



**Agenda for a meeting of the Executive to be held on
Tuesday, 9 January 2018 at 10.30 am in Committee
Room 1 - City Hall, Bradford**

Members of the Executive – Councillors

LABOUR
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. 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 - 01274 434580)

3. 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 - 01274 434580)

B. STRATEGIC ITEMS

LEADER OF COUNCIL & CORPORATE

<i>(Councillor Hinchcliffe)</i>

4. A COUNCIL TAX REDUCTION SCHEME FOR 2018/19

1 - 32

The Revenue Support Grant, which includes funding for Council Tax Reduction (CTR), has been subject to year on year reductions; and is expected to reduce further so that by 2020/21 it will cease entirely

The expanded scope of Universal Credit will significantly increase the administrative burden of the current CTR scheme for the Council and will create council tax collection difficulties

Following the decision of Executive (10 October 2017), public consultation on proposed changes to the CTR scheme to reduce cost and mitigate the administrative burden has been undertaken

The report of the Strategic director corporate Services (**Document “AN”**) sets out the results of that consultation; and makes recommendations to revise the CTR scheme for 2018/19 and that transitional support is put in place to help those that see a significant reduction in their CTR as a consequence of those proposed changes.

Recommended –

That Executive consider and agree the following recommendations to Council –

(1) That the outcome of the public consultation as set out in appendix 1 to Document “AN” is considered and noted

(2) That members have due regard to their responsibilities under the Public Sector Equality Duty and consider the potential impacts of the proposed changes on working age claimants as set out in the Equality Impact Assessment at appendix 3 to Document “AN”

(3) That the following amendments to the current Council Tax Reduction (CTR) scheme are adopted and take effect from 1 April 2018

- **Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants**
- **Limit entitlement of CTR to those that qualify for £4.00 or more per week**
- **Remove the Second Adult Rebate**
- **Introduce a £1 Minimum Change threshold**
- **Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter**

(4) That the CTR discretionary support scheme as set out in Appendix 4 to Document “AN” is adopted from 1 April 2018

(Corporate Overview & Scrutiny Committee)

(Martin Stubbs – 01274 432056)

5. CALCULATION OF BRADFORD'S COUNCIL TAX BASE AND BUSINESS RATES BASE FOR 2018-19

33 - 50

The purpose of the report of the Strategic Director Corporate Services (**Document “AO”**) is to calculate both the Council’s Council Tax and Business Rates bases for 2018-19, which in turn will determine the amount of income the Council will raise locally in 2018-19.

The report is divided into two sections. Section A sets out how the Council Tax Base is calculated. It takes into account the Council’s Council Tax Reduction Scheme, exemptions and discounts and an estimate of the growth in new residential builds. Section B estimates the amount of income that will be generated from Business Rates.

Recommended -

- (1) That the number of band D equivalent properties estimated by the Council as the Council Tax Base for 2018-19 for the whole of the Bradford Metropolitan District is 140,348 as set out in Appendix A1 of Document “AO”.**
- (2) The Council Tax Base for 2018-19 for each Local Council is set out in Appendix A3 of Document “AO”.**
- (3) That from 1 April 2018, in calculating the Council Tax Base, care leavers up to the age of 21 are exempted from paying Council Tax. This exemption applies up to the end of the financial year in which the care leaver attains the age of 21. Further, care leavers are disregarded for the purpose of assessing the number of adult residents in a property for the calculation of Council Tax. This disregard applies up to the end of the financial year in which the care leaver attains the age of 21.**

- (4) The amount estimated by the Council as the Business Rates income for 2018-19 as included on the Council's NDR1 return (Appendix B1 to Document "AO") is £129.6m
- (5) Of the total Business Rates income;-
50% is paid to Central Government - £64.7m
1% is paid to the West Yorkshire Fire Authority - £1.3m
49% is retained by the Council - £63.5m

A further cost of collection allowance is paid to the Council of £0.7m.

- (6) That authority is delegated to the Strategic Director for Corporate Services (or interim Section 151 officer) in consultation with the Leader of the Council to make any necessary amendments to the calculation of the Business Rates estimate arising from the completion of the 2018-19 NDR1 form received from the Government and to include the amended figures in the 2018-19 Budget papers for Council.

(Corporate Overview & Scrutiny Committee)

(Martin Stubbs – 01284 432065/ Andrew Crookham - 01274 433656)

6. **A STRATEGY FOR GROWTH IN INCOME FROM COUNCIL TAX, BUSINESS RATES AND INVESTMENT**

51 - 70

The report of the Strategic Director of Corporate Services (**Document "AP"**) proposes a strategy for growing the Council's sources of income from Council Tax, Business Rates and investment in assets, recommending an Investment Advisory Group is established to oversee activity and manage risks.

Recommended –

- (1) **To accept the basic premise underpinning Document "AP", that targeted activity should be undertaken to grow income from:**
 - (a) **Council Tax**
 - (b) **Business Rates**
 - (c) **Income-generating investment**
- (2) **To pursue the next steps outlined at Section 8 of Document "AP".**

(Corporate Overview & Scrutiny) (Stuart McKinnon-Evans – 01274 432800)

C. PORTFOLIO ITEMS

<p style="text-align: center;">EDUCATION, EMPLOYMENT & SKILLS PORTFOLIO</p>

(Councillor I Khan)

7. REVISED PROPOSALS FOR THE RESTRUCTURE OF SEND SPECIALIST TEACHING SUPPORT SERVICES

71 - 106

On 20 June 2017, Executive agreed to a period of consultation until 31 August 2017 with a range of stakeholders on the proposed remodelling of SEND services for children and young people from ages 0-25.

As a result of feedback and responses during this period of consultation, particularly from schools, internal staff teams and national organisations representing children and young people with sensory impairment, the proposals in the previous report to Executive have been changed.

The changes take account of the feedback received in order to:

- Ensure that the proposals improve the quality of support and provision for all SEND pupils and meet the SEN Improvement Test (See Appendix 1);
- Ensure that the funding from the Dedicated Schools Grant High Needs Block (HNB) is used effectively and efficiently to meet the full range of SEND needs across the 0-25 years age range;
- Specifically, we need an option which **both** reduces pressure on the High Needs Block **and** increases specialist places.

The Strategic director children's Services will present a report (**Document "AQ"**) which seeks approval for a further period of formal consultation on a revised preferred option for transforming the SEND specialist teaching and support services.

Recommended -

- (1) **That the Executive accepts Option 3 as set out in Document "AQ" as the preferred option for consultation.**
- (2) **Executive is asked to approve a period of consultation from 17 January 2018 to 28 February 2018 with children, young people, families, partners, stakeholders, staff and all interested parties, see Appendix 4 to Document "AQ".**

- (3) **That Executive receives a further report in April 2018 following the period of formal consultation.**

(Children's Services Overview & Scrutiny Committee)

(Judith Kirk 01274 439255)

8. **MINUTES OF THE WEST YORKSHIRE COMBINED AUTHORITY** 107 -
118

To receive the minutes of the meeting of the West Yorkshire Combined Authority held on 5 October 2017 attached.

9. **EXCLUSION OF THE PUBLIC**

Recommended –

That the public be excluded from the meeting during the discussion of the Not for Publication Appendix to Document “..” on the grounds that it is likely, in view of the nature of the proceedings, that if they were present, exempt information within paragraphs 3 and 5 (financial or business affairs and legal privilege) of Schedule 12A of the Local Government Act 1972 (as amended) would be disclosed and it is considered that, in all the circumstances, the public interest in allowing the public to remain is outweighed by the public interest in excluding public access to the relevant part of the proceedings for the following reasons:

It is in the public interest in maintaining these exemptions because it is in the overriding interest of proper administration that Members are made fully aware of the financial and legal implications of any decision.

**REGENERATION, PLANNING & TRANSPORT
PORTFOLIO**

(Councillor Ross-Shaw)

10. **CITY CENTRE REGENERATION** 119 -
128

The report of the Strategic Director Corporate Services (**Document “AR” which contains a Not for Publication appendix**) will provide an update on Bradford's city centre regeneration projects including further details in respect of the Bradford Odeon, following on from Executive on 5th December 2017.

Recommendation -

Members are recommended to note the contents of Document “AR” and the recommendations in the confidential appendix.

(Corporate Overview and Scrutiny Committee)

(Ben Middleton – 01274 439607)

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Report of the Strategic Director Corporate Services to the meeting of Executive to be held on 9 January 2018

AN

Subject:

A Council Tax Reduction scheme for 2018/19

Summary statement:

The Revenue Support Grant, which includes funding for Council Tax Reduction (CTR), has been subject to year on year reductions; and is expected to reduce further so that by 2020/21 it will cease entirely

The expanded scope of Universal Credit will significantly increase the administrative burden of the current CTR scheme for the Council and will create council tax collection difficulties

Following the decision of Executive (10 October 2017), public consultation on proposed changes to the CTR scheme to reduce cost and mitigate the administrative burden has been undertaken

This report sets out the results of that consultation; and makes recommendations to revise the CTR scheme for 2018/19 and that transitional support is put in place to help those that see a significant reduction in their CTR as a consequence of those proposed changes

Stuart McKinnon-Evans
Strategic Director Corporate Services

Portfolio:
Leader of Council

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Overview & Scrutiny Area:
Corporate

1. SUMMARY

- 1.1. The Revenue Support Grant, which includes funding for Council Tax Reduction (CTR), has been subject to year on year reductions; and is expected to reduce further so that by 2020/21 it will cease entirely.
- 1.2. The expanded scope of Universal Credit will significantly increase the administrative burden of the current CTR scheme for the Council and will create council tax collection difficulties. UC claimants are assessed monthly by the DWP, and the Council is notified of changes that may affect CTR entitlement. All notifications will need to be checked, and if an adjustment to CTR is required, no matter how small, a new Council Tax bill is issued together with revised payment arrangements.
- 1.3. Following the decision of Executive (10 October 2017), public consultation on proposed changes to the CTR scheme to reduce cost and mitigate the administrative burden has been undertaken.
- 1.4. This report sets out the results of that consultation; and makes recommendations to revise the CTR scheme for 2018/19 and that transitional support is put in place to help those that see a significant reduction in their CTR as a consequence of those proposed changes.

2. BACKGROUND

- 2.1. The Council has been operating a locally defined Council Tax Reduction (CTR) scheme, for working age council tax payers, since April 2013. In the first year of the scheme, Government funding for council tax support, £29.8m, was added to the Revenue Support Grant (RSG), bringing it up to around £183m in 2013/14. The eventual cost to Bradford in that first year was £27.8m, or 15.2% of RSG.
- 2.2. Since then, the removal of Government grant has seen the RSG reduce to £63m in the current financial year, and CTR accounted for 46% of it. In 18/19, when RSG drops to £48.5m, it will account for over 63% of the funding. It is expected that the RSG will continue to be reduced so that by 2020/21 it will cease entirely. The cost of the current CTR scheme is forecast to be £30.7m in 2018/19.
- 2.3. Universal Credit (UC) for newly unemployed single working age claimants was introduced across the Bradford District in November 2015. UC will be expanded across the District to include all working age households. For new benefit claimants, housing costs will be met through UC. Existing working age Housing Benefit claimants will gradually migrate to UC in 2022. The Council will continue to provide Housing Benefit for Pension age claimants.
- 2.4. DWP will assess claimants' UC entitlement monthly. This will significantly increase the administrative burden of the CTR scheme for the Council. In addition, Council's that have already moved to UC report collection difficulties as a result of continual revisions of liability that monthly UC assessment creates.
- 2.5. A report to Executive (10 October 2017) detailed the challenges, both financial and operational, for the current working age CTR scheme. The scheme for pension age

claimants is prescribed nationally and cannot be amended by the Council.

- 2.6. The report also set out a number of proposals to reduce the cost of the scheme, ease the administrative burden, and provide support for those in severe financial need as a consequence of proposed changes to the scheme. The Major Preceptors (Fire and Police Services) were consulted on the proposal to make changes to the CTR scheme, but both Services declined to express a view.
- 2.7. The key proposals to amend the CTR scheme were intended to reduce the cost of the scheme and to reflect the move to UC, as follows;
- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
 - Limit entitlement of CTR to those that qualify for £4.00 or more per week
 - Remove the Second Adult Rebate
 - Introduce a £1 Minimum Change threshold
 - Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter
- 2.8. Executive instructed that the proposed amendments to the scheme be subject to public consultation to inform a decision on a CTR scheme for 2018/19; and that options are developed for a scheme to help those in severe financial need as a consequence of the proposed changes to the scheme.

3. OTHER CONSIDERATIONS

- 3.1. Changes to Universal Credit (UC) were announced during the November Budget statement. As a consequence the planned expansion of UC across the district in March has been rescheduled to June 2018; the exact date still to be confirmed.
- 3.2. The key changes to UC announced are to remove the one week 'waiting time' for a claim to start, better access to advance payments, a two week 'carry-over' of housing benefit after the start of a UC claim, and allowing claimants to continue having their rent paid directly to private sector landlords.
- 3.3. The Government's considers that introducing these changes will reduce the financial pressure on UC claimants and, to a certain extent, increase private sector landlords' confidence in renting to UC claimants. The changes announced do not affect this Council's proposed changes to the CTR scheme; or otherwise directly impact on the CTR scheme.

Proposed Changes to the CTR scheme for 2018/19

- 3.4. Consultation on the proposed changes to the CTR scheme, and the need for a subsequent support scheme, was undertaken and widely promoted; including through the press, social media, partners, advice services and the Council's website. Analysis of the responses is provided in Appendix 1.
- 3.5. In total, 246 people have responded to the consultation: 25% of respondents are in

receipt of CTR, 11% are in receipt of the severe or enhanced disability premium, and 6% are in receipt of Carers allowance.

- There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed with the proposal
- Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed
- Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against
- Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal
- 39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

3.6. The proposed changes and how they will be treated for assessment purposes within the CTR scheme are explained in more detail in Appendix 2.

3.7. There were a number of comments about the impact on those currently eligible for a reduction of up to 100% of their Council Tax liability, and in particular, that disabled claimants should not have to pay Council Tax from the disability related benefits they receive.

3.8. It should be noted that the CTR scheme expressly takes into account the various disregards to disability income and the premiums awarded (and likewise with the Carers premium) when calculating entitlement. This is considered in more detail in the Equality Impact Assessment in Appendix 3 (para. 2.3)

3.9. A scheme that exempted all those considered to be very disabled would not necessarily support those in the greatest financial hardship. Where budgets are tight it is appropriate to ensure that the greatest help is given to those who most need it. Household budgets and resources may vary in circumstances that can only be assessed on an individual examination of the budget.

Support for those in financial need

3.10. If some or all of the proposed changes are accepted, some claimants could see a large increase in the amount of Council Tax they will have to pay. When asked about the need for support to help those affected by the changes;

- 78% of respondents thought that those affected by changes to the CTR scheme should receive some support

- 68% agreed that support should be means tested
 - 47% thought that 1 year was sufficient time to allow people to adjust to the changes, but 42% thought it was not long enough
- 3.11. The 10 October Executive report identified two principle options to support claimants affected by the proposed CTR scheme changes;
1. A scheme that protects entitlement to a set level, thereby limiting the loss in CTR entitlement in each year the scheme is in place. Protections would be applied to all eligible claimants irrespective of financial need or ability to pay
 2. A discretionary (means tested) scheme that provides support based on the financial need of claimants and their individual circumstances.
- 3.12. A key consideration for the introduction of some of the proposed changes is to reduce the cost of CTR. It is, therefore, difficult to reconcile providing protection to claimants that can meet an increase in their council tax liability, as would be the case with option 1 above.
- 3.13. A means tested scheme (option 2 above) would make awards based on the financial need of the claimants. The principle of means testing was also strongly supported (68%) by those responding to the consultation.
- 3.14. If Council is minded to put support arrangements in place to help those affected by the proposed changes, it is suggested that support is provided via a means tested scheme. Such a scheme, the Discretionary CTR support scheme, is provided for consideration in Appendix 4. The key points of the proposed scheme are;
- The scheme is only open to claimants who were eligible for CTR on 31 March 2018 and;
 - have had an increase in the amount they have to pay because of changes to the CTR scheme, and;
 - find themselves in severe financial difficulties as a consequence of the increase
 - The scheme is means tested and will only provide support up to a maximum of the support the individual received under the 2017 CTR scheme. This means that;
 - no claimant will receive more overall entitlement (from both the support scheme and the revised 2018 CTR scheme) than they do under the current 2017/18 CTR scheme rules
 - individual financial circumstances and the claimants' ability to pay will determine the level of support available to each claimant, not the reduction in CTR
 - not all claimants will receive the maximum support available and others may receive no support at all through the scheme
 - new CTR claims made after 31 March 2018 will not be eligible for support from this scheme

Other Matters

- 3.15. There was general concern expressed through the consultation about the financial

impact of the proposed changes and the likelihood of increased indebtedness amongst claimants. There was also concern that one year was insufficient time to allow claimants to adjust their household budgets.

- 3.16. In making changes to the CTR scheme, the Council is required to put in place such transitional provision as the authority thinks fit to help those adversely affected by the changes.
- 3.17. Analysis shows that over a third of households will lose less than £1 per week, and over two thirds would lose less than £5 per week. Conversely, some claimants in higher banded property could lose a significantly greater amount of CTR.
- 3.18. It is proposed, therefore, that transitional provision is put in place to help those that see a significant reduction in their CTR as a consequence of the changes to the scheme;
 - Introducing a means tested support scheme for claimants that lose more than £5 per week (Appendix 4)
 - limiting the amount of CTR that households could lose to £15 per week
- 3.19. If approved, a report will be brought before Executive in 2018 detailing the operation and impact (including on protected characteristics) of the proposed changes to the CTR scheme and any transitional arrangements; and will seek Executive Decision on the continuation, or otherwise, of these arrangements beyond 2018/19.
- 3.20. To better prepare claimants for the increase in the amount they have to pay, a letter will be sent to all current CTR claimants to make them aware of any changes to the CTR scheme.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1. The Council's projected loss of Council Tax income in 2017/18 due to Council Tax Reduction is £29.2m. This figure does not include the Council Tax foregone by the Preceptors. As a general rule, 85% of Council Tax billed is the Council's and 15% goes to the Preceptors.
- 4.2. If the recommended changes to the CTR scheme are adopted in full, the Council Tax base will (net of the related bad debt allowance) increase by 3,180 Band D equivalents. This would see Bradford's share of Council Tax receipts increase by approximately £4m. This figure is based on an analysis of the impact of the changes on the current CTR caseload.
- 4.3. The cost of the proposed support scheme, and the limiting of CTR loss, will reduce the projected increase in Council Tax receipts. The actual cost of the support scheme will be determined by the demands placed upon it, but it is estimated the demand for these measures will be in the order of £500K per year. This will have the effect of limiting the Council Tax receipts increase to approximately £3.5m.
- 4.4. Resource in the amount of £100K per year will also be required to administer the CTR support scheme.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1. The resources and infrastructure required for the effective operation of the CTR support scheme must be in place for 1 April 2018.
- 5.2. The operation of the CTR support scheme will require the gathering of information about individuals' personal expenditure, information not currently captured as part of the CTR assessment process. This information will be handled and safeguarded under the privacy and data protection compliance processes and procedures that prevail in relation to the operation of the current CTR scheme.

6. LEGAL APPRAISAL

- 6.1. A Council tax reduction scheme is made under section 13A(2) Local Government Finance Act (LGFA) 1992 and applies to (a) Persons whom the authority considers to be in financial need, or (b) Persons in classes consisting of persons whom the authority considers to be, in general, in financial need.
- 6.2. Before making a decision to implement a new or revised Council Tax Reduction Scheme the Council must publish a draft of any amended or new scheme and then consult with persons who it considers are likely to have an interest in the operation of the scheme in accordance with schedule 1A para 3 and 5 LGFA 1992.
- 6.3. Any change made to the existing (2017/18) CTR scheme will constitute a new Council Tax Reduction scheme, with effect from 1 April 2018. Any such revised scheme must be adopted by Full Council by 31 January 2018.
- 6.4. The Equality Act 2010, Section 149 Public Sector Equality Duty provides as follows –
- (1) A public authority must, in the exercise of its functions, have due regard to the need to-
 - a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it,
 - c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
 - ..
 - (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need –
 - d) to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - e) to take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (4) The steps involved in meetings the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities"

6.5. An Equality Impact Assessment is provided in Appendix 3.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Equality impacts are considered within the Equality Impact Assessment attached to this report at Appendix 2.

7.2 SUSTAINABILITY IMPLICATIONS

There are no sustainability implications

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no greenhouse gas emissions impacts

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications

7.5 HUMAN RIGHTS ACT

There are no human rights implications.

7.6 TRADE UNION

Trade Unions will be consulted on the implementation of staffing arrangements for the administration of any new scheme to help those in severe financial need as a consequence of changes to the Council Tax Reduction scheme.

7.7 WARD IMPLICATIONS

There are no Ward or area implications.

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

N/A

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

Option 1: Adopt none, or some, of the following proposed changes to the current CTR scheme to create a CTR scheme for 2018/19 (and to limit to £15 maximum loss of entitlement, if applicable)

Proposed changes

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12

months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

Pros

- The current scheme is well understood and embedded
- The fewer changes made to the current scheme the less of a financial impact it will have on claimants
- The fewer changes made to the current scheme, the lower the demand on a support scheme

Cons

- The projected financial savings will not be achieved
- The impact of Universal Credit may not be fully mitigated

Option 2a: Adopt all of the proposed changes (set out below) to the current CTR scheme to create a CTR scheme for 2018/19; with loss of individual entitlement not to exceed £15 per week

Proposed changes

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

Pros

- There is a projected financial saving of £4m
- The adverse impact of Universal Credit on the administration of CTR will be mitigated
- Collection difficulties as a result of continual revisions of liability that monthly UC assessment creates will be mitigated

Cons

- Some claimants may require support to meet their new council tax liability
- There will be a marginal increase in the cost of collecting council tax from those who have difficulty paying their Council Tax bill

Option 2b: Introduce a discretionary support scheme (as set out in Appendix 4) to help those that have a significant reduction in entitlement as a consequence of the implementation of some or all of the proposed changes to the CTR scheme

Pros

- This will support claimants who have difficulty paying their new council tax bill for up to two years
- Will mitigate the increase in council tax collection costs

Cons

- The cost of the scheme will reduce the overall savings forecast from implementing the proposed changes to the CTR scheme
- There will be a administrative cost to operate the support scheme

10. RECOMMENDATIONS

That Executive consider and agree the following recommendations to Council –

10.1 That the outcome of the public consultation as set out in appendix 1 is considered and noted

10.2 That members have due regard to their responsibilities under the Public Sector Equality Duty and consider the potential impacts of the proposed changes on working age claimants as set out in the Equality Impact Assessment at appendix 3

10.3 That the following amendments to the current CTR scheme are adopted and take effect from 1 April 2018

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income for the first 12 months of self-employment, and on actual income or the National Living Wage, whichever is greater, thereafter

10.4 That the CTR discretionary support scheme as set out in Appendix 4 is adopted from 1 April 2018

11. APPENDICES

- Appendix 1: Consultation Report
- Appendix 2: Proposed CTR Changes – Explanatory Notes
- Appendix 3: Equality Impact Assessment
- Appendix 4: CTR Discretionary Support Scheme

12. BACKGROUND DOCUMENTS

- Local Government Finance Act 2012
- CBMDC Council Tax Reduction scheme
- CBMDC Medium Term Financial Strategy
- Executive Report: A CTR scheme for 2018/19 - 10 Oct 2017
- The Equality Act 2010

Consultation Report

Introduction

This report summarises the results of the responses to the consultation questionnaire about the proposed changes to the Council Tax Reduction scheme for 2018/19, carried out by Bradford Council's Revenues and Benefits Service.

Methodology

The survey was undertaken via an on-line survey which was widely publicised through;

- Press releases
- Social media
- Gov. Delivery – the Council's communication tool
- Council's internet and intranet pages
- Cascaded to advice services via the lead contractors for the Council's commissioned advice services
- Bradford Community Advice Network (CAN) newsletter which is sent to numerous organisations across the district (some will overlap with the commissioned services above)
- Incommunities' social media
- Manningham Housing website
- Information screens in Customer Services

The aims of the consultation were to find out if people agree or disagree with the proposals to;

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater

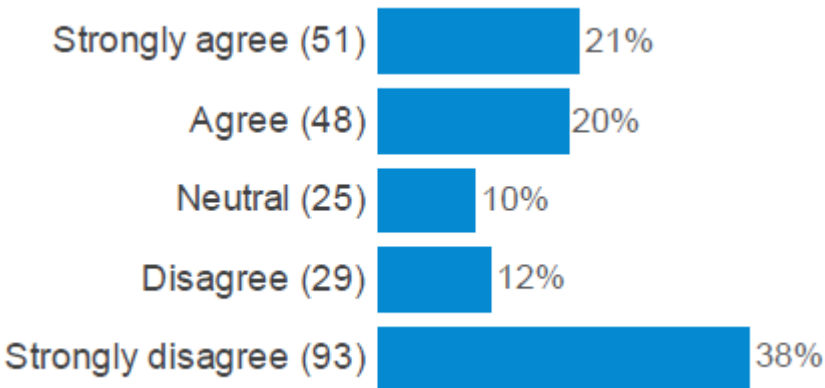
The consultation also sought views on the requirement for a support scheme to help those in severe financial need as a consequence of changes to the scheme

Response Analysis

There were 246 responses to the survey

- 87% of respondents were of working age
- 48% of respondents identified themselves as Female and 43% identified themselves as Male
- 25% of respondents are in receipt of Council Tax Reduction
- 11% of respondents are in receipt of the severe or enhanced disability premium
- 6% of respondents are in receipt of Carers allowance

Q1: Do you agree or disagree with the proposal to reduce the maximum amount of Council Tax Reduction a working age claimant can receive by calculating Council Tax Reduction based on Band A property with a maximum entitlement of 70% for all claimants?

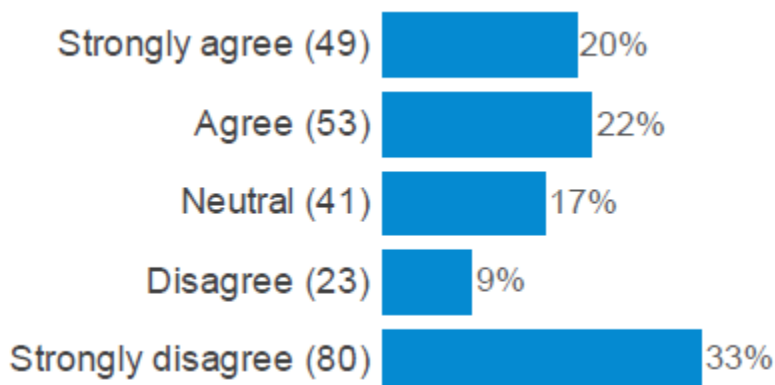


Comments received

- happy to have CTR set to 70% of Band A only however I think this is targeting the disabled and vulnerable in the community by applying this to those who previously received 100% CTR. the vulnerable groups should be set at up to 100% of Band A
- As a carer I think it's disgraceful that you are targeting people who save you millions and millions of pounds a year providing free care that you're responsible for. If I were forced to pay council tax I would be forced into working , I would then be entitled to an increased care package to accommodate this
- Our only income is fostering allowance and tax credits and carers the boys get DLA. We get 50% reduction. We may struggle if this is removed
- No changes for disabled and their carers
- Claimants in the Bradford Vulnerable scheme living in larger households would lose the most. 1) these are the most vulnerable people in the city and 2) they have relatively little control on the size of the house they live in. We can't expect vulnerable people to move homes
- The percentage reduction should apply to the property band that the claimant resides in and not just to band A. It's misleading to call it a 70% reduction and unfair to apply it this way
- I don't understand the idea of treating all properties as band A if a person is on benefits and live in a larger property they will probably be struggling to meet other bills so increasing council tax on top of that wont help
- I disagree with the wholesale removal of 100% relief for disabled households and their carers. I would ask you consider keeping some discretion for relief in households with disabled children under 18, or the physically disabled. By definition, they tend to need larger houses and as such face higher bands/bills
- I find it completely outrageous that you can find the money for people who claim a higher rate of benefits to have a 100% reduction on Council Tax, yet continue to try and squeeze as much as you can from those who claim the barest minimum allowance, who still have to find money to heat their homes, feed themselves and pay water charges in addition to trying to fulfil the obligations set down by the job centre - which for some will now mean increased travel.expenses due to closure of smaller Job Centre offices
- poorer people would end up pay more, in real and relative terms, when compared with this living in band b properties

- People in the higher band council tax brackets have higher valued property & have contributed higher rates, poll tax, Council tax as applicable. Why then should they not receive the current level of discount? It's not a fair proposal
- I think the most vulnerable should still be entitled to 100% reduction if receiving enhanced Mobility and/or Care or High Rate DLA. however those who are of working age and on Work benefits e.g JSA or Non Support Group ESA benefits (not in receipt of DLA/PIP Enhanced or equivalent) then reduce their entitlement to 70% plus 1 other proposal
- Reduce the maximum amount of Council Tax Reduction a working age claimant can receive by calculating Council Tax Reduction based on EXISTING PROPERTY BAND with a maximum entitlement of 70% for all claimants
- 100% should remain 100% for carers, those in support group etc
- An assumption has been made that claimants in higher band properties, despite means testing of income, should receive less reduction. Many families are asset rich (if bands b to d can be called that) and cash poor

Q2: Do you agree or disagree with the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week?

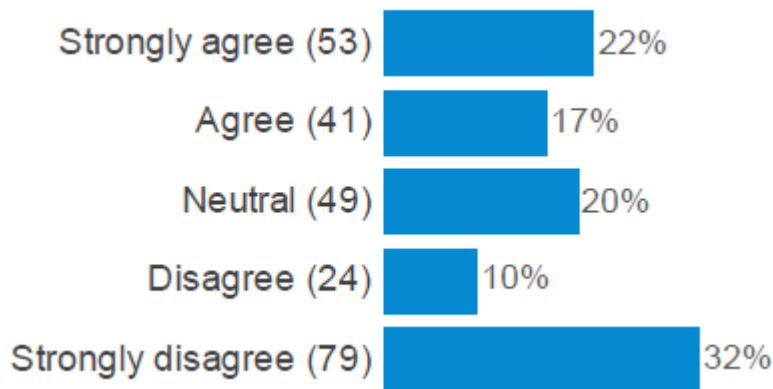


Comments received

- a minimum entitlement of £4.00 per week on top of proposals to reduce eligible Council Tax to 70% Band A would be a double financial blow which many people would struggle to manage. if a minimum level of CTR has to be set I would propose to start this in year 1 at £1.00 then perhaps increase this over a 2-3 year period to reduce the impact
- The minimum entitlement of £4 per week could see already hard pressed residents lose over £200 per year at a time when welfare reform austerity still has to fully play out
- It is my concern that by removing the £4 entitlement will punish working families on low incomes. In Bradford East rates of child poverty are nearly 40% in some areas. I have real concerns about these proposals and the number of families that may fall into poverty as a result
- Minimum Council tax reduction set too high at £4 per week
- The proposal to introduce a minimum CTR entitlement of £4 per week will have a serious impact on people with a low income. £4 per week can amount to a meal for a family of four and several meals for a single person. This measure will severely affect the amount of food or heating a family can purchase. It is 5.5% of the total income for a person on JSA of £73.10 per week.

- I believe the proposal to introduce a minimum £4 per week minimum entitlement of £4 per week is a dreadful proposal. This could easily equate to two meals for a single person - or a meal for a family of 4
- strongly disagree with £4 minimum entitlement as even 'little' help can go a long way for people in most desperate situations
- £4 minimum is ridiculous! £12 p/m makes a huge difference to those on very low income, can mean a week of meeting basic necessity such as £12 for gas/electric top-up, £12 more for food
- Introduce a minimum Council Tax Reduction entitlement of £2 PER WEEK

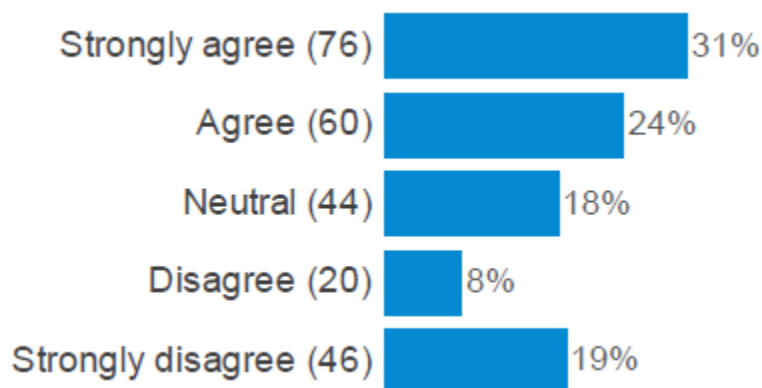
Q3: Do you agree or disagree with the proposal to remove the Second Adult Rebate?



Comments received

- there are not many people on second adult rebate so its best to remove the scheme
- sensible, both in terms of administrative simplicity and a reduction in disruption/uncertainty for claimants

Q4: Do you agree or disagree with the proposal to only apply a change of circumstance if it will affect the claimant's entitlement by £1 or more per week?

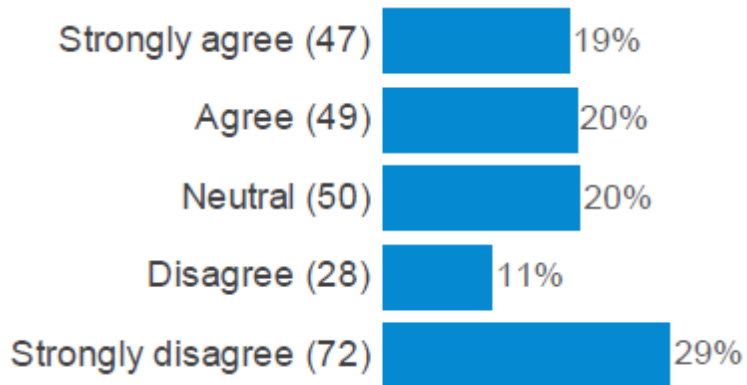


Comments received

- The change in circumstance minimum entitlement change of £1 per week could reduce entitlement by over £50 a year in some cases. Could more automation of the change process be the answer as this one is about reducing direct costs of running the scheme

- I am broadly in agreement
- Only apply a change of circumstance if it will affect the claimant's entitlement by £1 or more per week

Q5: Do you agree or disagree with the proposal to assume a minimum level of income for self-employed people when they claim Universal Credit?

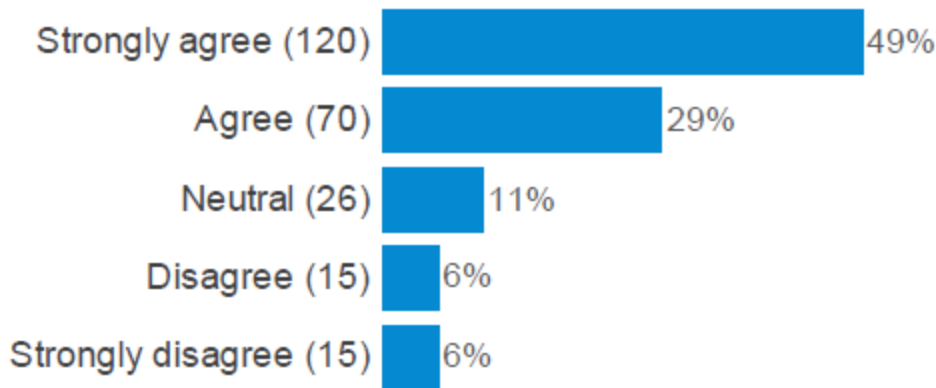


Comments received

- Assuming a minimum level will greatly penalise those who are trying to set themselves up as self-employed and whose businesses are only in their infancy (and so not bringing in much money). In my experience this will particularly impact single mothers who are trying to secure a source of income for themselves and work round their family commitments
- For self employed make sure that the maximum number of hours of work assumed doesn't exceed 37. There are people who hold down more than one job one of which might be self employed so the hours worked for the non-self employed one should be adjusted accordingly
- The self employed people, either earn enough to pay their bills, or find a job that pays
- Disagree with self employed income being disregarded for first twelve months of self employment. This is unfair upon paid employees and an obvious opportunity for abuse of the scheme
- Yes I am self employed and my wage depends on people's ability to pay. If you give them less. I too get less. Which means I cant pay you either. Think about the knock on effect of your decisions
- I don't understand the logic of assuming minimum earnings of living wage x 35 hpw if this is greater than a self employed claimants actual earnings. A significant difference between the two would result in grossly unfair treatment of self employed applicants compared to those who are employed. Actual earnings should be considered
- Assuming minimum of income for people does not calculate correct information, this will just cause more problems and the same problems as assume calculations now. Also band a property for people who work wouldn't be fair if they live in a band d property
- very regressive step and is likely to lead to claimants giving up their self-employment and returning to job seeking. This is contrary to the Government's stated intention to improve work incentives
- deeming an income for a self employed person at minimum wage is beyond stupid. People in self employment often exist below minimum wage for extended periods of

far greater than a year, by the simple fact that minimum wage doesn't apply to self employment

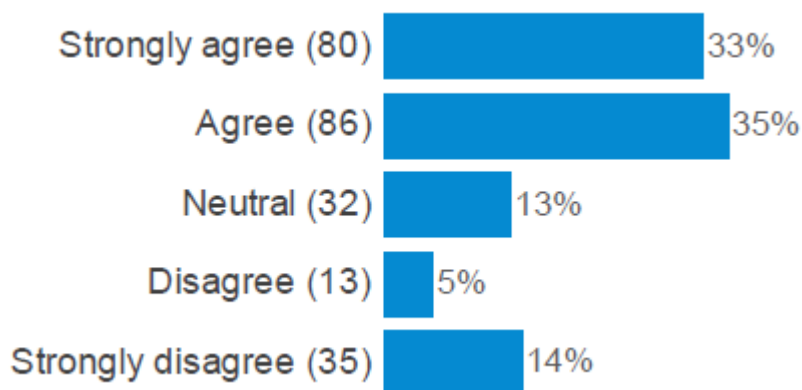
Q6: Do you agree that the council should provide some support to those affected by changes to the scheme?



Comments received

- I would say it is unnecessary both in cost and time to set up a new scheme to assist those in hardship. more forms, assessment time. reduce the impact on all vulnerable groups rather than create a separate hardship scheme
- There should also be safeguards to ensure that no person is driven into poverty due to these changes.
- Yes without a doubt
- provide some ready reckoners and phase in the reductions incrementally
- By having a support scheme it appears that it is being admitted that some of the proposals are unfair and unfit from the outset
- if the claimants circumstances don't change and they can't afford to pay it now, they won't be able to pay it in a years time either
- Keep the Bradford Vulnerable Scheme and restrict to 95% this year, then 90% next year and so on.
- keep it simple. do not have a hardship fund. this is just another complication and is unnecessary

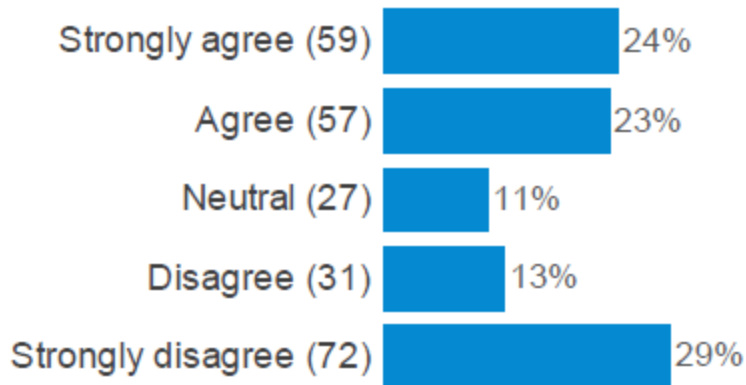
Q7: Do you think support should be means tested?



Comments received

- definitely means tested and household members tested
- Means testing ok but bear in mind disabled people get enhanced disability premium/severe disability premium and the support component of ESA, and PIP care and mobility because they have to pay for expensive disabled equipment and lots of other things that are essentials for daily living. you should ignore this income in your means testing.
- How many forms of means testing does an individual have to go through
- Means testing should apply as people that can afford to pay for services should pay and not claim support if they don't need it leaving more money available for people that do need it

Q8: Do you agree that 1 year allows sufficient time for people to adjust their budget so that they can pay the increase in their Council Tax bill?



Comments received

- people can adjust their budgets but still wont be able to afford the big increase in their council tax those people on benefits who are currently getting council tax reduction are already in arrears with their council tax and other bills and if they have to pay up to £4000 per year with also cuts to child tax credits for 2 children wont have the money there to pay the increase
- Do you think we will have more money in one year ?
- One year is not sufficient time for people to adjust their budgets - they simply do not have enough money to eat and heat their homes
- the transitional period should be nil. Instead the changes should be publicised in advance of them coming into effect
- an extended period to adjust budgets should be considered to vulnerable groups
- Many people have insufficient leeway within their limited budgets and no length of time will be sufficient for them to adjust
- people with long term illnesses or disablement need longer that 1 year sometimes to adjust their budgets especially if losing their jobs and have homes to pay for, mortgages etc
- not if people are genuinely not able to increase their income
- given that benefits are being frozen and prices generally going up there is no way people can adjust their budget for paying significantly more council tax
- With the notice period of 12 months i feel it is fair and transparent to all

Additional comments submitted

A number of comments were also received in relation to the proposed changes and are summarised below as general comments and comments about how the Council could save money or increase income.

General comments

- The amount of single hard working parents this would effect would be massive, further increasing child poverty in the Bradford district
- These proposal will lead to financial hardship for customers you currently class as being 'Vulnerable', and will also impact more greatly upon larger families in higher band properties
- No suggestions other than you know this will push people into further debt and poverty
- If I have read this right, you are expecting people who have no, or very little income to pay, or pay a higher proportion towards Council Tax. This is not fair, and will not work, as people in our circumstances do not possess this money. We all struggle enough to eat, (food banks is not living !!) so there will be people, if it goes ahead, in debt again to Bradford Council
- I strongly believe that everybody should contribute to the council tax we all benefit from the council/central government services
- Based on my experience people on low incomes already struggle to pay 75 so 70 (which based on your calculations is about £3 a week) percent is far too high. Everything except income is increasing
- whatever cuts are made, those who are poorest, disabled or extremely vulnerable in other ways must be protected. Council tax is a charge where non payment can ultimately end up with a person having a criminal record. THIS is not an area where what amounts to cuts should be made. The council should share more publicly with the community the pressures being faced and consult more widely on what the mass of people is prepared to accept losing or diminishing with cost-cutting.
- The areas you chose to ignore and strip of facilities should get a reduction in council tax. Queensbury are getting stripped of all its facilities and is a hot spot for crime with being ignored. Disguting having to pay money for a poor service
- I feel that persons on benefits who claim a minimum income of 74 pound per week really struggle
- Why aren't they doing more for the vulnerable and poverty stricken? Why must we suffer?
- As funds are already given by central government to councils for just this very thing. Then any alterations are illegal
- I think MPs in London should take a paycut. The banks have cause this mess, they should pay the public.
- The people that are going to suffer, are people who are already struggling
- I know I cannot afford even £5 a month. If I have to pay I won't have any money for food at all and I will have to not put on my heating
- I think people should have to have some form of contribution to pay regardless of income
- Look into a reduction for foster carers, taking into account the recent cuts
- You should promote discounts to those who keeps the property clean and in good condition it is a shame to see some neighborhood in a such bad conditions
- all these changes will confuse the people who are vulnerable

- those who are on benefits are already struggling to pay 25% towards the bill, and with all other changes (benefit cap etc) they won't be able to pay up to £400.00 year
- Council tax should take everything into consideration e.g single parents, elderly who have members who take care of them by sharing the care but have to work, and those that work part time and don't earn much. Please don't punish the above struggling as it is
- Whilst your budget is being reduced, unfortunately, so are benefit entitlements. As someone on long term sick because of severe health issues, I've not had an increase for inflation since ESA came in. We are all living on much less money, and you are demanding that even those on severe disablement, who haven't the option of working to improve cash flow should suddenly find 30% of their council tax, more if they live in a nicer house
- People are struggling enough, losing homes having to use food banks can't afford heating etc. MPs don't have to worry about where their next 50p is coming from. I work 20 a week as well as Care for family members so they can either work or due to illness, I find it very difficult to survive on the money I have. When I've paid rent council tax (even with some reductions) I can't afford new foot wear or warm clothes for winter etc I don't even have £5 a week spare. Everyone is being pushed in to poverty, no body should be living in poverty in this day and age
- A considerable amount of research has been undertaken since local CT schemes were introduced in 2013 (see NPI research for 2016, for e.g.) and have shown a significant increase in CT arrears. Clearly, further reductions in entitlement are likely to lead to increased indebtedness for our clients and more pressure on an already very busy service
- It is morally wrong to expect the poorest people to contribute more. Govt policy is already pushing these people into poverty. Our local authority shouldn't add to this
- The poorest people in Bradford should always have the maximum discounts applied. Disabled and carers should have no Council Taxes at all applied. This section of society save Councils thousands of pounds of care costs by staying at home and caring for their families.
- The amount payable should be calculated upon what you receive for it. The amounts payable should be proportionate to the services received.
- Council tax reduction should not be changed. People are already struggling to make ends meet due to government austerity, this proposal will only worsen the situation and drive more people into poverty.
- I find this amendment to council tax payments to be completely in conflict with requirements of the local economy and find the fact that this change is not taking in to account the amendments created by universal credit. As the amendment to the council tax subsidies will mean that individuals have less to spend and therefore businesses in the city will suffer and therefore further increase the risk of unemployment or low income families
- Promote discounts to those who care about the properties
- I think whether people work or don't work should pay the same amount of Council Tax. People who work are penalised and people that don't work should be made to pay full Council Tax
- I feel that council tax owed should automatically be repaid at 4 pound per week out of benefits instead of court orders which cause poverty
- something needs to be put in place. appoint an officer to coordinate support with other voluntary agencies and local community schemes

- Those that recycle to the max should be considered for help, those that volunteer in the community should be given help or not charged extra tax
- If implemented will all Labour councillors and employees be asked to claim only 70% of any expenses and allowances due as an recognition of the belt tightening necessary in CBMDC?
- broaden 100% reduction to include all rates of disability benefit
- I would protect the disability and reduce for those who choose not to work who are able bodied
- I am disabled and strongly do agree that we should pay at some as we are the most likely to abuse a council service ie adult support services and waste more rubbish due being at home more often
- The proposed changes appear to be fair and measured
- The people who benefit are the most vulnerable and poor in society and they need to be helped financially not further forced into poverty Particularly disabled and their carers who have no choices in their situation. Carers save the council a massive amount of money, spend the savings making their lives easier not harder
- Why not Scrap the scheme all together. If we are going to charge those with low incomes anything then why not charge them the full amount. If the person then struggles to pay your could do the means test and decide if they can afford to pay
- I don't agree that Bradford residents should assume they do not have to contribute towards paying Council Tax
- work with the advice sector to make the claim process seamless from claiming CTS. Use trusted partner status
- Introduce a living wage in Bradford
- Support with finding alternative properties with cheaper council tax bandings. There are sometimes people living in very big properties which they don't need to be in. They can't be forced to move but should be supported with info if they want this. Promote things like taking in a lodger - I believe there are some tax perks to this. It also helps with our single people struggling to find a decent affordable place to live.
- Stop taking them to court and adding the costs onto their bills
- I fully endorse your proposals as a council tax payer of over 30 years
- when any one takes stuff for recycling the money from the recycling should be taken off their council tax
- maximum of 4 pounds pw out of benefits or reduce it to 2 pound pw as court orders are causing expense and more poverty court orders cause people debt and make situation worse
- Lots of the just managing find full rates a struggle and therefore going without essentials

Comments about how the Council could make other savings or increase income

- 10% charge for students
- Why not ask single adult households to voluntarily pay more. Wealthier ones might choose not to have their 25 p.c. rebate to protect services
- Increase the CT in the higher band properties instead of kicking the poor, we are already seeing many people in desperation with the changes to support for mortgage interest
- Please look at alternatives to collect the money !! Parking, Passport to Leisure, and other ways the money can be collected

- The newly purchased car park should be sold to fill the gap in funding, the quality of life for disabled people and their careers is more important than buying assets the city clearly can not afford
- invest time in educating people to better manage their finances will benefit all in the long run
- Further example of chipping away at benefits which will mean more of the poor and or disabled will fall below the poverty line. I would prefer if the Council could object strongly to central government to retain the Revenue Support Grant at existing levels
- households with large occupancy should pay more - there are sometimes 3 or 4 working in one household and yet they still pay the same as other households with just 1 or 2 working, nowadays families are living together so council tax should be based on amount of working people in house
- Maybe money could be created by means testing cold weather as loads of well off people said they'd be happy with that, and maybe means test child allowance and reduce it to 2 kids
- Sack some council staff
- empty properties shouldn't have to pay council tax
- support should be through education and advice and not financial
- Why don't you look at more paid parking areas? Ilkley, were I live would bring in a good revenue
- Collect unpaid taxes from corporations
- Leave them alone and look at cutting councilors and their expenses instead
- I really think a scheme of 'Pay What You Can' should be brought in to force
- working along side advice agencies, schools/colleges to educate and advise people on how they can best manage their finances. giving people money rather than the methods and knowledge to manage going forwards does not solve issues on a longer term basis
- Reduce the amount paid to councilors in allowances by at least 30%. Cap allowable expenses
- if someone is working in the household on a good wage dont give disabled discount to the household, make the wageowner pay something
- Local sales tax. A fee to pay monthly
- increase non dep charges
- By not filling the post of Director for Corporate Services the money saved can be used towards supporting the most vulnerable. The council already has far too many layers of managers
- Please put up Council tax up for those in higher brackets
- you could help everyone, not just those least able to pay, by reducing the bills by scraping the parish council fees from the council tax bills
- Try making developers pay per house for planning permission rather than same fee as someone building a private extension. Costs to the council are huge, public are sick of watching councils being kicked all round the place by powerful developers
- Increase council tax on empty properties
- Why not charge £1 more on all rents paid to you
- Quadruple the CT bill for empty houses after a short buffer
- The scheme to me is correct - and as a council I would be pressing the government to produce a white paper so we can change the council tax regulations law to charge full time students 10/20% council tax

- Get tough on people that don't pay their justified share! Many people think non payers 'get away with it' and that's not right for honest households that pay extra for these people that don't think they have to pay
- Any changes should not be asking poor people that cannot afford to pay more to contribute monies they don't have. Better off folks should pay more, add another Council Tax band (or bands) if need be
- I suggest changes to the single person discount scheme too. You can live in a 3 bedroomed house alone and get 25% reduction
- The Mayor must go why have a mayor this is expense and should be out got rid off
- More effort into investigating false claims
- Sell the £4m car park purchased that made this shortfall
- Sell some assets
- Dismantle BMDC into three smaller councils which will save over 35% of the current overall costs
- more on the spot fines for fly tipping and littering
- Better support from central government resources derived from our taxes etc.
- Increase the cost of Council Tax on higher property bands, allowing jobseekers to volunteer for the Council and so increasing the amount of reduction they can get
- Why not increase council tax by 10% and give the full support to all those who need it
- dimmer street lighting with better sensors so lights aren't on needlessly
- keep building social housing that as a council we can get an income from
- I would first cut the amount of councillor's down by 50%
- Tourism, Tourism, Tourism. Every month a theme within our town of Keighley. 50s, 60s, 70s themes. Different organisations doing their stuff
- how about selling off or renting out some of the 4000 plus pieces of art we currently have literally wasted in storage bringing no joy nor money to the council or it's constituents
- charge admin fee of £5 for Metro pass and increase the blue badge to £15
Increasing the price of Leisure Pass also

Conclusions

There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed, with 38% strongly disagreeing

Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed

Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against

Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal

39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

The results of the consultation show that there is concern that the proposals in conjunction with other cuts to benefits will increase hardship and debt in the district.

There was also concern about non-payment of Council Tax by those who will now struggle to pay and that this should be taken in to account when looking at the recovery of council tax.

There was overwhelming support for introducing a scheme to help those who find themselves in severe financial need as a consequence of any changes to the CTR scheme.

Proposed CTR Changes – Explanatory Notes

1. Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants

The maximum amount of CTR for all claims will be 70% of the appropriate Band A charge. Account will be taken of any single person discount, for example the maximum for a claimant who is a single occupier would be 70% of the Band A charge less the 25% single person discount.

Account will be taken of local precepts, meaning someone claiming in an area with a parish or town council precept will have their claim based on the Band A charge plus the relevant local Band A precept charge less any relevant discounts that may already have been applied, such as single person discount or a disability band reduction.

2. Limit entitlement of CTR to those that qualify for £4.00 or more per week

Should weekly CTR be calculated at less than £4.00 per week then the claimant would be treated as having nil entitlement.

3. Remove the Second Adult Rebate

The removal of Second Adult rebate would apply to those claimants of working age only, it would still be available to those of pension age under prescribed legislation.

Entitlement to a second adult rebate is based on the income of the second adult, not on the income, or ability to pay, of the person with the Council Tax liability.

Removal of the second adult rebate would not prevent a claimant on a low income from applying, or being eligible, for CTR as with any other low income household..

4. Introduce a £1 Minimum Change threshold

A change in circumstances that results in a change in entitlement of less than £1.00 per week the award will remain unchanged. When changes, individually or cumulatively, result in a change of entitlement greater than £1.00 per week, the award will be changed.

This means that small changes in entitlement are not ignored, but are only applied to the account when the award changes by more than £1.00 per week.

5. Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater

The minimum level of income for the self employed would only apply when the claimant moves onto Universal Credit. It would not be applied for the first year the business is in operation/self employment.

This Minimum Income Floor (MIF) is an assumed level of earnings for a self-employed claimant and/or their partner that matches their work expectations. DWP will determine the work expectations through the UC assessment process. The MIF is calculated by multiplying the number of expected hours by the National Minimum Wage for the claimant's or their partner's age group and deducting the relevant income tax and national insurance

Equality Impact Assessment



Section 1: What is being assessed?

1.1 Name of proposal to be assessed:

A Council Tax Reduction scheme for financial year 2018/19

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

The intention is to reduce the cost of the working-age Council Tax Reduction (CTR) scheme, and to mitigate the adverse impact of Universal Credit on the administration of Council Tax Reduction.

These objectives will be achieved by changing, adding to, or removing certain elements of the 2017/18 CTR scheme to create a revised CTR scheme for implementation in 2018/19. It is proposed to;

- Set the maximum CTR for all working age recipients at 70% of a Band A property for all claimants
- Limit entitlement of CTR to those that qualify for £4.00 or more per week
- Remove the Second Adult Rebate
- Introduce a £1 Minimum Change threshold
- Assess self-employed in receipt of UC on actual income or the National Living Wage, whichever is greater

All claimants of working age would be affected. Those claimants of pension age would not be affected as they come under a prescribed national scheme which the Local Authority cannot alter.

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

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

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.

No

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.

No

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

Yes

Council Tax Reduction schemes are part of the national Council Tax regime as defined in the Local Government Finance Act 1992 (Section 13A). The CTR scheme for pension age claimants is prescribed nationally and cannot be amended by the Council.

The CTR scheme for working age council tax payers (the scheme under consideration) is locally defined. Assessment of entitlement is based on financial need and is, therefore, neutral in regard to the protected characteristics.

Age, disability and gender are the only data collection requirements necessary for the assessment of Council Tax Reduction. Data in relation to other protected characteristics is not routinely collected, or not collected. E.g. claimants can self-identify ethnicity, but are not required to do so; data on religion is not collected.

Age

The CTR scheme for pension age claimants provides for greater protections than the Council's CTR scheme for working age claimants. The scheme for pension-age claimants is prescribed nationally, while the discretion afforded to billing authorities is restricted to people of working age.

Protections for pension-age claimants are secured through legislation, and are, therefore, statutorily excluded from the Council's CTR scheme. Conversely, the prohibition on discrimination does not mean that there is a requirement that the Council, as the billing authority, must always exercise its discretion to treat those subject to the working-age scheme in the same way as those who are statutorily excluded from it.

Disability

If the proposals to amend the scheme are approved, claimants in receipt of the severe or enhanced disability premium could lose proportionally more CTR than the working age cohort as a whole (with the exception of Carers); and are, in addition, disproportionately represented amongst working age claimants.

The general cohort could see their maximum entitlement reduced from a maximum 75% to 70% and capped at Band A property, whereas those in receipt of the Severe or Enhanced disability premium (or Carers Premium) could have a reduction from a maximum 100% of their Council Tax liability to 70%, capped at Band A.

CTR is a means tested scheme in which entitlement is assessed on income and household composition. In the case of disabled claimants, the income from disability related benefits (with the exception of employee support allowance) is ignored. This places the assessment of disabled claimants on the same footing as non-disabled claimants in terms of income.

It should also be noted that there are measures in place in the Council Tax liability scheme that seek to provide additional support to disabled claimants;

- by exempting from paying Council Tax those that have a severe mental impairment (which will not be affected by the changes to the CTR scheme)
- where a disabled person has a room which is adapted or additional to meet the needs of that resident, the Council Tax Band attributable to that property is reduced before calculation of CTR entitlement is made

Gender

There is a disparity in the number of male and female CTR working age claimants overall. The CTR caseload is made up of (11,527) 39% male and (18,029) 61% female claimants. The impact of the proposed changes to CTR, are, therefore, more likely to affect a greater number of female claimants than male claimants.

Ethnicity

The table below provides an overview of the current CTR caseload by ethnicity. It is not yet possible to evaluate the extent of the impact of the proposed changes to CTR scheme based on ethnicity.

Ethnic Background	Total	% Caseload
Arab	30	0.1%
Asian or Asian British: Bangladeshi	656	2.2%
Asian or Asian British: Indian	384	1.3%
Asian or Asian British: Pakistani	5367	18.2%
Asian or British : Any other Background	426	1.4%
Black-Black British: African	227	0.8%
Black-Black British: Caribbean	275	0.9%
Black-Black British: Other	45	0.2%
Chinese	12	0.0%
KASHMIRI	150	0.5%
Mixed :Any other mixed background	88	0.3%
Mixed: White and Asian	204	0.7%
Mixed: White and Black African	37	0.1%
Mixed: White and Black Caribbean	200	0.7%
NOT KNOWN	4142	13.9%
White: Any other White background	1078	3.6%
White: British	16009	54.2%
White: Irish	223	0.8%

Low Income/Low Wage

The CTR scheme is in place specifically to help those on a low income and with a council tax liability. Any reduction in entitlement to CTR will have an adverse financial impact on low wage/income claimants.

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)

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

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

A discretionary scheme could be introduced to help those recipients affected significantly by the changes to the scheme. This would be based on assessing the claimant's ability to pay any increase in council tax arising from the scheme changes; with individual awards based on the circumstances of the applicant.

A limit or cap on the maximum amount of CTR an individual claimant could lose would help mitigate the impact of the changes, particularly for those currently in receipt of 100% CTR and living in higher Band properties.

Section 3: What evidence you have used?

3.1 What evidence do you hold to back up this assessment?

Information on claimants is held on the Council Tax Reduction database, which includes information on age and disability. It should be noted that the information held is in regard to the claimant with a council tax liability. Information on other occupants in the household is not routinely collected (except in the case of someone in receipt of the Carers Premium or where it would affect the calculation of eligibility).

3.2 Do you need further evidence?

No.

Section 4: Consultation Feedback

4.1 Results from any previous consultations

N/A

4.2 Feedback from current consultation

A six week public consultation on the proposed changes has been undertaken.

The key outcomes were;

- There were some strong opinions about the proposal to calculate Council Tax Reduction based on a Band A property with a maximum entitlement of 70% for all claimants. 41% of respondents agreed with this proposal. However, 50% disagreed, with 38% strongly disagreeing
- Opinion was split equally on the proposal to introduce a minimum Council Tax Reduction entitlement of £4 per week. 42% of respondents agreed with this proposal and 42% disagreed
- Opinion was divided on the proposal to remove the Second Adult Rebate (2AR), with 39% in favour and 42% against
- Respondents are mostly in favour of only applying a change of circumstance if it will affect the claimant's entitlement by £1 or more per week, 55% are in favour and 27% disagree with the proposal
- 39% of respondents agreed with assuming a minimum level of income for self-employed people when they claim Universal Credit. However, 40% disagreed with the proposal. Of the respondents, 10% (24) declared themselves as self-employed

When asked about the need for support to help those affected by the changes;

- 78% of respondents thought that those affected by changes to the CTR scheme should receive some support
- 68% agreed that support should be means tested
- 47% thought that 1 year was sufficient time to allow people to adjust to the changes, but 42% thought it was not long enough

4.3 Your departmental response to this feedback – include any changes made to the proposal as a result of the feedback

It is proposed to recommend to Executive that a means tested support scheme is established.

It is proposed to set a limit on the maximum loss of CTR that a claimant will have, to a maximum of £15 per week. This will not prevent claimants applying to the new proposed support scheme if further financial assistance is needed.

The impact changes to the CTR scheme on protected characteristics will be monitored to see if any adjustments should be made going forwards.

The CBMDC CTR Discretionary Support Scheme (CTRDSS)

Principles of the scheme

Available to those in receipt of working age Council Tax Reduction (CTR) at 31/3/18 who are adversely affected by changes to the scheme introduced from 1/4/18.

It is to allow a period of time for people to adjust their budgets to reflect the changes to the CTR scheme.

There will be no entitlement under the CTRDSS for those whose reduction in CTR is less than £5.00 per week.

Any award will not exceed what would have been awarded under the CTR scheme prior to any changes being implemented

Summary

Awards under the scheme will be available to those who are suffering exceptional financial hardship resulting in an inability to pay the additional Council Tax liability arising from a reduction in their CTR due wholly to changes in the scheme. It is a requirement that the claimant must have been entitled to CTR at 31/3/18.

The start date of the scheme will be 1/4/18

Any award will be for the financial year in which the claim is made.

Those of Pension age are excluded from this scheme as they are not affected by the changes because they are subject to a nationally prescribed CTR scheme.

Application Process

There will be no automatic award under this scheme; people will be required to make an application. Applications will be accepted at any stage after the liable person has received their annual Council Tax bill.

Financial considerations

When making a decision if there is exceptional financial hardship, account will be taken of household income and expenditure in order to determine if there is surplus income with which to pay the shortfall due to the reduction in CTR.

- income, including universal credit and child benefit will be considered
- savings will be taken into account
- the income of other adults living in the household will be considered
- specific allowances will be made in respect of actual expenses incurred by the claimant and their partner to cover extra health-related expenses for example

Other factors that may be taken into account include;

- Does the claimant have other debts? Have they sought advice on how to clear their debts? Can the claimant re-negotiate non-priority debts, such as credit card agreements?
- Can the claimant change their spending pattern on non-essential items?
- Is the claimant entitled to other welfare benefits that they are not claiming?
- Is the claimant in work but with high travel costs, because of distance from work or shift

patterns?

It is expected that the weekly contribution of a non dependant towards the council tax will be at least the amount of the non dependant deduction from the CTR scheme.

Exceptional Circumstances

When determining if there are exceptional circumstances account will be taken of the claimant's individual circumstances and whether the claimant has circumstances that are different or unusual to other claimants who have been adversely affected by changes to the CTR scheme. There is no definition of what exceptional circumstances are, as each case will be by nature unusual

An award can only be made if the claimant does not have sufficient funds to pay any additional Council Tax liability resulting solely from changes to the CTR scheme, based on the comparison of their income and essential expenditure.

Essential expenditure will vary based on a claimant's individual circumstances so there cannot be a definitive list, but would, as a minimum, include reasonable expenditure on utilities, food, clothing and costs to obtain employment.

The discretionary nature of this scheme will require consideration of individual circumstances based on supporting information that demonstrates exceptional hardship.

Period of Award

Any award would commence from the date of receipt of the application and last until the end of the financial year. Any award will be fixed unless liability ends or the claimant leaves the working age CTR scheme. Credits arising from a hardship award will not be refunded. Should a claimant change address then the hardship award will continue provided there is no gap in the CTR claim.

There is no provision in the scheme for an award to be backdated.

Amount of any Award

Any award will not exceed that which would have been awarded should entitlement have been calculated based on the scheme as it stood at 31/3/18.

It is expected that applicants will avail themselves of support from appropriate organisations to enable them, for example, to be able to manage their budget.

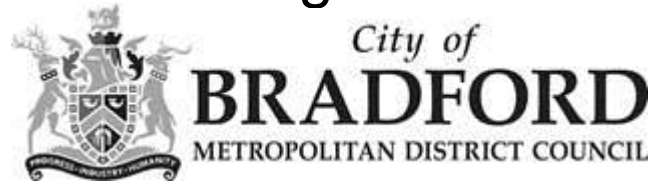
Awards will be made based on the Council's assessment of what is needed; it will not necessarily be the full amount of the CTR reduction and cannot be more than the loss incurred through changes to the CTR scheme.

Appeals

If an applicant is dissatisfied with a decision, they may ask for it to be looked at again. Such a request should be made in writing and give the reasons why they believe the decision to be wrong.

Should the review request be unsuccessful and the decision confirmed and the claimant remains dissatisfied they may appeal. Such an appeal would be made directly to the Valuation Tribunal for England who would undertake an independent review. The appeal to the Valuation Tribunal must be made within 2 months of the outcome of the internal review being notified.

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Report of the Strategic Director Corporate Services to the meeting of the Executive to be held on 9th January 2018

AO

Subject:

CALCULATION OF BRADFORD'S COUNCIL TAX BASE AND BUSINESS RATES BASE FOR 2018-19

Summary statement:

The purpose of this report is to calculate both the Council's Council Tax and Business Rates bases for 2018-19, which in turn will determine the amount of income the Council will raise locally in 2018-19.

The report is divided into two sections. Section A sets out how the Council Tax Base is calculated. It takes into account the Council's Council Tax Reduction Scheme, exemptions and discounts and an estimate of the growth in new residential builds. Section B estimates the amount of income that will be generated from Business Rates.

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Overview & Scrutiny Area: Corporate

1.0 SUMMARY

- 1.1 The purpose of this report is to calculate both the Council Tax and Business Rates bases for 2018-19, which in turn will determine the amount of income the Council will raise locally in 2018-19.
- 1.2 The report is divided into two sections. Section A sets out how the Council Tax Base is calculated and Section B estimates the amount of income that will be generated from Business Rates.

SECTION A – CALCULATION OF THE COUNCIL TAX BASE

2.0 LEGISLATIVE REQUIREMENTS

- 2.1 The Local Government Finance Act 1992 requires every billing authority to calculate its Council Tax Base in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 2.2 These Regulations require each authority to make its own arrangements for deciding the Council Tax Base. For Bradford, the Executive will decide the 2018-19 Council Tax Base.
- 2.3 The Regulations also require Bradford to determine a separate Council Tax Base for each Local Council area (Parish or Town Council).
- 2.4 In addition, the Council Tax Base must be set between 1 December and 31 January. The West Yorkshire Fire and Police Joint Authorities must also be notified of the outcome of the calculation by 31 January 2018.
- 2.5 The purpose of Section A of this report is to
 - a) Calculate the Council Tax Base (i.e. the amount of money which Bradford will raise for every £1 of council tax set) and not the level of council tax which will be set by Council on 22 February 2018 when the 2018-19 Budget is determined
 - b) Calculate the 2018-19 Council Tax Base for each Local Council (Appendix A3).

3.0 CALCULATION OF THE COUNCIL TAX BASE

- 3.1 The starting point for the calculation of the Council Tax Base is the total number of dwellings in the district. On September 11, this number was 215,948 (See Appendix A1, Line 1). This number on this date is used as the starting point because the Council specifically records it for a Government return used to compare tax bases nationally.
- 3.2 The next stage of the calculation is to reduce the dwelling numbers to account for the exemptions available to Council Tax payers. In total 3,398 properties are exempt from paying any Council Tax at all and are excluded from Council's tax base because no tax can be charged on them (Appendix A1 line 2). The largest category of exempt

properties is for dwellings that are wholly occupied by students. Other categories of exempt properties are student residential halls and dwellings owned by charities which are unoccupied for up to 6 months.

- 3.3 A further stage in the calculation is to reduce the dwelling numbers to account for discounts available on the Council Tax payable (Appendix A1, line 4). The numbers on the tax base are reduced in proportion to the amount of tax that cannot be charged. The most significant discount is the Single Persons Discount, where dwellings lived in by only one person are entitled to a 25% discount on their Council Tax bill. For the tax base calculation, therefore, the number of such dwellings are reduced by 25%.
- 3.4 The tax base calculation also reflects the fact that some dwellings pay a premium which increases the Council Tax chargeable (Appendix A1, line 5). For example, dwellings that are empty for more than 6 months are charged a 50% premium on the original Council Tax bill. Therefore, for the Council Tax Base calculation, the numbers of such dwellings are also increased by 50%.
- 3.5 Overall the impact of discounts and exemptions far outweighs the effect of premiums on the tax base calculation. The net overall impact of all the adjustments on the tax base is to reduce dwellings. The starting point, which was 215,948 dwellings, is reduced to 194,631 dwellings (Appendix A1, Line 6).
- 3.6 However, another part of the calculation is to account for dwellings being charged different Council Tax rates according to their value. Value is assessed by placing all dwellings into bands from A to H. Band A is for the lowest value dwellings and band H is for the most expensive. The house price valuations are as at 1 April 1991. Dwellings are then charged Council Tax according to their band. Each band pays Council Tax according to its ratio in relation to the middle band, which is band D. These ratios are shown in the table below:

.Band	Property Value at 1 April 1991	Ratio to Band D
A*		
A	Up to 40,000	6/9ths
B	40,000 – 52,000	7/9ths
C	52,001 – 68,000	8/9ths
D	68,001 – 88,000	9/9ths
E	88,001 – 120,000	11/9ths
F	120,001 – 160,000	13/9ths
G	160,001 – 320,000	15/9ths
H	Over 320,000	18/9ths

(Band A* are properties in Band A entitled to disabled relief reduction)

- 3.6.0 As all the bands are a ratio of band D, the Council tax base can be expressed in terms of band D equivalents. Dwelling numbers are converted to band D equivalents by multiplying the numbers in each band by the ratio to band D shown in the table above. Also band D equivalents multiplied by the band D Council Tax gives the total tax collectable in any one year.
- 3.7 As noted above, the number of dwellings after adjusting for exemptions, discounts and premiums is 194,631. Expressed as band D equivalents, this number is 162,432

(Appendix A1, line 7). Band D equivalents are lower than dwelling numbers because the Bradford district has more properties in lower bands than higher bands.

- 3.8 To complete the calculation of the Council tax base, three further changes are required to the number of band D equivalents. Firstly, householders are entitled to claim a reduction in their Council Tax due to their circumstances – known as Council Tax Reduction (CTR). CTR is expected to reduce the 2018-19 Council Tax Base by 19,464 band D equivalents (Appendix A1, line 8).
- 3.9 Secondly, the total number of dwellings in the district was taken at 11 September 2017 but is expected to increase in the future. The annualised effect in 2018-19 of the increase in dwellings is expected to be 1,074 band D equivalents (Appendix A1, line 9).
- 3.10 Lastly, an allowance has been made for bad debts. A general allowance has been set at 2.25% of billing, reduced down from 2.3% in 2017-18. However, this general allowance has been increased where the tax collection is impacted by new changes to the Council Tax reduction scheme. The overall impact of the bad debt allowance is a reduction of 3,694 band D equivalents on the Council Tax Base (Appendix A1, line 10).
- 3.11 Overall, the effect of these final 3 changes is to calculate a 2018-19 Council Tax Base of 140,348 band D equivalents (Appendix A1, line 11).
- 3.12 The Council has further to consider proposals from 1 April 2018 to exempt care leavers up to the age of 21 and to enable care providers to retain their 25% Single Person's Discount in some circumstances, from 1 April 2018 (Corporate Parenting Panel 13 September 2017). The potential cost of these proposals is £0.3m so are not material in the context of setting the 2018-19 Council Tax base.
- 3.13 Overall the 2018-19 final Council tax base of 140,348 is 3,346 higher than the 137,002 anticipated in the July Medium Term Financial Strategy (Executive 11 July 2017). However, of the 3,346 increase, 3,180 is due to the potential policy change from implementing a revised CTR scheme in 2018-19 (this 3,180 increase is net of the related bad debt allowance for the policy change). Excluding this policy change, there is an increase of just 166 over the July Medium Term Financial Strategy.
- 3.14 Using the 2018-19 band D Council Tax proposed in the budget consultation, a tax base of 140,348 will raise total Council Tax of £185.347m (See Appendix A2).
- 3.15 The final 2018-19 Council Tax Base and its financial implications are already incorporated in the assumptions used in the 2018-19 budget consultation.

4.0 2017-18 ANTICIPATED COUNCIL TAX DEFICIT

- 4.1 Also already incorporated in the assumptions used in the 2018-19 budget consultation is Bradford's share of an anticipated deficit of £0.4m on Council Tax to be carried forward from 2017-18.
- 4.2 A deficit can arise because the actual Council Tax collected is paid into a separate account called the Collection Fund. Also paid out of this Collection Fund are the budgeted shares of Council Tax for Bradford, West Yorkshire Fire & Rescue, the Police and Crime Commissioner. By statute, these budgeted shares cannot be changed once set, regardless of the actual amount of Council Tax collected.

- 4.3 For 2017-18, it is anticipated that the budgeted shares paid out of the Collection Fund will exceed the actual Council Tax collected. As a result, a small deficit is expected, with Bradford's share £0.4m (See Appendix A2). This expected small deficit for 2017-18 will be repaid in 2018-19, by incorporating it into the 2018-19 budget consultation.
- 4.4 The main reason for the small deficit, is that although CTR was expected to reduce in 2017-18 and this has happened, the reduction has been slower than assumed when the budgeted shares were set. A further reduction in CTR has been included in the 2018-19 tax base but this is because of the potential policy changes that will be made to the scheme from 1 April 2018.

SECTION B CALCULATION OF BUSINESS RATES BASE

5.0 OVERVIEW

The purpose of Section B of the report is to provide an indication of the Council's 2018-19 Business Rates base (the estimated amount of Business Rates income it will raise).

Section B provides an indication and not the final 2018-19 Business Rates base. This is because the Government prescribes that the base is set using data as at 31 December 2017, so the base has to be updated after this date.

6.0 BACKGROUND

- 6.1 The calculations for the 2017-18 Business Rates base are made in accordance with the Non-Domestic Rating (Rates Retention) Regulations. The Non-Domestic Rates (NDR1) form, issued by the government each year, provides a standardised framework.
- 6.2 The approved estimate of Business Rates income for 2018-19, alongside the NDR1 form showing the calculations, has to be notified to the Secretary of State and the West Yorkshire Fire and Rescue Authority (WYFA) by 31 January 2018.
- 6.3 The starting point for the calculation of the Business Rates Base is the Gross Rates Payable. The Gross Rates Payable are calculated using the rateable value applied against a multiplier. All commercial property in the district is assessed by the Valuation Office Agency (VOA) and given a rateable value. Against this rateable value, the calculation applies the multiplier, which in 2018-19 will be 0.479p.
- 6.4 The multiplier is uplifted for inflation each year. In previous years, inflation was determined by the Retail Price Index. The Autumn budget statement changed the inflation indicator to the consumer price index. As a result, the inflation uplift was 3% instead of 3.9% using the retail price index. However, the Council will be compensated by the Government for this 0.9% difference via a section 31 grant.
- 6.5 The rateable value is based on an assessment of all non domestic property in the district. It was last assessed at the start of the current 2017-18 financial year. This assessment is called the 2017 valuation. As part of this assessment, a new system for business owners to appeal the rateable values was also introduced. However, an old system of appeals is still in place for a previous assessment of commercial property in 2010 called the 2010 valuation.
- 6.6 The old appeal system is still in place for the 2010 valuation, even though it has been superseded by the 2017 valuation. This is partly because appeals raised against the 2010 valuation are outstanding and awaiting decisions. Further new appeals continue to be raised against the 2010 valuation even though the Business Rates have already been paid in previous years.
- 6.7 As noted above, the starting point for the Business Rates Base is the Gross Rates Payable which is the calculation of the rateable value against the multiplier. In addition, a variety of discounts, known as reliefs, are subtracted before calculating the net rates payable. A common example of such a relief is one given to small businesses on the basis of their level of turnover. The Government sometimes creates new reliefs, for example to provide

additional help to small businesses.

- 6.8 All councils, including Bradford, receive a direct share of Business Rate taxation. As a result, when new reliefs are created, Bradford's direct share is lower. Therefore, the Government compensates Councils with grants for this, known as Section 31 grants.
- 6.9 Under the current Business Rates Retention scheme, which started on 1 April 2013, the Council retains 49% of all Business Rates income that it collects. The other 50% is paid over to central government and 1% to the WYFA. The Retention scheme includes a system of top up grants and tariffs to equalise between the relative needs assessment and the Business Rate income for each authority area.
- 6.10 However, under the current Business Rates Retention scheme, each financial year, by statute, the Council, central government and WYFA are paid a share of Business Rate income equal to the pre-set budgeted amount. The 2018-19 budgeted amounts will be based on this Business Rate Base report that the Executive is being asked to approve. The Council's amount will be part of the 2018-19 Budget set by the Council on 22 February 2018 (subject to updating the data as at 31 December 2017).
- 6.11 Payments in line with the budgeted shares are made out of a separate account called the Collection Fund, as with Council Tax. Receipts of Business Rate income are similarly paid into the Collection Fund. The difference between the payments out and the receipts of actual rates in any year creates a deficit or surplus on the fund. Therefore in setting the 2018-19 Business Rates base and budgeted shares, the aim is also to recover any deficit or surplus arising in 2017-18. However, as the 2017-18 financial year is still ongoing, the deficit or surplus at the end of the year has to be anticipated now.

7.0 THE COUNCIL'S 2018-19 BUSINESS RATES BASE

- 7.1 The starting point for the calculation of the Business Rates base is the rateable value at 31 December 2017 of all non-domestic property in the Bradford district. Currently this rateable value is £390.2m, with shops, banks and post offices making the largest contribution to this amount (See Appendix B1) (this will be updated with 31 December 2017 data).
- 7.2 A multiplier of 0.479p is applied against the rateable value of £390.2m so that forecast gross rates payable are £187.3m (See Appendix B2, line e).
- 7.3 Cautiously, no net growth has been forecast for the rateable value of non domestic property in 2018-19. This forecast is in line with the trend for the current year, in which any growth has been more than offset by reductions in rateable values on other non domestic property.
- 7.4 It is forecast that reliefs of £46m will be provided to businesses in the Bradford district. Included in this forecast are projected increases for small business rate relief, charitable reliefs and empty property reliefs, in line with current and previous year trends. After taking total reliefs into account, the overall forecast net rates payable is reduced to £141.3m (See Appendix B2, Line j)
- 7.5 As with Council Tax, an allowance is made for bad debts. This allowance has been set at 1.75% of net rates payable, with a small contingency of £0.15m (see Appendix B2, Line k).

- 7.6 A further allowance has been made for appeals lodged by businesses against the assessed rateable value for the 2017 valuation. This allowance has been set at 2.16p of the net rates payable, amounting to £8.5m. The allowance is based on the expected average annual cost of appeals set by the Government. As noted above, a new appeal system has been introduced for the 2017 valuation and limited data is available yet to assess the accuracy of this allowance.
- 7.7 The next allowance is the cost of collection, £0.737m, which is also paid out of the Business Rates Base (See Appendix B2, line n). This cost of collection is in effect a fee given to Bradford Council for administering the collection of Business Rates across the district. However, it is a cost to the Collection Fund – the separate account, which holds all the Business Rates collected in anyone year. This cost is charged to the Collection Fund so that it can be transferred to the separate account which is for Bradford's income and expenditure.
- 7.8 Overall, after the allowances for bad debt, appeals and the cost of collection, the Business Rates Base is reduced to £129.4m (See Appendix B2, Line o).
- 8.0 THE 2017-18 SURPLUS/DEFICT BROUGHT FORWARD INTO 2018-19**
- 8.1 To the Business Rates Base of £129.4m is added a small £0.15m (see Appendix B2, line a) anticipated surplus brought forward from 2017-18 into 2018-19. This brings the Business Rates total to £129.6m (See Appendix B2, Line p).
- 8.2 There is a small anticipated surplus for 2017-18 because the distributed shares to the Government, WYFA and Bradford Council are fixed in accordance with statute at the point that the budget was set. The anticipated Business Rates Outturn for 2017-18 is expected to be slightly higher than forecast, so there will be an excess over the distributed shares. It is this excess which is available to be carried forward and added to the 2018-19 Business Rates Base.
- 8.3 Overall, however, the anticipated Business Rates Outturn for 2017-18 is very similar to the budget. The total rateable value of non domestic property is expected to be marginally lower than budgeted (see Appendix B2, Line b). However, this is mitigated because reliefs are also expected to be slightly lower than budgeted. Also cautiously, the anticipated 2017-18 Business Rates Outturn includes an additional £2m for appeals against the 2010 revaluation for new appeals raised during 2017-18. Despite this, the 2017-18 cost for appeals is still lower than budgeted. This is because amounts set aside in previous years have been used to pay for successful appeals (see Appendix B2, line l).
- 8.4 Another reason that the Business Rates Outturn is very similar to the budget is that the anticipated 2016-17 £11.9m deficit brought forward into the 2017-18 budget was almost exactly the same as the actual amount (see Appendix B2, line a).
- 8.5 Now that the anticipated 2017-18 surplus has been added to the Business Rates calculation, so that it totals £129.6m, the next stage is to set the budgeted shares for the Government, WYFA and Bradford Council.
- 9.0 2018-19 BUDGETED SHARES**
- 9.1 The Business Rates Base of £129.6m is used to calculate the shares payable to the different authorities. The Government is entitled to 50%, WYFA to 1% and Bradford

Council 49%.

- 9.2 The 2018-19 budgeted shares are: £64.7m to the Government; £1.3m to the WYFA and £63.5m to the Council.

10.0 BUDGET CONSULTATION AND SECTION 31 GRANTS

10.1 In the 2018-19 budget consultation, Bradford's expected Business Rates share was £64.7m. This is £1.2m more than Bradford's £63.5m share of the Business Rates Base, however, this does not take into account additional Section 31 grants. Once these grants are considered, Bradford's funding will be in line with expectations in the budget consultation.

10.2 This is because the Government increased the multiplier by the Consumer Price Index rather than the Retail Price Index but will compensate the Council for the loss in income with a Section 31 grant (see para 6.4). Further the Council will receive other Section 31 grants as compensation for Government decisions. Overall these additional Section 31 grants of £1.5m will more than cover the shortfall in the Business Rates Base compared to the budget consultation.

11.0 OVERALL SUMMARY

- 11.1 The overall position in 2018-19 for both Council Tax and Business Rates compared to the budget consultation is no major variance and a small (£0.3m) increase in funding, see table 1 below:

	£m	£m	£m
Overall position for Council Tax and Business Rates compared to the budget consultation	Budget	Overall	(Additional funding)/ Reduced funding
	Consultation	Position	
*Council Tax	185.347	*185.347	0
Council Tax deficit	(0.400)	(0.400)	0
Sub-total for Council Tax	184.947	184.947	0
Business Rates	64.7	63.5	1.2
Section 31 Grant	9.1	10.6	(1.5)
Sub-total for Business Rates	73.8	74.1	(0.3)
<u>(Additional funding)/Reduced funding</u>	258.747	259.047	<u>(0.3)</u>

(*Note: Based on 2018-19 budget consultation)

12.0 LATEST DEVELOPMENTS

12.1 On 19 December 2017, the Government announced that Bradford's application to participate in a 100% Business Retention pilot for 2018-19, as part of a Leeds City Region Pool, was successful. Also the pilot would continue for a further year in 2019-20. Section B of this report has not been updated to reflect this announcement.

12.2 The announcement of the pilot will change the structure of the Council's budget. For

example, while the Council will retain more Business Rates, this will be matched with equal reductions, firstly to the Revenue Support Grant and then other grants. The details of the impact on the announcement will be presented as part of the final 2018-19 budget.

- 12.3 However, while the structure of the budget will change, the overall position for Business Rates is still expected to be in line with the budget consultation and table 1 above (see 11.1). The exception to this is that an additional distribution of £1.8m will be received from the new Leeds City Region Pool which was set up as part of the pilot.

13 LEGAL APPRAISAL

- 13.1 Bradford Council has the power to reduce Council Tax payable, beyond those standard reductions prescribed in legislation. Section 13A of the Local Government and Finance Act (LGFA) 1992 covers both the Council Tax Reduction scheme for low income households and a wider discretionary power.
- 13.2 The discretionary power allows the authority to reduce Council Tax and includes the power to reduce the Council Tax bill to zero. The law states that the power can be used for individual particular cases or a 'class of cases'. The Council, therefore, has the legal powers to provide additional discretionary support to care leavers and others under Section 13A(1)(c).
- 13.3 The discretionary power under Section 13A(1)(c). permits a class of person to be disregarded. A care leaver could be such a class of person and would allow for a 25% discount in those properties where all but one adult resident falls to be disregarded. The Legal implications are contained in the body of the report.

14.0 OTHER IMPLICATIONS

- 14.1 There are no other equal rights, sustainability, community safety, human rights, trade union, ward or greenhouse gas emissions implications.

15.0 NOT FOR PUBLICATION DOCUMENTS

None

16.0 RECOMMENDATION

- 16.1 That the number of band D equivalent properties estimated by the Council as the Council Tax Base for 2018-19 for the whole of the Bradford Metropolitan District is 140,348 as set out in Appendix A1 of this report.
- 16.2 The Council Tax Base for 2018-19 for each Local Council is set out in Appendix A3 of this report.
- 16.3 That from 1 April 2018, in calculating the Council Tax Base, care leavers up to the age of 21 are exempted from paying Council Tax. This exemption applies up to the end of the financial year in which the care leaver attains the age of 21. Further, care leavers are disregarded for the purpose of assessing the number of adult residents in a property for the calculation of Council Tax. This disregard applies up to the end of the financial year in which the care leaver attains the age of 21.

- 16.4 The amount estimated by the Council as the Business Rates income for 2018-19 as included on the Council's NDR1 return (Appendix B1) is £129.6m
- 16.5 Of the total Business Rates income;-
50% is paid to Central Government - £64.7m
1% is paid to the West Yorkshire Fire Authority - £1.3m
49% is retained by the Council - £63.5m

A further cost of collection allowance is paid to the Council of £0.7m.

- 16.6 That authority is delegated to the Strategic Director for Corporate Services (or interim Section 151 officer) in consultation with the Leader of the Council to make any necessary amendments to the calculation of the Business Rates estimate arising from the completion of the 2018-19 NDR1 form received from the Government and to include the amended figures in the 2018-19 Budget papers for Council.

17.0 APPENDICES

Appendix A1 - 2018-19 Council Tax Base

Appendix A2 2018-19 Council Tax variance carried forward into 2018-19

Appendix A3 - Local Councils' 2018-19 Tax Bases

Appendix B1 – Analysis of non-domestic property in the district by property type

Appendix B2 – Provisional NDR1 for 2018-19

Appendix A1: Bradford Metropolitan District Council 2018-19 Council Tax Base

Dwellings on Valuation List	Band A*	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1. Total number of dwellings	156	91,290	45,697	39,169	17,726	12,271	5,768	3,606	265	215,948
2. Exempt properties	0	-2,142	-659	-349	-132	-59	-28	-25	-4	-3,398
3. Taxable properties	156	89,148	45,038	38,820	17,594	12,212	5,740	3,581	261	212,550
4. Discounts	-15	-10,049	-3,778	-2,720	-1,040	-564	-227	-149	-19	-18,561
5. Empty homes scheme	0	422	101	68	27	11	6	5	2	642
6. Estimated taxable properties after discounts and premiums	141	79,521	41,361	36,168	16,581	11,659	5,519	3,437	244	194,631
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
7. Band D equivalents	78	53,014	32,170	32,150	16,581	14,250	7,972	5,729	488	162,432
8. Council Tax Reduction Scheme (Band D Equivalents)	-25	-12,082	-3,755	-2,371	-764	-321	-104	-41	0	-19,464
9. Growth in dwellings (Band D Equivalents)	0	241	211	190	147	162	80	40	3	1,074
10. Allowance for Bad Debts (Band D Equivalents)	-2	-1,217	-731	-728	-375	-321	-179	-129	-12	-3,694
11. 2018-2019 Council Tax Base (Band D Equivalents)	51	39,956	27,895	29,241	15,589	13,770	7,769	5,599	479	140,348

Appendix A2: 2017-18 Council Tax variance carried forward into 2018-19

	Budget 17-18	Actual 17-18	Variance 17-18	Tax Base budget 18-19
	(a)	(b)	(c)	(d)
Number of properties	214,530			215,948
Exemptions/Discounts	-21,328			-21,317
Chargeable Properties	193,202			194,631
Conversion to Band D Equivalents	83.9%			83.5%
Collections (in Band D Equivalents)	162,153	162,780	627	162,432
Growth				1,074
Less Council Tax support scheme (in Band D Equivalents)	-22,694	-23,189	-495	-19,464
Less Bad Debt Provision (in Band D Equivalents)	-3,207	-3,830	-623	-3,694
Overall Band D Equivalents	136,252	135,761	-491	140,348
Bradford's Band D Precept (in cash)	£1,257.86	£1,257.86	£0.00	*£1,320.63
Bradford's Council Tax (in cash)	£171.386m	£170.768m	-£0.617m	£185.347m
Difference between 2016-17 forecast surplus/deficit & actual 2016-17 surplus/deficit (in cash)	£0	£0.218m	£0.217m	£0
	£171.386m	£170.986m	-£0.4m	£185.347m

*Based on Budget Consultation

Appendix A3 2017-18 Local Council Tax Bases

	Starting Council Tax Base	CTR impact, including potential policy changes	Net changes including growth in properties, & bad debt losses	Final 2018-19 Council Tax Base
	Band D Equivalentents	Band D Equivalentents	Band D Equivalentents	Band D Equivalentents
	(a)	(b)	(c)	(d)
				(a+b+c)
Addingham	1,819	-70	-29	1,720
Baildon	6,808	-422	-109	6,277
Bingley	9,372	-582	-150	8,640
Burley	3,135	-97	-50	2,988
Clayton	2,752	-292	-44	2,416
Cullingworth	1,272	-80	-20	1,172
Denholme	1,251	-120	-20	1,111
Harden	852	-19	-14	819
Haworth	2,481	-179	-40	2,262
Ilkley	7,413	-198	-118	7,097
Keighley	17,329	-2,204	-280	14,845
Menston	2,263	-45	-36	2,182
Oxenhope	1,076	-44	-17	1,015
Sandy Lane	948	-61	-16	871
Silsden	3,151	-163	-51	2,937
Steeton/Eastburn	1,767	-65	-28	1,674
Wilsden	1,867	-83	-30	1,754
Wrose	2,282	-144	-36	2,102
	67,838	-4,868	-1,088	61,882

Appendix B1: Analysis of non-domestic property in the district by property type

Property type	Number of non-domestic property in category	Total Rateable Value For Category
		£m
SHOPS, BANKS, POST OFFICES ETC.	5,923	111.454
WAREHOUSES, STORES ETC.	2,581	57.169
OFFICES	3,443	41.910
PETROL FILLING STATIONS, GARAGES ETC.	412	10.577
LICENSED PROPERTIES	513	10.280
RESTAURANTS, CAFES ETC.	250	5.695
OTHER COMMERCIAL	376	3.585
HOTELS, BOARDING HOUSES ETC.	174	3.501
CAR PARKS AND PARKING SPACES	354	2.626
ADVERTISING RIGHTS AND STATIONS	523	0.714
CAMPING SITES, HOLIDAY CENTRES ETC.	12	0.233
MARKETS	2	0.030
COMMERCIAL SUB TOTALS	14,563	247.774
LOCAL AUTHORITY SCHOOLS AND COLLEGES	214	23.234
UNIVERSITIES	3	3.868
PRIVATE SCHOOLS AND COLLEGES	33	2.812
DAY NURSERIES	113	2.082
MUSEUMS, LIBRARIES ETC.	33	2.000
OTHER EDUCATIONAL, TRAINING AND CULTURE	13	0.295
EDUCATIONAL TRAINING AND CULTURAL SUB TOTALS	409	34.290
ELECTRICITY	18	0.197
DOCKS AND HARBOURS	0	0.000
FORMULA ASSESSED PUBLIC UTILITIES SUB TOTALS	18	0.197
FACTORIES, WORKSHOPS ETC.	2,748	67.543
MINERAL	18	0.698
OTHER INDUSTRIAL MINERALS	23	0.972
OTHER INDUSTRIAL	14	0.763
INDUSTRIAL SUB TOTALS	2,803	69.976
CLUBS, COMMUNITY CENTRES ETC.	243	4.049
OTHER LEISURE	115	2.383
SPORTS GROUND ETC.	129	1.871
THEATRES, CINEMAS ETC.	24	1.373
INDOOR SPORTS FACILITIES	3	0.189
BEACH HUTS	0	0.000
LEISURE SUB TOTALS	514	9.865
Property type	Page 47	Number of
		Total

	non-domestic property in category	Rateable Value For Category
PRIVATE HOSPITALS, CLINICS ETC.	202	11.256
OTHER MISCELLANEOUS (COMMUNICATIONS)	1	4.880
COMMUNICATION STATIONS, PUBLIC TELEPHONE KIOSKS	376	3.146
POLICE STATIONS, COURTS, PRISONS (NON CROWN)	7	3.006
LOCAL GOVERNMENT OFFICES	18	1.140
FIRE AND AMBULANCE STATIONS	12	0.650
CEMETERY AND PREMISES	27	0.299
OTHER MISCELLANEOUS	26	0.166
RESIDENTIAL HOMES, HOSTELS ETC.	3	0.029
MISCELLANEOUS SUB TOTALS	672	24.571
WATER	9	3.211
TRANSPORT	8	0.408
OTHER NON FORMULA	24	0.011
NON FORMULA ASSESSED PUBLIC AND OTHER UTILITIES SUB TOTALS	41	3.630
FORCES CAREERS OFFICES AUXILIARY DEFENCE (TA) ESTABLISHMENTS	3	0.080
ROYAL PALACES, OTHER CROWN	0	0.000
TREASURY (CROWN) SUB TOTALS	3	0.080
GRAND TOTALS	19,023	390.382
TIMING DIFFERENCE		-0.195
		390.187

Appendix B2–2018-19 NDR Base and related Section 131 Grants

		£m	£m	£m	£m
		2017-18 Budget	2017-18 Anticipated Outturn	2018-19 Medium Term Financial Strategy/Budget consultation	2018-19 NDR1 (2018-19 Budget)
Collection Fund					
Anticipated Surplus/Deficit from previous year	a	-11.963	-11.950		0.156
Total Rateable Value (RV) of Properties on Valuation List	b	393.605	390.104		390.985
Gross Rates Yield (Based on Total RV x Multiplier of 0.479p)	c	183.420	181.793		187.282
Estimated Growth or Decline in Gross Rates	d	-1.312	0.000		0.000
Interest (payable)/receivable			-0.005		
Forecast Gross Rates Payable	e (c+d)	182.108	181.789		187.282
Total Mandatory Relief	f	-32.438	-33.722		-36.235
Total Unoccupied Property Relief	g	-8.482	-7.386		-8.651
Total Discretionary Relief Not funded by Section 31 Grant	h	-0.010	-0.003		-0.575
Total Discretionary Relief Funded by Section 31 Grant	i	-0.011	-0.500		-0.566
Net Rates Payable	j	141.166	140.178		141.254
Estimated Losses in Collection (Bad Debts)	k	-2.618	-3.123		-2.622
Estimated Adjustments due to appeals	l	-8.266	-6.629		-8.457
Forecast Collectable Rates	m (k+l)	130.282	130.426		130.175
Allowance for Cost of Collection	n	-0.737	-0.737		-0.737
Local Share Retained by the Council	o (m+n)	129.546	129.689		129.438
Total Local share retained by Council and b/f surplus/deficit	p (a+o)	117.583	117.739		129.595
Central Share Payable to Government	q (p x 0.50)	58.791	58.791		64.797
Amount payable to West Yorkshire Fire and Rescue Authority	r (p x 0.01)	1.176	1.176		1.296
Local share retained by Bradford	s (p x 0.49)	57.616	57.616	64.747	63.502
Add back allowance for cost of collection	t n	0.737	0.737		0.737
Total Local share retained by Bradford	u (s+u)	58.352	58.352		64.238
Surplus/(Deficit) - carried forward into 2018-19	v (a+o-q-r-s)	0.000	0.156		0.000
Revenue Account Grants					
Section 31 Grants Payable to Bradford					
Small Bus Rates S31	w	7.169	7.169		6.749
Bus Rates Capping	x	1.928	1.928		3.288
Other Section 31 grants	y	0.006	0.006		0.563
Total Section 31 Grant	z (w+x+y)	9.102	9.102	9.102	10.600
2017-18 Section 31 variance impacting on 2017-18 revenue budget	a2	0.000	0.000		0.000
Memorandum: Overall position on Business Rates compared to the budget consultation					
			Budget consultation	2018-19 Budget	(Additional funding)/ Reduced funding
2018-19 Local Share retained by Council			64.747	63.502	1.25
2018-19 Section 31 income			9.102	10.600	(1.50)
			73.849	74.101	(0.25)

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Report of the Strategic Director Corporate Services to the meeting of Executive to be held on 9 January 2018.

AP

Subject:

A Strategy for Growth in Income from Council Tax, Business Rates and Investment

Summary statement:

This report proposes a strategy for growing the Council's sources of income from Council Tax, Business Rates and investment in assets, recommending an Investment Advisory Group is established to oversee activity and manage risks.

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Portfolio:

Leader of Council and Corporate

Overview & Scrutiny Area:

Corporate

1.0 SUMMARY AND CONTEXT

This report proposes a strategy for growing the Council's sources of income from Council Tax, Business Rates and investment in assets, recommending an Investment Advisory Group is established to oversee activity and manage risks.

1.1 Outlook for Continued Austerity

The financial outlook for the Council continues to be dominated by a cocktail of funding squeezes and inflationary and demand-led cost pressures. This situation has been laid out in detail in the Medium Term Financial Strategies and Budget documents during 2017.

As Revenue Support Grant reduces, eventually to zero, by 2020/21, the composition of sources of income changes dramatically, with an increasing reliance on local sources, both taxation and non-taxation.

1.2 Council Resolution

Council of 17 October 2017 passed a resolution asking for this report.

2.0 AMBITION TO GROW INCOME

Growing income from all sources has always been material in previous budget rounds.

This report seeks to give added impetus, through new initiatives to grow income from:

- Council Tax
- Business Rates
- Surpluses from investments in income-generating assets.

Each of these sources is discussed in more detail below.

2.1 Council Tax

The Council Tax system has been operating in England since 1993. Despite attempts to reform and revalue in the 24 years since, the system remains largely the same. Out of all our sources of income, it is the one that carries the most certainty both in terms of future sustainability and amounts collectable due to the amount of legislation that underpins the system

Council Tax is a mainstay of income, now accounting for funding just over 50% of the Council's net budget of £365m in 2018/19, up from 46% in 2017/18. By 2020/21, this proportion will be c 59%

Collection rates have remained relatively static, with 2016/17 outturn at 97%. The proposed reform to the Council Tax Reduction scheme will increase the value of the Council Tax Base as a source of revenue.

Bradford's 2017/18 Band D rate of £1,257.86 is the fifth lowest of the 36 English metropolitan authorities. Only Trafford, Wigan, Dudley and Doncaster have lower

rates. The average Band D rate for the metropolitan authorities is £1,380 with Gateshead levying the highest rate of £1,606.

In the Council's financial plan, tax rate increases have been set at the maximum the current referendum and precepting rules allow. Our Medium Term Financial Plan (MTFP) assumes the Band D rate will increase by the current maximum allowable amount for general services of 1.99% per annum.

The MTFP assumes a modest rise of 750 Band D equivalent properties each year – any growth initiative must exceed that to be cost-effective. Therefore, the approach must be to grow the base, as well as continue to increase the rate.

2.2 Business Rates

Business is a further mainstay of income.

From a funding perspective, the current Business System has been in operation since April 2013. It works on the basis of 'shares' between local authorities (Councils, Fire authorities) and Central Government. In Bradford, 49% of income is retained by the Council, 1% by West Yorkshire Fire and Rescue Service and the remaining 50% by the Government.

The combination of the locally retained share of gross business rate income collected, and the Top Up Grant account for funding 36% of the 2018/19 net budget, with the proportion set to rise. Localised Business Rates (ie the 49% share retained by the Council) will account for 18% of the net budget in 2018/19, rising to 20% by 2020/21.

There is a high degree of uncertainty about the business rate system – in particular the national redistribution system of tariffs and top-ups which moves money from relatively lower to higher need locations. But the underlying fact remains that Business Rates taxation buoyancy will continue to be vital for the stability and sustainability of local authority funding sources.

Final collection rates are reliably in the 98-99% range, albeit the outcome of appeals have frequently left the collection fund worse off than anticipated. Since the scheme was introduced, the ability of businesses to appeal their valuation has meant this income stream is highly volatile. A successful appeal results in a reduced bill and backdated refund for the business, all of which impacts on a Council's bottom line. Since 2013, the Council has refunded £24.9m to businesses, £12.2m of which has been at the local taxpayers expense.

Given this volatility, the MTFP assumes no real growth in Business Rates income other than the inflationary uplift applied to the nationally set multiplier.

Bradford's Business Rate tax base comprises c 18,700 properties, of which c 8,100 (43%) have a relatively low rateable value (up to £12,000). Around 25% of properties have a rateable value of over £50,000. An income-boosting strategy will, plainly, gain a higher return by concentrating on higher value properties. The average rateable value in Bradford is £7,340. The average varies across our region markedly across Councils, from under £6,000 in Calderdale and Kirklees, to around £11,000 in Wakefield and £12,300 in Leeds. This again points to disparities in the

underlying tax bases of different Councils. A high return would be gained by concentrating on growth which boosts that average. Clearly, targeting would need to be compatible with the District's economic growth strategy.

Past initiatives have included incentives to encourage relocation – such as the City Centre Growth Zone, and Enterprise Zones) – with the aim of creating longer-term tax yields, albeit with short-term reliefs and rebates.

2.3 Investment Returns

The third strand of this report relates to the potential for investing in assets to generate revenues.

The sustained period of austerity since 2010 has required councils to act imaginatively in order to mitigate the impact of Government funding reductions to protect front line services.

Against the backdrop of historically low interest rates, an area of significant development has been around investing surplus cash in property and property based investment funds in order to generate a commercial return. Many UK councils are pursuing property investment as a source of revenue.

These developments have not been without controversy and recently there has been much commentary in both the national and Local Government trade press as to whether councils should be able to make such investments.

The arguments for investing focus around the protection of frontline services and the utilisation of the general powers of competence in the Localism Act. The arguments against centre around exposing the local taxpayer to undue risk and that the cheap borrowing that councils can acquire from the Public Works Loan Board (PWLB) is distorting the market for private investors.

In recent weeks, the Government has issued a consultation on changes to the Capital Financing regulations. Of relevance to property investments is the requirement to publish an 'Investment Strategy' which will require councils to justify their investment decisions. The Chartered Institute of Public Finance & Accountancy (CIPFA) will also be issuing an updated Prudential Code in 2018 which will further strengthen reporting around council investment practices.

Bradford has an annual rental income from property of £2.8m, and has recently started to explore the prospect of larger acquisitions (the Hall Ings NCP car park being the first lease purchased).

In addition, the Council has a £4.1m stake in the Leeds City Regional £20m Revolving Investment Fund, which invests in commercial ventures (typically housing, property or commercial ventures) alongside others. Returns are reinvested in the Fund for re-lending.

3.0 GROWTH INITIATIVES

The rest of this report concentrates on initiatives designed to grow tax bases and generate income from investment.

3.1 Council Tax

Since 2010 Bradford's Housing Development and Enabling Team have been developing new homes for residents of the district using Council resources and HCA Grant funding. The team also undertakes limited work with Registered Providers (Housing Associations and private developers) to increase the number of homes built in Bradford. The team is funded entirely by income generated through the Affordable Housing Programme and their focus is on affordable homes built for rent or for sale.

The Council has a track record of delivery and a commitment to sustainable, good quality housing growth. We can already demonstrate the use of Council owned assets to support our own housing programmes and are working with colleagues in Estates Management to explore the following:

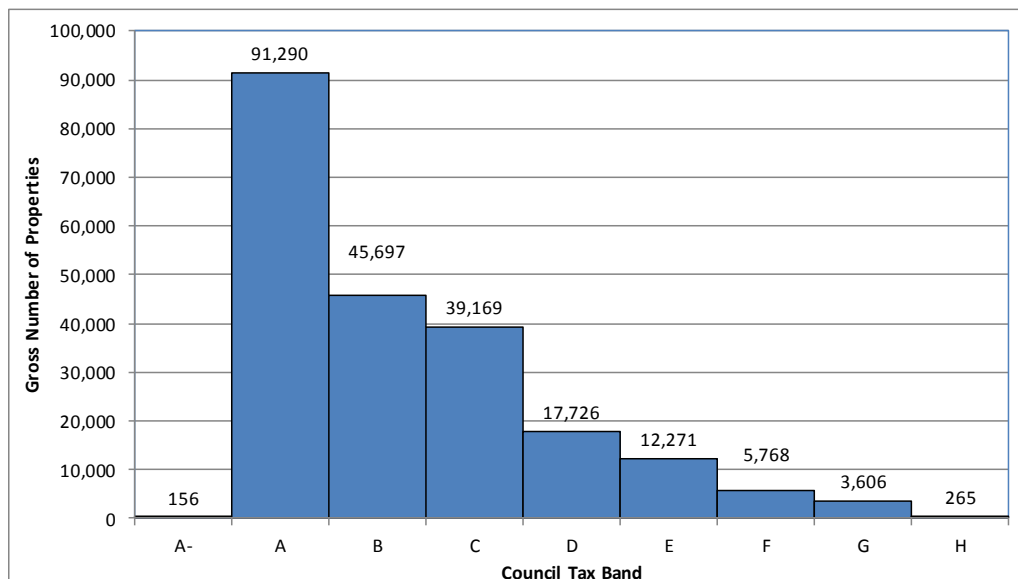
- packaging land sales to developers,
- disposals to Registered Providers
- approach to using and acquiring sites for our own stock development.

3.1.1 Baseline forecast

The Medium Term Financial Plan and proposed budget assume a prudent increase in the taxbase of 750 Band D properties per annum, the equivalent of £943k in new income

3.1.2 Income Growth Depends on Mix of Property Values

The graph below shows the distribution of the number of gross properties across the Council Tax banding system. As can be seen, the distribution is skewed heavily towards the lower value bands, with more than half the number of properties in the district being in the A- to B bandings.



The table below shows the different values of properties in Band's A, D and H both

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in relation to each other and the value in Council Tax income that they each yield for 750 units. The summary conclusion is that a district that has a predisposition for lower value properties has to build more volume or identify ways of building higher value housing, to generate as much income as a more affluent district.

Illustrative Composition and Yield of 750 Band D Equivalent Properties			
	Proportion	Comparative Figure	Yield from 750 Properties (£k)
Band A	6/9	1,125	628.9
Band D	9/9	750	943.4
Band H	18/9	375	1,886.8

3.1.3 Aspirational Growth from Stimulating More Housing Development

In order to deliver a more ambitious programme and stimulate activity with an improved pipeline of schemes the Council needs to adopt a proactive approach to delivering and enabling growth. The White Paper “Fixing Our Broken Housing Market” <https://www.gov.uk/government/publications/fixing-our-broken-housing-market> is in line with our ambition and the multi tenure approach, recognising the need to deliver new homes across the spectrum of affordability.

The White Paper also recognises the role of local authorities as a deliverer and an enabler and in response we are seeking to develop a programme of activity to accelerate delivery, working with partners to ensure Bradford district makes its contribution to national housing targets.

3.1.4 Development of Housing Delivery Function

The proposal is to establish a multi-disciplinary delivery team (**‘Housing Delivery Team’**). They will be responsible for working across the Council and with partners to deliver an annual housing delivery programme with performance targets. The team will lead the way in making the council’s approach more dynamic and pro-active; bringing together existing and new functions. Its focus will be:

- Finding solutions to unlocking the delivery of stalled sites including identifying “quick wins” to facilitate delivery. Working with colleagues in Planning the Housing Delivery Team will map and monitor all public and private housing delivery sites. With limited resources the Housing Delivery Team will not be able to actively support all housing developments therefore a list of priority development sites will be identified and agreed. The Housing Delivery Team will prioritise its resource to support accelerating the delivery of housing on these priority sites which will form the initial pipeline whilst a viable development pipeline is established for future delivery. Sites may be brought forward into the

priority development list, as other sites either move forward into delivery, or to manage slippage.

- Working collaboratively with land owners, developers and officers to broker resolutions to facilitate delivery, utilising links with developers. One issue developers often raise is that they do not have a single point of entry to the system and often receive conflicting messages about policy and priorities. The new single multi-disciplinary team and improved process and policies are designed to overcome these, and other, barriers and to create a more pro-active and coordinated approach.
- Identifying innovative solutions to overcome constraints to housing delivery. Examples include:
 - Obtaining outline planning permission on Council owned sites: as part of the disposal process of Council owned residential land either outline planning permission or permission in principle will be obtained to mitigate risk, create certainty for the buyer and increase the value of the land to the Council.
 - Exploring and supporting innovation: housing is not just delivered by volume builders and Councils so the team will work with community groups, self-builders, small and medium sized builders and community land trusts to unlock the potential of some of the smaller residential sites.
 - Procure delivery partners: plan procurement routes to secure strategic delivery partners
- Equipping the council with the tools and expertise to implement future strategies and actions plans for accelerated housing delivery
- Devising a strategic plan for improved housing delivery.

3.1.5 Potential Success Measures

The rationale for the team is based on securing supply output (increasing delivery against the Core Strategy targets) and council tax / NHB (New Homes Bonus) revenues. In addition there are the associated skills and employment benefits linked to increased delivery. Programme outputs could be reported across main workstreams (council, affordable and market housing) as a simple number update table:

- On the council new build: units handed over; starts on site; empty homes brought back into use and drawdown of external grant funding in £s.
- Affordable and specialist housing: units delivered (through AHP, s106); Percentage of the AHP committed; hectares of council land made available.
 - Members are also interested in the nature and quality of relationships with the Registered Providers and 3rd sector so we could introduce a Key Account Management approach which could see diversification of providers and increased supply.
 - The Acceleration Programme (unlocking private sites): number of land owners we're in dialogue with; starts on site; external funding bids either submitted by us or supported.

- Leeds are also just introducing a brokerage approach joining up SMEs (incl RP's) with land owners via the HCA. This would be beneficial and could be incorporated.

The Programme's contribution to delivering council & affordable housing plus efforts to support SMEs delivering the Core Strategy targets therefore means ?DCLG, and in particular Homes England (HCA), would be supportive in terms of sector support for SMEs.

3.2 Business Rates

3.2.1 Baseline Forecast

MTFS assumes annual growth in Business Rates income of c 2%, reflecting inflationary uplift rather than volume growth.

3.2.2 Economic Growth Strategy

The principal tool to stimulate growth in the Business Rates will be Council's Economic Growth Strategy, currently in development

3.2.3 The Purpose of the Economic Growth Strategy

Bradford District's new economic growth strategy sets out an ambition to grow our economy so we can close the £4bn productivity gap with the rest of the UK and create 22,000 new jobs.

It identifies four key opportunities around which the Council, partners and government can take action:

- Our young and enterprising population; ensuring our young people are equipped to succeed and drive our future economy.
- Our distinctive offer: capitalising on our distinctive places and cultural assets to create compelling investment proposition
- Our growth potential: building on business strengths to improve productivity and create the conditions for growth.
- Our globally connected district: improving transport infrastructure and digital connectivity, and supporting businesses to increase exports.

The strategy is currently in the final stages of development, in advance of partnership approval and Council endorsement in March 2018.

3.2.3 Investing in Delivery

The strategy will identify key delivery mechanisms to stimulate inclusive economic growth. These will include:

- Growing our Industrial Centres of Excellence to ensure young people are equipped with the skills needed to prosper.
- A new approach to bringing our mills back into productive use, creating attractive and viable environments for live and work space that provides an offer for businesses that complements that of Leeds.
- Investment in our cultural industries, including the agreed loan to support the delivery of Bradford Live which will increase the attractiveness and economic vibrancy of our city centre

- Supporting our key sectors including developing a manufacturing week with the Chamber of commerce and building on our digital strengths and assets.
- Prioritising a city centre stop for Bradford in Northern PowerHouse Rail – an investment which it is calculated will bring £1.3 billion for the regional economy through improved access to jobs and markets across the North of England.

3.2.4 Co Investment

- With the private sector - e.g. #manufacturing week – i.e. delivering with the Chamber – not just investment in physical infrastructure
- Joint initiatives with public sector –i.e. DHEZ – University of Bradford led
- Use of our investment as grant giving– i.e. expansion and extension (time and geography) of city centre growth zone – supporting businesses to create jobs, improve premises, expand and grow etc.
- Use of our investment as loan – e.g. Odeon – building on ground breaking experience with Provident Financial.
- Significant WYCA / LEP investment in supporting business growth

3.2.5 Measuring Impact

The measures in the Economic Growth strategy reflect the overall health of the economy (GVA, employment, skills, earnings and emissions), and will be used to assess the outcomes which we are working to achieve. Council Plan indicators will be used to track Bradford Council's specific contributions.

Bradford currently collects business rates (gross) of around £140 million on a GVA of £9.5 billion. A simple calculation suggests a GVA uplift of £1bn creates an additional £14.7m additional tax. The Economic Growth Strategy has an ambition of an economy for the district of £13.6 billion, which would mean a business rate base in the region of c £200m. .

3.2.6 Policy Links

- Work on the economic growth strategy commenced with Bradford's response to the Industrial Strategy green paper at the beginning of 2017. Bradford's draft economic growth strategy aligns well in terms of the five foundations (Ideas, People, Infrastructure, Business environment and Place) and there is a strong read through to the four opportunities identified in our growth strategy as follows:
- Our Young and Enterprising Population(People)
- Our Distinctive Offer (Place)
- Our Growth Potential (Ideas, Business Environment)
- Our globally Connected District (Infrastructure).

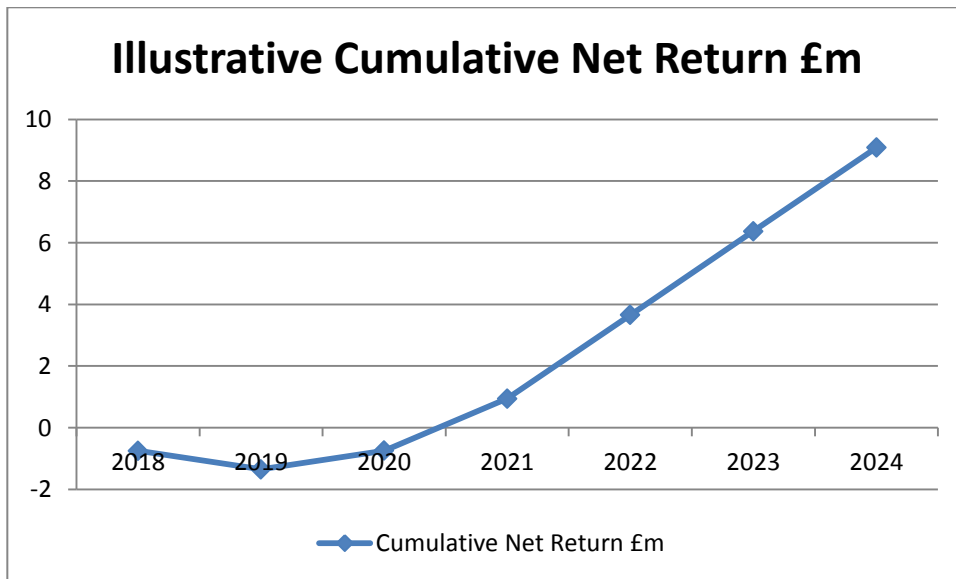
The Industrial Strategy white paper includes a commitment to developing local industrial strategies – led by LEPs in non mayoral areas. The Leeds City Region LEP is committed to developing an *Inclusive* Industrial Strategy, that builds from the bottom up and therefore draws upon the priorities in Bradford and the other districts' economic growth strategies (which are all also in a variety of stages of development).

3.2.7 Target Return on Investment

The graphic below illustrates the additional cumulative net income that would be gained as a result of:

- Investing £0.75/0.75/0.75/0.35m in activity to stimulate growth in Council tax and business rates, from 2018 to 2021
- Creating an additional 500 Band D equivalent units each year, albeit with a year's delay before income comes on stream
- Adding £50,000 per year (ie an additional around 7 average business per year), again with a delay

By 2022 the additional annual gross income is £2.7m. After a net cumulative loss up to an including 2020, the net cumulative return rises to over £9m by 2024, assuming those houses and new businesses continue to yield tax.



The table below exemplifies the number of Band D houses that would be needed over and above the baseline 750, to achieve a payback over x years, assuming again investment of £0.75/0.75/0.75/0.35m, which would also achieve a £50,000 addition to Business Rates

Additional Band D Houses required each year to achieve target payback	Payback period
5,870	2 years
768	3 years
355	4 years
184	5 years

3.3 Investment Fund

In this section, we outline an investment fund which could be established to generate income.

3.3.1 Property

As mentioned earlier, the Council has already acquired and is considering other Bradford properties. This activity was authorised through the Executive report on 4 April 2017.

The Council's existing property portfolio comprises some 600 properties, with a capital value of c £45m, which generate an income of c £2.8m per year.

Investing in Bradford property speaks to the notion of utilising the Bradford Pound, and supports the ambition to stimulate local economic activity. However, in order to reduce the over-reliance on one locality, consideration should also be given to property outside the Bradford district. This could involve investment in more broadly based property funds, or acquisition of individual properties in other locations.

3.3.2 Assets Other Than Property

In order to reduce reliance on one asset class, consideration should be given to investment in other assets including bonds and shares. This would go beyond the scope of current treasury management activity, whose premium is on security rather than yield, and would signal a higher risk appetite.

The investment management team from West Yorkshire Pension Fund have provided advice on the matters that would need to be part of an Investment Strategy in embarking on this route, bearing in mind the upside and downside risks entailed.

As a reality check on the potential gains involved, an investment fund has to be sizeable to generate an annual return that is meaningful for the net revenue budget. For example, assuming a net annual return of 2%, a fully invested fund of £50m would be required to generate £1m. In context, £50m additional capital investment activity represents a circa X% increase in the CIP to generate only a 0.3% increase in the net budget.

Accordingly, the greater and less risky returns are likely to be afforded from tax base growth, especially housing.

3.3.3 Social Purpose

In order for investment activity to be consistent with the Council's overarching objectives, it would have defined social purpose (see below on investment strategy). As a minimum the purpose of the investment would be to generate additional income that can be used to fund services otherwise unaffordable. It would be an option to earmark returns on investment for specific purposes, though this may limit financial flexibility.

4.0 FINANCIAL APPRAISAL

4.1 Revenue Budget

The currently proposed budget 2018/19-2020/21 does not assume any additional income from the growth strategy which is the subject of this report. It does provide for:

- £750K funding for growth initiative
- A growth in the income stream from estates and property of £0.8m by 2020/21 from a base of £2.8m

The revenue budget also provides the consequences of the existing capital programme. The Council has adopted a general rule that capital financing costs should not exceed 15% of the net revenue budget. This has become more difficult in recent years as the net budget has decreased as a result of continued reductions in Government funding. The current ratio is 16.1%.

The revenue budget scope for additional borrowing to finance investment is therefore constrained by:

- The need for borrowing costs to be offset by returns (i.e. so that the net revenue budget impact of investment activity is credit/income). This is contingent of selecting the right investment and growth activity
- The buoyancy of reserves/the balance sheet to handle any timing differences between the costs incurred to generate income, and the receipt of that income
- Capital financing limits, discussed below.

4.2 Capital Budget

The Capital plan contains £50m of planned spend on property investments/strategic acquisitions, above and beyond the investment already made in the Hall Ings NCP car park. (The intention of these investments is that they provide an income stream for the Council and the Estates and Property savings strategy is predicated on delivering £800k of new income by 2020/21)

Additional capital investment funds would need to be approved through the annual budgeting cycle.

4.2.1 Capital Financing

The Council's capital activities are governed by the CIPFA Prudential Code and wider capital financing regulations which are updated periodically by the Government. These include a number of key Prudential Indicators that ensure those activities are understood, affordable and in the interest of the local taxpayer:

4.2.2 External Debt

Members are asked each year, as part of the Treasury Management Strategy, to approve authorised limits and operational boundaries for external debt (borrowing and other long term liabilities). The former, which is the maximum amount of external debt the Council can incur was set at £680m for 2017/18. The latter, which is based on the probable amount of external debt to be held in the year of the

strategy, was set at £620m for 2017/18. The latest Treasury Management update, reported to Governance & Audit Committee in November 2017 current external debt levels of £522m (of which £336m is external borrowing), £98m less than the operational boundary.

The Council borrows exclusively from the Public Works Loan Board (PWLB), due to the competitive rates offered. Interest rates for each loan are fixed, and redemption costs are such that refinancing of debt before maturity is not cost effective.

4.2.3 Capital Financing Requirement

The CFR is defined as the underlying need to borrow to finance capital activities. Where the CFR is positive, the council may borrow externally or from internal cash resources on a temporary basis. The council has utilised internal cash balances to the extent it is currently 'under-borrowed' by £156m against an overall CFR of £678m. The Council may wish to utilise current low interest rates and finance some this capital activity, which would increase the cash balances of the council but would in the first instance result in a cost of carry (the difference between the rate of interest on the borrowing and the interest return on the cash balances).

4.2.4 Use of Council Corporate Funds

Instead of borrowing from PWLB, or any other external source, the Council could instead use its useable reserves as the source of funds for investment. Theoretically, the Council's cash balances should equal the amount of useable reserves we list on our balance sheet. However, the under-borrowed position noted above distorts this significantly but added to available cash and short term investments totalling c. £35m, the total potential cash resources available to the Council equate to c. £165m.

The Council's Treasury Management Policy would need amending to accommodate changes in the composition of current assets, and the use of funds for income generation. We would also need to ensure that the planned utilisation of useable reserves continues to be supported by treasury management operations.

5.0 GOVERNANCE AND RISK MANAGEMENT

5.1 Source of Risk

The table below summarise sources of risk to the strands of this investment strategy, and their potential mitigations.

Source of Risk	Available Mitigations
Financial: anticipated returns to do not materialise	Due diligence on individual investments Contractual structure/covenants of individual investments Strength of counterparties/suppliers Set prudent budget assumptions on additional income Access to appropriate expertise/skills Use of balance sheet to handle timing difference between investment and returns

Source of Risk	Available Mitigations
Financial: capital is at risk	Due diligence on individual investments Diversification of investment Set appetite for total losses, with appropriate contingency
No additionality in respect of housebuilding	Understand and intervene in specific barriers to construction/development Monitor and oversee impact Discipline to cease activity if ineffective Access to appropriate expertise/skills
No additionality in respect of economic growth	Understand and intervene in specific barriers to growth/investor confidence Monitoring and oversee impact Discipline to cease activity if ineffective

5.2 Managing Risk Through Diversification

Overall risk can be mitigated by diversification. Seeking to diversify brings in turn a series of strategic, policy and political considerations, including:

- **Geography**

Geographic diversification would reduce reliance on Bradford as a place, and allows the Council to benefit from more buoyant activity elsewhere. However it raises the question about whether Bradford resource should be utilised for other places' physical and commercial development, even though Bradford would gain additional income. Geography can be considered in zones emanating from Bradford – Bradford district; Leeds City Region, Yorkshire, national, international

- **Sector**

Sectoral diversification would reduce reliance one asset class. It is remarkable in some ways that many Councils have opted to pursue property-related investment, but not other assets.

- **Investment to Generate Income or Also to Promote Council Outcomes**

A consideration is whether investment should be pursued that only relates directly to the Council's outcomes. Developing housing in Bradford supports both income-generation and the Local Plan. What about investment in, say, a business park outside the Leeds City Region? Should investment beyond Bradford be only in activities that relate to education, social welfare or place-related community value? Risk diversification suggests the investment strategy should be broadly based, but it would be legitimate to place parameters on it to be directly aligned to the Council's objectives.

- **Time-Limited, Controlled Investment**

Some of the risk that investment will not yield expected outcomes can be offset by limiting the amount of resource input and monitoring its effectiveness. "Prove before you move" evaluation methodology, and strong oversight of the activity being funded are key components in ensuring money is not wasted. This implies that additionality can actually be tracked, without which the impetus of investment cannot be proven.

- **Use of Contingency to Match Risk Appetite**

In respect of investing for financial returns, it will be important for the Council to set a risk appetite – plainly put, how much capital it is prepared to lose – and to set up a contingency to match that appetite.

- **Due Diligence**

Due diligence on any investment will be an indispensable element of any decision to invest, and should cover at least the financial (return, security), commercial, legal, delivery, control and governance questions.

6.0 INVESTMENT ADVISORY GROUP

6.1 Purpose

This report recommends that an Investment Advisory Group is established to oversee this strategy, both to provide supporting governance to the Executive, and to provide a place where sufficient time can be given to understanding and controlling the risks and rewards the strategy offers.

The Group will not be a formal committee of the Council, but an authorised informal special-purpose body.

6.2 Composition

Follow the model used in other investment setting and particularly the West Yorkshire Pension Fund, the Investment Advisory Group should comprise members, officers, and external advisors. The latter brings a potential additional cost as well as value.

6.3 Investment strategy

One of the primary roles of the Investment Advisory Group will be to recommend and oversee a strategy for generating income from investment in other assets, which should take into account:

- Source of funds
- Objectives/purpose
- Scope of investments (geography, sector, exclusions)
- Risk appetite
- Duration
- Return requirement
- Economic and regulatory environment

7.0 LEGAL APPRAISAL

7.1 Powers

Part 1 of the Localism Act 2011 applies a general power of competence to local authorities in England. Section 1 (1) of the Act provides that “a local authority has power to do anything that individuals generally may do”.

The power does not permit local authorities to do anything that is specifically prohibited in legislation (a 'pre-commencement limitation'), to raise taxes, or to alter the political management structure of the authority. It continues to be necessary for authorities to check for pre- or post-commencement limitations, i.e. activities which are specifically prohibited in statute. These cannot be overridden with the general power of competence.

The usual public law constraints (rationality, relevant considerations, procedural fairness, disregard of irrelevant considerations) will be applied by the courts to the exercise of the power, even though an "individual" in the private sphere is not subject to them.

The Council has a general power to lend for investment under Section 12 of the Local Government Act 2003. The restrictions on lending are as set out in the CIPFA code. The Council has power to make investments under Para 8 of Part 3F provided the loan is consistent with the Council's priorities.

Under the Local Authorities (Land) Act 1963 (power of local authorities to make advances for the erection of buildings on land sold or let by them), money may be advanced to any person for the purpose of enabling them (a) to acquire land; or (b) to erect any building or carry out any work on land, but the advance together with interest shall be secured by a mortgage of the land, and the amount of the principal of an advance shall not exceed nine-tenths of the value of the land.

An advance made under the section shall also carry interest at a rate not less than one quarter per cent. greater than that fixed by the Treasury in respect of loans to local authorities made on the date on which the terms of the advance are settled.

Authorities using their general power of competence under the Localism Act 2011 to develop new social or affordable housing should account for that stock within the Housing Revenue Account.

In respect of the proposal to find solutions to unlock stalled sites, legislation, contained in sections 203 to 205 of the Housing and Planning Act of 2016, came into effect on 13 July 2016. It provides local authorities and regeneration bodies with powers to override private third party rights in land they own or formerly owned to unlock the redevelopment potential of that land.

These provisions may, however, require authorities to give greater consideration to the public interest justification for any interference with third party rights arising from the new powers.

Third party rights such as rights to light, rights of way and restrictive covenants can pose a serious obstacle to development if third party owners are not prepared to release their rights by agreement on reasonable terms or if they cannot be identified.

Section 203 of the 2016 Act applies to land owned, or formerly owned, by a range of "specified authorities", which includes the Council.

Where the new provisions apply, it is irrelevant who carries out the works or implements the change of use. It is not necessary to show that the developer has derived title under a specified authority, or has any land interest at all.

Establishing whether the new provisions apply depends on whether the land to be developed was acquired by the Council before or after section 203 of the 2016 Act came into force on 13 July 2016.

In the case of land acquired by or vested in the Council on or after 13 July 2016, and land appropriated by the Council for planning purposes on or after that date, regardless of when the authority acquired the land, the new power to override third party rights and interests would apply if:

- there is planning consent for the development (i.e. works or use) that causes the interference with the third party right;
- the Council could acquire the land compulsorily for the purpose of the development that causes the interference; and
- the development which causes the interference is for purposes related to the purposes for which the land was vested in, acquired or appropriated by the Council.

It is irrelevant who actually carries out the development, or whether the land, or an interest in the land, has passed to another party following its ownership by the Council, or its appropriation by the Council. What is key is that the Council would have had power to acquire the land compulsorily for the particular purpose that causes the interference.

- The activities authorised by section 203 are "the erection, construction or carrying out or maintenance of any building or work" and any use of land.
- Statutory compensation is payable to third party owners whose rights are overridden, calculated in the same way as compensation for certain harm caused by compulsory purchase, generally based on any reduction in the value of their land. The developer causing the interference is liable to pay the compensation, failing which the specified authority must pay. The specified authority can then recover from the developer.
- Rights of statutory undertakers and electronic communications code network operators cannot be overridden by the new provisions.
- It is necessary to show that the land is owned by or has "passed through" the ownership of the Council at the relevant time. Accordingly, in a scheme involving the Council and land owned by a developer, it would still be necessary for the Council to acquire the land and to grant an interest back to the developer.
- The Council will need to be satisfied that any interference with third party rights is proportionate and justified in the public interest.

7.2 Capital Finance Regulations

Government and oversight functions have recently amended codes and tightened regulations. Final versions, following a period of consultation, are expected in early 2018.

7.3 Code of Practice on Treasury Management and Investment

The Council must also follow the CIPFA Prudential Code for Capital Finance in Local Authorities. The Code is also undergoing revision, with a final version expected in early 2018. This may constrain room for manoeuvre in investment activities.

8..0 NEXT STEPS

The next steps for this strategy are set out below.

8.1 Establish Investment Advisory Group

An Investment Advisory Group should be established to oversee this strategy. Its composition should be:

- Chair (ruling group)
- Portfolio Holder for Regeneration/Economy
- 2 members, one nominated from each of the main opposition groups
- S151 Officer
- SD Place
- 2 Advisory members (from banking/investment sector in a non-remunerated capacity).

The Advisory Group will not have formal voting rights, but seek on a consensus basis to make recommendations to the Executive. The Advisory Group can be supported by an officer group led by S151 Officer (akin to the Project Appraisal Group which considers capital investments) whose role is to undertake detailed evaluation of investment proposals, with the support of external advisors (through our existing contract for advice on treasury management and capital financing. This should be a group distinct from officers in the Property/Estates and Economy and Development teams who undertake day to day delivery of the strategy.

8.2 Establish Housing Delivery and Economic Development Growth Team

A more detailed proposal should be sought from the AD Economy and Development on the composition, work plan, and performance indicators for the function that will be funded from the proposed additional revenue budget.

The proposal can be developed alongside establishment of the Investment Advisory Group

8.3 Promotion of Bradford as Investment Destination

Work should continue, and be strengthened, to promote Bradford as a place to invest in, including:

- Investor relations development
- Attendance and marketing at events such as MIPIM
- Support to the Producer City Board

8.4 Set Investment Strategy and Risk Appetite

The Investment Advisory Group should recommend an investment strategy, including an explicit risk appetite.

If investment is to be extended into non-property assets, further consideration will be needed on the operational arrangements for such.

The strategy can be developed by officers, alongside establishment of the Investment Advisory Group

8.5 Implementation, Monitoring and Reporting

Practical next steps for implementation should include:

- The Housing and Economic Growth Delivery Team, once established, should pursue the performance targets endorsed by the Investment Advisory Group.
- AD Estates and Property should continue to identify properties for investment purposes.
- Further operational/delivery activity is contingent on the setting of the investment strategy.
- Monthly monitoring of progress, through the Investment Committee and the officer group supporting it.

9.0 RECOMMENDATIONS

To accept the basic premise underpinning this report, that targeted activity should be undertaken to grow income from:

- Council Tax
- Business Rates
- Income-generating investment

To pursue the next steps outlined at Section 8.

10.0 Background Reports

- Report on Income generated by Council Services from fees and charges November 3 2016
- Progress report on the Property Programme and Council's proposed property investment strategy April 4 2017

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Report of the Strategic Director Children's Services to the meeting of Executive to be held on 9 January 2018

Subject:

AQ

This report focuses on the revised proposals for the restructure of SEND Specialist Teaching Support Services for children and young people with SEND to improve their educational outcomes.

Summary statement:

This report also includes changes made as a result of the announcement in September 2017 about the new National Funding Formula (NFF) which the government is introducing from April 2018, which provides funding for children and young people with SEND. Bradford should have gained £15m but under these new proposals Bradford will only gain £7.5m. The impact of this is significant on the High Needs Block with the HNB spending forecasted to exceed what is available by approximately £2m per year for the next four years. The changes to the NFF have also placed significant pressure on schools' budget and this may make it more difficult for schools to buy services.

A model was presented to the Council Executive in June 2017 to restructure SEND Specialist Teaching Support Services; however, as a result of feedback and responses during consultation particularly from schools, parents, internal staff teams and national organisations these proposals have been changed to reflect this feedback and a fairer funding model across all ages ranges from 0-25 years of age.

The previous model presented in June 2017, included two Early Years SEND Centres of Excellence for children 0-5+ years which were to be fully funded by the high needs block; and a Specialist Teaching Support Service to support the full range of special educational needs and disabilities for children and young people aged 5 – 16 years, which was to be 100% traded. The funding for this model was reviewed in the light of the consultation and the other funding changes referred to above; as a result this model was no longer financially viable.

This executive report details a preferred new model (Option 3) which restructures the current SEND specialist teaching support services into a 0-25 Inclusive Education Service for children and young people from 0-25 years of age as outlined in the SEND Code of Practice. This model will have two teams who will work closely together to deliver support through a single referral system; a team to support high occurring needs such as autism, learning needs and social, emotional and mental health needs; and a team who will support low occurring needs such as hearing impairment, visual impairment, multi-sensory impairment and physical and medical needs. This proposed service model will be partly funded from the high needs block (70%) and partly through income generated by trading (30%) and will be more sustainable. It now includes support for young people 16 – 25 years

of age which was feedback by young people, parents and organisations during the consultation.

As a result of the growing population of children and young people in Bradford and a growing population of children and young people with SEND, as well as the increased complexity of special needs, there is an increased demand for SEND specialist services and places for children and young people with SEND and these have to be funded from the HNB.

Intervening early with our young children with SEND continues to be at the heart of these revised proposals as well as ensuring we prepare our young people for adulthood and employment.

Approval is sought for a further period of formal consultation on a revised preferred option for transforming the SEND specialist teaching and support services.

Michael Jameson
Strategic Director

Report Contact:
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Portfolio:

Education, Employment and Skills

Overview & Scrutiny Area:

Children's Services

1. SUMMARY

- 1.1 This report follows the previous report presented to Executive on 20 June 2017.
- 1.2 On 20 June 2017, Executive agreed to a period of consultation until 31 August 2017 with a range of stakeholders on the proposed remodelling of SEND services for children and young people from ages 0-25.
- 1.3 As a result of feedback and responses during this period of consultation, particularly from schools, internal staff teams and national organisations representing children and young people with sensory impairment, the proposals in the previous report to Executive have been changed.
- 1.4 The changes take account of the feedback received in order to:
 - Ensure that the proposals improve the quality of support and provision for all SEND pupils and meet the SEN Improvement Test (See Appendix 1);
 - Ensure that the funding from the Dedicated Schools Grant High Needs Block (HNB) is used effectively and efficiently to meet the full range of SEND needs across the 0-25 years age range;
 - Specifically, we need an option which **both** reduces pressure on the High Needs Block **and** increases specialist places.
- 1.5 As a result of the announcement in September 2017 about the new National Funding Formula (NFF) which the government is introducing from April 2018, which provides funding for children and young people with SEND. Bradford should have gained £15m but under these new proposals Bradford will only gain £7.5m. The impact of this is significant on the High Needs Block with the HNB spending forecasted to exceed what is available by approximately £2m per year for the next four years.
- 1.6 Our HNB spending levels are forecasted to exceed the amount that is allocated to spend by approximately £2m per year for the next four years. The proposed changes in this report sit alongside other wider proposed solutions to address the forecasted pressures on the HNB. These wider plans include: reviewing the top up funding for places for pupils without an Education, Health and Care Plan (EHCP) in our Pupil Referral Units and reviewing the timeline for the increase in specialist places across the District.
- 1.7 We need to reduce the pressures on the HNB, deliver further financial savings, continue to fund and deliver SEND teaching and support services to children and young people, whilst having to increase the number of specialist places to meet the rising demand and complexity of children and young people with SEND in Bradford.

- 1.8 The changes to the National Funding Formula have also placed significant pressure on schools' budgets and may make it more difficult for schools to buy services.
- 1.9 In light of the consultation feedback received, the proposed model made previously to Executive on the 20 June 2017 has been reviewed and a number of options have been considered and are set out in this report. We have reviewed and replaced the previous model presented because:
- Schools told us that they would struggle to pay for the 100% traded services for school aged children;
 - Our parents were concerned that school aged and post-16 children and young people were being left without a funded service as all of the funding from the HNB was being used for the 0-5+ years model;
 - Organisations told us that the funding of the model was not fair and equitable and could risk losing SEND services and specialisms in the District and could jeopardise the delivery of our statutory duties under the SEND Code of Practice;
 - Parents and young people told us that more support is needed to help young people aged 16 – 25 years into training and work.
- 1.10 The previous model put before the Council Executive in June 2017 included two Early Years SEND Centres of Excellence for children 0-5+ years which were to be fully funded by the High Needs Block; and a Specialist Teaching Support Service to support the full range of special educational needs and disabilities for children and young people from the ages 5 – 16 years which was to be 100% traded. The funding for this model was reviewed in the light of the consultation and the other funding changes under the National Funding Formula; as a result this model was no longer financially viable.
- 1.11 This executive report details a preferred new model (Option 3) which restructures the current SEND specialist teaching support services into a 0-25 Inclusive Education Service for children and young people from 0-25 years of age as outlined in the SEND Code of Practice. This new service will have two teams who will work closely together to deliver support through a single referral system; a team to support high occurring needs such as autism, learning needs and social, emotional and mental health needs; and a team who will support low occurring needs such as hearing impairment, visual impairment, multi-sensory impairment and physical and medical needs.
- 1.12 In order to fund the increase in specialist places that are required across the District, and make savings to reduce the increasing pressure on the HNB, both these teams would have an element of High Needs Block funding but will also need to generate some income through the trading/selling of some of their services to schools. This model of support will be 70% funded from the high needs block and 30% traded and will be more sustainable; it also includes support for young people 16 – 25 years of age which was feedback by young

people, parents and organisations during the previous consultation in summer 2017.

- 1.13 The proposed preferred option in this report would also align to the four localities proposed in the Prevention and Early Help model agreed for consultation by the Council's Executive on 7 November 2017.
- 1.14 Approval is sought to formally consult on the revised proposed preferred option for the transformation of SEND Teaching and Support Services for children and young people aged 0-25 years from 17 January 2018 to 28 February 2018.

2. BACKGROUND

- 2.1 Bradford is one of the youngest populations in the country. We have a growing population of children and young people in Bradford and a growing population of children and young people with SEND.
- 2.2 The complexity of special needs in Bradford is also increasing and, as a result, there is a need for more specialist places.
- 2.3 We have an increasing number of referrals for Education, Health and Care assessments (EHCA):

Year	2014-15	2015-16	2016-17
No of referrals for EHCA	520	735	843

- 2.4 The announcement by the Department for Education on 14 September 2017 on the new National Funding Formula means that there will be significant pressure on our High Needs Block. The way that the funding has been calculated for Bradford means that we do not get as much funding as we had expected according to the formula outlined in the consultation papers.
- 2.5 Alongside the challenging financial climate, we also have the opportunity to transform the way SEND teaching and support services and provision are delivered in Bradford. The preferred model is driven by our vision to support children, young people and families as early as possible, build independence and so also reduce costly intervention later in the life of a child or young person.
- 2.6 In order to do this we need to ensure that a range of specialist services are available across the District for children and young people with SEND and that we meet the needs of the SEN Improvement Test (see Appendix 1). Local authorities proposing to make changes are required to demonstrate that the proposed changes are likely to lead to improvement in the standard, quality and/or range of educational provision for children with special educational needs and disabilities.

2.7 The proposal is also based on the evidence and findings of the SEND Strategic Review in Bradford 2016 - <https://localoffer.bradford.gov.uk/Content.aspx?mid=553>.

2.8 Messages from engagement and consultation

2.9 Between 2 May 2017 until 6 June 2017, Children's Services undertook a period of engagement on proposals to remodel SEND services 0-25. This was then followed by consultation from 26 June 2017 to 31 August 2017.

2.10 This included consultation and feedback from:

- Parents and Carers Forum
- Headteachers
- SEND Strategic Partnership
- Elected members
- Managers and teams in Children's Services
- Health and Well-Being Board
- The Schools Forum

2.11 This was promoted through the Local Offer website, Bradford Schools Online (BSO), the Council's consultation website, the SEND summer conference 2017 and attendance at events such as the Head teachers' briefings, Schools Forum, partnership meetings such as the Integrated Early Years Strategy Group, the SEND Strategic Partnership, and the Bradford Primary Improvement Partnership (BPIP).

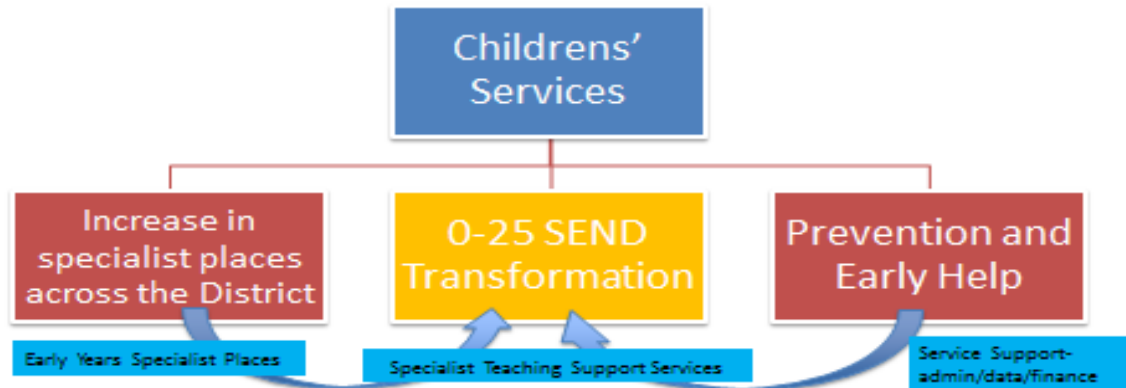
2.12 An online survey to schools was also undertaken in the 2017 summer term about the work of the specialist teaching support services. Of the 134 responses 99% had received support from the services and would like this to continue. Of the 117 schools who responded to this question – 'Did the support have a positive outcome for the school/child?' 96% (112) responded 'Yes'.

2.13 **Note:** the consultation regarding the expansion of specialist places for children and young people with SEND (including those for young children under five years of age) is in the paper – '**Ensuring the sufficiency of specialist places across the Bradford District for children and young people with Special Needs and Disabilities (SEND)**.' Please follow this link for these consultation documents from early November.

- www.bradford.gov.uk/consultations
- <https://bso.bradford.gov.uk>
- <https://localoffer.bradford.gov.uk/> - Bradford SEND Local Offer

This paper details the second of the three consultations that are running alongside each other –

1. To increase the number of specialist places for children and young people with SEND
2. The 0-25 Transformation of Specialist Teaching Support Services
3. Prevention and Early Help



3. OPTIONS AND PREFERRED MODEL

3.1 For teams in scope of these options please see Appendix 2.

3.2 **Option 1 – Remain with the same specialist teaching support services and teams and spread the required savings across these teams. This option would mean staff reductions of between 35-40* FTE.**

*This is based on the average cost of a member of staff being £36,000

3.3 Under this option, it is proposed that the SEND teaching and support services remain in place as presently - centrally provided and funded through the High Needs Block (HNB). The services would need to be reduced in size to meet the financial savings required to reduce the pressure on the HNB.

3.4 The current spend on specialist teaching and support services is £4.725m. These services cover Cognition and Learning, Autism, Physical and Medical, Sensory Service, 0-7 Early Years SEND; the Early Years Intervention Team and Teaching Support Services administration services and resourced provisions.

3.5 Of the £4.725m, £4.321m is currently spent on centrally managed services and £0.404m on enhancing the offer and provision for young children with SEND.

3.6 HNB spending is currently forecasted to exceed our HNB allocation by approximately £2m per year for the next four years. As a result, there is a need to implement a number of significant structural solutions to reduce the growth of a significant deficit in the HNB. The options in this paper are one of a number of other solutions needed to reduce this pressure.

Option One	
Pros:	Cons:
<p>Team remain working as they currently do and systems remain relatively stable and are familiar to children, schools and families.</p>	<p>To reduce the pressure on the HNB whilst retaining the teams as they currently are would mean significant staff reductions across all of the existing teams. This would most likely result in a lack of capacity to meet need across all areas of SEND, a lack of a timely response to high rates of referrals and an inability to meet our statutory duties for both low and high incidence (occurring) special needs.</p> <p>Staff reductions would lead to some disruptions for service users.</p> <p>Would not meet the SEN Improvement Test.</p> <p>Is not efficient, as schools currently have to enter into separate service level agreements with different teams within specialist teaching and support services.</p> <p>There is duplication of service support functions e.g. administration.</p> <p>It does not provide an integrated approach for children, young people and their families.</p>
<p>This is not the preferred option because the reduction in staff would lead to a less co-ordinated and effective level of service to children, schools and families and not meet the requirements of the SEN Improvement Test.</p>	

3.7 Option 2 – there are three main elements to this proposed option:

- Two Early Years SEND Centres of Excellence to meet the needs of children up to the age of five years;
- Teaching Support Services for high incidence or occurring SEND into an Integrated Specialist Teaching Support Service for children and young people aged 5-16 years of age;
- Teaching Support Services for low occurring SEND into a Sensory and Physical Needs team for children and young people aged 5-16 years of age.

This option would mean potential staff reductions of between 10-12 FTE.

- 3.8 This option would also require that all three elements of the model would be partly funded from the High Needs Block and teams would also be required to sell some of their services to generate an income.
- 3.9 Option 2 is a revision of the preferred option presented to Council's Executive on 20 June 2017 and subject to initial consultation 26 June until 31 August 2017. The changes to the organisation and staffing of the teams and proposed level of funding allocated to the teams has been **changed** in line with feedback received between 26 June 2017 and 31 August 2017.
- 3.10 Under this revised option, it is proposed that the district will be divided into two areas. In each locality will be a **SEND Early Years Centres of Excellence** which would be co-located with one of the four Enhanced Early Years Specialist Provisions which provide early years places for young children with SEND. These are based at:
- Abbey Green Nursery School
 - Canterbury Nursery School
 - St Edmunds Nursery School
 - Strong Close Nursery School

NB. Because of the need to increase the number of specialist places, the additional specialist early years places created at these four nursery schools are included in a separate consultation see above 2.13. The cost for these places is £1,006, 672; see table in 5.1.

Option 2 – Previous Exec Model – revised funding across model

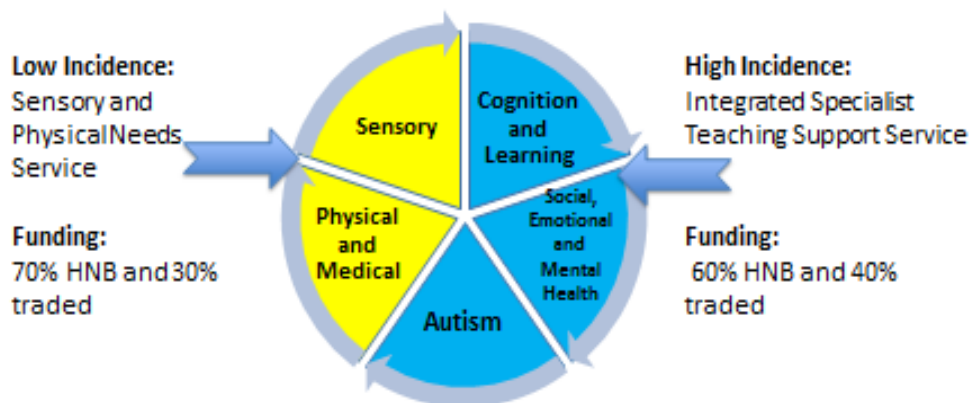


- 3.11 The SEND Early Years Centres of Excellence will comprise a range of SEND specialist practitioners, for example, specialist teachers of autism, cognition and learning and behaviour, portage home visitors and Equality and Access

(Inclusion) Officers. They will provide consultation; support, training and outreach work for all SEND early years children across all types of early years settings within the locality in addition to those accessing the specialist places in the four nursery schools noted above.

- 3.12 To be able to fund the required increase in early years specialist places (an additional £1,006,672 from the High Needs Block), the proposed SEND Early Years Centres of Excellence would need to have a reduced staffing model and have an element of income generation through selling some of their services to providers/settings/schools. This has been revised in light of the announcement on the National Funding Formula and would require 80% funding through the HNB and 20% traded/income generation.
- 3.13 There would need to be a reduction in the number of posts contained within the original proposal put to the Executive on 20 June 2017. In total this reduction would be between 10-12 FTEs.
- 3.14 In addition to the SEND Early Years Centres of Excellence for young children, Option 2 would also include:
- A SEND Teaching Support Service for 5-16 year-olds for high occurring SEND needs
 - Creation of a new low occurring SEND Teaching Support Service – Sensory and Physical Needs

Option 2 – Changes to model and funding



<p>A SEND Teaching Support Service for 5-16 year-olds for High Occurring SEND</p> <p>Under this Option 2, the</p>	<ul style="list-style-type: none"> • Autism • Cognition and Learning • Social, Emotional and Mental Health 	<p>Team would comprise:</p> <ul style="list-style-type: none"> • Head of Service and Deputy Head of Service/Specialist Teacher
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<p>service will be partly funded from the HNB (60%) and will need to generate 40% of their total costs by selling services.</p>		<ul style="list-style-type: none"> • Specialist Teachers: <ul style="list-style-type: none"> • Cognition and Learning • SEMH • Autism • Peripatetic Specialist practitioners • Business/Finance/data/admin
<p>Sensory and Physical Needs Team: Low Occurring SEND</p> <p>Revised financial modelling has been based on a 70% funded model from the HNB and 30% on an income generated model through selling some of their services to schools.</p>	<ul style="list-style-type: none"> • Hearing Impaired, Visually Impaired and Multi-Sensory Impairment • Physical and Medical 	<p>Team would comprise:</p> <ul style="list-style-type: none"> • Head of Service • Team Leader Support Team for Deaf children • Business Support • Visual Impairment (VI) Team • Support Team for Deaf Children • Physical and Medical Specialist Teachers

Option Two	
Pros:	Cons:
<p>This option would:</p> <p>Provide dedicated support to children 0-5 years;</p> <p>Enable teams to work more closely with the children, families and staff in the newly created specialist early years SEND places in the four nursery schools;</p> <p>Would provide some HNB funding for the integrated teaching team to work with children 5 -16 years of age.</p> <p>Would reduce the amount of income that the sensory team would need to generate based on the original proposals in the</p>	<p>Overall, this option would only generate a small saving from the HNB of approximately £3,500 per annum as we would have to:</p> <ul style="list-style-type: none"> - provide HNB funding for the increased number of specialist places that we require at a cost of £1,006,672; - fund the low incidence team (70% from the HNB rather than the original proposal of 50%) and the low incidence team would have to generate an income of 30%; - fund the high incidence team (funded 60% from the HNB instead of 0% funding from the HNB under the previous proposals) and the team would have to generate an income of 40%. <p>This would increase pressure overall on the HNB and lead to a growing and significant deficit.</p> <p>The reductions in staffing in the two</p>

<p>Executive paper of 20 June which was for the service to be 50% funded through the HNB and 50% income generating.</p>	<p>Centres of Excellence would only provide minimal savings and, in order to provide a viable service staffing could not realistically fall below this level.</p> <p>The Centres of Excellence would have to generate 20% of their funding through selling some of their services.</p>
<p>This is not the preferred option because it would not allow the Council to make the savings required to provide extra specialist places for young children for which there is an increasing demand. This would increase the pressure on the HNB and lead to a growing and significant deficit.</p>	

3.15 Option 3 – preferred proposed option – 0-25 SEND Inclusive Education Service there are two elements to this option:

- The creation of an integrated 0-25 years high incidence/high occurring SEND teaching support service to support children and young people who have autism, additional learning needs and difficulties and social and emotional and mental health needs;

AND

- The creation of a new low incidence/low occurring 0-25 years SEND Teaching Support Service to support children and young people with hearing impairment, visual impairment, multi-sensory impairment and physical and medical needs.

This option would mean potential staff reductions of between 25-30 FTE.

High Incidence Integrated Teaching Support Service

High Incidence Team
for high occurring needs.

Funding:
70% HNB and 30% Traded

Locality working

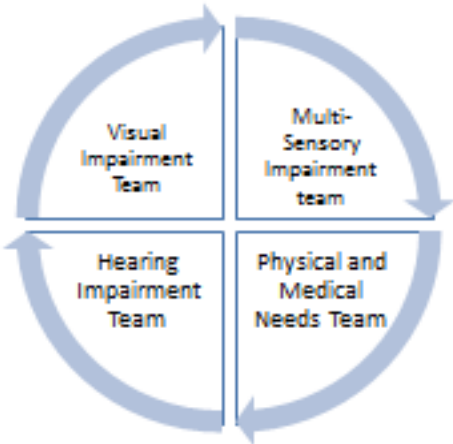


Low Incidence Sensory and Physical Needs Team

Low Incidence Team
for low occurring needs.

Funding:
70% HNB and 30% Traded

Centrally located

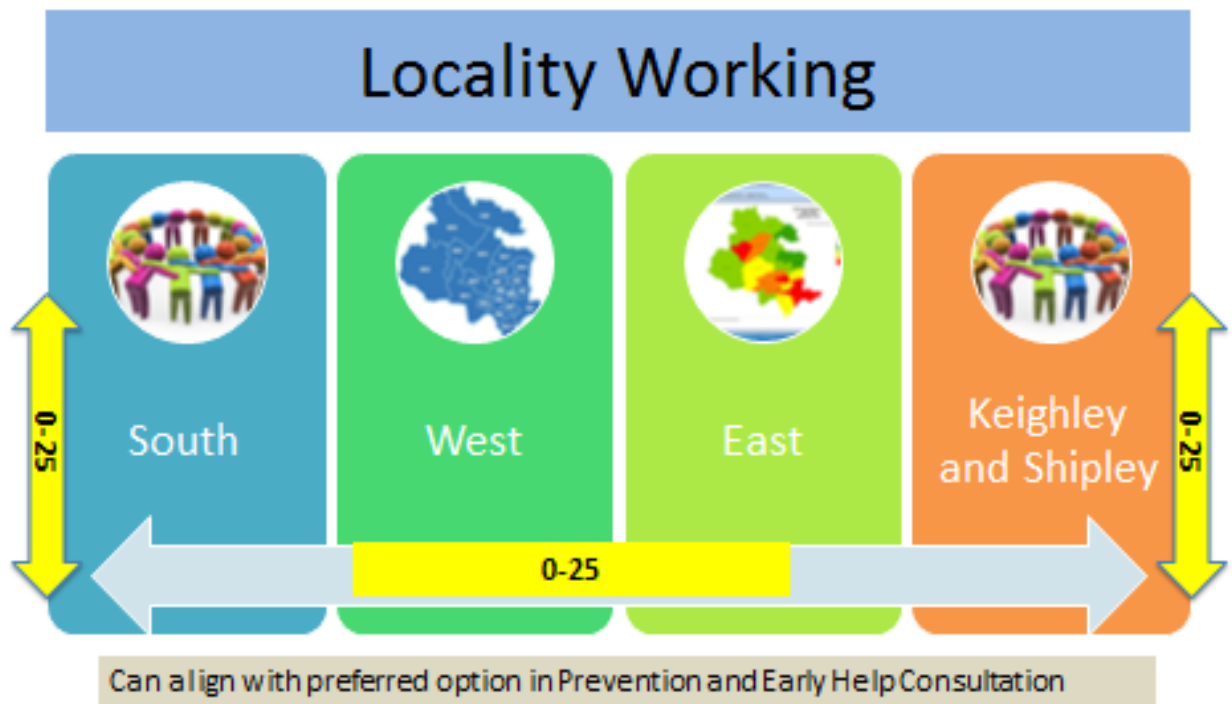


<p>0-25 SEND Inclusive Education Service made up of 2 teams:</p> <p>High incidence/occurring special needs)</p> <p>This team would align to work across the areas proposed in the Prevention and Early Help consultation:</p> <ul style="list-style-type: none"> • Keighley/ShIPLEY • East • West • South 	<ul style="list-style-type: none"> • Autism • Cognition and Learning • Social, Emotional and Mental Health 	<p>Team would comprise of:</p> <ul style="list-style-type: none"> • Service Manager • Four Locality Leads (0.5 management role with 0.5 Specialist teaching role) • Specialist Teachers • Peripatetic Specialist Practitioners • Portage Home Visitors including one Senior Portage Home Visitor • Early Years Specialist Practitioners • Post-16 Transition Officers • Equality and Access (Inclusion) Officers • Business/Finance/admin
<p>Sensory and Physical Needs Team: for low Incidence/occurring SEND.</p> <p>Revised financial modelling has been based on a 70% funded model from the HNB and 30% on an income generated model through selling some of their services to schools.</p>	<ul style="list-style-type: none"> • Hearing Impaired, Visually Impaired and Multi-Sensory Impairment • Physical and medical 	<p>Team would comprise:</p> <ul style="list-style-type: none"> • Head of Service • Team Leader • Business Support • Visual Impairment Team <ul style="list-style-type: none"> - Specialist teachers - Specialist Practitioner - Technical Support - Habilitation Officers • Support Team for Deaf Children <ul style="list-style-type: none"> - Specialist Teachers of the deaf - Multi-Sensory Impairment teacher - Audiologist

		<ul style="list-style-type: none"> - Audiology officer - Specialist practitioners - Deaf Instructor • Physical and Medical Specialist Teachers
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3.16 The two teams within the new model will work closely together and will have a single point of referral into the support to simplify the process for families and schools and external agencies.

3.17 There is the potential that the work of these teams can align to the four locality model in the Prevention and Early Help preferred option currently under consultation.



Option Three	
Pros:	Cons:
<p>Create one integrated team of specialists supporting children and young people from 0-25 years of age.</p> <p>Better support transitions for example from home or early years settings into schools, both primary, secondary and Special and then into post -16</p>	<p>There would be a reduction in the number of specialist teachers and specialist practitioners employed by the LA to offer support to children, schools and families.</p> <p>The team will need to generate an income of 30% of the overall cost of</p>

<p>education, provision and apprenticeships and into employment</p> <p>Reduce the number of staff/professionals that families with children with SEND and schools have to interact with and help to simplify and streamline the referral process through one single point of contact.</p> <p>Allow schools to enter into one service level agreement to meet the needs of children and young people with the whole service rather than separate teams, right through to 25 years of age.</p> <p>Reduce duplication of service support functions, for example of administration and financial support and help to build a more responsive, timely and cost efficient service.</p>	<p>the service to maintain or sustain this proposed level of staffing.</p>
<p>This is the preferred option because it integrates specialist teaching and support staff into two teams (High and Low Incidence) which are potentially more viable and will help to retain specialisms within the district which will together provide a prompt and more consistent support to children, young people aged 0-25 years and their families and schools and better support transitions between home, school and employment and training</p>	

3.18 This option would also generate greater net savings from the HNB of £0.774m and would reduce some of the pressure on the HNB. The overall spend on teaching support services would reduce from the current £4.725m to £2.945m whilst also providing the £1.006m for the additional specialist early years SEND places.

4. OTHER CONSIDERATIONS

4.1 This proposal sits alongside those proposals for Prevention and Early Help and the consultation on the expansion of specialist places – ‘Ensuring the sufficiency of specialist places across the Bradford District for children and young people with Special Needs and Disabilities (SEND)’.

5. FINANCIAL & RESOURCE APPRAISAL

- 5.1 Substantial savings must be made from the High Needs Block and the table below identifies the savings from each option. The options costed below show current spend on the specialist teaching support services (Column 1). In Option 2 (Column 3) and the preferred Option 3 (Column 4) £1,006,672 will be needed to fund the additional specialist early places and £170,000 will be used to continue to fund the Early Years SEN Assessment Team who will move into a 0-25 SEN Assessment Team (not part of this consultation).

	Column 1	Column 2	Column 3	Column 4
	Current 2017/18 HNB Spend	Option 2 Costs for original model	Option 2 Costs of the reworked model	Option 3 Cost of the preferred model
Costs of Specialist Teaching Support Services	4,725,725	2885,761	3,545,627	2,774,792
Early Years - Places		1,006,672	1,006,672	1,006,672
Costs of SEN Assessment Team		170,000	170,000	170,000
Total	4,725,725	4,062,432	4,722,299	3,951,464

- 5.2 As the preferred option would be a significant programme of change, additional dedicated resource and support will be required from a range of other council services and teams including Human Resources, Financial and Legal Services, Communications and Workforce Development. There has been £200k allocated from the Transformation Fund to support the Early Help and SEND Transformation programme.
- 5.3 Any redundancy costs that arise from these proposals will be covered through the DSG – High Needs Block.

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 6.1 Unless there is a radical change in the way that SEND Teaching and Support Services are delivered and make a significant contribution to savings required from the High Needs Block the pressure on the HNB will continue. Spending is currently forecasted to exceed our allocation by approximately £2m a year for the next four years. The trajectory is that by 2021/22 the HNB will have a forecasted deficit of £9.2m.
- 6.2 To deliver this programme of change requires delivery at considerable pace and a further period of formal consultation with children, young people, families and partners, workforce and other interested parties.

7. LEGAL APPRAISAL

- 7.1 The SEND Code of Practice 2015 sets out statutory guidance that local authorities, education settings and health bodies must take into account when carrying out their respective duties in respect of children and young people aged 0-25 years.
- 7.2 The Local Authority has a duty to identify, assess and make provision to meet the special educational and wider needs of children within its area and to monitor progress against outcomes. From September 2014 all new statutory assessments and Plans must consider educational, health and care needs, outcomes and appropriate provision.
- 7.3 Local authorities are expected to take into account the views of children, young people and their parents when proposing changes to any SEN provision and should identify the specific educational benefits and improvements in provision which will flow from the proposals.
- 7.4 One of the initial factors for consideration of any changes to SEN provision for a local authority is to ensure that pupils will have access to appropriately trained staff and access to specialist support and advice.
- 7.5 The SEND Code of Practice January 2015 provides that when considering any reorganisation of special educational needs provision that the Local Authority must make it clear how they are satisfied that the proposed alternative arrangements are likely to lead to improvements in the standard, quality and/or range of educational provision for SEN (see Appendix 1 for the SEN Improvement Test).
- 7.6 The Local Authority must have regard to its public sector equality duties under section 149 of the Equality Act 2010 when exercising its functions and making any decisions. The Local Authority must carry out an Equalities Impact Assessment to enable intelligent consideration of the proposals. The Local Authority must have due regard to the information in the Equalities Impact Assessment in making the decision to commence consultation on these proposals.
- 7.7 Consultation with employees in relation to any proposed changes will follow procedures set out in 'Managing Workforce Change'.
- 7.8 In circumstances where there is no prescribed consultation period or prescribed statutory process the Local Authority should consult interested parties in developing their proposals and before publication or determination of those proposals as part of their duty to act rationally and to take account of all relevant considerations. Any responses received to the consultation should be considered and the Local Authority must have regard to its Public Sector Equality Duty before any decision is taken to implement the proposals.

- 7.9 Consultation must take place with all interested parties when proposals are still at a formative stage, sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response. Adequate time must also be given for consideration and to respond to the consultation and conscientious account must be taken of responses when a decision is made. Whilst all options do not have to be consulted upon they must be sufficiently clear to enable consultees to understand the proposals.
- 7.10 Consultation must be easily understandable by those most likely to be affected by the proposed changes. The language should not be technical and what is being proposed and the impact of the proposals must be in plain English.

8. OTHER IMPLICATIONS

8.1 EQUALITY & DIVERSITY

- 8.1.1 The Local Authority must not discriminate directly or indirectly against any group or individual and is required to foster good relations.
- 8.1.2 An Equalities Impact Assessment for the preferred proposed Option 3 is attached as Appendix 3.

8.2 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications arising from this report. Any development or changes to buildings undertaken as a result of these proposals will be undertaken in a sustainable way which minimises the future impact of the Local Authority's carbon footprint.

8.3 GREENHOUSE GAS EMISSIONS IMPACTS

The proposals would not impact on gas emissions.

8.4 COMMUNITY SAFETY IMPLICATIONS

There are no direct community safety implications arising from this report.

8.5 HUMAN RIGHTS ACT

There are no direct Human Rights implications arising from this report.

8.6 TRADE UNION

- 8.6.1 This proposal was presented at Children's OJC Level 2 on 7 December 2017.
- 8.6.2 The trade unions will be fully consulted on the proposals and meetings are scheduled with the Trade Unions on the proposals and their feedback will be incorporated into future reports to Executive. Under these proposals there will

staffing reductions across all of the options considered.

Option	Reduction in pressure on HNB	Current FTE staffing	FTE Staff reductions
Option 1	£660k	108	- 35 to 40
Option 2	£3.5k	108	- 10 to 12
Option 3	£770k	108	- 25 to 30

8.7 WARD IMPLICATIONS

Ward Councillors will be formally consulted upon about the proposals affecting their wards.

9. NOT FOR PUBLICATION DOCUMENTS

None.

10. OPTIONS

10.1 This report seeks approval to commence further consultation on the preferred Option 3.

10.2 If the preferred option 3 is not approved for consultation then, in order to achieve significant savings from the HNB, deliver an expansion of specialist places across the district and meet the requirements of the SEN Improvement Test, alternative savings options would need to be identified and delivered in a timely way.

11. RECOMMENDATIONS

11.1 That the Executive accepts Option 3 as the preferred option for consultation.

11.2 Executive is asked to approve a period of consultation from 17 January 2018 to 28 February 2018 with children, young people, families, partners, stakeholders, staff and all interested parties, see Appendix 4.

11.3 That Executive receives a further report in April 2018 following the period of formal consultation.

11. APPENDICES

Appendix 1: The SEN Improvement Test for preferred Option 3

Appendix 2: Staff in scope

Appendix 3: The Equality Impact Assessment
Appendix 4: Consultation Plan

12. BACKGROUND DOCUMENTS

The proposed options are based upon the principles and outcomes encompassed in the following key plans and statutory guidance:

- SEND Code of Practice
- Bradford Council Plan 2016 - 2020 – A Great Start and Good Schools for all our Children
- Bradford Children, Young People and Families Plan 2016-2020
- The Education Covenant 2017-2020
- Directors of Children’s Services: Roles and Responsibilities (2013)

Appendix 1 - the SEN Improvement Test for preferred Option 3

Based on preferred Option 3: Changes to the way in which specialist teaching support services are delivered for children and young people with special educational needs and disabilities (SEND)

This document demonstrates how the preferred proposal of Option 3 will improve the way in which the Local Authority delivers support to SEND children and young people through the teaching support services to meet the requirements of the SEN Improvement Test.

The SEN Improvement Test

Any local authority proposing to make changes to schools providing places for children and young people with any kind of Special Educational Needs or Disabilities (SEND), including Social Emotional and Mental Health Needs (SEMH), is required by the Department for Education (DfE) to show that the proposed changes to provision meet the SEN Improvement Test and are able to demonstrate that the proposed arrangements are likely to lead to improvement in the standard, quality and/or range of educational provision for children with special educational needs and disabilities.

The required improvements of the test which are relevant to these proposals are as follows:

1. Improved access to education and associated services including the curriculum, wider school activities, facilities and equipment with reference to the Local Authority's Accessibility Strategy.

SEND and Behaviour Services will continue to meet the requirements of the Government's inclusion agenda. It will ensure a flexible continuum of provision for pupils with a range of special educational needs and disabilities, according to the needs of individual children.

The reorganisation of the teams around an area-based model will ensure that children and families, schools and settings will have easier access to SEND associated services within the communities that they live. The alignment with the consultation models being proposed around Prevention and Early Help will increase communication and joint working with the range of professionals that can form a 'team around the child'.

The proposals will, therefore, lead to improved access to education and associated services including the curriculum, and wider school activities, while providing improved facilities and equipment.

The overall aims of Bradford's Accessibility Strategy and the way they will be met are as follows:

- Curriculum: Increasing the extent to which disabled pupils or prospective pupils can participate in the curriculum.
Due to the teams being co-located within areas with Prevention and Early Help these proposals will deliver advantages and improvements for the children and young people with SEND across all settings as their access to the specialist support services will be easier within their local community
- Physicality: Improving the physical environment of schools through targeted specialist advice and support provided by the specialist integrated teams about the environment will increase the extent to which disabled pupils can make progress with their learning and improve their outcomes.
- Information: Improving the provision of information in a wide range of formats for disabled pupils.
Local area support and information in a wide variety of formats on associated services, activities and help can be tailored to the communities that children and families live in and so provided greater knowledge and access and because of the integration of the SEND specialist teams and the alignment to Prevention and Early Help communications and information should be more streamlined, joined up, with a reduction in duplication and information overload by separate teams.

2. Improved access to specialist staff, both education and other professionals, including external support and outreach services

The creation of two 0-25 teams under one SEND service – the SEND Inclusive Education Service which would include high incidence SEND along with Early Years specialists, Portage and post -16 personal advisers; and one for low incidence SEND, rather than the current structure of a number of separate teams with their own administration, financial support and management in two different service areas will provide a more joined up, district wide approach to raising outcomes of SEND children and young people from birth to 25 years of age across the district.

The proposed SEND Inclusive Education Service will service four geographical areas and be aligned to the proposals for four teams in Prevention and Early Help. This will mean services are closer to the communities which they serve, there will be a much clearer pathway for any referrals, there will be better communications and shared systems between services so they can join their offer up for children, young people and families and make them more efficient and seamless. Families, schools and other service users should know more clearly who the teams are and who they need to contact and should get a more timely response.

The creation of 0-25 specialist teams also means that children and young people will benefit from the continued support of the full range of training and qualified specialist staff from birth, through education and careers and transition support into further education and employment.

3. Confirmation of how the proposals will be funded and the planning staffing arrangements put in place

Both the proposed SEND Inclusive Education Service and the Sensory and Physical Needs (Low Incidence) Service will be funded from the high needs block for 70% of the total cost of the teams. Each team will need to sell some of their services to generate an income of 30% of the overall cost of the team. This 30% of income will be generated through delivering consultancy, training, some equipment and resources to support schools, settings and colleges to deliver a high quality offer to all SEND children and young people.

The staffing for the teams will comprise the majority of the staff that are currently employed within the teaching support teams. These comprise:

- Autism Team
- Cognition and Learning Team
- Social, Emotional and Behavioural Difficulties (SEBD) Team
- Physical and Medical Team
- Sensory Team (which covers hearing and visual impairment and multi-sensory impairment).
- Portage
- Early Years Intervention Team
- 0-7 SEND team

Appendix 2 - staff in scope

Specialist teaching and support teams	Staff in scope FTE
Cognition and Learning	11.6
Autism	11.0
BESD	13.5
Physical and Medical	4.0
Sensory Outreach team	27.6
0-7 SEND	22.0
Early Years Intervention Team (excluding assessment team)	18.1
Numbers in scope for consultation	108*
	(9 vacancies)

- * rounded

Appendix 3 - Equality Impact Assessment Form

Department	Education, Employment and Skills	Version no	Final draft
Assessed by	Lynn Donohue and Angela Spencer-Brooke	Date created	First draft
Approved by	Judith Kirk	Date approved	24.10.17
Updated by	Lynn Donohue	Date updated	04.12.17
Final approval	Judith Kirk	Date signed off	05.12.17

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.

Transformation of the 0-25 SEND specialist teaching and support services specifically under consideration is:

Preferred Option 3, which proposes to create two interdependent combined specialist teams; one Integrated SEND Inclusive Education Service which includes specialists for High Incidence SEND as well as those for Early Years and Post-16 for children and young people aged 0-25 years of age and one for Low Incidence SEND for children and young people aged 0-25 years of age. These two teams will work closely together to deliver advice, training and support to children and young people from birth to 25 (where required).

The proposals have been reviewed and revised in the light of feedback received during a consultation period which ran until 31 August 2017. It has been agreed that these revised proposals will be presented to the Council Executive to ask them to agree to a further period of consultation to ensure that meaningful engagement with all stakeholders can now be undertaken on the preferred option 3.

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

The Local Authority offers a range of specialist teaching support services to advise, support and train mainstream schools and specialist settings to meet the

needs of children and young people with special educational needs and disabilities (SEND).

Currently, these services are mostly based in the city centre and are funded through the High Needs Block (HNB) (funding which the Council receives from the Government) and employ teachers, specialist practitioners and specialist support roles and Post 16 Personal Advisors.

The staff teams which are part of the preferred Option 3 in the proposals to the Council Executive are:

- Autism Team
- Cognition and Learning Team
- Social, Emotional and Behavioural Difficulties (SEBD) Team
- Physical and Medical Team
- Sensory Team (which covers hearing and visual impairment and multi-sensory impairment)
- Portage
- Early Years Intervention Team
- 0-7 SEND team

These teams currently have their own management arrangements and some sit within different services within Children's Services Department of the Council.

These teaching support services currently offer statutory and non-statutory support in mainly mainstream schools to support the inclusion and the removal of barriers to learning for children across all the prime SEND needs i.e. learning disabilities, autism, physical and medical needs, social, emotional and mental health needs and sensory needs (hearing, visual and multi-sensory impairment).

The proposal is to create two integrated teams of staff for children and young people from birth up to 25 years of age, rather than the current arrangements which are separate teams within the SEND and Early Years' services of the Council.

One team will be the SEND Inclusive Education Service 0-25 team which will integrate specialist teachers and practitioners from the Portage, Early Years Intervention team, 0-7 SEND team, and High Incidence SEND - Autism, Cognition and Learning and SEBD Teams into one team.

This proposed team will offer early intervention in the home through Portage home teaching for young children; offer support throughout a child and young person's educational journey in school and offer transition support post-16 into training and further education and post-19 into training and employment.

In addition it is proposed that a second low incidence 0-25 SEND team of staff will be created by joining together the current Sensory Team and the Physical and Medical Teams. This team will offer support to children with hearing impairment, visual impairment, multi-sensory impairment, physical and medical difficulties and disabilities.

It is also proposed that this team will offer early intervention in the home; offer support throughout a child and young person's educational journey in school and offer transition support post-16 into training and further education and post-19 into training and employment.

Both of the new teams will work closely together.

The proposals intend to create two teams within the same overarching service (SEND) covering children and young people 0-25 years of age.

This will offer better transitions for children and young people and their families when they move between settings, schools, further and higher education and into employment. The intended result is fewer contacts between different teams and different services in the Council and therefore better and more timely communications with settings, schools, families and their children; a more efficient service, more timely responses to service requests and referrals and overall a more joined up, coherent approach to the children and young people with SEND.

Children and young people with SEND and their families, schools and settings should benefit from the creation of having only two specialist teaching and support teams; with more straightforward access to services,, fewer contacts with the different sections of the Council and people and not being passed between separate teams within the SEND services.

In addition, by creating these two teams it means the Council should keep expertise and SEND specialisms within the district. Because we are proposing that the teams will be part funded from the HNB (Council funding) and partly required to generate an income through selling services to schools, we can afford to retain a larger team of specialist staff. If the services continued to be wholly funded from the HNB, which is under significant budgetary pressure, there would need to be substantial reductions in staffing and some expertise and specialisms would inevitably be lost to 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.**

Yes - This proposed preferred option is intended to advance the equality of opportunity and improve a range of outcomes for children with SEND 0-25 years-old by providing an integrated specialist teaching and support service for children and young people aged from birth to 25 years in early year's settings, schools and colleges.

The creation of two 0-25 teams under one SEND service – the SEND Inclusive Education Service which would include high incidence SEND along with Early Years specialists, Portage and post -16 personal advisers; and one for low incidence SEND, rather than the current structure of a number of separate teams with their own administration, financial support and management in two different service areas will provide a more joined up, district wide approach to raising outcomes of SEND children and young people from birth to 25 years of age across the district.

It is intended that the proposed SEND Inclusive Education Service will service four areas and be aligned to the proposals for four area-based teams in Prevention and Early Help. This will mean that Council services are closer to the communities which they serve, there will be a much clearer pathway for any referrals, there will be better communications and shared systems between services so they can join up their offer for children, young people and families and make them more efficient and seamless. Families, schools and other service users should be able to identify more clearly who the teams are and who they need to contact and should get a more timely response.

The creation of 0-25 specialist teams also means that children and young people will benefit from the continued support of the full range of training and qualified specialist staff from birth, through education and careers and transition support into further education and employment.

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.

Yes –. The proposals will ensure that all SEND children and young people with a range of special educational needs and disabilities will continue to have access to high quality support from the full range of trained specialist staff. Their access to fully qualified and experienced teachers, practitioners, teaching assistants and other professionals will be improved through the creation of two integrated teams under one SEND service. The opportunities will be further enhanced as the specialist staff will work more closely together, supporting each other and having access to targeted services and through the positioning of these teams together with Prevention and Early Help services who will be area based ,communications and joint working with other services will be improved.

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

This is a wide ranging programme of change and involves many people. This has been taken into consideration and for staff their terms and conditions of employment will not change; there may be a change in their work/office base and the geographical location they cover. In these cases we will involve any staff with disabilities and mobility issues in discussions about work locations and bases, for example in relation to where they live and transport arrangements.

For children and young people with SEND and their families there will should be no negative impacts as they will have professionals who are working more closely within their communities and with their family, setting or school; they should be telling their story once and fewer professionals are involved; communications should be more simple and straightforward.

With integrated teams under one service, the services they provide to children, young people and their families will be more joined up, more timely and responsive. The services to settings and schools will be maintained and improved in the same way that is described for families.

The selling of some services to schools will allow them, if they choose to do so, to buy additional support tailored to their requirements, to meet the needs of the children and young people they educate.

The equality assessment indicates that this proposal is likely; overall, to have no impact or a low impact and that there is no disproportionate impact on any group who share protected characteristics. .

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)

Protected Characteristics:	Impact (H, M, L, N)
Age	N
Disability	L
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N

Sex	N
Marriage and civil partnership	N
Additional Consideration:	N
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 and strategic partners have made significant efforts to mitigate against any negative impacts whilst continuing to use High Needs Block funding to intervene early and promote equality of opportunity and access to specialist support services so that it is used effectively to improve outcomes for Children and Young People with SEND. The provision of integrated high quality teams (for both High Incidence and Low Incidence SEND) of SEND specialists will mean that specialisms and expertise are retained within the district for the benefit of children and young people with SEND.

It is important to note that schools have a responsibility to ensure that the needs of their pupils with SEND are met and this has not changed. The Local Authority is committed to working with all our children and young people in Bradford, irrespective of whether they are in academies or free schools, Independent or Private providers and Businesses who provide apprenticeships.

The Local Authority will continue to undertake all of its statutory duties identified in the SEND Code of Practice and this assessment will be updated as and when further consultation is undertaken to analyse any impact on children and families who may use the services and staff providing the services.

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.

We have conducted initial engagement and a period of consultation with nursery schools, mainstream schools, special schools, colleges and post 16 providers, partners in the NHS, the Private and Voluntary sector, community partners, social care both Adults and Children, the SEND Parents/Carer Forum and Trade Union Organisations. A further paper is to be tabled to the Council Executive in January 2018 with the revised proposals which will discuss the preferred option and ask the

Executive to recommend a period of further formal consultation including all previous consultees and interested parties.

Section 4: What evidence you have used?

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

The first Council Executive Report and accompanying evidence was discussed on 20 June 2017. As part of this an extensive evidence and data was used including the incidence of SEND across the district and by type, the number of referrals and by age and type of Special needs, the number and geographical spread of Education and Health Care Plan assessments and by ward some of this is included or referenced in the executive report. In addition, the findings from a survey to schools in July 2017 about SEND Specialist services have also been taken into account in framing these proposals.

An SEN Improvement Test at Appendix 1.

4.2 Do you need further evidence?

An initial engagement on the proposals ran from 2 May 2017 to 6 June 2017. A wide range of stakeholders were consulted and we received a significant number of comments and questions. All of these have been reviewed, and as a result of this changes and amendments were made to the initial proposals. An executive Report was discussed at the Council Executive on 20 June 2017.

Following this meeting a period of consultation started on 26 June 2017 due to run until 31 August 2017. As a result of feedback and responses during this consultation period revisions were made to the initial proposed model. A number of options were considered which resulted in the Council's preferred option 3 being developed. These revised proposals are contained within a further Council Executive report due to be tabled in January 2018. Executive will therefore be asked to agree a further period of formal consultation on the proposed preferred option early in the New Year 2018 which will engage all interested parties.

Section 5: Consultation Feedback

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

A summary of the responses from the initial consultation 2 May until 6 June has been attached to this document – 'Responses to initial consultation'. Note also paragraph 4.2 above regarding the formal consultation period.

During the initial consultation period a total of 79 responses were received containing a total of 16 comments and 144 questions:

Respondent	Number of responses	Comments	Questions
Internal staff Teams	72	7	121
Schools	3	2	2
VCS	2	5	19
Parent	2	2	2
Overall	79	16	144

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

As a result of this initial engagement period 2 May until 6 June some changes were made to the staffing of the then proposed Centres of Excellence.

As a result of feedback and responses during the consultation period 26 June to 31 August 31 2017 further revisions to the proposed model have been made and these will be presented to the Council Executive in January 2018.

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

As a result of feedback and responses during the consultation period 26 June to 31 August 2017 further revisions to the proposed model have been made. It was also noted that this consultation took place during the school summer break.

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.

Council Executive will meet on 9 January 2018 to consider further options and in particular to discuss the preferred Option 3 explained in this paper. It is intended that following that meeting a further formal consultation period will commence between 17 January and 28 February 2018. When the further formal consultation closes a further report will be presented to the Council Executive in April 2018.

Appendix 4 - Consultation Plan

SEND Transformation 0-25 – Stakeholder Consultation Plan			
	Purpose	Type / Method	When / Frequency
Parents and Carers across the District, including Parent and Carer Forums Communities of Interest	To ensure wider reach during engagement / consultation / feedback Engage in scoping and design where directly affected	<ul style="list-style-type: none"> - Focus Groups at Special Schools - On-line survey - Engagement and Consultation Council website - Local Offer website - Social media (Twitter / Facebook) / Stay Connected / Bradford App - Families Information Service - Citizen's e-panel 	<ul style="list-style-type: none"> - Initial engagement 02/05/2017 to 06/06/2017. - Initial formal consultation from 26/06/17. - Parents Forum (dates TBC). - Strategic Disability Group (TBC)
Children and Young People (including those with SEND) Page 104	To ensure wider reach during engagement / consultation / feedback To gather current experience accessing services To engage and consult in scoping and design where directly / indirectly affected	<ul style="list-style-type: none"> - Youth Service - Focus Groups - On-line survey - Social media (Twitter / Facebook) / Stay Connected / Bradford App - Colleges / University - Engagement and Consultation Council website - Local Offer website 	<ul style="list-style-type: none"> - Engagement completed and analysis reviewed. - Initial formal consultation began on 26/06/2017. - Model revised and to be confirmed in April 2018 once analysis of further consultation feedback has been undertaken.
Elected Members, Executive, CMT, DMT Meetings MP's Parish Councils	To support initiation and on-going implementation across services and teams To keep informed of key information / changes and input into recommendations. Endorse and agree proposals.	<ul style="list-style-type: none"> - Presentations, member briefings and updates - Engagement and Consultation Council website - Local Offer website - Parish and Town Councils 	<ul style="list-style-type: none"> - CMT - CMT/Pre-Exec - Council Executive - Keighley Area Committee – TBC - Shipley Area Committee – TBC - East Area Committee – TBC - South Area Committee – TBC - West Area Committee – TBC
Key Partnership Groups - SEND & Behaviour Strategic Board	To support initiation and on-going implementation across services and teams	<ul style="list-style-type: none"> - Presentations, briefings and updates - Engagement and 	<ul style="list-style-type: none"> - SEND Strategic Partnership – (date to be confirmed) - Overview & Scrutiny – (date to

<ul style="list-style-type: none"> - Children's Trust Board - Safeguarding Board - Accountable Care Board - Area Committee Meetings - Overview & Scrutiny - Early Help Board 	<p>To keep informed of key information / changes and input into recommendations.</p> <p>Endorse and agree proposals.</p>	<ul style="list-style-type: none"> - Consultation Council website - Local Offer website 	<ul style="list-style-type: none"> - be confirmed) - Accountable Care Board – (date to be confirmed) - Safeguarding Board – (date to be confirmed) - Children's Trust Board – (date to be confirmed) -
<p>Private, voluntary and independent sector</p> <p>Diocese Boards of Education – Church of England Catholic Diocese Muslim Association /Council for Mosque</p> <p>Neighbouring Local Authorities</p>	<p>To support initiation and on-going implementation across key services and teams</p> <p>To keep informed of key information / changes and input into recommendations</p>	<ul style="list-style-type: none"> - Briefings and updates 	<ul style="list-style-type: none"> - Dates to be confirmed with Peter Horner
<p>National Organisations</p> <ul style="list-style-type: none"> - DfE - National Charities 	<p>To keep informed of key information / changes and input into recommendations</p>	<ul style="list-style-type: none"> - On-line survey - Social media (Twitter / Facebook) / Stay Connected / Bradford App - Engagement and Consultation Council website - Local Offer website 	
<p>Key teams and services:</p> <ul style="list-style-type: none"> • LA • Police • Health Visiting and School Nursing • VCS • Children's Centres 	<p>To engage in scoping and design when directly affected.</p> <p>To keep informed of key information / changes and input into recommendations</p> <p>To deliver changes in practice on the ground</p>	<ul style="list-style-type: none"> - Web-based and newsletter updates - Updates through Management and staff meetings. - Drop-in sessions and briefings with those teams directly affected. - CMT Messages - BradNet - Online survey 	<ul style="list-style-type: none"> - Initial briefings to affected staff and colleagues on 02/05/2017 (informal engagement), 26/06/2017 (formal consultation). - Drop-in sessions to be scheduled during consultation (dates to be confirmed)

		<ul style="list-style-type: none"> - Social media (Twitter / Facebook) / Stay Connected / Bradford App - Departmental Consultation Leads - Engagement and Consultation Council website - Local Offer website 	
Trade Unions	<p>To keep informed of key information / changes and input into recommendations</p> <p>To consult under Managing Workforce Change as and when required</p>	<ul style="list-style-type: none"> - Briefing through OJC Level 3 in the first instance - Regular monthly meetings with Unions to update on developments throughout programme. - Consultation under Workforce Changes as and when required - Engagement and Consultation Council website - Local Offer website 	<ul style="list-style-type: none"> - OJC Level 3 on 22/06/2017 - Fortnightly meetings to be scheduled (dates to be confirmed)
<p>Page 108</p> <p>All staff from Nurseries, Primary and Secondary Schools, Academies, MATs, Governors</p>	<p>To keep informed of key information / changes and input into recommendations through an engagement and consultation period.</p> <p>To engage and consult in scoping and design where directly / indirectly affected</p>	<ul style="list-style-type: none"> - Updates provided through the Headteacher briefings - Bradford Schools Online - On-line survey - Social media (Twitter / Facebook) / Stay Connected / Bradford App - Engagement and Consultation Council website - Local Offer website 	<ul style="list-style-type: none"> - Initial engagement 02/05/2017 – 06/06/2017 - Initial formal consultation began from 26/06/2017 - Headteacher, Governors & other key briefings



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 5 OCTOBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Tim Swift (Deputy Chair)	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Andrew Carter CBE	Leeds City Council
Councillor Simon Cooke	Bradford Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor David Sheard	Kirklees Council
Councillor Nicola Turner	Kirklees Council

In attendance:

Councillor Keith Wakefield OBE	Chair, WYCA Transport Committee
Councillor Robert Light	Chair, WYCA Overview & Scrutiny Committee
Councillor Andrew Waller	City of York Council
Ben Still	WYCA
Angela Taylor	WYCA (minute 53 only)
Caroline Allen	WYCA
Ruth Chaplin	WYCA

42. Chair's Comments

The Chair advised that Councillor Andrew Waller will be replacing Councillor Keith Aspden as York's representative on the Authority with effect from 9 October 2017.

43. Apologies for Absence

Apologies for absence were received from Councillor Keith Aspden.

44. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

45. Exclusion of the Press and Public

There were no items on the agenda requiring exclusion of the press and public.

46. Minutes of the Meeting held on 3 August 2017

Resolved: That the minutes of the meeting held on 3 August 2017 be approved and signed by the Chair.

47. Capital Spending & Project Approvals

The Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through WYCA's Assurance Process in line with WYCA's Assurance Framework:

- A629 Phase 4 Halifax to Huddersfield Corridor Improvements
- Access Innovation Programme
- Strategic Business Growth Programme
- Beech Hill, Halifax
- Castleford Rail Station Gateway
- Energy Accelerator Programme
- Leeds District Heat Network
- Portfolio Information Management System

Details of the schemes were outlined in the submitted report. It was noted that the Portfolio Information Management System (PIMs) project had proceeded directly to WYCA due to the nature of the funding stream.

The Authority also considered the following two schemes which had exceptions reports assessed in line with WYCA's Assurance Framework:

- Leeds New Station Street
- Wakefield Eastern Relief Road

Members were advised that the Investment Committee had discussed the need to monitor the progress and development of projects and programmes and interim reports would be prepared for future meetings of the Committee.

Resolved:

- (i) In respect of the **A629 Phase 4 Halifax to Huddersfield Corridor Improvements** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the A629 phase 4 project proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case).
- (b) That an indicative approval to the total project value of £30.000m is

given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).

- (c) That development costs of £0.570m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case), taking the total project approval to £0.645m.
- (d) That WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(ii) In respect of the **Access Innovation Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Access Innovation Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the Local Growth Fund (LGF) Access to Capital Grants programme fund and £4.265m from the European Regional Development Fund ERDF)) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(iii) In respect of the **Strategic Business Growth Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Strategic Business Growth Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to WYCA's contribution of £3.146m (which will be funded through £2.156m from the ESIF Grant and £0.990m from the WYCA Capital Grants Fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(iv) In respect of **Beech Hill, Halifax** –

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Beech Hill project proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- (b) That an indicative approval to WYCA's contribution of £1.000m (which will be funded through Growth Deal 3) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(v) In respect of **Castleford Rail Station Gateway** –

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Castleford Rail Station Gateway project proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).

- (b) That an indicative approval to the total project value of £4.511m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
 - (c) That development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs), taking the total project approval to £0.338m.
 - (d) That WYCA enter into a Section 56 grant agreement with Northern Rail for expenditure of up to £0.200m from the West Yorkshire plus Transport Fund.
 - (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (vi) In respect of the **Energy Accelerator Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Energy Accelerator Programme proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That approval to spend the £0.640m Local Growth Fund (LGF) allocation as match to support the development of the Accelerator be confirmed.
- (c) That an indicative approval to the to the £2.997m European Local Energy Assistance (ELENA) funding (exact amount dependent on Euro exchange rate at the date of approval – application pending) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m LGF, £2.997m ELENA).
- (d) That development costs of up to £0.180m are approved in order to pay the incurred development costs and to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs) from the Local Growth Fund, taking the total project approval to £0.820m).
- (e) That future approvals are made in accordance with the Approval

Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (f) That WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.

(vii) In respect of **Leeds District Heat Network** –

That following a recommendation from the Investment Committee, WYCA conditionally approves the following recommendations, with final approval of these recommendations being subject to WYCA's Managing Director approval of the detailed grant conditions on a clawback mechanism:

- (a) That the Leeds District Heat Network project proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- (b) That approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- (c) That WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- (d) That the Funding Agreement makes provision for up to £4.000m to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(viii) In respect of **Leeds New Station Street** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the exception to extend the Leeds New Station Street project timescale to completion on site by December 2018 is approved.
- (b) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing

Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(ix) In respect of **Wakefield Eastern Relief Road –**

That following a recommendation from the Investment Committee, WYCA:

- (a) Conditionally approves the up to a £5.574m increase to the estimated final project cost of Wakefield Eastern Relief Road, and the increased total project up to a maximum of £37.593m.
- (b) Delegates the final approval of the exception and the signing of the addendum of the Funding Agreement to WYCA's Managing Director subject to settlement of the final account by Wakefield Council following endeavours to resolve outstanding contractor issues and seeking to reduce the cost figure payable to Network Rail.

(x) In respect of the **Portfolio Information Management System (PIMs)** WYCA approves:

- (a) That the Portfolio Information Management System (PIMs) project proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- (b) That approval be given to the total project value of £0.240m for the development of the system and £0.050m per annum on-going licence fees (the on-going licence fee will be required from 2018/19 onwards) and is funded as an overhead cost from the overall Portfolio Management Office costs.
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

48. **HS2 and the HS2 Growth Strategy**

The Authority considered a report of the Director of Policy, Strategy and Communications which:

- Provided an update on the development of HS2.
- Sought endorsement for the principles of the Leeds City Region HS2 Growth Strategy and approve submission to Government.
- Sought endorsement for the principles of the joint WYCA and Leeds City Council response to the High Speed 2 rolling stock depot consultation.



Councillor Waller attended the meeting as an observer and the Chair invited him to speak on behalf of City of York Council. In welcoming the report, Councillor Waller reinforced the scale of potential for York Central and for HS2 links to Scotland to be via York and asked that future reports reflect this. The importance of the East Coast Main Line and York as a key hub in the development of HS2 was recognised and it was noted that WYCA was represented at meetings of the East Coast Main Line Authorities consortium by Councillor Eric Firth, Deputy Chair of the Transport Committee.

Members also discussed the employment and skills opportunities that would be created across the City Region and a report would be prepared for the next meeting.

Resolved:

- (i) That the principles of the Leeds City Region HS2 Growth Strategy be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the WYCA Chair.
- (ii) That the principles of the response to the HS2 rolling stock depot location consultation be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the LEP Chair and WYCA Chair.

49. Vision for Northern Powerhouse Rail

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on the progress being made in Transport for the North's Northern Powerhouse Rail (NPR) development programme, including on Leeds City Region's established position.

Members welcomed the positive progress being made by Transport for the North (TfN) and its partners in the development of Northern Powerhouse Rail. It was reported that a significant amount of discussion and lobbying had taken place and the decisions being made by TfN including the NPR/HS2 touchpoints, the emerging preferred NPR network and the opportunities for the City Region in respect of economic growth and transport links to employment and skills were noted.

Resolved: That the positive progress being made through Transport for the North's Northern Powerhouse Rail programme, including in delivering the Leeds City Region ambition for Northern Powerhouse Rail be noted.

50. Consent to Regulations Establishing Transport for the North

The Authority considered a report of the Director of Policy, Strategy and Communications which sought confirmation of the consent previously given in principle to regulations establishing Transport for the North (TfN) as a statutory body and granting TfN the concurrent exercise of specified WYCA functions.

It was noted that following the last meeting the regulations now provided for TfN to exercise specified highways and footpath functions, concurrently with West Yorkshire district authorities. The West Yorkshire districts will be asked to consent in their own right to the regulations.

Resolved:

- (i) That it be noted that Transport for the North are now liaising directly with each West Yorkshire district council to seek the consent of each individual district to the regulations, in so far as they provide for Transport for the North to exercise concurrent highways functions with those districts, once it is established as a Sub-National Transport Body.
- (ii) That WYCA confirm the consent previously given in principle to the making of regulations, attached at Appendix 1 of the submitted report, by the Secretary of State for Transport to establish Transport for the North as a Sub-National Transport Body under section 102E of the Local Transport Act 2008, and which provide for Transport for the North to exercise concurrent functions with its constituent authorities, including WYCA.

51. Business Planning & Budget 2018/19

The Authority considered a report of the Director of Resources on the work being undertaken to progress business and budget planning for 2018/19 and sought approval to establish a Member Working Group on budgets.

The report set out the business planning and budget process for 2018/19 and the budget challenges. The current forecasts for 2018/19 show a £4m funding gap and work was being undertaken to understand the options available to close the gap. It was proposed that a member Working Group be established to undertake scrutiny of the options and the draft budget as it is developed. Approval of the budget would be sought at the WYCA meeting scheduled for 1 February 2018.

The Corporate Plan update on progress to date against Key Performance Indicators was attached to the submitted report and further information in respect of WYCA's apprenticeships would be circulated. It was noted that the Overview & Scrutiny Committee were providing scrutiny and challenge to the key performance indicators and any recommendations would be brought to a future meeting.

Resolved: That a member Working Group be formed to progress detailed budget scrutiny and inform reports back to meetings of WYCA.

52. Industrial Strategy & Autumn Budget Submission

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on:

- Progress in setting a more comprehensive approach to economic and social

policy, tailored to the lives, challenges and opportunities of City Region residents.

- The City Region submission to Government ahead of the Budget on 22 November 2017.
- The next steps in bringing about an inclusive industrial strategy.

Members welcomed the report which provided an update in respect of the ongoing work on inclusive growth and the short and longer term ambitions. A copy of the City Region's Autumn Budget submission was attached to the submitted report and members discussed key challenges for the City Region including the productivity gap, skills investment and how to encourage businesses to introduce R&D (research and development).

Resolved:

- (i) That the City Region's submission to the Autumn Budget be noted and endorsed.
- (ii) That the people-focused approach to an inclusive industrial strategy, based on bold local decision-making, backed up by new powers and resources be noted and endorsed.
- (iii) That existing projects and programmes be refocused more clearly on inclusive growth outcomes.

53. Proposed Pension Transfer

The Authority considered a report of the Director of Resources which provided further information on the preferred way of meeting WYCA's element of pension obligations towards First Group, in response to a Direction issued by the Secretary of State on this matter.

It was noted that the Direction set a transfer date of 1 November 2017 and members asked whether there was any flexibility in extending this as it was possible that a revised decision on a preferred option may be required from the Authority before the next meeting in December 2017. It was agreed that should such a decision need to be taken before the next meeting that this be delegated to WYCA's Managing Director in consultation with the Chair and as many members as possible and that such a decision would have regard to the position of the West Yorkshire Pension Fund.

Resolved:

- (i) That a further decision regarding the method by which WYCA meets its obligations under the Direction with regard to First Group be delegated to WYCA's Managing Director in consultation with the Chair.
- (ii) That the Budget Working Group inputs to this further decision.

54. ESIF SUD Update

The Authority considered a report which provided an update on the European Structural Investment Fund (ESIF) Sustainable Urban Development.

Resolved: That the report be noted.

55. Minutes of the Meeting of the Transport Committee held on 7 July 2017

Resolved: That the minutes of the meeting of the Transport Committee held on 7 July 2017 be noted.

56. Draft Minutes of the Governance & Audit Committee held on 3 August 2017

Resolved: That the draft minutes of the Governance & Audit Committee held on 3 August 2017 be noted.

57. Draft Minutes of the West Yorkshire & York Investment Committee held on 6 September 2017

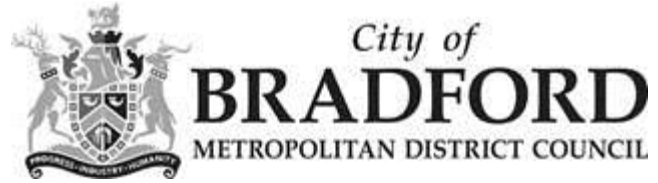
Resolved: That the draft minutes of the West Yorkshire & York Investment Committee held on 6 September 2017 be noted.

58. Draft Minutes of the Business Innovation & Growth Panel held on 7 September 2017

Resolved: That the Draft minutes of the Business Innovation & Growth Panel held on 7 September 2017 be noted.

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Report of the Strategic Director Corporate Services to the meeting of Executive to be held on 9th January 2018

AR

Subject: City Centre Regeneration

Summary statement:

To provide an update on Bradford's city centre regeneration projects including further details in respect of the Bradford Odeon, following on from Executive on 5th December 2017.

Stuart McKinnon-Evans
Strategic Director Corporate Services

Portfolio:
Cllr Alex Ross-Shaw

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Overview & Scrutiny Area:
Corporate

1. SUMMARY

This report is to provide the Executive with an update on a number of city centre regeneration projects including the detail requested by Executive on the proposed funding to Bradford Live for the refurbishment of the former Bradford Odeon further to the report submitted to Executive on 5th December 2017, which is detailed within the confidential appendix.

2. BACKGROUND

Bradford City Centre is a priority for the Council and a Strategic Priority Area in the Local Enterprise Partnership's and West Yorkshire Combined Authority's Strategic Economic Plan. Bradford is one of the biggest and fastest growing districts in the UK and a key part of the Leeds City Region economy. Business success, jobs growth and an increased evening economy are essential to the District's future and a strong vibrant city centre is needed to help secure the economic prosperity of the wider city.

Bradford city centre is the key location for employment in a district with a growing population of 530,000, and the place where investment and activity can combine collectively to maximum benefit. It is home to over 2,000 businesses that support 22% of jobs (one in five of all jobs in the district) generating 31% of the District's Gross Value Added (GVA). The value of Bradford's economy at 2015 as measured by total GVA was £9.5 billion that was the eighth largest economy of any City or District in England and the eleventh largest in the UK. GVA estimates for 2016 onwards project a steady increase. The district economy is forecast to be worth around £11 billion in 2025, an increase of around 16%.

As a location for key sectors with identified future growth such as retail, business services and digital and creative industries, the city centre must play a vital role in our economy. Bradford needs to build on its existing strengths in further and higher education and to continue to expand its retail and leisure offer. The increasing use of automation and artificial intelligence in industry will see around one third of existing jobs disappear over the next twenty years and the emergence of what has been termed the 'Urban Entrepreneur'. Cities and city centres in particular are where the majority of new jobs will be created. To compete, Bradford has to ensure it offers a liveable, vibrant and attractive place in which to attract and retain businesses and talent.

Bradford city centre is an important shop window to the district – the area with the highest concentration of visitor related facilities and a key visitor destination which is attracting an increasing numbers of visitors. This year saw the City host the start of the third stage of the Tour de Yorkshire, which provided an opportunity to showcase the City and the District.

Bradford's City Centre Growth Scheme has delivered impressive results, supporting businesses to create jobs and occupying vacant units and encouraging new investment in the City Centre.

City Centre Regeneration Update

In order to ensure that Bradford remains competitive and thriving city centre, the Council is currently proactively progressing a number of key regeneration projects, and these include:

1. Bradford Odeon

As highlighted in the report to Executive on 5th December 2017, Bradford Live has now secured a formal proposition from the NEC International Group to occupy the refurbished former Odeon building, following a competitive marketing process lasting over the course of this year.

NEC is one of the principle exhibition and conference operators in the UK. They operate 3 live music venues in Birmingham, have recently completed a live music venue in Dublin and have another venue under construction in Paris.

Subject to securing the necessary funding a planning application will be submitted in Spring 2018, construction works are scheduled to commence early 2019 with a planned opening of the new venue in Autumn 2020.

Further to the report submitted to Executive on 5th December 2017, the confidential appendix provides an update on the outstanding issues in respect of procurement, State Aid, and the powers under which the Council may lend.

2. Proposed relocation of the Oastler Market

The Oastler Shopping Centre has 177 stalls providing a retail sales area of 25,538 square feet along with 23 external shops. At the rear of the centre is a servicing area for tenants, which is available during retailing hours as well as over 25 individual storage units. The product offer differs from Kirkgate Market as it has a vibrant fresh food offer and did have a strong retail anchor in Morrisons, before they vacated.

The Kirkgate Market is one of the key anchor tenants of the Kirkgate Shopping Centre. The market is located on the 1st floor of the shopping centre with direct access from the shopping mall and also via a pedestrian ramp on Westgate. The Market has 184 stalls with a retail sales area of 18,872 sq. ft. The offer is traditionally non-food, offering mainly unbranded clothing and household wares. This commodity group has been hit hardest by the many discount outlets in the City Centre.

The Council is looking at ways to revitalise its market offer whilst at the same time exploring how it can best assist in the regeneration of Darley Street to ensure maximum benefit for the market traders, other Top of Town businesses and the visiting public.

The benefits the Council anticipates delivering include the creation of a more attractive and fit for purpose food market in a more central location in tandem with a modernised Kirkgate Market environment for non-food sales. This will in turn assist with the regeneration of Darley Street, whilst the successful redevelopment of the

vacated Oastler site could bring a substantial number of new residents to the Top of Town.

The vision is to develop and sustain an attractive, inviting and vibrant city centre retail market that offers a diverse range of goods to meet the need of our community that will add value to the economic, social, environmental and cultural fabric of Bradford City Centre and provide a shopping location that creates a dynamic vibrant and diverse experience.

The new food focused market will be modern, flexible, welcoming and accessible to all. It will focus on the sale of fresh food and food related products and have a dedicated hot 'World Food' court demonstrating the full range of multi-cultural foods available in Bradford. The hot food offer will provide informal and communal seating to allow customers to linger and experience the theatre of markets.

The market will offer the best of local and regional fresh food and be recognised as a centre for food retailing excellence and a key shopper destination in Bradford City Centre.

At a local level, traders in the Oastler Centre have indicated that the number of customers has fallen considerably as a result of the closure of the Morrisons Westgate store. In addition, traders also consider that the number of vacant shops on Darley Street has been a barrier to encouraging shoppers to visit the middle part of town.

The Markets regeneration scheme will involve the refurbishment of the Kirkgate Market requiring its modernisation according to a phased programme of works as vacant possession of the market site will not be available.

The former Marks & Spencer building on Darley Street is the proposed location to create a purpose built food focused market. Vintry House (a building linked to the M&S building via an air corridor across Piccadilly) will be required for utility services, delivery, storage and waste removal. There may be commercial potential in using the upper floors as a storage facility.

Market Design

A specialist market design team was appointed in August 2017 to conduct a feasibility study and prepare initial designs. The design team will complete work to RIBA stage 2 by the end of December 2017, and the design team are expected to move into RIBA stage 3 by April 2018, following which a detailed report will be submitted to Executive mid 2018.

3. Proposed redevelopment of the Oastler Centre site

Due to a combination of events including the economic downturn, a shift in retail trends and the cementing of the City Centre's retail core in the area incorporating the Broadway, the Forster Square Retail Park, Shopping Centre and the proposed mixed leisure/retail development on the British Land Site, a major part of the City Centre located around the Kirkgate Shopping Centre and Darley Street that was once considered to be prime 'High Street' location now finds itself struggling and in

need of a new identity and direction.

While the North Parade area continues to remain vibrant the 'Top of Town' secondary retail location has experienced a downturn in performance with Morrisons closing their store and reducing footfall numbers at the Oastler Market. The City Centre residential market is evolving and some development has taken place, particularly in terms of small one bedroom/studio apartments aimed at the singles/young couples and the student market. This predominance of small, basic quality, readily available and relatively affordable accommodation has a place in a mixed urban market but the provision of more apartments providing 2/3 bedrooms, with larger footprints and higher amenity quality together with family orientated homes is essential if the City Centre is to become a location of choice for local people and one which has a truly sustainable future.

Work is now beginning to bring forward the creation of a vibrant, safe and attractive 'City Village' where people will want to live, work and enjoy their leisure time and where business will want to trade, invest and grow is the shared vision for the priority area of focus that roughly covers the area incorporating:

- The 'Top of Town/Oastler Market Major Development Site
- North Parade/Rawson Square
- Piccadilly, Darley Street and James Street
- The Kirkgate Arndale Shopping Centre
- and Oastler Market/Top of Town areas

4. One City Park

The Council agreed to the transfer of ownership of the Tyrls building from the Homes and Communities Agency (HCA) in 2013. The police station was demolished and the redundant holding cells relocated to the basement of the existing Magistrates Court. The new cells and Youth Court have been operational since August 2015.

Outline planning permission was granted in December 2014 for the development of 8,500 sq m (90,000 sq ft) of Grade A offices with potential for ground floor restaurant and bar uses and the project is known as One City Park.

Dialogue has taken place between a potential end user and developer during this time to secure a development, but unfortunately this did not result in a formal offer and discussions were concluded. In order to progress a scheme officers from Economic Development have begun an initial Expression of Interest process to bring the development to the attention of end users and developers.

The proposed scheme was launched in London at the MIPIM (UK) event on 18th October 2017 and it is intended to market the opportunity to the developers and target end users directly. As retained agents for the scheme, Cushman Wakefield will be tasked with identifying potential occupiers.

It is intended to move to a more formal Invitation to Submit Proposals process in early 2018, targeting the developers and end users' that have expressed an

interest. This will be followed by a formal selection process to secure a preferred developer/end user by the end of 2018.

Detailed design and planning will follow with the intention of having a completed development by 2021.

One City Park is a key location for new Grade A offices in the city centre and this is reflected in the city centre area action plan. Officers in Financial Services have assisted with the initial funding agreement for the £400,000 and this was drawn down in March 2016. There is an additional facility of £4.8m held by West Yorkshire Combined Authority (WYCA) which has been made available to contribute in bringing this project to fruition, the funding from WYCA is ring-fenced for the One City Park Project and cannot be redistributed or transferred to any other WYCA project.

The majority of the funding for the project will be secured from the selected private sector development partner or end user through the completion of an appropriate development agreement.

The formal process of inviting submissions of scheme proposals from interested developers or end-users will include a requirement for the interested parties to present their funding and delivery models for full Council appraisal, consideration and comparison before selecting a preferred development partner.

5. Renovation and refurbishment of St Georges Hall

St Georges Hall is a Council owned, Grade II* listed Victorian building which opened in 1853. Since its opening, St Georges Hall has been primarily used as a music hall and is, as it stands, the oldest concert hall still in use in the UK and the third oldest in the whole of Europe.

The building last benefited from major capital investment in the early 1980s following a fire back-stage. Like many other historic buildings, St Georges Hall required a major refurbishment to ensure its continued use for future years.

The Council closed the venue in 2016 to enable its renovation and refurbishment, and following 12 months of preparatory work, Henry Boot Construction Ltd was appointed as the main contractor and refurbishment works commenced on site in the Summer 2017.

The current programme of works is progressing well and on programme and can be summarised as follows:

Full renovation of the external envelope of the building including:

- The full repair of the stonework elevations
- The replacement of the drainage system from the roof
- The replacement of the roof including both the roof structure and new slate tiles
- The full repair of all windows

Full replacement/refurbishment of the building's systems including:

- Full rewiring

- New lighting, fire and intruder alarms
 - Improved life systems
 - Refurbishment of the ventilation system
 - Improved access to the “back of house” access
- Improvement to the customer’s experience, including:
 - Replacement and/or refurbishment of all auditorium seats
 - Alteration to the seating layout and tiers
 - Installation of a new stage
 - Full refurbishment of the “front of house” areas including, toilets and bar areas.

Being a listed building, all works must be carried out to the satisfaction of both Historic England and conservation officers, employing similar building techniques as were used when the building was first built and retaining as much of the original structures as possible.

The Council anticipates that Theatres will then instigate a “soft re-opening” of the venue, upon completion of the refurbishment project in advance of it being fully operative towards the end of 2018.

The works are in part funded by the Heritage Lottery Fund (HLF) (29%) and by Bradford Council (71%).

The Council has also secured the 2 year appointment of a Heritage Officer, funded by the HLF who will work with local communities and schools on the history of the building, and the appointment by the contractors and their supply chains of 2 apprentices, a stonemason and a plasterer.

6. City Centre Station Gateways

A key objective of the West Yorkshire plus Transport Fund is to drive economic growth and increase access to employment opportunities by improving the region’s roads and railways by connecting people to jobs and goods/ services to markets.

The Station gateways element of the Transport Fund programme seeks to improve station environments particularly in our city and town centres, provide additional parking for rail commuters and reduce journey times on certain routes. Both Bradford Interchange and Bradford Forster Square stations have been agreed as priorities by WYCA.

The Council commissioned the development of master plans for both Bradford Interchange and Forster Square stations in the city centre to provide a long term vision for future development. The aim is to create high quality station gateways to support the regeneration of the city centre, create schemes that are ambitious but deliverable and improve the visibility and connectivity of the stations to the city centre.

Plans for the Bradford Forster Square station are more advanced than those for the Interchange and consultants Arup and AHR have been appointed to produce an outline station design. This will be used to seek funding from the West Yorkshire Transport fund for detailed design and full business case work. The proposed design includes a fully enclosed station, the provision of new lifts, a café, toilets and pods that sit within the existing station arches offering facilities such as cycle storage and retail provision. The scheme will cost in the region of £17m and should be completed by 2021 at the latest. The Council is currently working with its partners WYCA, Network Rail, Northern and Virgin East Coast to develop the proposals with public consultation at Bradford Foster Square Station undertaken in December 2017.

Further master planning work on Bradford Interchange is being undertaken by consultants SYSTRA and BDP. It is recognised that the redevelopment of both the bus and rail station will need to complement other key regeneration projects in the city including Jacobs Well and No1 City Park. The consultants are considering these and looking at how a station serving the Northern Powerhouse Rail network could be incorporated into the site.

This master planning work to date on Bradford Interchange has suggested deliverable schemes that could be broken down into three long term programme areas Phase 1 (up to 2026), Phase 2 (2026 to 2035), Phase 3 (2035+ linked to delivery of Northern Powerhouse Rail) in order to deliver these key outcomes:

- Create an improved station gateway which is pedestrian orientated, safe, attractive and fitting of a major city centre
- Create taxi and drop off facilities which facilitate the above pedestrian focused station gateway but which are themselves attractive to users
- Create a station concourse environment which is attractive to users in terms of amenity and accessibility;
- Provide better connectivity at the stations between different transport modes (e.g. bus, train, coach, taxi, airport and car parks).

3. OTHER CONSIDERATIONS

Not applicable

4. FINANCIAL & RESOURCE APPRAISAL

The Council's Capital Investment Plan (CIP) for 2018-21 will be finalised for the Budget Council in February 2018. The existing CIP includes the following capital estimates:

- Relocation of market £9.4m
- St George's Hall £8.9m

The authorised capital estimates and the revenue consequences for all other projects mentioned in this report will be finalised through the budget process, with outline estimates as follows:

- Former Odeon £12m (loan, to be repaid from income stream)
- One City Park £25.3m (revenue costs to be offset by income stream)
- Top of Town redevelopment £3m (Council contribution only)
- Station Gateways £17m (Funded from West Yorkshire Plus Transport Fund).

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

Please see attached confidential appendix

6. LEGAL APPRAISAL

Please see attached confidential appendix

7. OTHER IMPLICATIONS

EQUALITY & DIVERSITY

At this stage there are no specific equality and diversity issues.

SUSTAINABILITY IMPLICATIONS

At this stage there are no specific sustainability implications

GREENHOUSE GAS EMISSIONS IMPACTS

At this stage there are no greenhouse gas emissions impacts

COMMUNITY SAFETY IMPLICATIONS

At this stage there are no community safety implications.

HUMAN RIGHTS ACT

There are no Human Rights implications

TRADE UNION

There are no Trade Union implications

WARD IMPLICATIONS

None

8. NOT FOR PUBLICATION DOCUMENTS

Former Bradford Odeon – Not for Publication Appendix

This appendix is not for publication and is exempt from disclosure in accordance with paragraphs 3 and 5 of Schedule 12A (financial or business affairs and legal privilege) of the Local Government Act 1972. It is considered that in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

9. RECOMMENDATIONS

Members are recommended to note the contents of this report, and the recommendations in the confidential appendix

10. APPENDICES

Appendix 1 – Confidential appendix in respect of the Odeon

11. BACKGROUND DOCUMENTS

None