach does increase the degree of financial pressure on those services, as they need to rein in their overspends in addition to implementing new changes. The task is particularly demanding for adult services
- The Government has confirmed its clear intention to reduce Revenue Support Grant (RSG) to zero by 2020/21. The Council has accepted the Government's four year funding deal, submitting its proposed budget as its "efficiency plan". The four year deal gives a degree of certainty about how RSG will decline
- Reforms of the Business Rate system are being consulted on, including the mechanism which compensates for the differences between needs and resources across the country. While reform is not expected to be implemented before 2020, it brings some uncertainty towards the end of the 4 year period
- As Revenue Support Grant drops out, taxation income from Council Tax and Business Rates become more important. The financial plan assumes modest growth in both sources. Based on recent experience, Business Rate income is far less certain, and even though prudent assumptions have been made, the estimate of expected collectible tax is volatile
- Continuing developments in the integration of health and social care, and the impact of NHS Sustainability and Transformation Plans, may bring consequences not factored into the medium term shape of the Council. For now, this assessment is based on the existing role and form of local authorities, and the assumption that new models of care would be funded from existing resources
- The scale of the changes required to deliver cost reductions means a complex programme of change with typically 6-9 month lead times. Recent experience has

shown that even longer horizons are required fully to implement changes affecting many stakeholders. The programme of change to be implemented will include decisions agreed by Budget Council in 2016, with a wide range of individual changes of varying magnitude, risk and timescales. As a result, several layers of change need to be managed, with projects of varying maturity. This stretches the capacity of the organisation to deliver current operations and introduce reform at the same time

- The 2 year detailed plan plus 2 year indicative spending plan sets a clear financial path for recurrent revenue spending. The budget also includes non-recurrent spending, to fund restructuring costs and to allow investment to support change and transformation. This will help mitigate risks of a lack of capacity and capability to deliver the level of planned change
- The proposed budget has been developed with the Executive members, and reflects extensive engagement from Portfolio Holders, and management teams, which started in early summer 2016. The approach taken was outcome led: every area of activity was tested against the extent to which it supported the Council's priority outcomes, and the extent to which activity being undertaken will be effective in delivering those outcomes. The proposed budget therefore reflects a comprehensive stocktake of all expenditure and income
- Extensive public and internal consultation has allowed the new proposals to be tested, refined, and their impacts better understood. The level of consultation is in keeping with that seen in previous years, which has enabled the Council to deliver change within manageable tolerances. In some cases, the proposals will need further development to turn them into fully-worked up implementation plans in keeping with the Council's adopted project management standards
- The range of proposals to reduce net costs is wide, and distributed across the Council, which in itself diversifies the risk. In many cases the proposed changes are independent and mutually exclusive at an operational level. However, the multiple impact of discrete changes on individuals and single organisations, is not always apparent
- The proposed changes in Health and Wellbeing are complex and multi-faceted. The ambition is to reduce over time the need for higher cost services by promoting the Home First Model including the need to work with NHS partners to develop new models of integrated health and social care. Experience to date suggests that these models are not yet assured sources of cost reduction, so the Council will need to be disciplined in the delivery of savings from its own budgets. The Health and Wellbeing budget includes £2.9m growth each year for demographic-led demand increases, a redirection of public health grant away from clinical interventions to social care, increases in the social care precept of 3/3/0%, plus non-recurrent additional Adult Social Care Support Grant from central government of £2.3m. Despite these welcome additional funds in the short term, the totality of factors affecting spending and funding still require net cost reductions in adult social care.
- The proposed allocation of the Dedicated Schools Grant (DSG) has been the

subject of extensive and detailed development, scrutiny and ratification by the Schools Forum and its working groups. In 2017/18 schools will be managing tighter budgets - a consequence of the gap between total funding and inflation-driven cost pressures. Moreover, individual schools will be variously adjusting to the anticipated effect of the National Funding Formula being introduced in April 2018. The impact on the local authority's functions of changes in the DSG and the related Educated Services Grant (ESG) has been anticipated in the proposed budget. In some circumstances, the Council is exposed to potential residual risks of academy conversions. These are unknown and uncertain, and have not been specifically provided for in the financial plan

- Adjustments to the base estimates to reflect changes in prices have been revised to reflect latest inflation data as it relates to the Council's cost base and supply chain. The impact of potential greater inflationary pressures in the economy on the medium term outlook will need to be managed
- Past experience suggests there will be a residual risk that activity will not be delivered to planned timescales. Where this occurs, mechanisms are available to carry forward funds between years. Based on previous years experience, there is a risk that around £0-2m of non-recurrent revenue may carry forward. This is an acceptable financial risk except where delays means failure to deliver timely savings – these need to be managed on a case by case basis
- For 2017/18, all savings proposals are allocated to a responsible Director. There are no unallocated reductions
- Slippage of the Capital Investment Plan can be managed without risk to affordability
- Contingencies in the base revenue budget have been set at a level consistent with experience in 2016/17.

I confirm therefore that the estimates are sufficiently robust for the purpose of calculating the budgetary requirement.

## **Reserves**

The Council's financial strategy over the last 5 years has been to maintain the strength of the balance sheet to provide resilience in a turbulent environment, whilst reducing the recurrent net cost base. The Council adopted and has adhered to a policy on the use of reserves which has served it well.

The balance sheet includes

- Unallocated Corporate Reserves
- reserves set aside for designated purposes and for specific liabilities and risks.

The 2016/17 budget used c £6m of Unallocated Corporate Reserves, leaving a balance of £14m.

In setting the proposed four year plan, a total of c £15m previously designated reserves

are being redirected to fund redundancy and transformation costs, and to balance the annual revenue budgets over 4 years. Looking at 2016/17 specifically, more than £16m reserves are being utilised, of which £12m will be used to finance specific non-recurrent spending and £4m to balance the aggregate revenue position. In later years, some of the redesignated reserves can be replenished. The planned annual movements are detailed in Appendix G of Document BG.

This approach means that Unallocated Corporate Reserves remain at £14m, over the 4 year period providing additional contingency against unfunded risks.

The financial challenge remains very tough. In my view, there still remains an unreconciled tension between resources, citizen expectations, and the statutory framework which may at least inhibit, if not prevent, the Council from curtailing or stopping entirely services. This applies particularly to services provided to individuals of all ages who, because of their personal circumstances, qualify for personal services. We also see this in the responses to the consultation on the budget, including continuing dialogue and negotiation about budget decisions that were made 2 years ago and are still being implemented.

In this context, the projected Unallocated Corporate Reserves for 2018/19 and beyond remain adequate ***only if***

- the significant residual risks to the delivery of the proposed savings from previous and new decisions can be managed
- the indicative spending plans for 2019/20-2020/21 are developed, agreed and implemented
- The amount of contingency in the annual base budget remains adequate to deal with the volatility of in-year financial performance (and we will know that only at the end of 2017/18)
- Potential liabilities are manageable within the balance sheet's provisions and reserves
- Local sources of taxation and other income turn out as planned (with a particular concern about the volatility of the Business Rate base).

A residual unallocated reserve of £14m represents 3.9 % of the affordable projected net revenue spend of c £360m in 2018/19 in what will remain a highly turbulent environment, given the continuing difficult outlook for public finances. Aiming for Unallocated Corporate Reserves in the range of £12-15m would, in my view, retain the resilience of the Council's position.

I therefore conclude that:

- the reserves are adequate for the 2017/18 proposed budget
- the Council has a clear reserves plan for the medium term
- the key to financial resilience now lies firmly in successfully implementing plans.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

In reaching this conclusion I have modelled the potential financial impact of the risks identified in Appendix 1 to this paper. Using a quantitative method combining the likelihood and impact of adverse events occurring, I estimate that the level of risk that

needs to be managed is in the order of £14m to avoid further calls on the Unallocated Corporate reserves. This risk analysis will be used to inform management action during the year.

The existing and proposed governance mechanisms to manage the budget are examined as part of my risk assessment.

## **6. LEGAL APPRAISAL**

This assessment is made in accordance with the requirements of the Local Government Acts 1972 and 2003. The Council's Constitution provides that each year, before the budget is determined the Strategic Director - Corporate Services will produce a report for the Executive showing ongoing commitments and a forecast of the total resources available to the Council to enable the Executive to determine any financial strategy guidelines.

## **7. OTHER IMPLICATIONS**

The Equality and Diversity issues arising from the new budget proposals are analysed in the reports accompanying the budget documentation presented to Executive on 7 February and 21 February 2017, plus addenda presented at the meeting. The Interim Trade Union feedback on the budget proposals is documented and reported in a similar way. The Trade Union feedback and the feedback from the public engagement and consultation programme on the proposals previously approved by Budget Council in February 2016 was fully considered by Council at that time.

## **8. RECOMMENDATIONS**

That Members have regard to this report in setting the budget, and in particular note my conclusions that:

- the estimates presented to Council are sufficiently robust for the purpose of calculating the budgetary requirement
- the reserves are adequate for the 2017/18 proposed budget, and will be drawn on in accordance with proposed plan and reserves policy, recognising that estimates will be subject to review as part of the rolling planning cycle
- the projected corporate reserves to 2020/21 would, on current estimates, be adequate, subject to the implementation of the rest of the proposed financial plan.

## **9. APPENDICES**

### **9.1 Appendix 1: Risk-Based Assessment of Potential Events**

## **10. BACKGROUND DOCUMENTS**

- Proposed Financial Plan 2017/18 – 2020/21 – Executive report 6 December 2016 (Document AJ)

- 2017/18 and 2018/19 Budget Update and Financial Outlook to 2020/21 – Executive report 7 February 2017 (Document AZ)
- Consultation Feedback and Equality Assessments for 2017/18 and 2018/19 Council Budget proposals – Executive report 7 February 2017 (Document BA)
- Interim Trade Union Feedback on the Council’s budget proposals for 2017/18 and 2018/19 Council budget – Executive report 7 February 2017 (Document BB)
- The Council’s Revenue Estimates 2017/18 and 2018/19 – Executive report 21 February 2017 (Document BG)
- Allocation of the Schools Budget 2017/18 Financial Year – Executive Report 21 February 2017 (Document BH)
- Council’s Capital Investment Plan 2017/18 to 2020/21 – Executive report 21 February 2017 (Document BI)

### Risk-Based Assessment of Potential Events Affecting the Proposed 2017/18 Budget and Beyond

The table outlines: the risk event that could occur and cause the plan to vary; the mitigations that are in place; and an assessment of the potential quantified impact of the individual risk materialising, together with the additional mitigating factors.

Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
Taxation streams are unstable	Collection rates and bad debt provision have been revised in the light of actual experience of the Council Tax Reduction scheme, Business Rates performance continues to be more volatile than Council Tax, with the outcome of appeals significantly reducing the tax yield. In year losses and gains can be handled through the Collection Fund, while variances can be dealt with in future years plans	High/Medium  Contingency provided through adjustment of plans for subsequent years.
Other income streams unstable	The 2016/17 forecast outturn suggests non-tax income streams have been less volatile than in previous years. NHS funding streams may be at risk in the wake of current financial control difficulties. Past performance suggests that unplanned income may materialise, offsetting generally the risks against the aggregate net revenue budget. The Council is becoming more successful a securing competitive grants. Proposals to increase income for adults services are currently subject to legal challenge.	Low/Low  Contingency provided through in-year budget control.  Continuous dialogue with NHS partners over funding flows  More active bidding for external funds  Close monitoring of trading
Member support for the budget diminishes	The Executive and individual Portfolio Holders, have been involved at a very detailed level in the development of the proposals. The financial plan reflects the Council Plan which has also had significant member input.	Low/Low  Contingency provided through adjustment of plans for subsequent years

Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
Plans for implementation of changes are not robust	Each savings proposal is required to be accompanied by a project plan setting out the implementation path. The impact of the plans has been tested in consultation. The degree of risk in each individual proposed change varies, and requires continuous project management. The proposals in Adult Services require changes in staff attitudes to assessing and meeting needs, client behaviour, and supply side response. In Children's Services, the changes are wide-reaching and comprehensive, and external resource has already been procured to assist. Implementation requires dedicated project management resource (which has been funded in the budget). Lessons learned from the last two years suggest that not having fully worked up plans at the beginning of the year hampers delivery- this risk is not yet fully mitigated at the time of this assessment	Medium/Low  Mitigation provided through continuous improvement of plans.
Planning is insufficiently flexible to respond to unexpected events	Governance arrangements allow Directors, under delegated authorities, and in consultation with Portfolio Holders, to flex plans during the year. If necessary, recourse can be had to the Executive to approve changes within the overall agreed budget envelope	Low/Low
Implementation of change is poorly controlled, or compromised by insufficient internal capacity	<p>From 2011/12 to 2016/17, the Council has managed to implement savings of around £210m. Looking at performance in 2016/17, 87% of specific savings plans are forecast to convert into actual savings on time (compared with 86% in 2015/16). Given the cumulative impact of the savings since 2010, it will be increasingly hard to find mitigating savings. The degree of risk varies across Departments.</p> <p>The standard "7 Keys" programme and project management method, which has been adopted across Departments, will continue.</p> <p>There is a risk that the multiple impact of discrete changes on individuals or single organisations is not apparent until implementation, with unintended consequences that may need addressing.</p>	<p>Medium/Medium</p> <p>Compensating action to reduce net costs</p> <p>Non-recurrent funds are available to pay for change management, to reduce the risk of insufficient capacity</p> <p>Contingency in base budget.</p>



Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
<p>Risks to timely implementation of changes to packages of care in adults and children services</p> <p style="text-align: center;">Page 65</p>	<p>The programme of change for Adult Services continues to be risk-laden in view of: the interconnectedness of the changes; the number and range of stakeholders to be consulted and managed; the statutory framework; the close links between local decisions and nationally-sponsored policy and thinking on new models of health and social care; the financial challenges faced by businesses in the social sector; and recent actual experience of managing change. The package of proposals to reform entitlements to and methods of transporting children with high needs to and from school has not yet yielded the intended financial benefits. The proposals from Children’s Services will require a significant project management effort, with a package of reforms that include a fundamental rethink about care arrangements for children with needs for specialist services; the rapid move to school-led improvement; and new ways of working with schools to deliver some special educational needs services. These risks will be monitored through project management.</p>	<p>High/High</p> <p>Use of dedicated programme management resource</p> <p>Continued collaboration with NHS and other partners</p> <p>Learning from developments in other local authorities</p> <p>Adoption of higher risk appetite in the assessment of individual cases</p> <p>Use of external support/expertise</p>
<p>Uncertainties over the integration of health and social care, including delays in developing new models of care to support changes to service delivery</p>	<p>The future of adult social care is heavily influenced by national policy on integration. Work to develop “accountable care systems” could run slower than is necessary to inform/support local changes, with potential adverse financial and client impacts. Governance mechanisms including Health and Wellbeing Board and supporting bodies are in place, allowing shared planning with NHS partners, and joint participation in nationally led initiatives. Negotiations continue over the distribution of the Better Care Fund. Financial pressures in the NHS could trigger higher degrees of organisational change, which divert leadership attention away from job of managing client demand which lies at the heart of the adult services changes required to deliver the budget.</p>	<p>High/Medium</p> <p>The Council may have to make unilateral changes if the pace of change is too slow</p>

Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
Changes related to staff cannot be implemented to plan	Consultation with Trade Unions commenced on 28 November 2016, and has continued since. Implementation will focus on avoiding compulsory redundancy. The voluntary redundancy framework has proved to be effective, though there is a need to ensure that the skill base of the workforce is maintained. The total number of staff that could be at risk from this proposed budget is 118 FTE for 2017/18, and 108 for 2018/19 (in addition to 191 FTE for 2017/18 arising from decisions of 2016 Budget Council). Staff related changes account for c 5.9m, or 16% of total budget changes in 2017/18.	Low/Low  Compensating action to reduce net costs  Vacancy Management  Contingency provided in base budget
Changes related to external suppliers cannot be implemented to plan	The new budget proposals foresee a reduction to spending with external suppliers of £28.2m or 77% of total budget changes in 2017/18. Past experience suggests that through individual contract negotiation budgets can be managed through a combination of volume and price; and increasingly through re-commissioning for revised levels of service. Suppliers of adult social care continue to show signs of financial stress, including from the anticipated impact of the National Living Wage. Additional funding for Adult Services will be available from the extra 3% increase in Council Tax	Low/Medium  Compensating action to reduce net costs  Additional 3% Council Tax rise to support adult social care costs  Contingency provided in base budget
Changes related to income generation cannot be implemented to plan	The proposed budget assumes aggregate income from non-taxation sources rises by c 0.5% annually as a result of inflation. Targeted increases in income in 2017/18 are £2.6m or 7% of total budget changes in 2017/18. The revised policy for social care charges is subject to an extended consultation period, resulting in delays in implementation.	Low/Low  Compensating action to reduce net costs  Contingency provided in base budget
Customer/ citizen behaviour is inconsistent with plan	Some budgets require significant degrees of change in behaviour and expectations on the part of service users and their representatives; and continuing consultation processes may pose risks to implementation. Experience to date says the most sensitive areas are in Adult Services; in Children's specialist services, and in local everyday services such as parking, public conveniences, and	Medium/Medium  Compensating action to reduce net costs  Contingency provided in base budget

Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
	community amenities.	
External stakeholder groups resist and delay change	Experience over the last 5 years suggests that where change affects groups who have the capacity to organise challenge to the implementation of agreed budget decision, the result can be delay, which inhibits the timely delivery of savings	Medium/Low Stakeholder management as part of implementation  Contingency planning
Demographic changes place unplanned burden on resources	The proposed budget has been increased to account for £2.9m of demographic growth in Adult Services, and £0.6m from Looked After Children. The Schools budgets (funded by the DSG) reflect the latest pupil census. It is expected that demographic growth and changes in the composition of the population will continue to lead to service pressures, which may need to be factored into future plans.	Low/Low  Contingency provided through adjustment of plans for subsequent years
Insufficient inflation allowance is provided in the plan	Expenditure budgets have been selectively inflated at indices appropriate for the relevant commodities, ranging from 0.5% to 2.0%. Where appropriate, budget managers will need to absorb unfunded inflation through reducing consumption of goods and services. Pay budgets have been inflated to reflect nationally agreed pay awards. The impact of potential greater inflationary pressures in the economy on the medium term outlook will need to be managed	Low/Low  Compensating action to reduce net costs
Capital investment is poorly controlled	The level of contingency in the capital plans is in line with historically consistent levels. Some individual projects have yet to reach full business case stage, so their cost will need to be monitored. Recent experience suggests that capital projects take longer to implement than implied by the financial plan; but the revenue budget implications tend to be favourable.	Low/Low  Contingency provided through adjustment of plans for subsequent years
Sources of funds for capital investment do not materialise	The capital investment plan is partly funded from capital receipts (c £3m per year). If they do not materialise, the plan (or individual projects within in which are dependent on receipts) will need to be reviewed.	Low/Low  Contingency provided through adjustment of plans for subsequent years

Risk Event	Description and Mitigation in Place	Residual Risk Rating (Likelihood/Impact) and Contingency
		Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m
The baseline budget is structurally compromised	The proposed budget is set using the 2016/17 baseline as amended for specific changes. The 2016/17 outturn shows a combination of overspend pressures and compensating underspends. Not all these variances have been adjusted for in the 2017/18 budget, in order to maintain financial discipline.	Medium/Medium  Directors can use their delegated budgets flexibly
Changes in school funding and in school structures created unforeseen and unfunded liabilities	Three factors could lead to financial stress in schools, which, under some circumstances, could create liabilities for the Council's budget: the increasing gap between funding and inflation-driven costs; the impact of the National Funding Formula on individual schools; conversions to academies. No additional provision has been made in the budget for these risks	Medium/Medium  Support for/intervention in individual schools On-going dialogue with Regional Schools Commissioner Engagement with Bradford Schools Forum
Internal governance arrangements are not fit for purpose	Constitutional arrangements, internal delegations, and the financial control environment are in place and, from audit testing, are effective. The Schools Forum and the supporting mechanisms are likewise effective at enabling a mature discussion about the use of local authority and DSG funds to support schools and pupils. Governance arrangements for health and social care are also well established. New internal governance to support change management will reduce the risk of departmental silo mentality.	Low/low
Governance arrangements with external parties are not fit for purpose	Governance arrangements at District level have been re-tuned during 2016. Reforms continue in the education governance landscape. The Health and Wellbeing Board and supporting arrangements are in place, though the pace of development is often overtaken by national NHS developments. At regional level, Combined Authority governance is bedded in, though further changes may evolve in the wake of the fluid devolution agenda. These factors do not increase financial risk as much as absorb leadership and management attention.	Low/Low

## **Second Addendum to the Report of the Assistant Director, Office of the Chief Executive to the meeting of the Executive to be held on 21 February 2017 (Document 'BA')**

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### **Subject:**

**Consultation feedback and equality assessments for the 2017-18 and 2018-19 Council budget proposals - report addendum (Document 'BA')**

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### **1. Summary**

1.1 The report (Document BA) of the Assistant Director, Office of the Chief Executive was published on 30 January 2017 and was presented to the Executive at its meeting on 7 February 2017. The report includes information from the public engagement and consultation programme in relation to the budget proposals for the 2017-18 and 2018-19 budget. The report gives details of information as follows:

- the public consultation and engagement sessions to the end of 30 January 2017,
- the written comments both postal and via the website to the end of 30 January 2017

1.2 The public consultation and engagement programme continued until 12 February 2017 meaning that there was an on-going requirement to provide details of further information and comments received. The first addendum to the report was presented to the Executive on 7 February 2017 and published the same day, and provided an update on feedback received through the budget consultation programme from 31 January 2017 to 2 February 2017.

1.3 This is the second and final addendum to the report presented on 7 February 2017 and contains an update on feedback received since 2 February 2017 through to the closure of the budget consultation programme on 12 February 2017.

### **2. Participation**

2.1 There have been no further dedicated consultation sessions with community of interest groups since the first addendum was published on 7 February 2017.

2.2 In total, since the beginning of the consultation, the Council has received comments from 916 people or groups through the online questionnaire, an increase of 230 since 2 February 2017. In total this produced comments on 1009 different budget proposals for 2017/18 and 2018/19, an increase of 270 since 2 February 2017. A total of 188 comments have also been made that are not specific to particular proposals for the next two years, an increase of 57 since the 2 February 2017 report.

In addition, a total of 239 postal questionnaires have been received (an increase of 100 since the last report) and 47 representations have been made through emails or letters (an increase of 17).

- 2.3 The additional written responses have included submissions from all three local Clinical Commissioning Groups (CCG's) (Airedale, Wharfedale and Craven, Bradford City and Bradford Districts), the Bradford District Care NHS Foundation Trust, Bradford Chamber of Commerce, and Bradford Safeguarding Adults Board.
- 2.4 The written responses relating to the proposals have been reported back to the departments. The Strategic Director (SD) or other appropriate Chief Officer (CO) has responsibility for ensuring that the proposals for their department or service area are reviewed and that the proposals, along with the relevant Equality Impact Assessment (EIA) are updated as appropriate. A revised version of the EIA's, version 3, will be published on 16 February 2017 in advance of the Executive meeting on 21 February 2017 as Elected Members need to have regard to all the information contained in them when considering their recommendations to Council on the budget for 2017-18 and the budget savings proposals for 2017-18 onwards.

### **3. Equality Assessments**

- 3.1 The updated equality impact assessments now include a response from the relevant Council service to the feedback received. Having received the feedback, further consideration has been given to what impacts there might be on protected characteristic and low income/low wage groups both on which groups will be impacted, and the levels of those impacts. The detail of any changes can be found on the individual EIA's as published on 16 February 2017. However an update is provided below on the consequent changes to the cumulative impacts.
- 3.2 The EIA for the proposal Regeneration - Sustrans (4R20), shows high impact across more than one protected characteristic (age and low income/low wage).
- 3.3 The protected characteristic of age remains very high for both young people and older people. This is seen primarily through the Public Health and Adults and Community Services (Better Health, Better Lives) proposals which will have a high impact on a smaller number of people, and Better Skills, Jobs, Economy which will affect a large number of people. 32 of the 39 proposals show impacts. Likewise for disability, there are fewer proposals showing high impact, but still 30 showing impact across all proposals, with the areas of most concern being public realm management, adults demand management reductions and Public Health's funding of warm homes and injury minimisation programmes.
- 3.4 Again across all proposals, 32 show impacts on people with low income and low wage. Most high impacts occur through the range of Public Health proposals in Better Health, Better Lives. Another protected characteristic being affected by a larger number of proposals, 24 in total, is race through a possible cessation of provision of early intervention measures from Public Health and potential additional costs of burials. Pregnancy/maternity also has a large number of impacts, 22 in total and although most of these are low impact, it does establish that once the proposals are looked at together, one group can be affected more than might first be apparent.

3.5 The table below highlights the impacts of all the proposals on the protected characteristic groups.

Protected Characteristic	Impact Levels			
	High	Medium	Low	TOTAL
Age	11	10	11	32
Disability	6	12	12	30
Gender reassignment	0	2	11	13
Race	5	4	15	24
Religion/belief	0	6	11	17
Pregnancy/Maternity	3	7	12	22
Sexual Orientation	1	1	9	11
Sexual Orientation	3	6	9	18
Marriage & Civil Partnership	0	0	7	7
Low Income/Low Wage	8	9	15	32

3.6 All equality impact assessments with service responses included where appropriate, can be accessed on the Council's website at <https://www.bradford.gov.uk/your-council/council-budgets-and-spending/budget-eias-2017-18>, and should be read in full by Elected Members.

#### 4 Additional Consultation Feedback Received

4.1 Since the start of the consultation, the proposals generating most comments are;

- Theatres and Community Halls (4E10) with most comments focusing on community halls - 368
- Parks and Bereavement (4E1) with most comments on bowling greens - 290
- Physical Activity, Food and Nutrition (4PH6) with most comments focusing on the breastfeeding programme in Keighley and some on the healthy lifestyle services run in the Windhill area - 145
- Street Cleansing and Public Conveniences (4E5) with most comments on the public conveniences - 146
- Homestart/ Worksafe/ Injury Minimisation (4PH5) with comments about the Homestart and Worksafe projects - 75
- Adults, Overall Demand Management Strategy (4A1) - 46
- Council Tax - 39
- Small Grants (VCS funding) (4PH7) - 27
- Ministry of Food (4E12) - 24
- Remodel of Visitor Information and Frontline Service (4E7) - 22

4.2 Other proposals that are generating between 10 and 15 comments are Libraries (4E9), a Prepared and Skilled Workforce (4C3) and Substance Misuse Service (4PH2). A further 25 proposals received between one and nine comments.

- 4.3 As outlined above from 2 to 12 February 2017 there has been a significant increase in concerns raised in respect of the proposal Public Health - Homestart, Worksafe and Injury Minimisation Programme (4PH5) particularly in relation to programmes run by Homestart Bradford. Though the numbers of representations has increased the issues in essence remain the same as those previously reported. The exception being additional comments about the areas that are covered by Worksafe including educating young people about the dangers of gas leaks, electrical safety, power lines and substations.
- 4.4 Further suggestions have also been received in relation to Physical Activity, Food and Nutrition (4PH6), proposing that the Council consider a short extension of funding for a period of time to enable organisations running projects to secure alternative funding to enable the work to continue.
- 4.5 Further general comments have also been received around the funding of provider organisations, such as those in the Voluntary and Community Sector (VCS). A suggestion has been made that the Council in its commissioning approach should make greater use of grant giving to support the VCS in leveraging in additional funding to the District. It is suggested that the Needle Exchange Service (Substance Misuse 4PH2) should be looked at for clinical effectiveness in reducing long term illnesses that are far more expensive to manage. Some programmes funded through the Sexual Health (4PH3) proposal provide valuable education for young people to reduce risk and harm; ceasing the programmes could be more costly to public services in the longer term.
- 4.6 From 2 to 12 February 2017 there has also been a significant increase in the number of written responses to the proposal Theatres and Community Halls (4E10) and the need to keep these open as they are seen as the key hub in those communities.

Concerns about the possible closure of the buildings if the Council does not retain control of them is the predominant theme of the comments, although it is clear from the representations that any possible transfers or changes to the buildings management could be determined by such factors as the current physical condition of the buildings (some being in good repair, others not) and also the current usage of the buildings and the financial viability of them a separate entities.

- 4.7 All three local Clinical Commissioning Groups (CCG's), (Airedale, Wharfedale and Craven, Bradford City and Bradford Districts) have submitted a detailed response highlighting their concerns particularly for proposals included within Adult and Community Services, Public Health and Children's Services.

The letters confirm the CCG's agree with the general direction of travel towards prevention, the development of community resilience and reducing the dependency on statutory services and the CCG's commitment to continue working with the Council on the shared strategic aim of keeping people well and in their own homes where possible. However some the proposals do, in their view, pose an element of risk in achieving this in that some of the proposals to de-commission some public health services for example, would routinely be seen by the CCG's as preventative work.

The CCG's have also confirmed their commitment to work with the Council to further strengthen integrated commissioning arrangements across health and social care to achieve a total joint health and social care budget through the expansion of the Better Care Fund.



In welcoming the development of the Council's demand management strategy for adult social care, the CCG's have raised the need to ensure that other parts of the system are not de-stabilised as a result e.g. the ability to develop a high quality nursing and care home market. They would also welcome the opportunity to discuss and understand in more detail, the possible consequences of not only the changes to the Adult Services proposals, but also the possible outcomes for young people and families of the Children's Services proposals aside from the clear impacts on health visiting and school nursing, and the wider impact on other community services.

- 4.8 A detailed submission from the Bradford District Care NHS Foundation Trust (BDCFT) has been received as part of the consultation feedback on the last day of the consultation. The submission raises concerns that in its view, BDCFT were not engaged soon enough in discussions as the proposals were developed. The submission confirms that whilst the Trust wishes to support the Council to re-design services and reduce costs, reasonable lead in times are vital to effect change and move to new models of working. It does however recognise the work that is now taking place with Children's Services to establish integrated service planning across Health Visiting, Children's Centres and Social Workers, although it raises concerns that this will be too late to support the proposals in these areas in 2017-18.

The submission identifies the cumulative cash reductions on Public Health contracts with BDCFT and the potential implications for service users as well as identifying the need to mitigate associated risks.

The submission specifically notes the proposals relating to Health Visiting, School Nursing and Family Nurse Partnerships (FNP) and suggests that School Nursing services should not be included due to the current caseloads in that service area and that therefore, savings are more likely to be targeted at Health Visiting or FNP services.

It also suggests that the proposals relating to Substance Misuse Services will seriously de-stabilise the residual dual diagnosis provision and mean that dedicated provision is likely to become unsustainable. This would impact on some aspects of prescribing for the most complex patients and will reduce the level and quality of advice and support to the whole sector.

In terms of the Social Care proposals, it comments on the consequences if Social Work numbers within the Integrated Community Mental Health teams are reduced and the current problems for Community Nursing Teams, particularly in Keighley, as a consequence of social care cuts and other sector pressures which it says would only increase the pressure on already over stretched health care co-ordinators with a likely wider whole system impact.

- 4.9 Bradford Safeguarding Adults Board (SAB) submission has focussed on budget proposals which they believe could have an adverse impact on the District's capacity to safeguard adults. The feedback confirms its acceptance of the emphasis given to the continuing personalisation of services and people being given as much control of their lives as possible but expresses a view that the Adult Social Care proposals currently lack detail and it hopes therefore, that as the plans are further developed, the approach to safeguarding adults with care and support needs, is addressed more explicitly.

The Board also notes the Councils proposal to apply the social care precept but would expect to see clear evidence that this has been fully applied to the social care budget and whilst it recognises there are many opportunities with the approach the Council is adopting, it also warns that the scale of change required, should not be underestimated.

- 4.10 The submission from the Bradford Chamber of Commerce focusses on the need for the Council to create an environment for businesses to grow, invest and relocate as the reliance on business rates increases and therefore, cutting back on any services aimed at supporting business growth and investment, should be reconsidered.

The Chamber supports the work being undertaken by the Council in highlighting the effect of the Government cuts and the injustice and impact it is likely to have on the District and it is pleased to see that 'Better Skills, more good jobs and a growing economy' is a priority outcome.

However, it is concerned about the potential impact on visitor numbers of the proposals for Visitor Information Centres (4E7) and Events and Festivals (4E8). These could have an effect on the local businesses and the wider economy which it has asked to be reconsidered, as well as the proposals for West Yorkshire Combined Authority Transport Levy (4R2) and the proposed increased charges in Planning, Transport and Highways (4R5) which it believes may stifle development in the District.

The Chamber is particularly concerned about the proposal relating to the Economic Development Service (4R13) and the reduction in European Strategic Investment Fund match funding and suggests that any support currently provided to create a stronger and flourishing business environment is essential for economic growth in Bradford to continue, and that therefore this proposal should also be reconsidered.

- 4.11 Previous reports have mentioned two petitions having been received as part of the consultation in relation to the proposal Theatres and Community Halls (4E10). One related to Ian Clough Hall in Baildon and one from Friends of Silsden Town Hall. Since the last report was published the Silsden Town Hall petition has received a further 713 signatures in addition to the 1841 already presented - this now totals 2554.

A further petition has now been received linked to the same proposal from Denholme Town Council in relation to Denholme Mechanics Institute. The petition refers to the building being a key local facility highly valued by the community of the village which underpins the sense of community in Denholme and plays a core part of the heritage of Denholme itself. It also refers to the high turnout of local people at a meeting about the future of the centre and the number of signatures on the petition as highlighting the strength of feeling with regard to the threatened closure of the building.

The petition, containing 915 signatures, refers to research which references a perceived lack of community facilities and amenities in the village, in particular for young people and older residents, a lack of community spirit and isolation for some residents. The Mechanics institute featured prominently in the research in responses, clearly being seen by local people as a key venue in the village to accommodate both services and leisure opportunities.

In addition, a further petition has been received about the proposal Parks and Bereavement (4E1) from Baildon Crown Green Bowling Club asking for the proposal to withdraw maintenance from Bradford and District Bowling Clubs to be reconsidered. The petition contains 28 signatures.

4.12 In summary it is necessary to ensure that the Executive have comprehensive information when considering the recommendations to make to Council on the budget for 2017-18 and the budget savings proposals for 2017-18 onwards. It is a legal requirement that Elected Members have regard to all the relevant information and accordingly Elected Members are referred to all the information in this addendum and in the equality impact assessments with updated equality evidence and the relevant Council department responses. The equality impact assessments can be found at: <https://www.bradford.gov.uk/your-council/council-budgets-and-spending/budget-eias-2017-18/>

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## Report of the Strategic Director of Children's Services to the meeting of the Executive to be held on 21 February 2017.

**BK**

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**Subject:**

Fostering Allowances Review

**Summary statement:**

Attached is the report following discussion of the review of Fostering Allowances at the Children's Services Overview and Scrutiny Committee on 31 January 2017

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Michael Jameson  
Strategic Director Children's Services

**Portfolio:**

**Health & Wellbeing**

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Care) Tel : 01274 432904  
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**Overview & Scrutiny Area:**

**Children's Services**

## 1. SUMMARY

- 1.1 This Report follows discussion of the review of Fostering Allowances at the Children's Services Overview and Scrutiny Committee on 31 January 2017.

## 2. BACKGROUND

- 2.1 A Report on the review of Fostering Allowances was discussed initially at the meeting of the Executive on 10 January 2017 (**Executive Document AS**).
- 2.2 The decision of the Executive was called in by a Member of the Corporate O & S Committee, Councillor Cooke. The Call-in related to two issues specifically relating to legality and sufficiency. GMB made a written submission on behalf of their Members to Overview & Scrutiny Committee dated 30.1.17 (attached at Appendix 5). The reasons for the call in were addressed in the Report to the Children's Services Overview and Scrutiny held on 31 January 2017 (**Document AG**)
- 2.3 Overview and Scrutiny Committee had no further comments to make relating to legality and sufficiency. The Equality Impact Assessment has been updated following the discussion at Overview and Scrutiny (attached Appendix 1). The Committee has referred the matter back to Executive with the following recommendation:

**That the decision be referred back to the Executive to reconsider in the light of Executive carrying out further investigation of the Levels across the Local Authorities used in the table on page 5 of Document "AS" to better understand the comparability on a like for like basis on the levels and descriptors used.**

- 2.4 Using data supplied to us directly from neighbouring authorities, the Executive has been supplied with indicative figures which compare combined fees and allowances. It is acknowledged that there will be individual circumstances that will differ. In accordance with the recommendation from Overview and Scrutiny, the Council will keep the matter of the levels of fees under review to ensure that Bradford's offer to foster carers remains competitive with neighbouring Local Authorities (so far as we are able to obtain further information from our neighbours).

## 3. OTHER CONSIDERATIONS

- 3.1 No further information.

## 4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 As reported previously.

## 5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 As reported previously

## 6. LEGAL APPRAISAL

- 6.1 The Legal position is as indicated in the original report to the Executive on the 10<sup>th</sup> January and in the Report to the Children's Services Overview and Scrutiny held on 31 January 2017.

## 7. OTHER IMPLICATIONS

FINAL

## **7.1 EQUALITY & DIVERSITY**

Updated Equality Impact Assessment attached as Appendix 1.

## **7.2 SUSTAINABILITY IMPLICATIONS**

No further information.

## **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None.

## **7.4 COMMUNITY SAFETY IMPLICATIONS**

None.

## **7.5 HUMAN RIGHTS ACT**

None.

## **7.6 TRADE UNION**

None.

## **7.7 WARD IMPLICATIONS**

No further information.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None.

## **9. OPTIONS**

No further information.

## **10. RECOMMENDATIONS**

- 10.1 That Executive confirms the decision previously taken on 10 January 2017 having regard to all the consultation feedback and the documents attached.

## **11. APPENDICES**

**Appendix 1:** Updated Equality Impact Assessment dated

**Appendix 2:** Full consultation feedback

**Appendix 3: Executive Document AS:** Report to the meeting of the Executive held on 10.1.17

**Appendix 4 : Document AG:** Report to the meeting of Children's Services Overview and Scrutiny held on 31 January 2017

**Appendix 5: Submission on behalf of GMB Members to Children's Services Overview and Scrutiny Committee** dated 30 January 2017

**12. BACKGROUND DOCUMENTS**

None.



# **APPENDIX 1**

## **Equality Impact Assessment Form**

<b>Department</b>	Children's Services	<b>Version no</b>	3.1
<b>Assessed by</b>	Kal Nawaz	<b>Date created</b>	9 November 2016
<b>Approved by</b>		<b>Date approved</b>	
<b>Updated by</b>	Patsy Burrows  Patsy Burrows	<b>Date updated</b>	3 February 2017  10/02/2017
<b>Final approval</b>		<b>Date signed off</b>	

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The Equality Act 2010 requires the Council to have due regard to the need to

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

### **Section 1: What is being assessed?**

#### **1.1 Name of proposal to be assessed.**

Fostering Allowances Review

#### **1.2 Describe the proposal under assessment and what change it would result in if implemented.**

Proposal to align the level of fostering allowances ensuring that payments for all fostering, special guardianship, Child Arrangement Orders (formerly Residence Orders) and adoption are all paid at the same rates as required by law.

The Council has a duty under the Children Act 1989 to ensure it provides a range of suitable and appropriate accommodation to meet the assessed needs of children in care. Local Authorities are responsible for providing fostering services in line with Fostering Regulations, Care Planning, Placement and Case Review Regulations and National Minimum Standards for Fostering.

There are approximately 450 foster carers in the Bradford District who provide a highly valued service in looking after Children in care in Bradford. As at November 2016, there were 243 mainstream fostering households; 158 approved Family and Friends households and 47 approved short breaks households.

The service currently spends £10.1 million on fostering fees and allowances. Proposals for budget reductions identified within Children's Services include a review of fostering allowances to achieve the required budget savings.

A weekly age related allowance is paid to foster carers to cover the child's living expenses (e.g. food, clothing, household, transport etc.). Currently Bradford pays differential rates for Special Guardianship, Adoption and Residence allowances compared to Fostering allowances. Those providing care through Special Guardianship, Adoption and Residence Orders are paid allowances at the national minimum allowance rate while the fostering allowance is higher. The law requires that there should be very clear justification for differences in payments. The national minimum allowance is paid to foster carers in some authorities

Additionally, foster carers can be paid a 'fee' as a 'reward'. There is no legal entitlement to a fee. The fee structure rewards foster carers for their skills and experience. Carers are asked to evidence their skills and experiences against a set of competencies in order to progress. This proposal does not affect the payment of fees to foster carers.

The preferred option to meet statutory requirements in Bradford is to reduce the allowances paid to foster carers to the national minimum allowance in order to achieve parity across all care arrangements, regardless of the legal order deemed appropriate to the child's needs. The proposal to bring allowances in line with statutory requirements will ensure equity and achieve a saving of £454k over 2 years between 2017-2019.

## Section 2: What the impact of the proposal is likely to be

- 2.1 **Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.**

The proposal will achieve parity across all care arrangements and will advance equality of opportunity for children who are no longer looked after by the local authority but have been assessed as having ongoing support needs which the local authority has agreed to meet through the payment of Special Guardianship, Adoption or Child Arrangement allowances. The proposal means that looked after children and non-looked after children for whom the local authority is responsible for paying an allowance, will receive the same rate of allowance according to their age, as required by law.

- 2.2 **Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.**

N/A

- 2.3 **Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.**

The proposal aims to standardise payments to all carers. Service data on foster carers by household type and gender indicates that 35% of our 446 foster carer households are single women carer households. Currently available data indicates that approx. 34% of children in foster care are aged between 11-15yrs whilst 11% are 16-18yrs. Although the proposal brings foster carer allowances in line with Special Guardianship, Adoption and Residence allowances and removes any risk of legal challenge in relation to the payment of differential rates, it will impact more significantly on older children between the ages of 11 to 17 years with payment differences of between £21 to £34 per week but the proposal does create parity for children in those age groups in whatever the care arrangements.

- 2.4 **Please indicate the level of negative impact on each of the protected characteristics?**

(Please indicate high (H), medium (M), low (L), no effect (N) for each)

<b>Protected Characteristics:</b>	<b>Impact</b>
Age	M
Disability	N
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N
Sex	M
Marriage and civil partnership	N
<b>Additional Consideration:</b>	
Low income/low wage	N

## 2.5 How could the disproportionate negative impacts be mitigated or eliminated?

(Note: Legislation and best practice require mitigations to be considered, but need only be put in place if it is possible.)

The Local Authority's policy relating to fostering payments needs to be clear, equitable and transparent. The criteria for calculating allowances must be applied equally to all foster carers whether related to a child or not.

The proposal is to reduce fostering allowances to the Government minimum allowances over a two year period. This option aligns payment in all care arrangements thereby ensuring compliance with the legal requirements and has the added potential to reduce impact on carers of older children by giving them time to adjust as it would be introduced over 2 years.

Plans are in place for ongoing consultation with stakeholders at all stages in order to minimise disruption to looked after children. Consultations will provide opportunities to explain the options and the rationale for the proposals. Carers will be offered advice on entitlement to work and benefits.

### **Section 3: Dependencies from other proposals**

- 3.1 Please consider which other services would need to know about your proposal and the impacts you have identified. Identify below which services you have consulted, and any consequent additional equality impacts that have been identified.**

Neighbourhood Services and Targeted Early Help to be consulted on potential to ensure links with targeted youth provision to promote access to opportunities for LAC

### **Section 4: What evidence you have used?**

- 4.1 What evidence do you hold to back up this assessment?**

Bradford's allowances have been benchmarked against neighbouring local authorities.

The Government's national minimum allowance is applied in some Local Authorities and is the basis for the Bradford proposal.

Currently available Service data on foster carers and children in Bradford in addition to financial data has been utilised in undertaking the assessment.

- 4.2 Do you need further evidence?**

Consultations have been held to ascertain the views of foster carers about the proposal to reduce the fostering allowance to the National Minimum Allowance rate.

### **Section 5: Consultation Feedback**

- 5.1 Results from any previous consultations prior to the proposal development.**

N/A

**5.2 The departmental feedback you provided on the previous consultation (as at 5.1).**

N/A

**5.2.1 Feedback from current consultation following the proposal development (e.g. following approval by Executive for budget consultation).**

While some foster carers do not think that the proposal is fair, they accept that the reduction in the rate of the fostering allowance is necessary and that the impact for the children they care for and themselves will be low. However, many foster carers are understandably anxious about the impact of reducing the fostering allowance to the National Minimum Allowance rate. A number of single foster carers commented that they will be disproportionately disadvantaged by the reduced rate because they are single income households. Many were also concerned that older children would be disproportionately affected compared with younger children for whom the reduction in allowance would be significantly lower. Some carers also highlighted a specific impact for disabled children. A number of Family and Friend foster carers living in other areas where the cost of living is higher than in Bradford raised a concern about receiving a reduced income.

**5.4 Your departmental response to the feedback on the current consultation (as at 5.3) – include any changes made to the proposal as a result of the feedback.**

No changes have been made to the proposal to reduce the fostering allowance to the National Minimum Allowance rate as a result of the feedback as it relates to achieving equity in the payments to all children for whom the Council has a financial responsibility, regardless of the legal order in place.

With regard to the impact for older children, while the level of concern expressed by foster carers is acknowledged, the proposed rate is in line with the rate set by the government and the request is for consideration to be given to reducing the fostering allowance over 2 years to give foster carers time to adjust to the new rates. It will also be important to communicate with children and young people about the changes to the fostering allowances and ensure that their social workers provide support around any anxieties they may have. Looked after children and young people also have access to an independent advocacy service.

Support for disabled children and young people is prioritised for review by the Fostering Service, regardless of the outcome of this review of the fostering allowance. This will be undertaken in partnership with foster carers and will focus on the support available to ensure the stability of the children.

With regard to single foster carers of older children, the Fostering Service proposes to remove any barriers to those carers seeking paid employment to supplement their income, provided this fits with the needs of the children and young people in their care. For those carers who are unable to work, the Fostering Service will reissue the guidance about the benefits foster carers are eligible to claim which was previously provided to foster carers. Foster carers also have individual membership of Foster Talk, a government-funded support agency, and can access support around finances and their eligibility for benefits. In addition, supervising social workers will be available to discuss any concerns about financial hardship with foster carers and to help them to access support.

For carers who live in London and the South East where the cost of living is higher, it is proposed that the weighted rates specified by the government for those areas are adopted should the Council Executive agree the proposal to reduce the fostering allowance to the National Minimum Allowance rate. This may be particularly relevant to the carers of looked after children in Family and Friends placements.

# **APPENDIX 2**

## **Bradford Council Foster Carer Consultation on Allowances Autumn 2016 – summary of results**

Foster carers and fostering staff were invited to attend a presentation and take part in the consultation on Thursday 24 November at Margaret McMillan Towers / Friday 25 November at Victoria Hall, Keighley and then online for 4 weeks from Tuesday 29 November to Wednesday 28 December 2016.

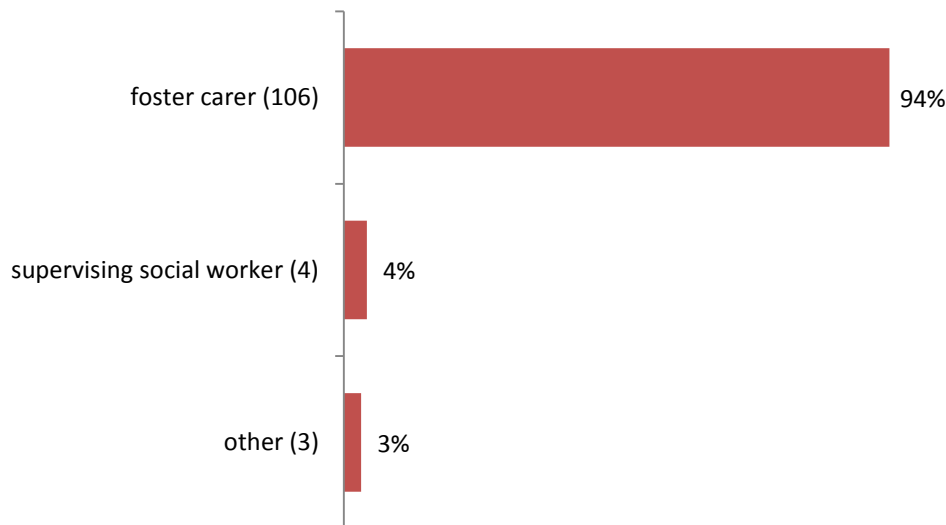
The online consultation was developed using Snap Surveys – a dynamic online questionnaire service, and was hosted on the Council’s website. The URL (web address) was emailed to all foster carers, including family & friends carers, who have registered an email address with the fostering service. All supervising social workers were also invited to take part, alert their carers to the online consultation or take out a paper copy of the consultation to carers who are not online.

The marketing officer added all fully (or largely) completed handwritten consultation forms to the online consultation, but did not enter any questionnaires that were only slightly completed. All respondents’ comments were added.

This report was generated on 09 January 2017.

Overall, 113 respondents completed this questionnaire. The report has been filtered to show the responses for ‘All Respondents’.

### **Respondents’ roles:**



**Responders who chose to specify their role:**



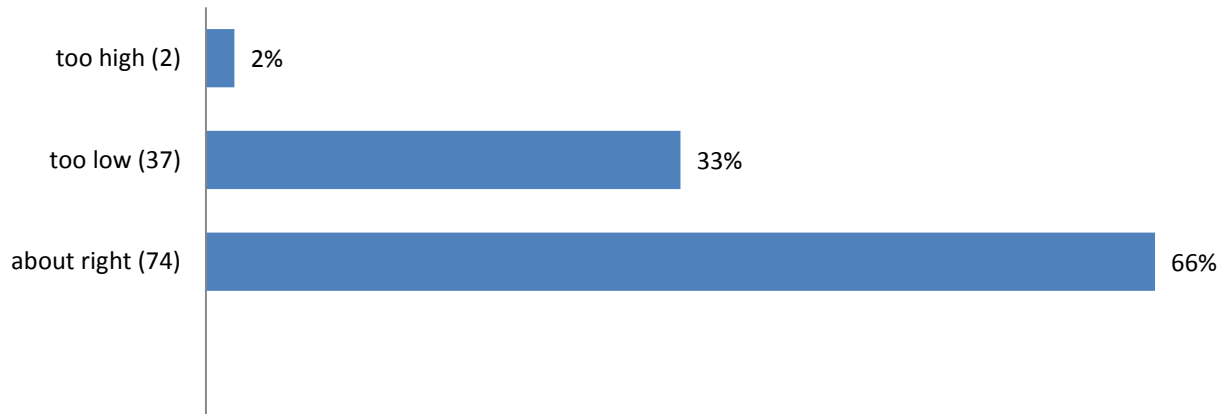
- carer to 11yr old twin boys, attachment issues, dyslexia and assessment for autism
- Family & Friends carer (x6)
- Foster carer or partner of (x4)
- Long term foster carer (x4)
- level 3 carer caring for 1 x 13 year old and 1 x 16 year old with severe learning difficulties
- marketing officer
- respite foster carer (x 3)
- Shared Carer
- Short term sibling groups of three
- Special needs carer
- Supervising and assessing/recruiting carers
- Support Carer

**Q2 - foster carers were asked to specify which scheme they were on:**



**Q3 - I think the fostering allowance currently paid in Bradford is:**

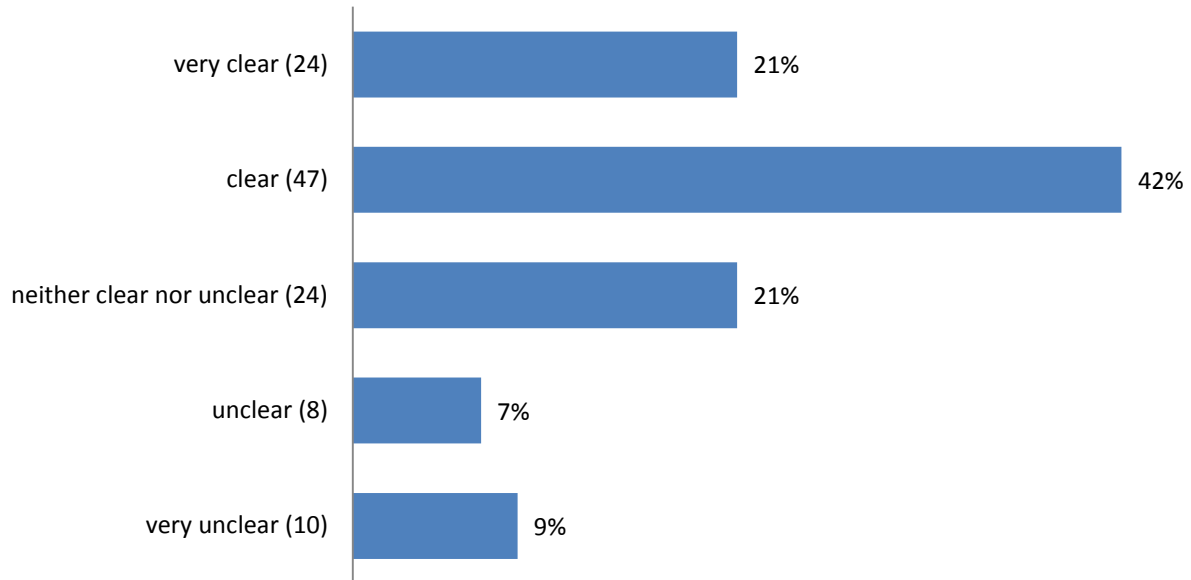
**Respondents' thoughts about the current fostering allowance paid in Bradford:**



For comments from respondents about the fostering allowance that is currently paid in Bradford, please see Appendix A.

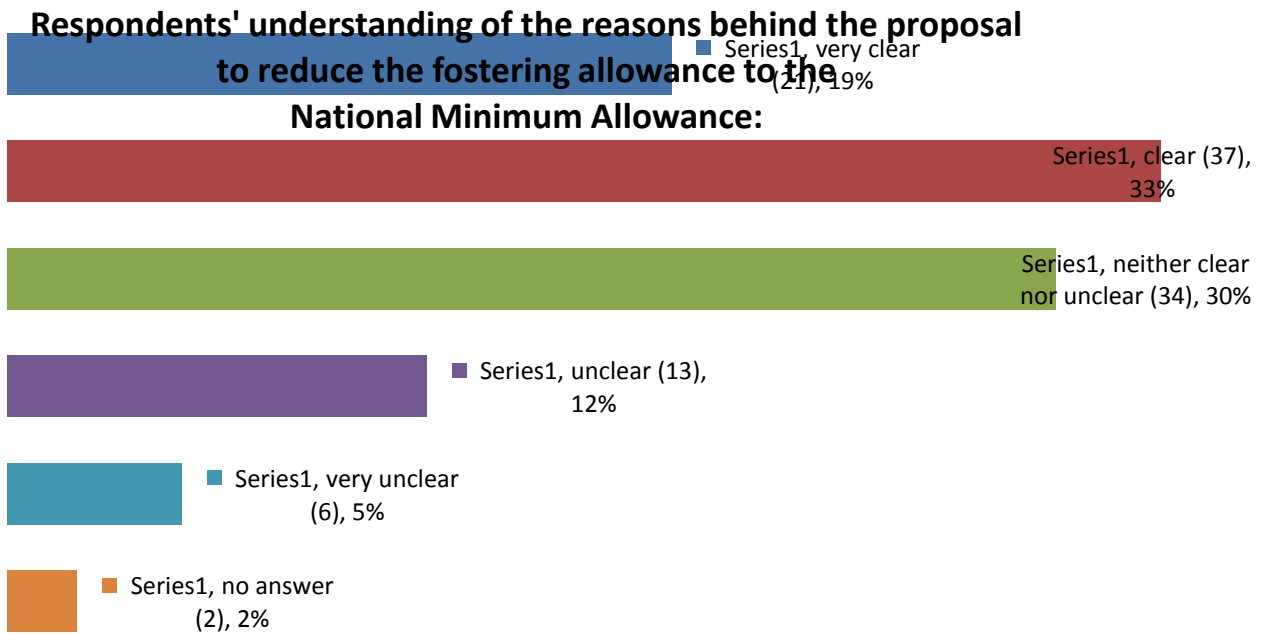
**Q4 – I think the explanation of the options being considered are:**

**Respondents' assessment of the clarity of the presentation regarding the options being considered:**



For comments from respondents on the clarity of the options being proposed, please see Appendix B.

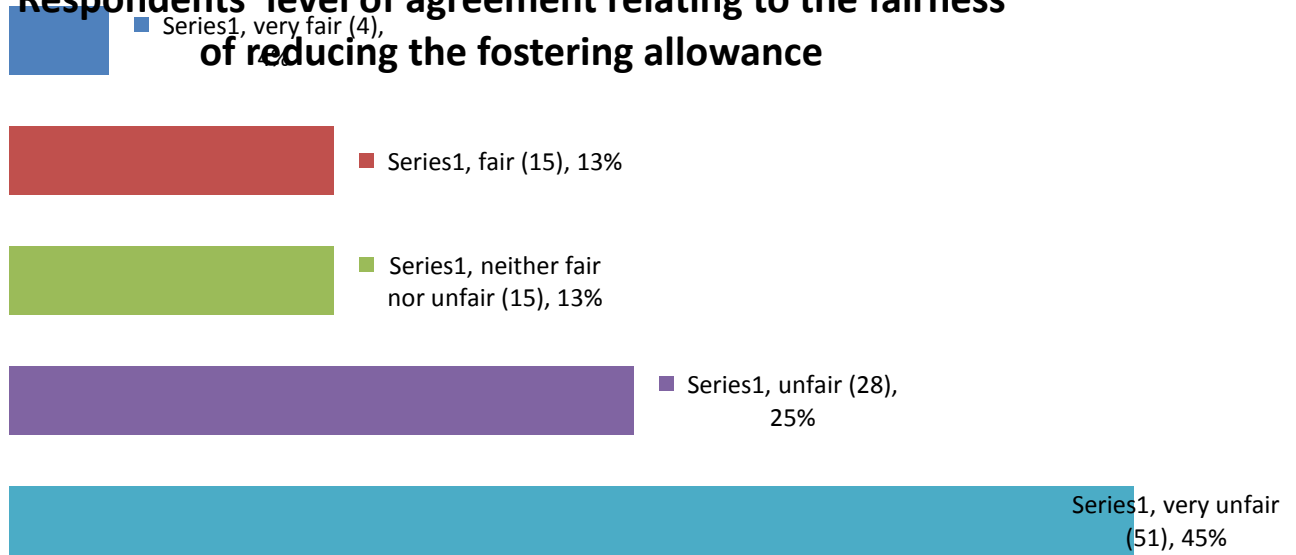
Q5 – I think the reasons behind the proposal to reduce the fostering allowance to the National Minimum Allowance are:



For comments from respondents on the clarity of the proposal to reduce the fostering allowance to the National Minimum Allowance, please see Appendix C.

**Q6 – I think the proposal to reduce the fostering allowance to the National Minimum Allowance is:**

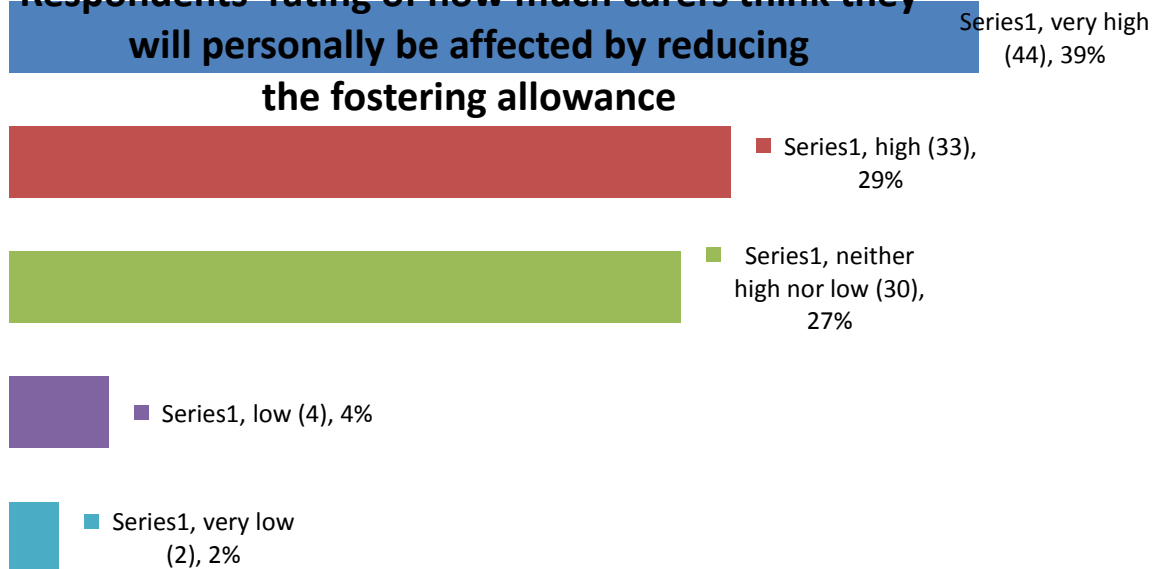
### Respondents' level of agreement relating to the fairness of reducing the fostering allowance



For respondents' comments on the fairness of the proposal to reduce the fostering allowance, please see Appendix D.

**Q7 – The impact of reducing the fostering allowance to the NMA on me will be:**

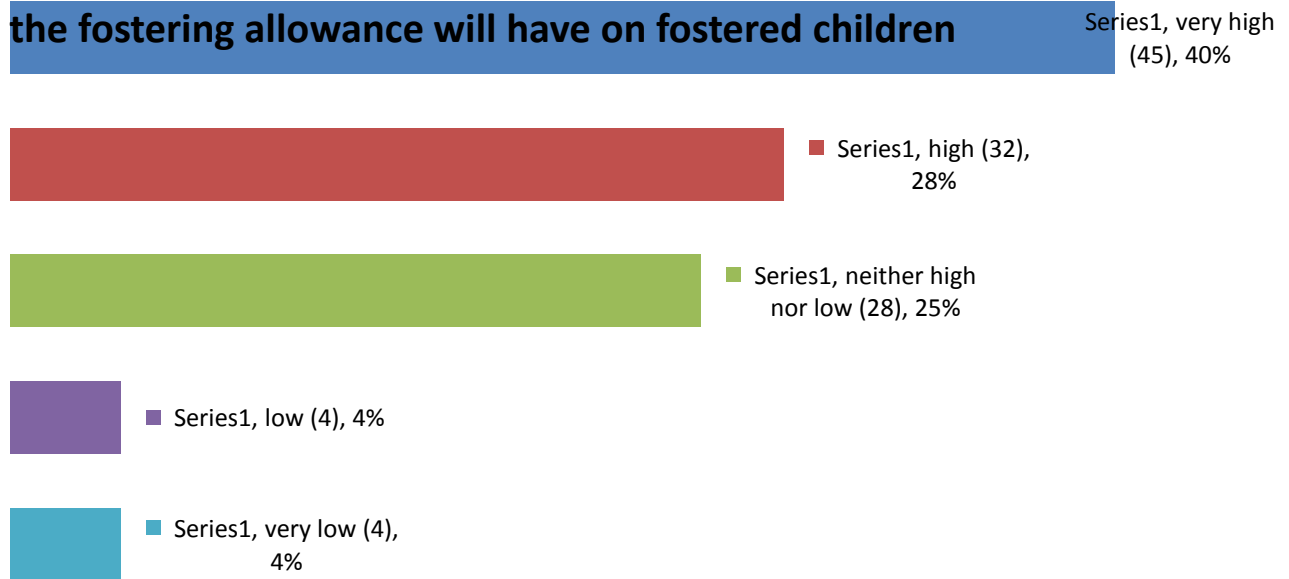
### Respondents' rating of how much carers think they will personally be affected by reducing the fostering allowance



For respondents' comments about how they will be personally affected by the reduction of the fostering allowance, please see Appendix E.

**Q8 – The impact of reducing the fostering allowance to the NMA for my foster child/ children will be:**

**Respondents' rating of the level of impact that reducing the fostering allowance will have on fostered children**



For respondents' comments on the effects of reducing the fostering allowance on the children they foster, please see Appendix F.

**Please note, of the handwritten questionnaires not all were completed Q10 and Q11 in full. Therefore, there are less than 113 replies to the subsequent questions and the answers cannot be assigned percentage values. In addition, when first uploaded to SNAP, Question 10 was incorrectly assigned on the system and 11 respondents were unable to answer this question as a multiple choice.**

**Q 10 I think the risks associated with the proposal to reduce the fostering allowance to the National Minimum Allowance are:**

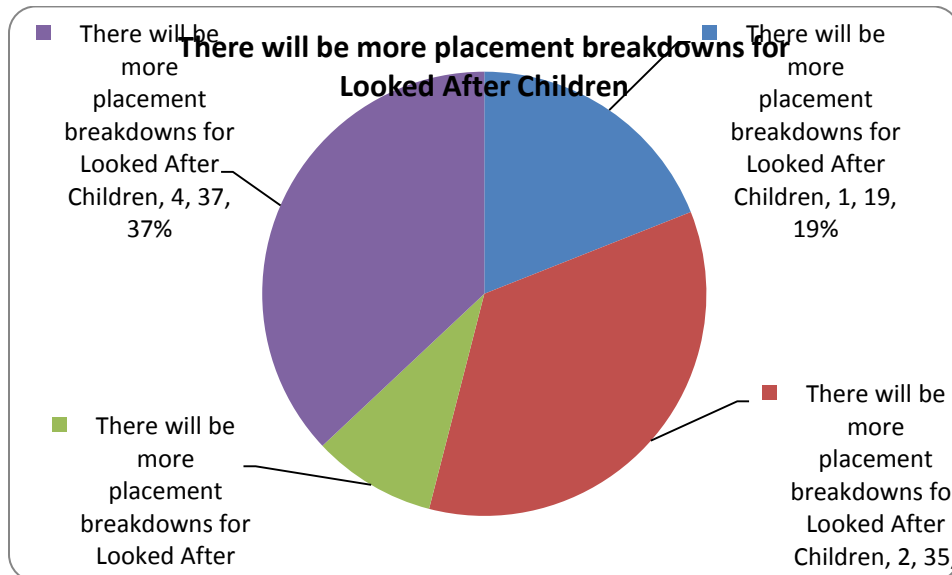
**Number of respondents that agreed with risk statements associated with reducing the fostering allowance**

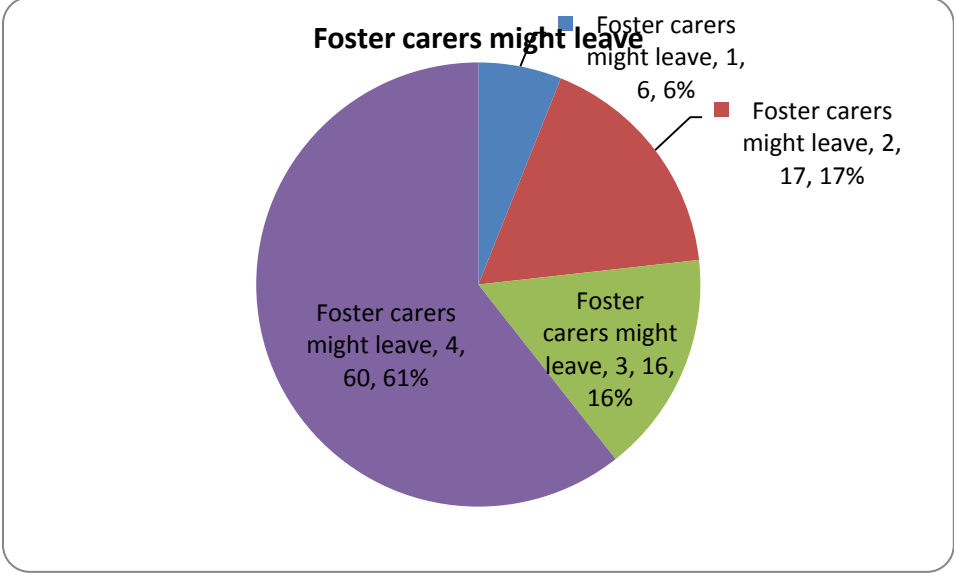
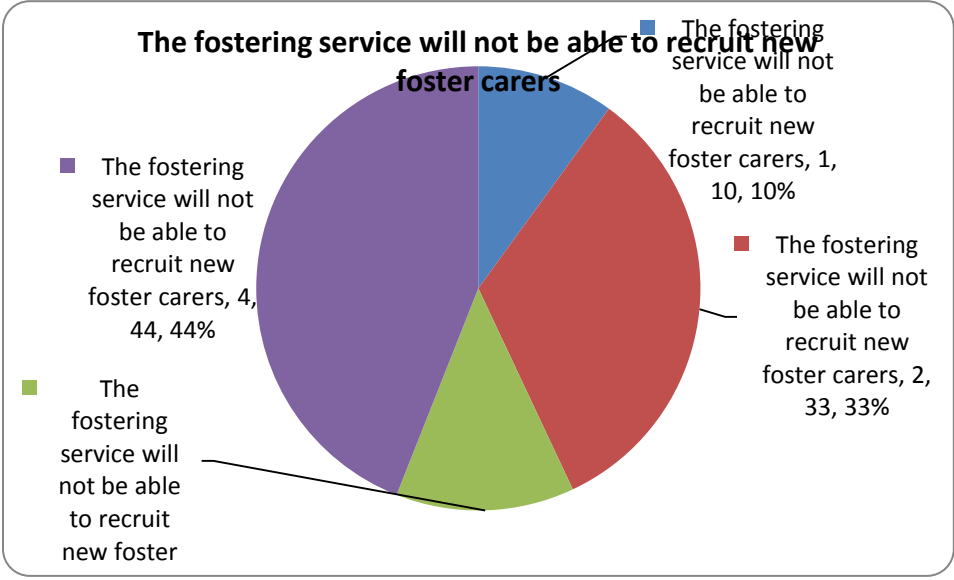
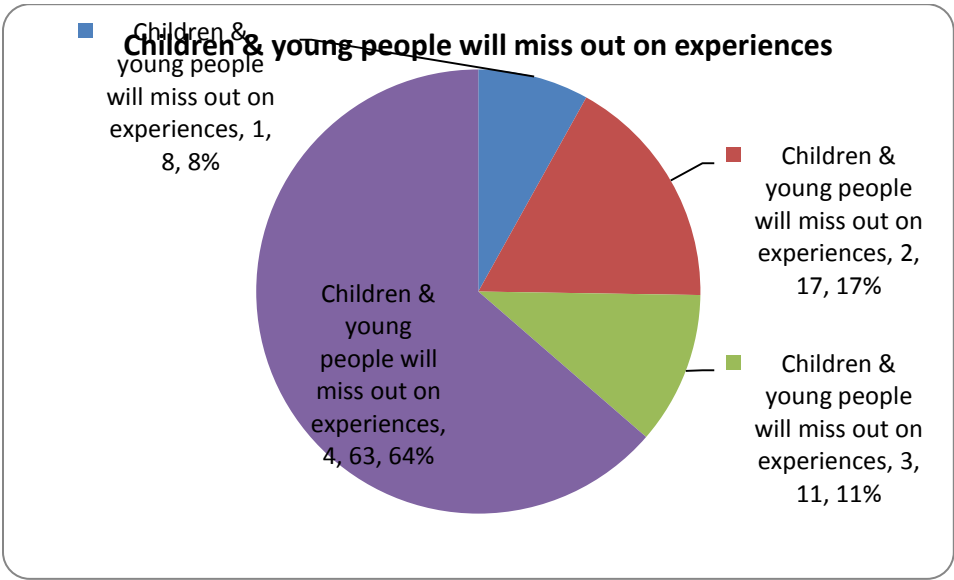


For respondents' ideas about other risks not listed on the consultation, please see Appendix G.

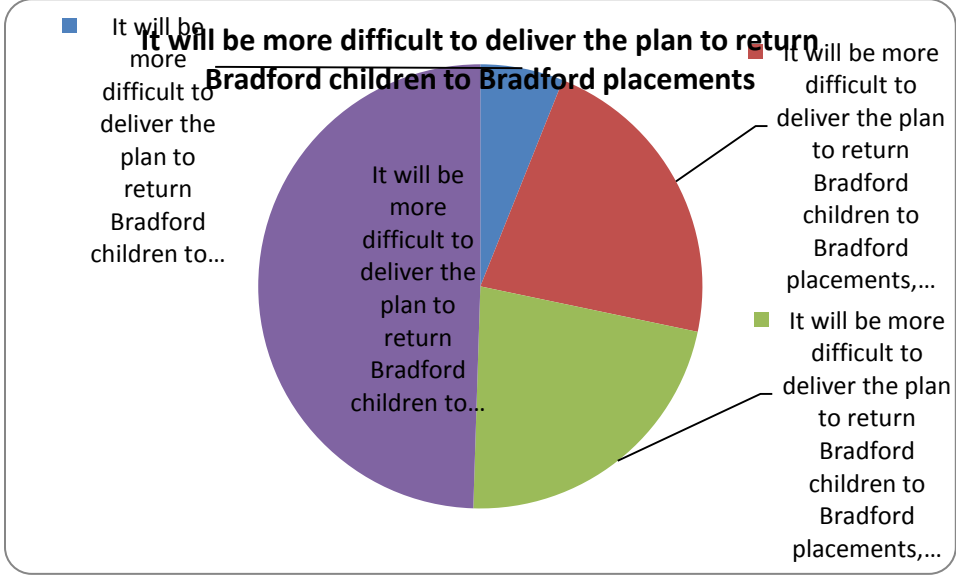
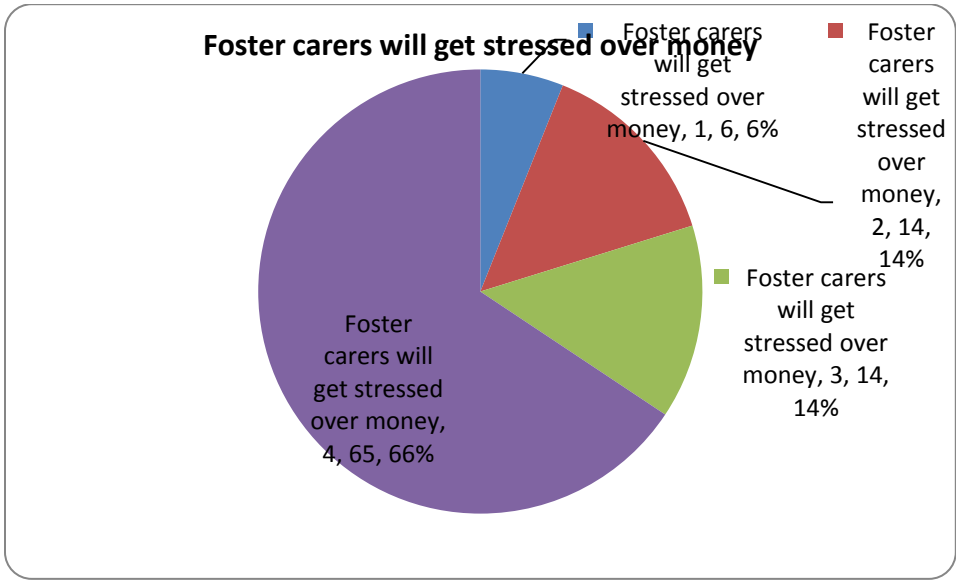
**Q11 – Please rate the risks associated with the proposal to reduce the fostering allowance to the National Minimum Allowance by giving each statement a score from 1 to 4, where 1 is low risk and 4 is a high risk.**

Please note that this question did not work as a multiple choice question when first uploaded on SNAP and 11 respondents were unable to select more than one answer. This may have skewed the results and the comments recorded in Appendix H.



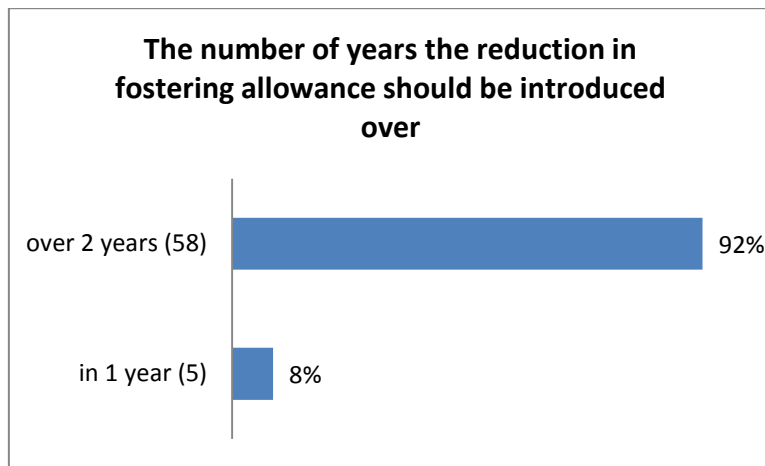






For respondents' ideas about additional risks to those listed above, please see Appendix H.

**Q12 – If the proposal to reduce the fostering allowance to the National Minimum Allowance is accepted, I think the reduction should be made:**



**Please note in all the appendices and Q12a all comments have had spellings corrected, but are otherwise unchanged. Therefore, any answers that are incomplete were recorded as such by the software.**

**Q12a – Respondents own ideas for how savings can be found:**

- reduce council pensions; reduce take home pay of council high earners; stop any annual salary rises for council employees; tackle benefit fraud better; stop spending on any glitzy ceremonies; freeze councillor allowances; stop providing free food and drink any meetings; cut any mileage to HMRC levels; increase school absence fines on regular offenders.
- 1) reduce the number of MP's and Councillors in the district. 2) reduce the number of directors in the department.
- Admin - 2 lots postage. Remittances - most people now have email. Equipment S/W - child / carer long term same worker. i.e. 3 long term children same worker i.e. (3 visits, 3 children = 1 visit - 1 house - 1 carer -) saves money, time, fuel. I am approx. £3400 per year worse off.
- Management team.
- Are social workers taking a pay cut? reduce the paid time of sick pay. Recruit more foster carers on a fair wage, and stop sending our children out to private agencies.
- At the risk of being controversial maybe look at cutting pay for SSW and cutting out sick pay. As for fc, we have to look after these children in a safe secure home. They do not want to come into a house where the carers are not sure if they can make the next mortgage payment because they have been without a child for the previous six weeks. (The child might have come into care for a similar reason). As a fc we do not get sick pay and struggle to get one week's holiday (to recharge our batteries) let alone four weeks holiday and we are expected to live with the child 24/7, not going home at 5/6 o'clock. We provide a comfortable home and experiences and opportunities that many children only dream about. To cut our pay we might find it difficult to keep up this lifestyle. We are to treat the children as our own on less pay than a regular job.

- Be more strict in assessments of asylum seekers claiming to be 'children'
- carer goes on holiday without the foster child they should not be paid as they are not working the carer that takes the child on holiday is still working and does not get holiday pay .
- carers of siblings to share journeys to contact (fewer taxis) in one car. Put back foster carer support groups based locally (helps reduce stress).
- cost efficiency in Department and wider council. There is a culture of waste and zero accountability in council. You have spoken about cuts but not improving your own efficiency. Sickness and absence pay, half to 13 weeks. Bring in a LEAN champion so you can reduce waste. Allow us to use bus lanes, saves us time. Send pay / allowance slips in one envelope or email them out.
- Cut birthday and holiday allowances. Cut visits down for stable placements.
- Cut down on multiple taxi journeys (reports of 3 taxis being used when only one is needed). Interpreters often attend when parents don't; then they are obviously paid but this is not cost effective...
- Cut down on wastage by putting fees and allowances on one piece of paper and in one envelope.
- Sending out pay slips, send allowance and fee together in one envelope instead of sending 2 separate letters, alternatively look at sending wage slips out via email, or have electronic payslips. 2. Look at internal processes for managing staff sickness. The young person I had didn't have a social worker for nearly 12 months due to sickness. Talking to other carers they have had the same experience of having no social worker, which I appreciate can't always be helped. However managing this properly will reduce costs instead of taking from the carers who provide the front line service. 3. When arranging contact with families and children to reduce the expenses that families can claim, I was surprised when I heard that parents get
- Do not reduce allowances for looked after children. Not to be disrespectful but my opinion is there are too many managers, directors etc in LAC departments which do not deal directly with looked after children. It's the social workers and carers support social workers that are the most important to a child and a carer.
- Firstly stop paying all your employees full sick pay as that is why social workers are off sick a lot and management are the worst I think you should monitor that if they just got statutory sick pay they then couldn't afford to be off sick so much also if you sign up to carers and employees to do their DBS on line this costs 13 pound a year which currently you're paying 60 pound person so really if all this is all put into place you would save a fortune it's not rocket science to work this out
- Foster Talk? How much do we pay them? I do not feel I need this.
- I don't want the reduction, I don't think foster carers will take looked after children on holiday. Give them the experiences needed.
- I feel that although also not popular, it would be fairer to take an equal amount of allowance from all ages of children if this had to be done, although this does not address

the equity issue. I felt maybe this could be done by the same amount being reduced for all ages of children, in payments such as holiday, birthday, religious festivals payments - although I do not know if this would generate the necessary financial savings.

- I wouldn't propose any cuts to be made to fees and allowances. I went to the xmas do and spoke to 3 different couples of foster carers, out of those three two had already set up appointments with other foster agencies as they were very unhappy and felt underappreciated, the third was awaiting to see if it goes ahead before enquiring elsewhere. Maybe there are cuts that can be made in other areas not directly affected to foster carers.
- If carers were made to account for expenditure of certain categories such as activities then it could be distributed more fairly to those using it for the children and encourage those who aren't to do so. Also as having more than 2 foster children in the home rarely leads to additional transport or household costs. So homes with more than 2 foster children could have a cap placed on certain aspects of the allowance for additional children, unless for instance they could evidence a need for the additional transport and household costs. That could halve the allowance required for looking after a 3rd or 4th child. Having 2 children in my home allows me to pool the allowances enabling me to undertake all the activities etc that I do. Having a 3rd child however would mean I would have quite a large sum of additional allowance that I would not need to use on transport and household costs and could spend elsewhere.
- If it still goes ahead I think you can take off festival money. We don't have any holiday money anyway.. if that helps, then just keep everything the same..
- It would be better to stop birthday money and Christmas money. Savings would be spread over all ages then. Go back to the Council and say it can't be done. No more money can be saved through Children's Services. Go overdrawn. Fail. I won't be taking these children abroad at my expense next year.
- Less admin wastage - notification of fees and allowances could both come in one envelope rather than in two.
- Less paper used for payments ever 2 weeks. I think consideration on how much we pay a parent to have contact...
- Look at the other spending. Some training could be delivered on line instead of face to face. Ask whether family and friends carers feel they need a social worker in addition to the children's social worker and if they don't respect their view. Focus on how much is spent on social workers visiting out of area placements and reach a national agreement with other authorities to supervise children in their areas thus reducing travel costs and social worker time. Review the way LACs reviews are carried out - is a face to face meeting for every child necessary? Look at the costs of funding family contact and consider other ways of reducing this. Full budgets for the department would have been useful to look at and spends on different areas. The only option we are being asked to comment on is a reduction in allowances hitting the most vulnerable. Would any of the Directors like a

£1,800 reduction in salary I guess not, so why start with a reduction in allowance for our most vulnerable

- Look into the work some social workers actually do for their families, are they fulfilling everything they are paid for, could this be reduced if not being met. Parties etc are great for the children but if they are no longer able to stay in placements would the money spent on them really be worthwhile? Do not reimburse parents travel money to see their own children. Look at the amount of management and the level of pay they receive.
- look to curbing MPs expenses and other services which do not impact directly on vulnerable children
- make it ten years are you joking or what !!!!!
- more internal efficiency
- My answer to question 12 is neither 1 nor 2 years it is NEVER but I am forced to answer by the system. The proposal states that it is necessary not to save money but because SGOs etc should be paid at the same rate. I propose that any loss from carers allowances is added onto fees instead. This way the alleged extra bill of some £500k to bring SGO allowance rates up to foster carer rates is non-existent but foster carers and the children whom they care for will not suffer any financial loss.
- No more letters all info by email - this will not be able to be done in all cases. 600 foster carers - 450 take email and no more snail mail using just wage slips. 1 per child and 1 per carer ever 2 weeks. estimated cost £1 / wage slip. 2 wage slips / 2 wks = 52/yr @£1 each = £52 / carer x 450 carers =£23700/year. This is an example of what can be saved not just FC wages. Transport all elements to be evaluated The above including birth family transport etc All mail where possible to go by email
- parents to see their own children, and in some cases paying them to keep their own children, stop using hire cars for social workers, if more than one social worker is attending a meeting use car share.
- Postage to be sent out weekly per foster carer. Wages to be posted in one envelope. Personal paperwork can be emailed not posted.
- Put up Council Tax
- Recruit more foster carers, so children do not have to be placed with private agencies, or in residential care. Also encourage experienced foster carer's to deliver some training sessions, instead of paying for trainers to deliver them from outside agencies.
- Reduce admin costs - eg stamps used to send out payslips - do it online - sometimes £1-2 per FCs used in stamps
- Reduce some bosses wages as well.
- Reduction in social work salaries. Reduction in social work expenses. Reduce wastage and inefficiency within Council services.
- Remove the birthday and Christmas allowance for LA foster carers; as from my experience this promotes a perverse incentive around these periods. As in some cases money is being put before the quality of care given to children at a precious time where they may be better being placed with their kinship family and the opportunities gained from taking part

in activities with the wider family, celebration/gatherings etc during Christmas and birthdays .

- review money being spent on transport i.e. recruiting carers who cannot drive. The amount being spent on taxis and escorts to and from school and appointments. funding parents to attend contact.
  - Sick pay for social workers to be looked into! Training courses to be run by experienced foster carers rather than outside agencies! Use the foster carers you have rather than recruit more!
  - Stop birthday & Christmas payments for long term carers. They can budget for those (and they are all too high!)
  - Stop sending payment slips out in 2 envelopes , costing twice as much on posting and stationary. Every bit on saving would help , this cost would be more than my reduction on my allowances for my age range.
  - Take money from those who get more money from people higher up the ladder. Why should the children suffer!
  - That's not my job although I think there is a misbalance between carers of only 1 child compared to those that care for 2 or 3 where the overall remuneration becomes far more significant. How many other of your staff are having their pay cut by over 5%? This whole issue makes me feel completely sick and if I wasn't committed to the young person in my care I would happily tell Bradford council where to stick this job. My sincere hope is that Foster Carers organise and consider taking industrial action.
  - the main concern is transport - taxis, carers not being able to drive, escort, paying parents money, taxis, bus fare to see their children.
  - Transport for parents. Taxis for school / contact. Carers that don't drive / do transport should lose the transport element from boarding out. Stop social workers taking children out for McDonalds/ pizza.
  - Swap shops for toys, clothes, books, equipment. Discounted group trips.
  - wage slip out in two different envelopes. Send by email.
  - We feel the reductions do not have much of an impact on us personally. Also additional savings may come from placing at least 2 children with a family. This will save on wages also save time for social service visits/reviews etc
-

## Appendix A - Comments from respondents on the current fostering allowance arrangements:

- 24/7 employment
- All teenagers are going to be penalized over the cuts more than anybody.
- allowances don't rise as much as costs of caring
- As a single parent, there is no other money to depend on. Reducing the amount paid will result in hardships.
- As children become older, everything becomes more expensive
- Considering what other local authorities pay I think the allowance is about right.
- Current fostering allowance in Bradford should be higher due to a Looked After Child needing a good life and they deserve one due to their past history. The allowance is at the moment manageable and every penny counts for these children. A reduction would not be acceptable
- Currently barely covers costs and needs of children so should not be reduced.
- Fair for mainstream but does not take into account very specific and demanding needs of those children and young people with severe learning disabilities
- Family and Friends carers should be paid the same as foster carers.
- FCs work 24/7 there is no allowance made for this i.e. not reflected in the payments
- Happy with current allowance
- I am of the view that the current fostering allowance arrangements do not take into account costs of living in different regions for example as a kinship foster carer I live in the West Cheshire area where the cost of public and private transport, school lunches and access to after school and holiday clubs etc are significantly higher than for similar services in Hull, Grimbsy, Bradford, Huddersfield, Leeds and other parts of England and Wales
- I believe that transport and activity allowances could be more fairly distributed. A number of carers receive activity allowance and do not do much of any activities with the children in their care. Likewise transport allowance, some children walk to school and other like mine live over 3 miles from school and incur additional costs which are not paid. Furthermore the school they attend requires 2 PE kits for each child and 2 pairs of sports footwear. Plus a number of additional costs such as fund raising.
- I cannot believe we are once again been chopped ? and to think this time it's not our fees it's the children allowances!!!! beggars belief
- I do not find it easy with the amount I get for the child and young person I care for. I take them on holidays which are very expensive and the amount I get for holiday payments does not cover the spending money
- I feel currently the fostering allowances are very low. Social Services are making cutbacks what impact will it have on looked after children. Especially teenagers they have more needs.
- I feel we live a comfortable life as a married couple with one lac.
- I find it ample and give my children a good service.
- I think the allowance at the moment is very fair

- I'm a grandmother who has looked after my granddaughter for 3 years I get 290 every two weeks and in the end I was so exhausted I had to give my job up after working there 23 years if I ever needed help financially I had to fight for it from social services I think it's disgusting.
- It does not cover the cost of caring for a disabled child.
- It doesn't allow for increases in food and fuel over the next two years.
- It doesn't include enough for a child to do after school hobbies more than once PW. On a pragmatic level, if the cuts happen, please ensure more financial help like the max card is available.
- It doesn't reflect children with special needs & teenagers have more needs
- it's about the children and they come first, the current allowances don't quite cover the living expenses for the children. Also if you wish them to have the opportunities that other children receive, such as clubs, decent birthday parties and presents, and decent holidays these allowances need to be raised. I only would like for the children to get the same opportunities as the average family do in this day and age.
- It's acceptable of the moment it allows for extra activities - a reduction in this will be detrimental to this.
- much too low
- okay
- Payments could be made together to save money - administration.
- People only get by on present allowances. Proposed reductions will cause more problems i.e. carers leaving the system because there is not enough money to give the same quality of care previously supplied.
- Some points raised, that affect other carer more than us. We foster 0 -2 and the allowances will affect people foster 16+ and specially those fostering under friends and family.
- Teenagers do cost a lot more to look after than a 3 year old.
- The allowance is about right for the children at this age but as they get older will obviously need more.
- The amount of foster fee its ok..but you need to remember it's our allowance..
- The current allowance arrangements cover the basics to allow the child to be cared for and enables the 'looked after' child to do the same things as children who are not 'looked after'.
- The current allowance enables us to provide a decent level of care for the children, fund their football, swimming and social activities so they are not disadvantaged in comparison to children who are not looked after. They stand to lose around 1800 per year at a time when things are going up and Brexit is causing further uncertainty.
- The current allowance helps fund school trips and after school activities, which help our children to feel like "regular" kids.



- The current arrangements make it difficult for carers of single children whilst potentially overpaying where there are 2 or 3 children placed with one carer. Single child carers have difficulty managing on the payments made.
- The higher allowances for older children are important because they need it more. Clothing is more expensive, activities are more expensive.
- They're not reflective of the cost of living or in line with national minimum water...
- You're having a laugh!
- Considering what other local authorities pay I think the allowance is about right.
- The allowance is about right for the children at this age but as they get older will obviously need more.
- I find it ample and give my children a good service.
- allowances don't rise as much as costs of caring
- I think the allowance at the moment is very fair
- It doesn't allow for increases in food and fuel over the next two years.
- It doesn't include enough for a child to do after school hobbies more than once PW. On a pragmatic level, if the cuts happen, please ensure more financial help like the max card is available.
- Although I think the allowance is about right, there is clearly room for manoeuvre. Cuts are occurring across the spectrum and we all need to play a part in working smarter and never forgetting to keep the young people in line of sight.
- fine
- Fostering in whatever form I think is seen as an "easy" job sometimes in the eyes of those unaware of the demands. As I operate with my wife in Shared Care we do get the more challenging young people, normally on the autistic spectrum. It's an obvious answer, but do feel we are not rewarded enough in payment.
- Fostering teenagers means there are extra costs for all manner of things related to their age & specific needs. Payment is well earned and at the right level now.
- Having had to pay for a solicitor to stop Social Services forcing us onto an SGO when we demonstrably couldn't afford it, and having discovered we were being underpaid anyway for two years, the idea of the allowance dropping when we've only just started getting what we deserve is frightening and deeply alarming.
- I am a long-term carer of a 14yr old & 17yr old. Reducing the boys allowance will cause financial difficulties for these boys their clothes are expensive for starters because they are classed as Adults because of the sizes & you pay the price for that.
- I believe my salary and boarding out fees are what they should be. I have been a foster carer for many years and enjoy my work. I think I deserve what I am being paid. I work 24/7 for 365 days a year.
- I feel as the child gets older, there is more expense involved
- I feel the amount of money given is right as it allows me to give the children I look after many opportunities such as going on schools trips abroad, girl guiding adventures and having family holidays.

- I feel the rates at the moment are fair. We incur costs that we can no longer claim for due to cut backs incurred last year.
- No account is being taken into consideration for disabled young people who need more out of their personal allowance Bradford do not recognise carers who look after disabled or challenging young people as any carer can get to level three in time
- The allowance we receive at the moment just covers what teenagers need nowadays.
- The current allowances do not take into account that as Shared Carers all of the young people are on their 'first visit' of whatever repeat cycle they are on. We have to plan for each visit even if it doesn't happen. The young people that we care for are predominantly those with an Autistic Spectrum condition.
- There should be an extra allowance available to buy school uniform and games kit when a child has been moved to another area, especially when the child has been out of school for 8mths and everything has to be bought through expensive school suppliers.
- TO THE AMOUNT OF WORK THAT IS INVOLVED WITH A YOUNG CHILD THE ALLOWANCES ARE NEEDED TO MEET EXTRA COSTS.
- We are able to offer our children a range of opportunities and experiences using the funding we receive.
- We get by but surely the kids deserve more than just getting by!
- When you break down the current allowance and the fact that the job is 24/7 the remuneration works out at below the minimum statutory wage
- You need to remember some foster carers including me are at home to care for the young person and the £600 a month I get covers the costs of me having to care for a child.

## Appendix B - Comments from respondents on the clarity of the options being proposed:

- All the options are aimed at foster carers and the children. Why are there no other options? Or is targeting foster carers the easy option?
- All the options are appalling, Social Services not thinking of the impact.
- Already decided It's just a tick box exercise going through the motions
- Appeared clear initially however other carers/ attendees displayed discrepancies.
- Budget cuts are inevitable but the impact of FCs along with SSWs who cannot commit time to support them will have far reaching consequences on the children in placement
- Clear but not liked!
- Don't think this proposal has been really thought out.
- Easy to understand as in table format
- Hit and miss at best
- I didn't feel there was enough explanation for each option, but for the option you are looking at it is clear as there is more information for that option.
- I don't agree with it.
- I don't think the proposal is too bad and I have a teenager who will be affected (not really)!
- I personally think the reductions were not too bad.
- I think a lot of children will miss out if the allowance is cut
- I understand the proposals
- I understand.
- I'm not sure you can say you need more older children carers and yet make their allowance the bigger cut
- in option 1 increasing the rates would cost £582k and all children would receive the same payment yet in option 2 increasing all allowances to Fostering Network rates would mean cutting carers fees by £2m to achieve the same outcome the figures do not add up???
- It is clear that you see foster carers as any easy target for saving your service money
- It is not clear at all, is it all about cutting costs ?
- It would appear that we were misled as to the legalities of having parity between mainstream foster carers and those on SGO's etc.
- Just very difficult to consider the proposed proposals
- Looked after children should not even be thought of in respect of reducing fostering allowance as they are vulnerable
- no details for how this affects respite carers
- Not enough transparency - unclear options
- Out of the three options you have only gone into depth with option c and not provided information on the other 2 options
- Rubbish - ridiculous - we get less than minimum wage already how low do you expect us to go!
- Saving money as you have overspent on your budget to me that means that we have suffer.

- Teenagers are difficult to place. Many carers will now go for a younger child.
- The information is not accurate
- The options being proposed are clear- unfair on the children, but clear.
- The proposals do not state that allowances for SGO's are means tested and are reviewed every 2 years - SGO allowances are not mandatory A national rate for each child would need to be set at the current rate for 11-16 year olds and not at the 0-5 year olds rate. The options do not propose whether there would be an annual increase in line with inflation
- There is only one option being offered
- Very clear, although I think that to bring allowances down to SGO rates is wrong. People that take children on an SGO fully understand that the allowance will be less.
- Very unfair with other councils nationally
- Was very clear to me. Some confusion on table from carers re parents / adoptive parents expenses - I clarified for them this comes from LAC budgets not from fostering service one.
- We are being told this is a proposal but feel it has already been decided like before.
- we have no idea how it affects respite carers
- What you propose is clear but I would have liked to see figures for how much it costs for out of area placements, social worker travel to these, training costs and couldn't this be run on line, different ways of conducting LAC reviews, transport and contact costs etc. It would appear that the only option you have focussed on is the reduction of the allowances for looked after children, in my view a proper consultation would have looked at all costs across the whole department.
- Why compare to other local authorities why not pay what agencies pay.
- Easy to understand as in table format
- I understand.
- in option 1 increasing the rates would cost £582k and all children would receive the same payment yet in option 2 increasing all allowances to Fostering Network rates would mean cutting carers fees by £2m to achieve the same outcome the figures do not add up???
- I think a lot of children will miss out if the allowance is cut
- It would appear that we were misled as to the legalities of having parity between mainstream foster carers and those on SGO's etc.
- I'm not sure you can say you need more older children carers and yet make their allowance the bigger cut
- Clear, if worrying. The slide of the cartoon cat strikes a very odd and clashing tone given the serious and shocking nature of the rest of the slides, in my personal opinion.
- I can't understand how it is worked out with the fees included
- I could not attend meeting due to ill health
- I do not think that children and Foster carers should have their allowances reduced.
- I expect at the end of the day the proposals will go through. I am happier with the way this consultation has been set out rather than calling it a consultation with not one of our ideas brought forward.
- I fully understand and accept these changes, there doesn't appear to be an alternative.

- I understand why the proposal has been put forward however people are living to their means and to suddenly have to cut out so much will be very difficult.
- If the allowance is reduced you will find it even harder than you do now place this age group everyone will want the younger end children.
- Inadequate detail in the presentation
- It is clear about the reasons to cut but hard on family's to change their outgoings
- It is clear but you are taking money from the wrong people.
- It's clear enough though there's obviously going to be an impact on carers and especially on me as a single carer of teenagers
- The clarity is not the point, who is thinking of the children, it's time to look elsewhere for cuts !
- The cynical part of me has noted that the biggest cuts are being made in payments for older young people. They are the biggest group needing placements so the cumulative saving is greater than if the balance was weighted with younger children. Also, although it doesn't affect me I think that getting all foster Carers to agree to take 0-18 placement
- The proposal is fairly clear but does not mean it is the right thing to do.
- Unnecessary- I thought the idea was to attract carers not put them off
- You need to reduce the overall spending on the council, so you are hitting the very people you are supposed to be looking after, you've given them a standard of living up to now, and now you are cutting it back, you know that we as carers won't let our children suffer, so the money will ultimately come out of our wages money

## **Appendix C - comments on the clarity of the proposal to reduce the fostering allowance to the National Minimum Allowance:**

- Would like a bit more information relating to the NMA. In social care recently there have been some test cases around whether staff should be paid the NMW for the whole time they are at work even if they are asleep
- As the allowances for foster children being paid at the Fostering Network levels was originally funded by cutting the fostering fees for carers a few years ago why are they now in danger of being reversed.
- Again, clear, if upsetting and annoying. All three options make it obvious that the 'pros' are in favour of the kids in care across the borough, whilst the cons are all about saving money.
- Clear enough
- From Shared Care the proposals were not at all clear at the meeting on 25 November. The figures proposed have since been added. Why were these not available for the consultation meeting?
- Gobble-de-gook by the back door.
- I'm unclear on which part of the allowances it's being taken from, according to your latest printout of current allowances, it's portioned out as follows, level 3, that's me, 16/17 me again, Weekly allowance £217.68
- In all honesty as things stand at the moment I will manage of these proposals. I will be hit harder because I look after teenagers
- not sure how it will work out
- They clearly stink !
- ...as mud. Too many increments / allowances to be able to understand the financial implications.
- again I don't agree with it
- Although clear they are a very long way from fair.
- As the allowances for foster children being paid at the Fostering Network levels was originally funded by cutting the fostering fees for carers a few years ago why are they now in danger of being reversed.
- clear
- Clear but flawed. Targeting the wrong age group. Why not reduce birthday and holiday allowances?
- Clear but not acceptable to reduce a child's allowance. Friends and Family carers are already treated unfairly as they do not get a fee. I believe a child is better with family carers and we do put a lot of work into a child for the future.
- Confusing arguments as to why it is necessary to cut already low paid employment i.e. fostering is 24/7 which equates to approx. £3.30ph if a 12 hour/7 day week is used to calculate the hourly rate.
- despite funding cuts it's not justified
- don't agree!

- Will there be a date when the NMA comes in force? Will there be an annual increase in the NMA Has any consideration been given to Bradford looked after children who fostered in areas outside of Bradford where the cost of Living is significantly higher, especially for an older child, and the impact that any proposed reduction in fostering allowance will have on the child and carer?
- I am very disappointed about the proposal.
- I do understand the proposal...it's a shame we have to do it.
- I don't understand why looked after children are to be punished in the name of cutting costs. Its morally wrong.
- I feel that proposals are extremely fuzzy! I also feel that I am being baffled by facts and figures that are very contradicting
- I think it is wrong. It has become a race to the bottom and you are cutting the allowances to the most vulnerable children without a proper look at the costs of the whole department.
- It doesn't make sense
- It is clear cuts need to be made
- I've found that the NMA is different to the National minimum wage
- Just think it is wrong.
- my understanding is the budget has been reduced. This comes at a time when you are urgently needing new carers and wanting to hang on to the new and experienced carers you already have.
- The facts given are not valid
- The figures on option c do not equate to my current status, so according to those figures I am going to take a drop in pay which I would not be happy about.
- The proposals are clear.
- There is only one proposal being made as two others have been ruled out.
- Understandable at best
- unreal
- What you are proposing is below other councils. You have not been honest with your figures
- Why should we have to suffer because you can't budget right
- Would like a bit more information relating to the NMA. In social care recently there have been some test cases around whether staff should be paid the NMW for the whole time they are at work.

## Appendix D - comments on the fairness of the proposal to reduce the fostering allowance:

- 0 - 4 has lowest reduction yet arguably costs least anyway. The NMAs are skewed.
- 16+ children £34.86 too much take more of a percentage of the other three!
- 3 children in our care at the moment - 1 in 5-10 and 2 in 11-15 brackets reduction in allowances by £50 per week means I as husband am subsidising council looked after children by £200 per month to give them same quality of care,, these reductions will mean some carers will give up their job.
- A lot of children will miss out on activities if the allowance is reduced
- Allowing carers children to be allowed to exist comfortably should be paramount. Full time carers with working partners will in essence be subsidising the service.
- Any reduction in the allowance would have a detrimental effect on the children.
- As a carer for a teenager to reduce the allowance and the fee I find this very unfair. I feel we are not valued for the work and service we provide to the young person and the local authority. As carers we have commit
- As I have already said as a married couple we have can back each other up. Not sure how I would cope as a single carer.
- being realistic it's inevitable
- Bradford's 'level payments' are clearly higher than other LA payments so Bradford carers still on higher salaries.
- Clearly it is more equitable to children in all types of placements, however the current proposal does make a much bigger difference to older children in foster placements and given the difficulties recruiting carers for this age group, in particular, I feel that if this were to have a detrimental effect on recruitment or retention of carers for this age group, the effect of this would be more costly than the money saved by doing so, i.e.. by having to use more external placements.
- Especially teenagers they have greater needs. Try explaining this to looked after children about the budget. They will not listen.
- Friends and Family carers only receive an allowance
- Has any consideration been given to Bradford looked after children who fostered in areas outside of Bradford where the cost of living is significantly higher, especially for an older child, and the impact that any proposed reduction in fostering allowance will have on the child and carer?
- I am a new carer I gave up my job to focus on the children 100%, money was not and is not top of my list the children are, however as this cut will affect the children's opportunities in life I am perturbed by this proposal and I also feel underappreciated as I am a new carer.
- I do not receive a wage from fostering, and the allowance is about right, if this is reduced then the council is taking money directly from my own daughter who I provide for. I would personally have to cover the shortfall and don't know if I would be able to do this, because my daughter should not suffer things like not been able to go on school trips etc.



- I find it very unfair especially when you have an emotional disturb child that puts holes in your walls.
- I think it is a reasonable place to try to make adjustments when we know they have to be made.
- I truly can't believe it's happening again. You say we're valued but don't follow through with how we get paid.
- I would be paid at least £500 per month more in other local authorities and inflation is set rise sharply in the coming year further reducing the amount we have to spend. I care for children with complex needs and already cover costs out of my own pocket as the allowance does not cover everything.
- is there any point?!
- It appears that the carers of the most difficult children to place are now going to be penalised the most. I think you will lose a lot of carers if you proceed with these proposals.
- It impacts on teenagers the most and impacts on them at a time when having parity with their non-looked after friend is important.
- It impacts on the very children the council should be caring for.
- It will affect the children
- It's not just hitting the fostered children's quality of life (which, let's face it, is pretty dire pre-fostering), but it hits the whole fostering family and their children
- Many foster carers give up previous employment therefore rely solely on fostering income to live - single carers will be badly affected as it is their sole income
- Many of these children have come from homes with nothing and now you want to take even more away from them! Extremely cruel
- My children will be worse off because of this. Why can't the council increase Council Tax by a couple of pounds?
- Necessary but very unfair. Hearing the FCs on my table discuss their issues and the impact of further cuts is very demoralising for all
- Not fair at all
- Not happy with the cut backs. We work very hard as a foster carer and it's unfair
- Not happy with what is being proposed in particular with the older children and the amount jumps much higher
- not justified in line to inflation
- Stop foster carers level 4 will save money
- The allowance is to benefit the child and provide for their needs. Less money can only have a negative impact on the children for whom we care. I suggest savings be made to politicians wages and allowances.
- The children will not suffer as carers will make up the difference and subsidise out of their own pockets.
- The proposals are going to hit hard on those fostering older children; this would not benefit anyone especially as you are seeking carers for older children.

- The proposals are very unfair! The council has provided a breakdown of where the finances are needed and how much, yet are now claiming that it is able to be reduced. The children will end up missing out on activities and clubs etc because the money will just not be there to cover them.
- They are a disgrace. Effectively they represent a 12% reduction in the allowance and a 5% reduction in the total remuneration received as a level 3 carer. Far more for a level 1 or 2 carer - how are they meant to manage?
- This treats all children the same.
- This will affect people who foster 16+
- To reduce the children's allowance is very unfair. The money makes a big difference to the lives of looked after children in many ways.
- Totally unacceptable as I have been a Friends and Family carer for my granddaughter for 11 years and over all these years I have not been paid a fee for myself or been able to claim Family Allowance, school uniform grants, free school meals or any tax credits. The fostering allowance is the only money I get for my granddaughter and that pays for her things.
- Unfair. Costs at least twice as much to feed and clothe a 15 year old as a 5 year old
- Way unfair. I have 3 teenagers. My hit is £3900 per year. Do not propose this.
- We have older children who do lots of activities; the last thing that we want is for the cuts to impact on this.
- What about the national minimum wage? What we're paid is not a reflection of cost of living.
- You cannot be serious
- You want carers to look after teenagers but pay less for it
- As a carer for a teenager to reduce the allowance and the fee I find this very unfair. I feel we are not valued for the work and service we provide to the young person and the local authority.
- Any reduction in the allowance would have a detrimental effect on the children.
- I think it is a reasonable place to try to make adjustments when we know they have to be made.
- It appears that the carers of the most difficult children to place are now going to be penalised the most. I think you will lose a lot of carers if you proceed with these proposals.
- A lot of children will miss out on activities if the allowance is reduced
- It impacts on the very children the council should be caring for.
- It's not just hitting the fostered children's quality of life (which, let's face it, is pretty dire pre-fostering), but it hits the whole fostering family and their children if you want to be inclusive in how you do thin
- It will affect the children
- As a support care worker, after paying for car insurance, outings such as ice skating, swimming, then the fostering allowance money has been spent.

- As I have already said above. There may be a national average, but this still varies from different authorities. I would suggest within Bradford as a whole the young people are potentially more challenging
- As mentioned above, as a Friends and Family Carer the allowance is the only safety net between the children and the no doubt more expensive option of going into care homes. I know this reflects National Government policy
- Don't think there is any choice, money has to be saved.
- How can it be fair, we didn't get a holiday this year and it looks like we won't get one next ! How unfair can that be when all the class mates get holidays.
- I am a single carer and so the only wage earner in the house. I will find it very difficult if there are any more cuts
- I think the children will lose out the allowance has already been cut.
- I think this particular proposal has been chosen because it is unlikely to be rejected rather than because it is the correct or fair thing to do
- I worry that older children are already the hardest to find homes for. That these cut backs will make it harder for 16+ children
- Isn't it about having quality care?
- It's a difficult time, cuts seem inevitable....but it doesn't feel fair though.
- It's unfair as it's going backwards in time and it isn't going to work.
- not fair as I've said there have been too many cut backs already, and we still have to maintain the same standards as before.
- People have signed become carers based on these allowances and now have to make major cut backs, in the end the children will be the ones who suffer.
- people will use private agencies.
- Please comment on the fairness of the proposal to reduce ...
- These should be the last cuts that foster carers have to endure though.
- This is going to affect children, the very children you have sworn to look after and protect, you've given them a standard of living, now you're taking it away, tell me how that's fair, then you go and tell them, the teens
- We are supposed to bring the children into our family & treat them as such but reducing the allowance will mean they won't be getting everything they should eg school trips ,after school activities, new clothes which cost
- We look after these children 24 hours a day my child has complex health issues You could not even pay enough the hours I have spent in hospital away from my own family I am a single carer so any drop in pay will effect
- Where is the money saved going.[I wonder]
- Why should the children lose out.
- With the general climate of price increases across the board this suggestion is made worse. When you add the increased requests for payments from parents/carers towards school activities the situation looks even worse.

## Appendix E - comments on the effects of reducing the fostering allowance on you:

- Affect will be low
- As all of the fostering allowance that we receive goes to the children, if there was a reduction we would have to try to make up the difference from our own income. We already spend a good bit of our money on the children
- As I foster 2 children age 13 & 16 I would be losing £226.48 per 4 weeks from my allowances this can only have a detrimental effect on the care we could provide for them, and would have a direct impact on things
- as respite carers we don't know the effect
- As stated above I have committed to a number of activities for the children in my care. I already pay a portion of my wage on the children, as any 'parent' would, however I will need to find an extra £160 out of my wage to meet these cutbacks which can only mean I will have to cutback all round. In many foster families that money is in essence the child's pocket money, haircuts and activities money each month. How can that not fail to have a negative impact?
- because I foster babies the impact will be low for me.
- being a single carer, with 3 long term, I will struggle.
- Certainly will be high, especially if you do your working out over a month that is a high impact financially.
- Don't know yet - but may lead to less carers for older children - see above.
- Don't think it will affect us greatly.
- Everything for teenagers costs more.
- Fostering income is my only income therefore the child will inadvertently be affected by the cuts
- I am a single parent, it will make it very difficult to make ends meet.
- I don't expect it to be a problem for me.
- I feel that I may not be able to continue to do my job
- I have massive bills to keep this house running and took this roll to care for young people a long time ago? I cannot believe that both myself and spouse are been forced back into full time work to meet the high bills that are now the norm every week, hence now I feel the pressure to meet the needs of my young looked after children are far above my expectations.
- I may not be able to afford to continue supporting the three teenage girls with severe disabilities that I do
- I may struggle to save especially towards birthdays, Christmas and holidays .
- I only receive an allowance
- I pay for term time activities due to working and to reduce the allowance will have a significant financial impact on my as an individual as the young person I care for even though they are a teenager require 24/7 support
- I rely on the income it is my main income. I dedicate my time and energy to fostering.
- I will have less money to pay for activities for children; the child's quality of life will be greatly affected.

- I will have to put my granddaughter back into care
- I will have to rethink whether I want to continue fostering for Bradford.
- I will lose around £280 per month as I foster teenagers. this is too great a loss and I will be forced to transfer my services to an Independent Fostering Agency.
- I would have to think about starting new activities
- I'd like to do more with child eg horse riding and guitar lessons once pw - like my own son did when younger, but the suggested personal allowance is too low.
- In effect it should make no difference to me as technically is a reduction of the child's allowance.
- it will cut down the opportunities I can offer the children and as I've commented in previous answers this is my only job as I wish to focus on fostering to make sure I am the best foster carer I can be. I am already using my own wage to subsidise the allowances.
- It will mean that we will have to think about how much we can put aside for college trips which are an integral part of the course he is on. And also we will find it difficult to fund any equipment he is going to need for his course.
- It's not in line with inflation
- Looked after children are expensive to bring up and I need all the money for my granddaughters upbringing it will leave a big impact on her material things in life though all the love, care, security and attention she gets from me is totally free.
- No difference to me really as I have 2 young children.
- not known
- Over £1,000 a year! Who else working for Bradford Council has had such a pay cut?
- subsidising the deficit
- The council, as with last year's cuts, haven't factored in the cost impact of foster carers resigning and retiring which will cause you to break your promise not to implement any further cuts over the next two years.
- The effect of reducing the allowance could possibly result in my having to say that I, unfortunately, can no longer continue to foster. I work by the breakdown given to me when I started fostering and cannot afford to alter that.
- The fostering allowance that I receive contributes towards school lunches £2.20, snacks £0.50 daily, after school clubs £10 each session; gymnastics £9.50 each session; swimming £7.50 each session - these are essential to help absorb my foster child's energy and keep him focused as he suffers from ADHD and foetal alcohol syndrome school and any surplus energy is often transformed into destructive energy which can lead to additional costs of replacing broken and ripped personal items i.e. TV's DVD players, CD's books, games, light fittings, clocks
- The older they are is the more expensive they are.
- Two teenagers expensive trainers clothes, all want phones, we are their taxis, fuel costs money, cinema trips and days out with friends aren't cheap.... also they have bottomless stomachs, and the price of living and food is going up not down. The chances of saving for holidays will be very low.
- We can't expect the children to have less. It's truly unfair. they will suffer in the end!

- We have 2 children aged 12 and 13 that we have had for 10 years. They will have a reduction of around £1800 per annum, which is significant.
- We have to take and pick-up our niece every day from school due to child protection issues. The school is at the other side of Bradford and we don't get a mileage allowance or wear and tear of our vehicle. Our niece is coeliac and food is more expensive than the average person. This will impact the money we provide for our own daughter's needs, due to covering the shortfall. Our daughter shouldn't have to suffer maybe not been able to go on school trips or doing any extra activities. Me and my partner already provide more money than we receive from
- We were put in a position last year with cuts to go long term but had to reduce placements from 3 to 2 reducing our income by a great deal, further cuts may put us in a position where we can no longer foster.
- When full force of cuts hit I will be nearly £160 worse off per month due to adopting a child with complex health needs from Bradford who spends a lot of time in hospital and who's prognosis is poor I will not be able to make this money up by taking on extra work
- When you have several children with special needs, no extra allowance for them, then to reduce fees/allowances again it's not acceptable.
- Yes it will affect us all.. it's our income.. A lot of things will change not happy at all
- I pay for term time activities due to working and to reduce the allowance will have a significant financial impact on my as an individual as the young person I care for even though they are a teenager and require 24/7 support
- As all of the fostering allowance that we receive goes to the children, if there was a reduction we would have to try to make up the difference from our own income. We already spend a good bit of our money on the children
- I don't expect it to be a problem for me.
- As I foster 2 children age 13 & 16 I would be losing £226.48 per 4 weeks from my allowances this can only have a detrimental effect on the care we could provide for them, and would have a direct impact on things
- I would have to think about starting new activities
- The council, as with last year's cuts, haven't factored in the cost impact of foster carers resigning and retiring which will cause you to break your promise not to implement any further cuts over the next two years.
- I'd like to do more with child eg horse riding and guitar lessons once pw - like my own son did when younger, but the suggested personal allowance is too low.
- being a single carer, with 3 long term, I will struggle.
- Again as it stands at the moment I am ok with these proposals
- As a single carer of teenagers it will impact on me financially ... morale is already low in the fostering community...we are getting less while being asked to do more...training etc...I see carers unwilling to go that far
- As an example £19.11 is currently paid for one session for a 11-15 year old person. The proposal is to reduce this to £16.81. Over any given week a number of people in this age range mounts up and the reductions in payment

- At the moment, with three children under the age of ten, pretty low. But this is the second time the allowance locally has been dropped, and with three more years of Tory rule and an economy in tatters (and after two ye
- cut back
- Family and friends foster carers receive less than other foster carers as it is.
- Having done this particular role for another provider I suffered a 50% reduction in payments in the first year. (£28k to £14k) In addition my husband supports me and we provide care as a couple. We are thinking that we m
- Having to find ways to cut back when the cost of living is rising and children need food, new clothes etc. This has not changed.
- I don't aim to make money at this and I don't think many people are highly influenced by monetary considerations, but it's an insult to even suggest it. The work I do with my fostered child is not even acknowledged never
- I may have to move house
- I was informed I would be made a level 3 carer last April. Due to no fault of my own I am still waiting to receive this. Therefore to reduce my level 2 allowance will be will be upsetting for me. If I was being paid as
- I will just shop smarter and encourage young people to do the same.
- I WILL NO LONGER BE ABLE TO TAKE THE CHILD ON HOLIDAY AND THIS WILL BE A CERTAINTY IF THE CUT GOES AHEAD, I WILL BE BOOKING FOR MYSELF
- Impact on me would be No holiday, Less new clothes, No School Trips, No after School Activities.
- Losing over £3000 per year as the children I care for are in the age range 10 years to 15 years
- My placement has nearly come to an end and I will not want to take on any more children
- Older children harder to find homes for
- our allowance will be reduced by £80 a month. both carers work for the NHS and have not had a wage rise in 7years.
- Please comment on the effect of reducing the fostering al...
- The children have done without already they deserve to have the same as children not in care.
- The reduction will have to be absorbed. If cuts of this nature continue it will have a negative impact on provision for children.
- This will have an impact on been able to provide things like going on holidays, having a parent home full time, having a warm home and other essentials.
- trying to maintain what the children are used to.
- We are in a more fortunate position than a lot of other carers, and though it may mean a minimal reduction in allowance it isn't as bad for us personally.
- When I took up fostering you told me to give up my job, now you are responsible to at least pay the starting fee which has already been reduced by the holiday allowance.
- Will have to tighten my belt.

- you are cutting the children's money, this means there is less money coming into the household, as I pay for everything whilst shopping etc, except for clothing, I shall have to use my own money to make up the difference



## Appendix F - comments on the effects of reducing the fostering allowance on your foster children:

- A lot will change.. children will miss out too.
- as per my previous comments. also as I would like to focus on the fostering still 100% as I am new, we may need to look at stopping some clubs or not going on holiday of which I do not want to do but I will have to find ways to be able to meet living costs.
- As respite carers we don't know
- As stated above any shortfall in the allowance would be almost impossible to find ,therefore the children would have to miss out on certain activities that cost eg Cubs, brownies, swimming etc. I feel that if we couldn't
- At present I foster younger children. So the impact is not as much.
- Because children don't understand about financial (budget). They want money for expenditure - transport- meals out - pocket money. They will not understand they have to have a limit.
- Children do not understand, eg teenagers need more money to buy the 'in' clothes social lives etc same as their peers.
- Do you really expect foster carers to start directly withdrawing £1,000 a year from what they spends on the child? If so, please let us know where - Scouts and sports clubs, days out, holidays? Obviously it will be the cares that are hit directly in their pockets.
- Due to the ages of my foster children I have explained to them the proposals and how it will affect them and they are not happy.
- Holidays, I will have to go by myself as I always put something away each payment towards the holiday funds.
- Holidays, treats, and maybe some luxuries.
- I don't think it will cause any problem to them. I will still be able to take them out swimming, walking, visiting places of interest etc.
- I feel that looked after children are going to feel socially excluded. They will miss out on school trips and after school clubs where they can mix with their peers and gain social skills and confidence.
- I worry that my foster child will miss out
- Impact on the amounts spent on holidays, clothes, care and holiday. Also lack of SSW due to cuts will be huge and the children will suffer ultimately.
- It may reduce after school / in school activities
- Less available resources to allow for essential extracurricular activities/ holidays etc which are necessary for my child's wellbeing
- Less fosters carers = more out of area and residential placements = a poorer quality of life for children in care and less money to improve it on a daily basis.
- myself as a full time worker will have to subsidise the difference
- N/A personally due to role
- not able to start new activities , not able to go on school trips etc

- Not much social trips
- Not so many days out and cheaper holidays.
- Our niece would not be able to have contact with her family as much because we would have to limit our car usage for school use, because it's vital she remains in this school due to the support network she receives. She will be emotionally impacted by not seeing her family as much, and may fall back into the routine of running away, and we have had issues of child sexual exploitation. She currently has fantastic attendance at school, and has what she considers good access to family across the district. She has extra provisions
- Teenagers want the same as their peers which the reduced allowance and increased inflation will not cover.
- The affect it will have on my granddaughter is high. If her allowance is less its less money for all her needs.
- The children I care for are just going into the higher band of cuts and with both girls now wearing adult size clothes and shoes which cost more than children losing that amount will have a negative impact on both children fostering is a 24 hr 7 day a week job which at times can be very stressful the extra stress and worry the financial implications these cuts will have on our fostering family will affect every aspect of our lives As losing the money last year did we always take the girls away with us and are bound to school holiday breaks
- The children wouldn't be able to have the treats there used to.
- The effect on the child could be great as they potentially could have to adjust to a new home. They would not be able to attend clubs etc and therefore would be no benefit in them staying with myself as I would not be ensuring they have the same opportunities as non-looked after children, I cannot afford to pay for this out of my own pocket.
- The local authority will have to find alternative care for the child during school holidays as I will not be able to afford to pay the surplus for child care costs or take the time off work as I am a single parent i.e. sole income provider. The local authority may also have to find alternative care for the child when we go on our family holiday
- they are now being penalised for no reason! they did nothing wrong????
- They may not receive the care or may have a less well tailored to their wants/needs experience
- They will no longer have what they truly deserve. Holidays will be less available.
- They will not get all they get now they are already 'different' so then they can be part of the less well off
- We feel restricted enough on what, where, how we spend - luckily we've always been careful but no further reductions.
- We get a low allowance as family and friends if the allowance I get now goes down I will have to put my granddaughter back into care as I have a 10 year old son I cannot have any more stress as this will have a knock on effect on our life's I will not put my son threw anymore it's unfair

- We have been trying our best to get our children to believe that they are with us until they are of an age to be able to go out in the world on their own. If we have to give up fostering due to more cuts, this will traumatise them even more than they are already. They will see it as a further rejection. Even if we manage to carry on we won't be able to afford to offer them opportunities that are of any cost
- We will have to make up the shortfall
- We will not allow their quality of life to be impacted.

**Appendix H – respondents’ own comments / ideas about additional risks to those listed in Question 10:**

- 16+ to take so much allowance away when this age group generally need more funds would be a mistake.
- A foster carer who feels undervalued having received such a massive reduction in remuneration is going to be demotivated and may struggle both emotionally and financially. This is not a good place to be in when caring for challenging young people. It's a serious slap in the face for foster carers.
- all the above will apply. Some carers have only the allowance and fee as their income and carers will become stressed having money worries. It will result in carers looking for other providers
- Children and young people not receiving respite will become isolated and frustrated and behaviours will impact negatively on their families
- Children may feel less valued. There may be greater conflict with carers who may have to say no to some activities, particular clothes etc. The costs of Brexit have yet to be felt and may mean food, holidays, clothes etc are all more expensive at a time when the allowance is being reduced.
- Costs will actually increase for the council in the end due to more placement falling through, which will demand more from already overworked social workers who may be inclined to go on long term sickness due to the high demand. More stress on public services like the police due to more children running away and child exploitation. If the council go down this route they will be undoing all the good work been done in Bradford at present and may see a downwards spiral they wish they had never started.
- Councillors and Susan Hinchcliffe refused to have their own allowances reduced and should not expect foster carers to have theirs reduced
- Due to lack of carers the costs will increase because they will need more agency carers
- Friends and family carers will be stressed if a reduction in allowance goes ahead. It is unfair for the child as the children will suffer and miss out on vital things in their lives.
- I brought up my own three children on a very small income and now being involved with bringing up grandchildren and support care children, I really feel throwing money at things is not the answer and much can be done
- I also feel for the older children this may cause stress between them and the carers.
- I would like to have ticked all the above boxes, however the system will not allow me to do so
- click all the risks but the survey would not let me
- id tick more boxes if you offer them!
- I say it again I will have to place my granddaughter back in care if my allowance reduces we get not a fraction of what foster carers get and we do a lot of work for pittance
- It will be even harder to find placements for older children, because people just will not be able to afford to take them in. Will cost Bradford council more as could result in the need

for more children's homes, which also never benefit the children! This could also result in more social care assistance in the children's future (adult life) because of the lack of safe, caring and secure home life.

- it will reduce foster carers if they do it for the right reasons and that's not the money . But I do think that the children might miss opportunities
- Local services for eg holiday and after school clubs will close due to reduce income generation as a direct result of families not being able to afford to use these services. The local authority will end up paying more for the care of its looked after children as there will be undoubtedly a shortage of foster carers, in particular Kinship foster carers, and residential homes will be used as a means care and agency foster carers will also be used as a means of care; both these methods of care can costs anything from £300 to £1000 weekly
- Lose experience carers. Children moving as carers need to return to main employment before fostering.
- May generally have an effect on the goodwill of carers towards the fostering service, which may in turn affect children and young people.
- Only allows me to tick one option above, I think all except the first option are probably very real risks. The most important thing in all of this should be the children's wellbeing
- The form does not accept multiple ticked answers. All of the above bar the first one.
- POVERTY!
- The children will be made to feel socially excluded, different, and will have a real sense of unfairness. This could cause resentment towards their foster carers, which in turn will cause tension within the placement, which could put the placement at risk of breaking down, especially if the foster carers and the placement are new.
- The fostering of teenage children will become more difficult as they incur the most cost and they are getting the biggest reduction = foster carer will not take these children.
- The well-being and stability of all involved in the family
- There will be an emotional risk to the children who will feel uncared for and of less value than they already do.
- There will be problems.
- You make cuts , we will have to make cuts.

## Appendix F – Additional risks as listed by the respondents

- transfer to private/alternative providers will the council not have to pay for out of area placements resulting in more financial costs to the authority?
- As I said earlier the costs of Brexit. The self-esteem of looked after children. conflict with caterers who have to say no to some activities, choice of clothes etc
- Calderdale Council have had the sense to dramatically increase payments to foster carers, making their new rates hundreds of pounds better than Bradford as they recognise that retaining and recruiting foster carers whom save them a fortune compared to residential and IFA fees makes good financial sense. Penalising and alienating your best value resource will only lead to massively higher external costs as carers are entitled to transfer to IFAs with their current placements remaining in place and carers will do so.
- Children in IFA or residential placements were placed there for a reason. Bringing them back to Bradford carers for less money is not an incentive.
- Consequences will be detrimental to the service overall. More placement breakdowns, more children in care. More staff sickness / stress.
- executive may deem management ineffective and seek a new direction.
- Foster carers will not pass on the reduction to the children in their care. As a result of a significant loss of income some foster carers could face significant financial problems not just a bit of stress as referred to above.
- Harder than it already is to find placements for older children.
- How can I explain to my little ones that there no more money left for out of school hobbies? Tell me that? The attention-length of one of mine is so bad that if the child has nothing to do for more than 30 mins the child is in a state of despair !!!!!
- I may look elsewhere if I can't afford to live.
- I think the reduction in allowances will have such a profound negative effect on looked after children and their life chances.
- Job satisfaction and worth. I'm new and I do feel under appreciated by this proposal.
- Mental and emotional stresses for parents and careers and foster carers
- Not happy but fostering / council will do what they want.
- re of a problem for some people, but I do think we have to remember why we do it. Pooling resources.
- SEE ABOVE plus frequent placement moves
- The love these children receive is vital for their development to a well-rounded adult and by reducing the allowance you may deny a child a chance at future success and happiness with family values.
- There may be placements breaking down due to financial stress and that puts vulnerable children in a more vulnerable situation and foster carers, especially friends and family may think twice on taking family children on board. We do not get a fee just the allowance.

## **APPENDIX 3**

# **Report of the Strategic Director of Children's Services to the Meeting of the Executive to be held on 10<sup>th</sup> January 2017**

**AS**

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### **Subject:**

### **Fostering Allowances Review**

### **Summary statement:**

This report sets out the proposals to;

Align the level of fostering allowances ensuring that payments for all fostering, special guardianship, Child Arrangement Orders (formerly Residence Orders) and adoption are all paid at the same rates as required by law

The proposal to bring fostering allowances in line with statutory requirements will achieve affordable equity for children for whom Bradford has a financial responsibility by ensuring that they are not disadvantaged as a result of the permanency option that best meets their needs.

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Michael Jameson  
Strategic Director Children's Services

### **Portfolio:**

**Health & Wellbeing**

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### **Overview & Scrutiny Area:**

**Children's Services**

## 1. SUMMARY

1.1 This report sets out the proposals to;

- Ensure that Bradford is compliant with the law by equitably aligning payments across fostering, special guardianship, Child Arrangement Orders (formerly Residence Orders) and adoption based on the national age related minimum allowance.

The proposal will achieve equity as required by law through bringing allowances in line with legal requirements. Under these proposals Bradford foster carers will receive a fee and allowance that when aggregated is in excess, for the most part, of all other local authorities in West Yorkshire. There is a significant financial risk to the authority if we do not achieve equity. However by implementing the proposals, the authority, whilst paying more than elsewhere in the region, will also make a saving of £454k in a financial year based on current rates and numbers of children.

## 2. BACKGROUND

2.1 There are approximately 450 foster carers in the Bradford District who provide a highly valued service in looking after children in care in Bradford. As at November 2016, there were 243 mainstream fostering households; 158 approved Family and Friends households and 47 approved short breaks households. Bradford has a proud tradition of working positively in partnership with foster carers to support our children in placements to improve their life chances. Foster carers provide a safe, secure, nurturing environment and are passionate about wanting to make a difference to the lives of children and young people in their care. The Council is committed to ensuring that it is able to place Bradford children in Bradford with Bradford carers with the right kind of skills to provide the appropriate level of care and support.

2.2 The Council has a duty under the Children Act 1989 to ensure it provides a range of suitable and appropriate accommodation to meet the assessed needs of children in care. Local Authorities are responsible for providing fostering services in line with Fostering Regulations, Care Planning, Placement and Case Review Regulations and National Minimum Standards for Fostering.

2.3 The service currently spends £10.1 million on fostering fees and allowances. Proposals for budget reductions identified within Children's Services include a review of fostering allowances to achieve the required budget savings. The Council approved budget savings of £830k over 2 years i.e. £415k in 2015/16 and £415k in 2016/17. Phase 1 changes within the service identified £415k savings by introducing a range of measures: the Holiday scheme was ended saving £85k in 2015/16; the retainer on the fostering allowance has been removed; indefinite fee payments for vacant placements ended reducing the cost of vacancies from £12k per week in February 2015 to £2.7k per week in August 2016. The scope for these efficiencies was widely acknowledged. A dedicated Family Finding team was established which has been successful in matching children to carers. Vacancies have been managed much more proactively. Implementing these measures has contributed already to £340k savings made in 15/16. Bradford's current and proposed combined fees and allowances to our foster carers remain higher than all



other West Yorkshire Authorities.

- 2.4 Phase 2 of the process relates to reviewing the payment of fostering allowances. A weekly age-related allowance is paid to foster carers to cover the child's living expenses (e.g. food, clothing, household, transport etc). Currently Bradford pays differential rates for Special Guardianship, Adoption and Residence allowances compared to Fostering allowances. At the moment foster carers, including approved Family and Friends, are paid more in Bradford than those providing care through Special Guardianship, Adoption and Residence Orders. The law requires that there should be very clear justification for differences in payments. Bradford faces the risk of judicial review of its current payment policy if the allowances are not aligned equitably across all placements. The risk for the council of judicial review is that there would need to be an uplift of all allowances to the current fostering rate at a cost of £1.6 million to the authority.
- 2.5 The Government sets a National Minimum Allowance for foster carers and many local authorities set their allowances based on this rate. The fostering allowance in Bradford was historically paid at the rate recommended by the Fostering Network. For some years Bradford has not kept pace with the Fostering Network's recommended annual increases, which has resulted in payments for children aged 0-10 reducing to almost the national minimum allowance while payments for children aged 11+ have remained relatively high in comparison. The Fostering Network has discontinued recommending rates.
- 2.6 The allowance is deemed to cover the costs of clothing and day to day living; food; heating; normal transport to school; social activities; toiletries; hair/skin care and school dinners. Bradford Council adopts the age related percentage category/costs breakdown of the weekly allowance as currently recommended nationally and provides this as guidance for foster carers.

The current allowance rates in Bradford compared to national minimum rates are as follows;

Fostering	No. of Children	Current Weekly Rates	Government Weekly Rates
0-4	70	127.47	126.00
5-10	127	145.21	139.00
11-15	136	180.76	159.00
16-18	42	219.86	185.00
	<b>375</b>		

Family & Friends	No. of Children	Current Weekly Rates	Government Weekly Rates
0-4	56	127.47	126.00
5-10	74	145.21	139.00
11-15	64	180.76	159.00
16-18	24	219.86	185.00
	<b>218</b>		

2.7 Additionally, foster carers can be paid a 'fee' as a 'reward'. There is no legal entitlement to a fee. In Bradford, the rate of fees paid to foster carers remains competitive compared to those paid by neighbouring West Yorkshire authorities. The fee structure rewards foster carers for their skills and experience and does not relate to the age of the child. Carers are asked to evidence their skills and experience against a set of competencies in order to progress with the highest reward paid to those who carry out the most complex tasks, regardless of the age of the child. For example, experienced foster carers may be required to facilitate complex contact arrangements, prepare children for adoption, care for children with complex health and emotional needs, or support young people at risk of child sexual exploitation.

### 3. OTHER CONSIDERATIONS

3.1 The Council also plans to undertake work to explore options relating to Special Guardianship Orders.

### 4. FINANCIAL & RESOURCE APPRAISAL

4.1 Bradford's allowances have been benchmarked against other local authorities. In comparing Bradford's allowances with neighbouring Local Authorities, the rates in Leeds and Kirklees are higher as they are based on the Fostering Network's 2015/16 recommended allowance. However, from 2016/17 the Fostering Network is no longer publishing recommended allowances.

4.2.1 The preferred option to meet legal requirements in Bradford is to reduce the allowances paid to foster carers to the national minimum allowance in order to achieve parity across all care arrangements. This has the added potential to save £454k in a financial year based on current rates and numbers of children. The proposal is to achieve the savings over 2 years with £227k of savings to be delivered in each year in order to minimise the impact on recruitment and retention of foster carers.

4.2.2 The table below compares Bradford's existing allowance and fees based on one child against the rates in neighbouring Local Authorities as an annual amount. In addition, the table compares the proposed allowance rates for Bradford combined with fees calculated on the basis of one child.

Annual fee & allowance	Age Group	Bradford (£)	SUGGESTED BRADFORD (£)	Leeds (£)	Kirklees (£)	Wakefield (£)
Allowance + Level 1	0 - 4	13,609	13,505	7,456	12,671	8,969
	5-10	14,496	14,183	8,499	12,671	9,594
	11-15	16,373	15,226	10,585	15,799	10,637
	16-17	18,406	16,581	12,827	18,041	11,941
Allowance + Level 2	0 - 4	16,477	16,425	13,714	13,974	12,879
	5-10	17,416	17,103	14,756	13,974	13,505
	11-15	19,241	18,146	16,842	17,103	14,548
	16-17	21,326	19,501	19,084	19,345	15,851
Allowance + Level 3	0 - 4	20,649	20,596	16,321	16,581	18,094
	5-10	21,587	21,274	17,364	16,581	18,719
	11-15	23,412	22,317	19,449	19,710	19,762
	16-17	25,446	23,673	21,691	21,952	21,066
Allowance + Level 4	0 - 4	29,200	29,148	18,928	20,753	0
	5-10	30,139	29,826	19,971	20,753	0
	11-15	32,016	30,869	22,056	23,881	0
	16-17	34,049	32,224	24,299	26,124	0

*Note: Calderdale fees and allowances excluded as currently under review.*

**The following examples demonstrate the difference made by the proposed changes to the weekly rate;**

**3 year old with a level 3 carer:**

Bradford proposed rate is £20,596, Leeds £16,321, Kirklees £16,581  
Proposed Bradford weekly rate is £394.56 - reduction of £1.47 per week

**6 year old with a level 3 carer:**

Bradford proposed rate £21,274, Leeds £17,364, Kirklees £16,581  
Proposed Bradford weekly rate is £407.56- reduction of £6.21 per week

**12 year old with level 3 carer**

Bradford proposed rate is £22,317. Leeds £19,449, Kirklees £19,710  
Proposed Bradford weekly rate is £427.56- reduction of £21.76 per week

**16 year old with level 3 carer**

Bradford proposed rate is £23,673, Leeds £21,691, Kirklees £21,952  
Bradford proposed weekly rate is £453.56- reduction of £34.86 per week

4.3 The projected savings are required to be met as the budget has already been reduced by £830k for the Fostering service. This process of proposed change to the allowances represents a financial and reputational risk to the Council.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 Proposals to reduce allowances are contentious and may result in impacting on the District's ability to meet its Sufficiency Duty in relation to placements for looked after children and the Journey to Excellence recruitment target. Adjusting to a new allowance structure may present some challenges for some foster carers and it is possible that some foster carers might decide to leave the service.
- 5.2.1 Plans are in place for ongoing consultation with stakeholders at all stages in order to minimise disruption for looked after children, agree terms and conditions with foster carers and to continue to pro-actively promote recruitment and retention. Consultations will provide opportunities to explain the options and the rationale for the proposals. Carers will be offered advice on entitlement to work and benefits. The key message the Council will continue to reinforce is our commitment to ensuring that Bradford children are placed in Bradford with Bradford carers with the right skills to offer the appropriate level of care and support needed. Elected Members will continue to be briefed at all stages.
- 5.2.2 Consultations were held on 24<sup>th</sup> and 25<sup>th</sup> November 2016. It was apparent at the consultation events that some foster carers have a strong sense of feeling undervalued. Foster carers are not classed as employees or workers because they are not engaged under a contract of employment, this means they are not entitled to sick pay, holiday pay or the national minimum wage. A recent meeting in parliament of foster carers led to a vote to form a union which would aim to give foster carers the same rights as employees. The Department of Education have stated they will launch a fundamental review of fostering nationally as a result.

## **6. LEGAL APPRAISAL**

- 6.1 The Local Authority's policy relating to fostering payments should be clear, equitable and transparent. The criteria for calculating allowances and fees must be applied equally to all foster carers whether related to a child or not. A clear justification is required for any differences in allowances paid to foster carers, adoptive carers, special guardians and those caring under residence/child arrangement orders. To date, the courts have rejected justifications put forward by local authorities for differences in allowances. Policies that differentiate allowances are vulnerable to legal challenge. Fostering allowances must cover the full cost of caring for a child.
- 6.2 The Local Authority is required to consider the impact of proposals on its duty to ensure sufficiency of foster carers and its duty to ensure the welfare of the children it looks after.
- 6.3 The proposal has been equality assessed to ensure compliance with the Local Authority's duties under the Equality Act 2010. The Equality Impact Assessment is attached as Appendix 1.
- 6.4 The Local Authority's duty to act fairly includes a general duty to consult. In addition, there is a specific duty to consult foster carers in advance of any changes to fostering payments. Consultations should be on all viable options, be proportionate, allow time for consideration and response and take place at each stage of the process. Consultation events have now taken place. In addition,

Children's Services will respond to requests for additional face to face meetings as well as promoting the on-line consultation opportunities.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

The proposals may have a greater impact on single carers, most of whom are single females. There could be an impact on young people aged between 11 to 17 years if placements are disrupted though this has not been the case so far.

### **7.2 SUSTAINABILITY IMPLICATIONS**

The financial changes proposed within this report ensure that the service is aligned with the national minimum expectations in complying with legal requirements whilst remaining viable.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

None.

### **7.5 HUMAN RIGHTS ACT**

None.

### **7.6 TRADE UNION**

None. Foster carers are not employees of the Council. They are currently categorised as self-employed.

### **7.7 WARD IMPLICATIONS**

These proposals will impact on foster carer households in all Wards across the District.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None.

## **9. OPTIONS**

**Option 1** – Reducing foster carer allowances to the Government minimum allowances. Although this option brings foster carer allowances in line with Special Guardianship, Adoption and Residence allowances and removes any risk of legal challenge in relation to the payment of differential rates, it will impact more

significantly on older children between the ages of 11 to 17 years with payment differences of between £21 to £34 per week. There is no capacity to spread the reduction in fostering allowances more fairly across the age ranges or to reduce the payments for younger children more to reduce the impact for carers of older children because the allowances for children aged 0-10 are already close to the minimum rate. Fostering allowances cannot legally be paid at lower than the national minimum allowance. As stated above (see paragraph 2.4), the fostering allowance is intended to cover the cost of caring for a child. It is not a reflection of the perceived challenges of caring for an older child in comparison to caring for a younger child. This option will save approximately £454k based on current rates and numbers of children in a full year.

**Option 2** – Reducing fostering allowances to the Government minimum allowances over a two year period with effect from 01 April 2017. This option is the same as above as it aligns payment in all care arrangements thereby ensuring compliance with the legal requirements and has the added potential to reduce impact on carers of older children by giving them time to adjust as it would be introduced over 2 years as illustrated below.

Fostering	No.of Children	Current Rates	Government Rates	2017/18 phased at 50%	2017/18 50% saving	2018/19 100% saving
0-4	70	127.47	126.00	126.74	-2,889	-5,777
5-10	127	145.21	139.00	142.11	-22,139	-44,278
11-15	136	180.76	159.00	169.88	-83,073	-166,147
16-18	42	219.86	185.00	202.43	-41,100	-82,200
	375				-149,201	-298,402

Family & Friends	No.of Children	Current Rates	Government Rates	2017/18 phased at 50%	2017/18 50% saving	2018/19 100% saving
0-4	56	127.47	126.00	126.74	-2,311	-4,622
5-10	74	145.21	139.00	142.11	-12,900	-25,800
11-15	64	180.76	159.00	169.88	-39,093	-78,187
16-18	24	219.86	185.00	202.43	-23,486	-46,971
	218				-77,790	-155,580
					-226,991	-453,982

This option will save £227k in 2017/18 and a further £227k in 2018/19. This is the preferred option.

**Option 3** – Increase Special Guardianship, Adoptions and Residence Orders to Bradford rates for Fostering. This option would align all payments for care arrangements and remove the risk of legal challenge in relation to paying differential rates but would be a more costly option as it could cost approximately an additional £582k.

**Option 4** – Increase Fostering allowances, Special Guardianships, Adoptions and Residence Orders to rates currently paid by Leeds and Kirklees based on the Fostering Network’s recommended allowance for 2015/16. From 2016/17 the Fostering Network are no longer publishing recommended allowances. Although implementing the Fostering Network rates to all types of carers will bring Bradford’s rates in line with some other neighbouring authorities and remove the risk of legal challenge, this option will be an additional cost of £1.6m which makes it unviable.

## **10. RECOMMENDATIONS**

- 10.1 That **Option 2** – Reducing Fostering allowances to the Government minimum allowances over a two year period with effect from 01 April 2017 be approved.

## **11. APPENDICES**

**Appendix 1:** Equality Impact Assessment.

**Appendix 2:** Initial analysis from consultation as at 12<sup>th</sup> December 2016

## **12. BACKGROUND DOCUMENTS**

Report to the Meeting of the Executive held on 23rd June 2015 on Changes to Bradford’s Fostering Fees and Allowances.

## APPENDIX 1

### Equality Impact Assessment Form

<b>Department</b>	Children's Services	<b>Version no</b>	2.1
<b>Assessed by</b>	Kal Nawaz	<b>Date created</b>	9 November 2016
<b>Approved by</b>		<b>Date approved</b>	
<b>Updated by</b>		<b>Date updated</b>	
<b>Final approval</b>		<b>Date signed off</b>	

The Equality Act 2010 requires the Council to have due regard to the need to

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

#### Section 1: What is being assessed?

##### 1.1 Name of proposal to be assessed.

Fostering Allowances Review

##### 1.2 Describe the proposal under assessment and what change it would result in if implemented.

Proposal to align the level of fostering allowances ensuring that payments for all fostering, special guardianship, Child Arrangement Orders (formerly Residence Orders) and adoption are all paid at the same rates as required by law and to undertake broader consultation to review the payment for skills framework.

The Council has a duty under the Children Act 1989 to ensure it provides a range of suitable and appropriate accommodation to meet the assessed needs of children in care. Local Authorities are responsible for providing fostering services in line with Fostering Regulations, Care Planning, Placement and Case Review Regulations and National Minimum Standards for Fostering.

There are approximately 450 foster carers in the Bradford District who provide a highly valued service in looking after Children in care in Bradford. As at November 2016, there were 243 mainstream fostering households; 158 approved Family and Friends households and 47 approved short breaks households.

The proposal to bring allowances in line with statutory requirements will ensure equity and achieve a saving of £454k over 2 years between 2017-2019.

The service currently spends £10.1 million on fostering fees and allowances. Proposals for budget reductions identified within Children's Services include a



review of fostering allowances to achieve the required budget savings.

A weekly age related allowance is paid to foster carers to cover the child's living expenses (e.g. food, clothing, household, transport etc.). Currently Bradford pays differential rates for Special Guardianship, Adoption and Residence allowances compared to Fostering allowances. At the moment foster carers are paid more in Bradford than those providing care through Special Guardianship, Adoption and Residence Orders. The law requires that there should be very clear justification for differences in payments. The national minimum allowance is paid to foster carers in some authorities

Additionally, foster carers can be paid a 'fee' as a 'reward'. There is no legal entitlement to a fee. In Bradford, the rate of fees paid to foster carers has been generous compared to those paid by neighbouring West Yorkshire authorities. The fee structure rewards foster carers for their skills and experience. Carers are asked to evidence their skills and experiences against a set of competencies in order to progress.

The preferred option to meet statutory requirements in Bradford is to reduce the allowances paid to foster carers to the national minimum allowance in order to achieve parity across all care arrangements. This has the added potential to save £454k in a financial year based on current rates and numbers of children as required within the budget plans for the District.

## **Section 2: What the impact of the proposal is likely to be**

- 2.1 **Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.**

The proposal will achieve parity across all care arrangements

- 2.2 **Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.**

N/A

- 2.3 **Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.**

The proposal aims to standardise payments to all carers. Service data on foster carers by household type and gender indicates that 35% of our 446 foster carer households are single women carer households. Currently available data indicates that approx. 34% of children in foster care are aged between 11-15yrs whilst 11% are 16-18yrs. Although the proposal brings foster carer allowances in line with Special Guardianship, Adoption and Residence allowances and removes any risk of legal challenge in relation to the payment of differential rates, it will impact more significantly on older children between the ages of 11 to 17 years with payment differences of between £21 to £33 per week but the proposal does create parity for

children in those age groups in whatever the care arrangements.

**2.4 Please indicate the level of negative impact on each of the protected characteristics?**

(Please indicate high (H), medium (M), low (L), no effect (N) for each)

<b>Protected Characteristics:</b>	<b>Impact (H, M, L, N)</b>
Age	M
Disability	N
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N
Sex	M
Marriage and civil partnership	N
<b>Additional Consideration:</b>	
Low income/low wage	N

**2.5 How could the disproportionate negative impacts be mitigated or eliminated?**

(Note: Legislation and best practice require mitigations to be considered, but need only be put in place if it is possible.)

The Local Authority's policy relating to fostering payments needs to be clear, equitable and transparent. The criteria for calculating allowances must be applied equally to all foster carers whether related to a child or not.

The proposal is to reduce fostering allowances to the Government minimum allowances over a two year period. This option aligns payment in all care arrangements thereby ensuring compliance with the legal requirements and has the added potential to reduce impact on carers of older children by giving them time to adjust as it would be introduced over 2 years.

Plans are in place for ongoing consultation with stakeholders at all stages in order to minimise disruption to looked after children. Consultations will provide opportunities to explain the options and the rationale for the proposals. Carers will be offered advice on entitlement to work and benefits.

### **Section 3: Dependencies from other proposals**

- 3.1 Please consider which other services would need to know about your proposal and the impacts you have identified. Identify below which services you have consulted, and any consequent additional equality impacts that have been identified.**

Neighbourhood Services and Targeted Early Help to be consulted on potential to ensure links with targeted youth provision to promote access to opportunities for LAC

### **Section 4: What evidence you have used?**

- 4.1 What evidence do you hold to back up this assessment?**

Bradford's allowances have been benchmarked against neighbouring local authorities and combined with a relatively generous fees structure, comparisons show that Bradford's foster carers will still be better off than those in neighbouring areas.

The Government's national minimum allowance is applied in some Local Authorities and is the basis for the Bradford proposal.

Currently available Service data on foster carers and children in Bradford in addition to financial data has been utilised in undertaking the assessment.

- 4.2 Do you need further evidence?**

Consultations are planned with foster carers to collate further evidence

### **Section 5: Consultation Feedback**

- 5.1 Results from any previous consultations prior to the proposal development.**

N/A

- 5.2 The departmental feedback you provided on the previous consultation (as at 5.1).**

N/A

- 5.3 Feedback from current consultation following the proposal development (e.g. following approval by Executive for budget consultation).**

Dates planned for consultation on 24 & 25 November 2016 in addition to on line feedback.

- 5.4 Your departmental response to the feedback on the current consultation (as at 5.3) – include any changes made to the proposal as a result of the feedback.**

## **APPENDIX 2**

### **Initial analysis from consultation as at 12<sup>th</sup> December 2016**

The Fostering service have held two consultation events during November in Bradford and Keighley, they were attended by over 150 foster carers. There was a mixed reception to the proposals and the preferred option. Foster carers were asked to complete written feedback at the event and an on line consultation has been promoted for four weeks ending on the 27<sup>th</sup> December.

Full analysis of the feedback will be provided once the consultation closes. However at this stage foster carers are stating as follows to a selection of questions posed:

Q3 I think the fostering allowance currently paid in Bradford is:

**1 too high**  
**31 about right**  
**9 too low**

Q5 I think the reasons behind the proposal to reduce the fostering allowance to the National Minimum Allowance are:

**10 very clear**  
**11 clear**  
**14 neither clear nor unclear**  
**4 unclear**  
**0 very unclear**

Q6 I think the proposal to reduce the fostering allowance to the National Minimum Allowance is:

**2 very fair**  
**5 fair**  
**9 neither fair nor unfair**  
**10 unfair**  
**15 very unfair**

Q7 – The impact of reducing the fostering allowance to the NMA on me will be:

**14 very high**  
**14 high**  
**12 neither high nor low**  
**0 low**  
**1 very low**

Q8 – The impact of reducing the fostering allowance to the NMA for my foster child/ children will be:

**15 very high**  
**12 high**

**12 neither high nor low**

**0 low**

**2 very low**

Q13 – if the proposal to reduce the fostering allowance to the NMA is accepted, I think the reduction should be made:

**6 in 1 year**

**26 over 2 years**

At the consultation events, Foster Carers also made a number of suggestions for how the fostering service as a whole could potentially gain efficiencies and provide support to foster carers differently, including ensuring that there were no gaps in named support workers. As a result of this consultation it is proposed that a rapid review of the Fostering Service is undertaken and any recommendations will be shared in due course.

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## **APPENDIX 4**

# **Report of the Strategic Director of Children's Services to the Meeting of the Children's Services Overview and Scrutiny Committee to be held on 31 January 2017**

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**AG**

**Subject:**

**Fostering Allowances Review**

### **Summary statement:**

Attached is the response to reasons cited for the call in of the decision of the Executive Committee, 10 January 2017, relating to Agenda Item 7, Fostering Allowances Review

---

Michael Jameson  
Strategic Director Children's Services

Report Contact: Jim Hopkinson  
Deputy Director (Children's Social Care)  
Tel : 01274 432904  
[Jim.hopkinson@bradford.gov.uk](mailto:Jim.hopkinson@bradford.gov.uk)

**Portfolio:**

**Health & Wellbeing**

**Overview & Scrutiny Area:**

**Children's Services**

## 1. **Fostering Allowances Review**

- 1.2 In accordance with Paragraph 8.6.2 (Part 3E of the Constitution) the decision of the Executive held on Tuesday 10 January 2017 regarding Fostering Allowances Review (**Executive Document "AS"**) has been called-in.
- 1.3 Councillor Arshad Hussain (Chair of the Corporate O&S) has called-in the decision, as requested to do so by a Member of the Corporate O & S Committee, Councillor Cooke. The Call-in relates to the following resolution and the reasons for the call in are set out below:

## 2. **FOSTERING ALLOWANCES REVIEW**

**Resolved –**

**That Option 2 – Reducing Fostering allowances to the Government minimum allowances over a two year period with effect from 01 April 2017 be approved.**

***ACTION: Strategic Director Children's Services***

Overview and Scrutiny Area: Children's Services

(Jim Hopkinson - 01274 432904)

## 3. **The reason for Cllr Cooke requesting the call-in are:**

- It is acknowledged by the council that Foster Carers already possess a strong sense of being undervalued, though the report provides members with no indication or projection of the potential impact that the implementation of the Executive's decision, may have upon the Council's Sufficiency Duty in relation to looked after children.
- Whilst the report makes reference to legal requirements relating to payments made to the carers of Looked After Children and the actions of the Courts, in to date rejecting local authority justifications for differences in allowances paid to the different types of carers, the information provided regarding the legal requirements is not sufficient for members to ascertain whether the Council's circumstances are comparable and thus whether any legal obligations are likely to be breached.

Councillor Simon Cooke

## 4. **In response to the potential impact on the Council's Sufficiency Duty:**

- 4.1 The Sufficiency Duty places a duty on the local authority to provide/commission enough of the right placements at the right time for the children in need of accommodation in its area. The Council's Sufficiency Duty



will continue to be met by a combination of internal and external placements in accordance with the child's needs and care plan. Traditionally, foster carers in Bradford have been very loyal to the Council and we very much value and appreciate everything they do in welcoming looked after children into their homes and caring for them as part of their families. However, the proposal to change the fostering allowance rate may result in some foster carers leaving Bradford Council to transfer to other fostering providers. Supervising Social Workers and Team Managers report a mixed response to the proposal with a small but significant number of foster carers advising that they intend to transfer to another agency. Should we lose foster carers as a result of the proposed change to payments, we will need to recruit further foster carers. Recruitment activity is ongoing in Bradford and we currently have 23 applicants in the assessment process with monthly Information Evenings booked in for the year. However, 35% of the 652 children who were looked after in foster care at the end of quarter two 2016 were placed in Family & Friends placements. There has been a consistent upward trend in family and friends placements which is expected to continue as social workers must consider placing children with family as the first option if they are being removed from the care of their birth parents.

4.2 Foster carers are very much valued and consideration is also given to support foster carers in looking after the children placed with them. In the summer, meetings were held with over 100 foster carers in Bradford and Keighley to discuss service developments. Foster carers gave positive feedback about the impact of the Family Finding Team which matches children in need of placements with foster families who have vacant placements, after previously complaining that the system of managing vacancies was unfair. They also welcomed news of the development of a Model of Care and the bid for innovation funding to introduce the Mockingbird Family Model in Bradford to support them in the fostering task. The Fostering Service will also be prioritising developing a support package for disabled children as announced to foster carers in the newsletter from the Service in December, and work is in progress to build on the support groups in place.

4.3 Children's Services have commissioned a Strategic Director, independent from Children's Services, to undertake a review of our fostering services to include our requirement to recruit and support foster carers.

## 5. With reference to the legal requirements:

5.1 Statutory guidance in relation to Special Guardianship (2016 and previously 2005) states that 'in determining the amount of any ongoing financial support, the local authority should have regard to the amount of fostering allowance which would be payable if the child were fostered.' This paragraph has been the subject of judicial scrutiny in a number of cases, notably: -

5.2 **Barrett v Kirklees MC (2010)**. This case held the local authority's special guardianship allowance rate which was set at two thirds of its fostering allowance, was unlawful. The local authority acknowledged that the allowance was not in accordance with the statutory guidance and therefore had to be

justified on rational grounds. It argued that there were additional costs in bringing up a foster child arising on account of the characteristics of fostered children and of fostering and also that the SGO allowance was a gateway allowance, opening the door to other state benefits. Neither argument was accepted by the judge who pointed out that "some children who are placed with special guardians are in situations which have derived from former fostering arrangements... and the cost of bringing up these children may not be significantly less than the cost of bringing up fostered children." It was emphasized in the case that the more substantial the departure from the guidance, the more convincing the reason for departing from it needs to be.

- 5.3 **R (TT) v London Borough of Merton (2012).** The local authority had set its SGO allowance at two thirds of the national minimum fostering allowance, justifying it in their policy by stating the child had become part of the family unit and the additional costs for a looked after child were therefore not applicable to a child in a special guardianship arrangement. The court held that where a local authority proposes to have a policy in which the allowance to be paid to special guardians is set, it must, in order to comply with the Guidance, consider the Fostering Network's minimum recommended allowances and make such adjustments to those allowances to reflect the (lower) costs to a special guardian as it considers appropriate. He accepted that any such adjustment would inevitably be somewhat arbitrary but that was what he considered the Guidance required. Compliance was not achieved by ignoring the additional costs of caring for a child not born into the family or assessing them as nil. It was therefore his view that the local authority did not comply with the Guidance and had produced no reasons, cogent or otherwise, for not doing so.
- 5.4 The legal position is also affected by the Statutory Guidance for Local Authorities regarding Family and Friends Care (2010). This applies to all circumstances where children are being cared for by friends or family, whatever the legal status of the arrangement. The Guidance states that local authority 'policies should be underpinned by the principle that support should be based on the needs of the child rather than their legal status'.

## APPENDIX 5

### Submission on behalf of GMB Members to Children's Services Overview and Scrutiny Committee

30 January 2017

This is a further submission on behalf of GMB members in response to the Report of the Strategic Director of Children's Services and subsequent consultation for consideration at the Meeting of the Children's Services Overview and Scrutiny Committee, 31 January 2017.

In response to the authority's legal justification for the proposed cost cutting exercise, we refer to a recent quote from Nigel Priestley, the solicitor who brought the case against Kirklees upon which the Authority seeks to rely.

*"Nigel Priestley, the solicitor who brought the case against Kirklees in 2010, said that Bradford aligning its rates now "simply doesn't make sense... This isn't a sudden legal emergency but a calculated decision [based on cost-cutting]"*

(Quote from Community Care News 12<sup>th</sup> January 2017)

Turning to the cases cited in the report (sections are quoted directly and highlighted in blue to make it easier to follow);

*"R (TT) v London Borough of Merton (2012); the local authority had set its SGO allowance at two thirds of the national minimum fostering allowance"*

Bradford has set its SGO allowance at 100% of the National Minimum Fostering Allowance, so this case cannot be cited as a hypothetical case against Bradford as a suitable comparator, as the material fact here is the setting of the rate at two thirds of the national minimum.

This case also contains a very relevant section in the judgement, which further defeats the Authority's reliance on the case as a justification for the proposed cost cutting exercise.

*"The court held that where a local authority proposes to have a policy in which the allowance to be paid to special guardians is set, it must, in order to comply with the Guidance, consider the Fostering Network's minimum recommended allowances and make such adjustments to those allowances to reflect the (lower) costs to a special guardian as it considers appropriate."*

It is very clear from this judgement that the discretion to make adjustments and pay lower as detailed in the statutory guidance for local authorities on the Special Guardianship Regulations 2005 (as amended by the Special Guardianship (Amendment) Regulations 2016) February 2016, remains unchallenged.

“Barrett v Kirklees Council (2010); this case held the local authority’s special guardianship allowance rate which was set at two thirds of its fostering allowance, was unlawful. It was emphasised in the case that the more substantial the departure from the guidance, the more convincing the reason for departing from it needs to be.”

Once again, the SGO allowance rate had been set at two thirds of the fostering allowance. This is not the case in Bradford. It does not state that you cannot depart, but the more substantial departure the more convincing the reason must be. Bradford barely departs from the National Minimum allowance at all:

Age	Private	Friends	Difference	Percentage
0-4	£127.47	£126.00	-£1.47	1%
5-10	£145.21	£139.00	-£6.21	4%
11-15	£180.76	£159.00	-£21.76	12%

Bradford does not make a substantial departure between the two and even the most extreme is nowhere near “two thirds”. The small difference would bring a significant risk factor with any legal challenge and is not viable on cost grounds, as such a high degree of discretion is contained within the statutory guidance and case law, with any monetary gain being only slight.

For this reason, there are no cases, either in Bradford or elsewhere.

The recent case in Bradford, as reported in the Telegraph and Argus, which settled out of court, was not brought to align allowance rates; it was brought as the carers were being underpaid by a massive £260 per week because they were not being correctly remunerated for taking in “a sibling group of three”. As the children were described as “young”, if it was merely to align rates, the maximum underpayment would be £18.63 per week not £260 per week so it is clearly not a justification for the current cost cutting proposals.

Section 5.4 of the report states:

“5.4 The legal position is also affected by the Statutory Guidance for Local Authorities regarding Family and Friends Care (2010). This applies to all circumstances where children are being cared for by friends or family, whatever the legal status of the arrangement. The Guidance states that local authority ‘policies should be underpinned by the principle that support should be based on the needs of the child rather than their legal status’.”

Friends and family carers are covered by Family and Friends Care Statutory Guidance for Local Authorities 2010, which clearly states in section 7:

“7. The local authority has discretion to give financial assistance (which can be on the basis of regular payments) but there is no entitlement and family income may be taken into account since the local authority must have regard to the means of the child and parents under section 17 (8) the 1989 Act)”

Turning next to the reports response to the Authority's Sufficiency Duty, it states that carers have already indicated that they plan to leave, although many are holding off announcing their intention pending the decision of the Scrutiny Committee. The Authority appears unable to provide the Committee with accurate figures. The report also appears to be completely unconcerned with the fact that carers have already told their Supervising Social Workers that they will leave and merely makes suggestions about how the gap may be filled. Not in the immediate future, but at some future hypothetical date, if they can recruit enough carers and find suitable friends and family placements, neither of which are guaranteed.

Carers already report that they are all too familiar with the, "if you don't like it leave" attitude, which many have said they feel is evident in the sentiment of the report.

Neither does the report appear to address the cost implications of losing carers. A conservative estimate based on 20 carers with 30 children between them, and 7 complex placements would easily see an increased cost to the Authority of £1,144,000, wiping out the £450,000 attempted saving and resulting in a net loss of £694,000. Carers are entitled by law (Children's Act) to transfer to an agency with the children in their care remaining with them. Agencies have confirmed that they will take legal action against Bradford Council, if they try to circumvent the law. Bradford Council will be paying at least three times as much for exactly the same carers, with the same children in placement.

It is also important to note that a number of carers have said that they will leave the profession altogether, which is incredibly unsettling and upsetting for any child losing their stability as a result of Bradford winning "the race to the bottom". Many of Bradford's carers are already paid much less than Leeds and Calderdale, evidence supporting this claim, based on individual circumstances and cases, has been presented to Councillors Hinchcliffe, Cooke, and Smith.

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**BL**

**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE COMBINED AUTHORITY  
HELD ON THURSDAY 1 DECEMBER 2016 AT WELLINGTON HOUSE, LEEDS**

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<b>Present:</b>	Cllr Peter Box (Chair)	-	Wakefield MDC
	Cllr Tim Swift (Vice Chair)	-	Calderdale MBC
	Cllr Susan Hinchcliffe	-	City of Bradford MDC
	Cllr David Sheard	-	Kirklees Council
	Cllr Judith Blake	-	Leeds City Council
	Cllr Andrew Carter	-	Conservative Representative (Leeds City Council)
	Cllr Simon Cooke	-	Conservative Representative (City of Bradford MDC)
	Cllr Jeanette Sunderland	-	Liberal Democrat Representative (City of Bradford MDC)
	Roger Marsh	-	Leeds City Region LEP
<b>In attendance:</b>	Cllr Keith Wakefield	-	Chair, WYCA Transport Committee
	Ben Still	-	WYCA
	Caroline Allen	-	WYCA
	Angie Shearon	-	WYCA

**57. Apologies for Absence**

Apologies for absence were received from Councillors Keith Aspden and David Carr.

**58. Declarations of Disclosable Pecuniary Interests**

Roger Marsh declared an interest (not comprising a Disclosable Pecuniary Interest) in Agenda Item 5 (Project Approvals and Inclusion of York in the West Yorkshire Plus Transport Fund), paragraph 4.3 (University of Leeds – Nexus (University Innovation and Enterprise Centre)) stating that he was a member of the University of Leeds Council.

Councillor Simon Cooke declared an interest (not comprising a Disclosable Pecuniary Interest) in Agenda Item 7 (Leeds City Region Flood Review) as a member of Elland Car Co.

**59. Exempt Information – Possible Exclusion of the Press and Public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Agenda Item 17 (Transport for the North Rail Priorities) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**60. Agenda Item 18 – Better Homes Update**

**Resolved:** That consideration of the report be deferred to a future meeting of WYCA to enable further work to be carried out on the detail of the report.

**61. Minutes of the Meeting held on 29 September 2016**

**Resolved:** That the minutes of the meeting of the WYCA held on 29 September 2016 be approved and signed by the Chair.

**62. Project Approvals and Inclusion of York in the West Yorkshire Plus Transport Fund**

The Authority considered a report of the Director of Delivery seeking the progression of, and approval of funding for, schemes from the West Yorkshire plus Transport Fund and the Local Growth Fund.

Project Approvals

The report provided details of the projects which had been considered by the Investment Committee on 9 November and were recommended to WYCA for progression and approval of funding. The report mapped each of the projects across to the new Project Management Office (PMO) process.

Inclusion of York in the West Yorkshire Plus Transport Fund

It was reported that given that York were not full members of the West Yorkshire Combined Authority and in order to progress two York schemes within the Fund, it would be necessary to enter into a funding agreement with them. The City of York Council's WYCA member, although unable to be present at the meeting, welcomed the recommendation of WYCA's Investment Committee that York be included in the Fund and would be seeking formal approval to the arrangements. It was proposed that final details of the agreement be delegated to WYCA's Managing Director.



**Resolved:**

- (i) That progression of, and funding for, schemes from the West Yorkshire plus Transport Fund and Local Growth Fund be approved as follows, with a decision on the final details on terms and conditions of the individual approvals to be delegated to the Managing Director:-
- progression of the West Yorkshire & York Broadband Coverage Phase 3 project to full business case for Growth Deal funding;
  - progression of the Leeds Enterprise Zone Power Solution scheme to full business case for Growth Deal funding;
  - the full business case and funding for the Leeds City College, Quarry Hill project with grant funding of up to £33.4m (with £10m to be spent in 2016/17) and a cash flow (loan) facility of up to £8.8m. The funding package would be subject to addressing the outstanding risks set out in the report and subsequent legal negotiations, including the requirement for the College to repay to the Authority any asset surplus realised from the three assets to be disposed of as part of the project.
- (ii) That approval be given to WYCA entering into a funding agreement with the City of York Council regarding their partnership in the West Yorkshire Plus Transport Fund, and that the detail of the funding agreement be approved through delegation to the Managing Director.
- (iii) That WYCA note the recommendation of the Investment Committee on 9 November 2016 to delegate progression and associated funding for the following projects to WYCA's Managing Director:
- Urban Traffic Management Control (UTMC) Centre
  - Wakefield City Centre Package
  - Tackling Fuel Poverty Phase 3
  - York Guildhall
  - University of Leeds – Nexus (University Innovation and Enterprise Centre)
  - LCR Flood Alleviation for Growth Programme
  - Bradford Forster Square
  - East Leeds Orbital Road

**63. One Public Estate**

The Authority considered a report of the Director of Policy, Strategy & Communications providing an update on the One Public Estate Programme.

The report set out details of the One Public Estate programme, an initiative designed to facilitate and enable local authorities to work successfully with central government and local agencies on public property and land issues through sharing and collaboration. It was noted that WYCA had already bid for, and successfully been awarded, £380,000 from the programme and had now submitted a bid for a further £712,000 under Phase 5 of the programme. A decision on bids for Phase 5 funding was expected in January 2017.

Members discussed the mechanism for approving individual allocations to projects and the approval of projects within any future phases of the One Public Estate programme.

**Resolved:**

- (i) That the WYCA One Public Estate Programme be approved, consisting of £330,000 confirmed for Phase 4 and that the £712,500 requested for Phase 5, and that any submissions to further phases, be supported.
- (ii) That WYCA's Managing Director use his existing delegated authority to approve individual allocations to projects within the Phase 4 WYCA One Public Estate programme.
- (iii) That WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the One Public Estate Programme, providing that the value of each phase was less than £1m.

**64. Leeds City Region Flood Review**

The Authority considered a report of the Director of Policy, Strategy and Communications on the findings of the Leeds City Region Flood Review which had been commissioned by WYCA's Leaders in response to the 2015 Boxing Day floods recognising that the greater frequency and severity of future floods was likely to be inevitable due to climate change.

The report set out details of the scope and remit of the Review to better understand the causes and impacts of the flooding and to develop actions which, when implemented, would reduce the likelihood and impacts of future flooding and enable more effective and joined up response and recovery phases to be put in place. The key findings of the Review were detailed in the report along with 19 strategic recommendations to address the issues identified. Members discussed in detail the key recommendations of the Review.

It was recognised that it was crucial that WYCA, the local authorities and the Environment Agency adopt better and more collaborative ways of working. A multi-partner officer group, reporting directly to WYCA, had been set up to oversee the work programme identified as a result of the Review and to implement the recommendations. Alongside this, work was also underway to develop a long-term

City Region Flood Resilience and Investment Delivery Plan. The final report of the Flood Review was still in production and would be circulated to members upon completion.

**Resolved:**

- (i) That the key findings of the Leeds City Region Flood Review be noted.
- (ii) That the feedback provided by members be noted.
- (iii) That, once finalised, the report of the Leeds City Region Flood Review be circulated to members and that thereafter the Chair be delegated authority to sign-off the final report in liaison with the Managing Director.
- (iv) That the need for additional funding of at least £5m per annum over the next 5 years to enable and bring forward flood mitigation schemes to protect more homes, businesses and communities earlier, be noted.
- (v) That WYCA be kept updated on progress by the City Region Flood Resilience Group with implementing the recommendations of the Leeds City Region Flood Review.

**65. Creating Local Jobs through Major Capital Schemes**

The Authority considered a report of the Executive Head of Economic Services seeking approval to a proactive and consistent approach to embedding employment and skills outcomes in the procurement of major infrastructure schemes including the West Yorkshire Transport Fund.

WYCA had been working with the Joseph Rowntree Foundation's "More Jobs, Better Jobs" project to support WYCA's coordinating role in the development of a Leeds City Region approach to maximising jobs, skills and poverty reduction through the procurement of major capital schemes and had developed a policy statement, appended to the report, which built on existing good practices in local authorities. It was noted that, following advice from the LEP Board, the proposed policy statement had been reviewed by WYCA's legal advisers who had confirmed its legal compliance.

Members discussed the importance of ensuring that discussions take place with Further Education colleges, Higher Education and other skills providers to identify possible skills gaps, the potential for re-training the workforce and the impact which a hard Brexit may have on skills and the migrant workforce. It was reported that the Leeds City Region Employment & Skills Plan had addressed some of those issues and work to identify potential Brexit implications would add further context to the latter.

**Resolved:**

- (i) That a consistent approach be taken to embedding employment and skills outcomes in the procurement of major schemes by the West Yorkshire Combined Authority and that the scoring criteria and contract clauses developed for the West Yorkshire Transport Fund be used for the procurement of all major schemes by WYCA.
- (ii) That the draft “policy statement” for embedding jobs and skills in the delivery of major capital schemes across Leeds City Region be approved subject to the following amendment:-

Page 3, penultimate paragraph – at the end of the second sentence starting with “This will include ...” insert the words “regardless of their geographical base or origin”.

**66. Developing the LCR Strategic Economic Plan : Ensuring Good Growth Benefits All**

The Authority considered a report of the Managing Director concerning inclusive growth in the context of the LCR Strategic Economic Plan (SEP).

In recognition of the importance of good/inclusive growth, the report summarised various strands of work underway across the city region on the work-stream proposed in the WYCA/LEP joint Brexit Action Plan to support a cohesive society by overcoming the disconnection between communities and national politics.

It was reported that the Royal Society of Arts (RSA’s) Commission on Inclusive Growth had carried out a ‘deep dive’ of issues and successes in Bradford, involving the West Yorkshire and York authorities, which focussed on how inclusive growth may be achieved and that it was proposed to hold an RSA/Leeds City Region event in Bradford in early 2017 to mark the launch of the final RSA report.

The report also set out plans for a collaborative project across public and private partners to better enable the city region to capitalise on new opportunities and achieve the SEP’s outcomes making good growth real for residents.

Members commented that in light of the government’s commitment to see inclusive growth, it was important for the Leeds City Region to demonstrate how it could support the government’s agenda and influence the outcome. Affordable housing, transport links and health were all vital to help people succeed.

**Resolved:**

- (i) That the outline project set out in the submitted report, which would be accountable to WYCA and the LEP Board, be endorsed.

- (ii) That, following on from the RSA's Inclusive Growth Commission and its deep-dive of the issues and successes in Bradford, WYCA confirm its support for an RSA/Leeds City Region-led national conference in Bradford on inclusive/good growth.

#### **67. City Region Response to Brexit**

The Authority considered a report of the Director of Policy, Strategy and Communications concerning implications for the city region economy following the vote to leave the European Union.

Members discussed the evolving implications of the UK's vote to leave the EU. It was acknowledged that, whilst the City Region economy continued to perform well, there was no room for complacency and the City Region should be ready to react to any changes either as a result of Brexit or other potential changes to global trade as a result of the US election. Key to this was maintaining close working relationships with businesses and further education establishments and focussing on maximising opportunities for businesses. Repatriation of European funding locally also remained a key concern.

The report highlighted several potential issues and explored the financial and policy changes which WYCA may wish to make in response and the potential for flexibility in the LEP's current programmes to address particular risks which may emerge as the UK prepares to exit Europe. Members asked that they be provided with clarification on the flexibilities referred to in paragraph 2.8 of the submitted report.

#### **Resolved:**

- (i) That the contents of the report be noted.
- (ii) That WYCA continue to monitor the evolving global situation and its impacts on the Leeds City Region economy.
- (iii) That a note be circulated to members clarifying the flexibilities to be sought and that authority be delegated to WYCA's Managing Director, with the agreement of the LEP Chair, to implement those flexibilities as necessary should circumstances demand urgent action to secure the health of the city region economy.

#### **68. Implications of the Autumn Statement for the City Region**

The Authority considered a report of the Director of Policy, Strategy and Communications regarding the 2016 Autumn Statement.

It was noted that WYCA had been active in seeking to shape the government's approach to the Autumn Statement by making a submission covering the city region's major investment priorities, a copy of which was appended to the report. In

addition, WYCA continued to seek devolved powers and was calling on government to provide assurances around European funding in light of Brexit.

Members were provided with a brief outline of the headline announcements in the Chancellor's Autumn Statement made on 23 November and discussed its effects on the city region economy.

**Resolved:** That the implications of the Autumn Statement, and the impact for the city region, be noted.

#### **69. Post NGT Funding – Leeds Transport Strategy**

The Authority considered a report of the Director of Policy, Strategy and Communications concerning devolution of funding which had previously been allocated to the NGT project.

Leeds City Council and WYCA had been working jointly on the development of a new Leeds Transport Strategy and on a Strategic Outline Case (SOC) for the £173.5m previously earmarked for the NGT project. The report provided an update on the development of the SOC which had been informed by a major transport consultation in the city, and a summary of initiatives which the £173.5m may be used to fund was set out in paragraph 2.4. Given the transport focus of the SOC, it was proposed to delegate consideration of the schemes to be incorporated within it to WYCA's Transport Committee who would be meeting on 9 December. Leeds City Council's Executive Board would also be considering the proposed SOC submission at its meeting on 14 December and, subject to approval at that meeting, it was proposed to submit the SOC to the DfT in mid-December.

WYCA would be the accountable body for the £173.5m funding and it was therefore proposed that the Leeds City Region Assurance Framework provide the governance model in the SOC submission and that, as with Growth Deal schemes, WYCA's Investment Committee be delegated the responsibility for assurance of the package following DfT approval to proceed.

**Resolved:**

- (i) That the development of the Strategic Outline Case submission to the Department for Transport for the £173.5m funding which had previously been allocated to the NGT project be noted.
- (ii) That consideration of the schemes to be incorporated within the Strategic Outline Case be delegated to WYCA's Transport Committee.
- (iii) That, subject to LCC approving the Leeds Transport Strategy report at its Executive Board on 14 December, the use of the Leeds City Region Assurance Framework as the proposed governance model in the Strategic Outline Case submission be noted.

- (iv) It was noted that, as with Growth Deal schemes, WYCA's Investment Committee would have responsibility for assurance of the package following DfT approval.

#### **70. WYCA Consultation Response – Kirklees Draft Local Plan**

The Authority considered a report of the Director of Policy, Strategy and Communications seeking endorsement of the proposed West Yorkshire Combined Authority (WYCA) response to support the Kirklees Draft Local Plan a part of the Combined Authority's role under the Duty to Cooperate.

WYCA had been consulted by Kirklees Council in November 2016 on their Draft Local Plan which outlined the housing and employment growth requirements for Kirklees up to 2031 and provided a portfolio of proposed site allocations to meet those needs. WYCA's proposed response to the Draft Kirklees Local Plan document, attached at Appendix 1 to the report, confirmed its alignment with the Strategic Economic Plan and emerging West Yorkshire Transport Strategy.

**Resolved:** That the response to the Kirklees Draft Local Plan consultation, as set out in Appendix 1 of the submitted report, be endorsed.

#### **71. WYCA Medium Term Financial Strategy and Budget 2017/18**

The Authority considered a report of the Director of Resources on WYCA's medium term financial strategy and budget for 2017/18.

It was reported that a business planning process had been underway during the autumn to ensure that the budget was aligned with the priorities identified through the Strategic Economic Plan. Appendix A of the submitted report set out the emerging priorities for 2017/18 identified through the business planning process.

Progress on the budget process was set out in the report and highlighted the challenges and pressures of setting a balanced budget taking account of the difficult funding climate in local government and the growing operational requirements of the organisation. A revised forecast budget for the current year and a proposed budget for 2017/18 was attached at Appendix B to the submitted report. Members noted the proposed £1m cut in the transport levy for 2017/18 which, given the non-discretionary nature of the English National Concessionary Scheme reimbursement, effectively represented a 2% cut of discretionary expenditure and would, taken in conjunction with other budget assumptions and pressures, require savings of £2m to be found in 2017/18. Members considered the various policy options available to achieve savings of such scale, including changes to tendered bus services and the provision of passenger information. Work was currently underway to understand the implications of changing policies in relation to tendered bus services.

The final budget would be agreed at WYCA's meeting scheduled for 2 February.

**Resolved:** That the draft budget for 2017/18 and the underlying assumptions and challenges be noted.

## **72. WYCA Corporate Plan**

The Authority considered a report of the Managing Director on WYCA's Corporate Plan for 2016/17.

The report provided members with a mid-year update on performance and progress against the WYCA Corporate Plan focussing on the key measures which had been identified. It was reported that of the 35 measures included in the report, 17 were currently on target to achieve the annual targets, 5 were marginally off target and 3 were off target.

Members were also provided with a progress update on the One Organisation change programme.

**Resolved:**

- (i) That progress made to date on performance against the Corporate Plan be noted.
- (ii) That progress made on the One Organisation change programme be noted.

## **73. Appointment of External Auditors and Additional Governance and Audit Committee Members**

The Authority considered a report of the Director of Resources on the appointment of external auditors and additional Governance and Audit Committee members.

### Appointment of External Auditors

The report set out details of the new arrangements for the audit of authorities which had been established by the Local Audit and Accountability Act 2014 following abolition of the Audit Commission. Members considered the three options set out in the report for appointing an auditor for the 2018/19 accounts onwards noting that WYCA's Governance and Audit Committee had considered the matter at its meeting on 29 September and had recommended option 3.

### Governance and Audit Committee

Members were asked to consider appointing an additional member or members to the Governance and Audit Committee in order to limit the risk of meetings being inquorate. The Committee currently comprised of 3 WYCA members.



## Independent Chair of Governance and Audit Committee

It was reported that by May 2017 WYCA would, by Order, be required to appoint an independent Chair of the Governance and Audit Committee. The recruitment process for an independent chair would need to be progressed to enable the anticipated appointment to be made at WYCA's meeting in April 2017.

### **Resolved:**

- (i) That the new options for appointing external auditors be noted.
- (ii) That WYCA opt into a 'sector led body' scheme for appointing its auditors for the 2018/2019 accounts and onwards for the compulsory period of 5 years further to the Local Audit and Accountability Act 2014 (as set out in option 3 of the submitted report).
- (iii) That WYCA's Director of Resources be authorised to sign and return the notice of acceptance of the invitation to become an "opted-in" authority, and to take any other steps to progress the new arrangements as required.
- (iv) That Councillor Tim Swift be appointed to the Governance & Audit Committee.
- (v) That WYCA's Head of Legal and Democratic Services progress appointment arrangements for an independent Chair for the Governance and Audit Committee, including convening an interview panel of 3 WYCA Members to make recommendations in relation to the appointment.
- (vi) That WYCA's Independent Remuneration Panel be asked to advise on appropriate remuneration for the independent Chair of the Governance & Audit Committee.

### **\*74. Transport for the North Rail Priorities (Report exempt in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972)**

The Authority considered a report of the Director of Policy, Strategy and Communications providing an update on Transport for the North's Northern Powerhouse Rail priorities emerging from the current phase of work.

Members were provided with an update outlining progress made by Transport for the North in developing Northern Powerhouse Rail. A summary of TfN's priorities emerging from the work done to date was set out in the report. Members noted that the proposed priorities would be discussed and agreed at the TfN Partnership Board on 19 December and discussed WYCA's input to that meeting.

**Resolved:** That the progress made in developing Northern Powerhouse Rail by Transport for the North and its partners be welcomed and endorsed.

**75. Draft Minutes of the meeting of the Governance & Audit Committee held on 29 September 2016**

**Resolved:** That the draft minutes of the meeting of the Governance & Audit Committee held on 29 September 2016 be noted.

**76. Draft Minutes of the meeting of the Transport Committee held on 14 October 2016**

**Resolved:** That the draft minutes of the meeting of the Transport Committee held on 14 October 2016 be noted.