

Agenda for a meeting of the Executive to be held on Tuesday, 10 July 2018 at 10.30 am in Committee Room 1 - City Hall, Bradford

Members of the Executive – Councillors

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

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:

Michael Bowness

Interim City Solicitor

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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 / Yusuf Patel - 01274 434580 434579)

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 / Yusuf Patel - 01274 434580 434579)

B. STRATEGIC ITEMS

<p style="text-align: center;">LEADER OF COUNCIL & CORPORATE</p>

<p style="text-align: center;"><i>(Councillor Hinchcliffe)</i></p>
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4. **2017-18 ANNUAL FINANCIAL AND PERFORMANCE REPORT**

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The Interim Strategic Director for Corporate Resources will submit a report (**Document “D”**) which provides members an insight into the Council’s overall finance and performance position at the end of the 2017-18 financial year.

Recommended –

That the Executive is recommended to:

- (1) Note the financial position of the Council reported for the year ended 31 March 2018.**
- (2) Approve £1.6m of better use of budget requests as outlined in Section 2.1 of Appendix A to Document “D”.**
- (3) Note the performance position and endorse the new KPI measures and targets as outlined in Appendix B to Document “D”.**

(Corporate Overview and Scrutiny Committee)

(Andrew Cross – 01274 436823 / Philip Witcherley - 01274 431241)

5. QTR. 1 FINANCE POSITION STATEMENT FOR 2018-19

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The Assistant Director of Finance and Procurement will submit a report (**Document “E”**) which provides Members with an overview of the forecast financial position of the Council for 2018-19.

It examines the latest spend against revenue and capital budgets and forecasts the financial position at the year end. It states the Council’s current balances and reserves and forecasts school balances for the year.

Recommended –

That the Executive:

- (1) Note the contents of this report and the actions taken to manage the forecast overspend.**
- (2) Approve the following capital expenditure schemes.**
 - (i) £0.5m for Thornton Road / Toller Lane Junction Improvements. The scheme seeks temporary short term funding to secure the purchase of properties that can be successfully acquired by agreement in advance of full scheme funding through the West Yorkshire Transport Fund.**
 - (ii) £0.3m additional funding to complete works to St Georges Hall.**

(Corporate Overview and Scrutiny Committee)

(Andrew Cross - 01274 436823)

6. MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2021/22 AND BEYOND

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The Medium Term Financial Strategy focuses on how the Council intends to respond to the forecasted public sector funding reductions as a result of the on-going austerity measures imposed by the Government’s spending plans. It sets out the approaches and principles the Council will follow to ensure the Council remains financially viable and delivers on its priorities.

The next three years already contained a series of potentially significant changes to the structure of the Council and the services it will be responsible for and what it can provide. Many of these changes are still at consultation stage which brings additional complexity when predicting the future. In addition the impact on the economy from leaving the EU may also affect local government funding and demand for services.

The Assistant Director Finance and Procurement will submit a report (**Document “F”**) which identifies for planning purposes that savings need to be identified of £15.3m in 2019/20 in addition to the £6.1m agreed in February 2018. In the following year the gap increases to £20.2m in 2020/21 and then up to £32.3m by 2024/25. This forecast reflects the risks associated with delivering the Council Plan 2017-2021 in particular the challenges of the costs of social care

Recommended –

- (1) That Executive consider the Medium Term Financial Strategy as an assessment of the Council’s financial outlook to 2021/22 and beyond, and a framework for it to remain financially viable and deliver sustainable public services in line with its priorities and the principles set out in Appendix 1 to “F”.**
- (2) That Executive recommends the updated and revised Medium Term Financial Strategy at Appendix 1 to Document “F” be forwarded to Council for approval.**

(Corporate Overview and Scrutiny Committee)

(Tom Caselton - 01274 434472)

7. 2017-18 MINIMUM REVENUE PROVISION POLICY UPDATE

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The Assistant Director of Finance and Procurement will submit a report (**Document “G”**) which provides Members with an overview of the proposed changes to the Council’s Minimum Revenue Provision (MRP) policy from 2017-18 onwards. MRP is a statutory requirement to make an annual charge to the Council’s budget to provide for the repayment of historic capital debt and other related liabilities.

Recommended –

- (1) Note the contents of the report and the proposed changes to the MRP Policy.**
- (2) The Executive recommends to Council that:**
 - a) The 2018-19 MRP policy for PFI assets is brought in line with the main MRP Policy and the charge of the principal to the revenue account is over the life of the school building assets.**
 - b) For 2017-18 calculate the MRP on Supported Borrowing for 2008 to 2016 on a 2% straight line method. The overprovision of £52m will be included in a reserve and applied to reduce the annual MRP charge from 2017-18 onwards.**

- (3) Executive recommends to Council that the MRP Policy be amended to reflect the following conditions:**
- i) Total MRP after applying previous overpayment will not be less than zero in any financial year.**
 - ii) The same amount of principal has to be repaid over time irrespective of the method, the recommendation will be to hold the £52m freed up from the change in policy in an earmarked reserve, and it will be used to reduce the annual MRP cost.**
 - iii) The changes to MRP are agreed, releasing the overprovision of £52m over the coming years. As the overprovision is released, and given our balanced financial plan, the cash saving is credited to a dedicated earmarked MRP Adjustment Reserve so that future usage can be appropriated and monitored.**
 - iv) The PFI budgetary saving is used to reduce the net reported cost pressure in 2018-19.**
 - v) That the following checkpoints are met, and the implications of each are understood, before future usage of the proposed MRP Adjustment Reserve is determined:**
 - a) Formal 2018-19 monitoring to determine likely outturn and further detailed understanding of structural cost pressures.**
 - b) Review of the Medium Term Financial Strategy (MTFS) to determine detailed anticipated budgetary gaps over the next three years.**
 - c) Clarity on future savings delivery, including the Demand Management strategy, for 2019-20 and 2020-21.**
 - d) Finalising the 2019-20 and 2020-21 detailed budget process.**
 - vi) Subject to the outcomes noted above, consideration is given to a future voluntary repayment of outstanding capital debt using any residual amount set aside. This would therefore designate this move as a last resort insurance policy to protect against any negative consequences associated with the uncertainties outlined above.**

(Corporate Overview and Scrutiny Committee)

(Lynsey Simenton - 01274 434232)

C. PORTFOLIO ITEMS

EDUCATION, EMPLOYMENT AND SKILLS PORTFOLIO & DEPUTY LEADER

(Councillor I Khan)

8. **CHANGE IN AGE RANGES OF CHILDREN AT HIRST WOOD NURSERY SCHOOL, LILYCROFT NURSERY SCHOOL AND STRONG CLOSE NURSERY SCHOOL** 211 - 238

The Strategic Director Children's Services will submit a report (**Document "H"**) which asks the Executive to approve the lowering of the age range of children attending Hirst Wood Nursery School, Lilycroft Nursery School and Strong Close Nursery School from 3 - 5 years to 2 - 5 years as from 1 September 2018.

Recommended –

- (1) **That the Executive approve the lowering of the age range at Hirst Wood Nursery School from 3-5 years to 2-5 years as from September 2018.**
- (2) **That the Executive approve the lowering of the age range at Lilycroft Nursery School from 3-5 years to 2-5 years as from September 2018.**
- (3) **That the Executive approve the lowering of the age range at Strong Close Nursery School from 3-5 years to 2-5 years as from September 2018.**

(Children's Services Overview and Scrutiny Committee)

(Lynn Donohue -01274 439606)

REGENERATION, PLANNING & TRANSPORT PORTFOLIO

(Councillor Ross-Shaw)

9. **LOCAL DEVELOPMENT SCHEME UPDATE** 239 - 288

The Council is required to publish and keep up to date a Local Development Scheme (LDS) which sets out the content and timetable for the preparation of the Local Plan. The Current Local Development Scheme was approved in 2014. In light of recent changes to the

planning system, changes in local circumstances, as well as progress to date on the Local Plan, the LDS has been reviewed and updated.

The revised LDS will provide an up to date position for the public and other interested parties. It is also a key background document which is considered when examining Local Plan Documents by an Inspector at Examination in Public.

The Strategic Director Place will submit a report (**Document “I”**) which asks Executive to approve the Revised Local Development Scheme for the period 2018 to 2021.

Recommended –

Recommended that the LDS contained in Appendix 1 to Document “I” be approved and published on the Councils web site.

(Regeneration and Economy Overview and Scrutiny Committee)

(Andrew Marshall - 01274 434050)

10. ONE CITY PARK

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The Strategic Director Place will submit a report (**Document “J”**) which updates Members on progress on the One City Park scheme and make recommendations for the Council to procure a Development Partner for this project.

Recommended –

That Members:

- (1) **Approve the issue of the requisite OJEU notice to commence the process to procure a preferred Development Partner for the One City Park scheme using the Competitive Dialogue procurement process as outlined in this report and to be conducted by the Director of Place in consultation with the Finance, Procurement and Legal Services.**
- (2) **Instruct the Strategic Director Place to provide a future report to the Executive to outline the outcome of the approved procurement process and to seek approval for the appointment of a preferred Development Partner and development/delivery proposals for the OCP scheme.**

(Regeneration and Environment Overview and Scrutiny Committee)

(Simon Woodhurst - 01274 433789)

11. **EXCLUSION OF THE PUBLIC**

Recommended –

That the public be excluded from the meeting during the discussion of the Not for Publication Appendices relating to the Bereavement Strategy and the Oastler Market proposals 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.

(Yusuf Patel – 01274 43479)

12. **REDEVELOPMENT OF THE CITY CENTRE MARKETS**

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The Oastler and Kirkgate Markets face significant challenges due to the changing nature of retail, the opening of the Broadway Centre and the closure of Morrisons supermarket on John Street.

The City Centre's retail and market footprints need to contract and relocate to fit current economic conditions and the new centre of retail gravity around the bottom of town.

Without intervention the profitability of these markets is likely to continue to decline.

The Strategic Director Place (**Document "K" which contains Not for Publication Appendix 2**) which sets out proposals to build a new food-focused market on Darley Street and to develop a separate non-food market in the Kirkgate Centre.

Recommended –

- (1) This report seeks Executive acknowledgment of progress to date and permission to move to RIBA design stage 3.**
- (2) The Executive is asked to approve the budget and to endorse the funding of the works from existing capital funding already set aside for markets, the markets revenue reserve, and prudential borrowing to be repaid from annual corporate revenue funding retained by markets for funding**

capital expenditure.

- (3) **The Executive is asked to note the planned works and authorise the Portfolio Holder, Strategic Director of Place and the Strategic Director for Corporate Resources to approve variations within the agreed budget envelope.**
- (4) **As regards Not for Publication Appendix 2 to Document “K”, the Executive is recommended to authorise the Assistant Director, Estates and Property to i) complete negotiations for the property interests referred to, ii) serve the statutory notices referred to and iii) enter into negotiations for the property interest referred to.**
- (5) **The Executive is recommended to approve the exercise of Compulsory Purchase powers as necessary to secure vacant possession of the freehold interest of the property referred to.**

(Regeneration and Economy Overview and Scrutiny Committee)

(Colin Wolstenholme -01274 432243)

HEALTHY PEOPLE AND PLACES PORTFOLIO

(Councillor Ferriby)

13. THE BEREAVEMENT STRATEGY

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The Strategic Directors of Place and Corporate Resources will submit a report (**Document “L” which contains Not for Publication Appendices 2, 3 and 4**) which update on delivery of the adopted Bereavement Services Strategy together with an overview of other issues arising from the development of a corporate Bereavement Strategy to include the Forensic Science Centre and Coroner Services.

Recommended –

It is recommended that the Executive:-

- (1) **Approve the procurement of external specialist resources to complete the feasibility stage for all 5 identified sites and subject to further approval, deliver progress to RIBA stage 3 for the design and build of two new crematoria. (option 9.1.2 to Document “L”).**
- (2) **Authorise the Director of Place to negotiate a revised lease with Bradford Council for Mosques by the end of 2018 (option 9.1.3 to Document “L”).**

- (3) Subject to the requirements of recommendation 10.1.2 being delivered, authorise the Director of Place to open negotiations with Bradford Council for Mosques to determine a lease/licence for the new burial space being developed at Scholemoor cemetery.**
- (4) Delegate approval of spend to the Director of Place in consultation with the S151 officer for the extension of Scholemoor Cemetery to create additional burial space at the earliest opportunity.**
- (5) Delegate approval of spend to the Director of Place in consultation with the S151 officer to upgrade the crematory at Oakworth Crematorium, to include mercury abatement, at the earliest opportunity (option 9.1.4 to Document “L”)**
- (6) As regards Not for Publication Appendix 3 to Document “L” approve the relocation of the Coroner’s Service in accordance with the details outlined and authorise the Interim Strategic Director Corporate Resources in consultation with the Leader to take all necessary steps to implement the decision.**
- (7) As regards Not for Publication Appendix 4 to Document “L” approve the recommended course of action with regard to the service outlined and authorise the Interim Strategic Director Corporate Resources in consultation with the Leader to take all necessary steps to implement the decision (that decision to be exempted from call-in owing to the prejudice caused by delay).**

(Regeneration and Economy Overview and Scrutiny Committee)

(Michael Bowness / Phil Barker – 01274 434928 / 2616)

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Report of the Interim Strategic Director for Corporate Resources to the meeting of the Executive to be held on 10th July 2018

D

Subject:

2017-18 Annual Financial and Performance Report

Summary statement:

This report provides members an insight into the Council's overall finance and performance position at the end of the 2017-18 financial year.

Andrew Crookham
Assistant Director – Finance &
Procurement

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Portfolio:

Leader of the Council and Corporate

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1. This report provides members with an insight into the Council's overall finance and performance position at the end of the 2017-18 financial year. This is a key element of the Council's corporate performance framework, providing assurance that the Council has control over its finances, and its investments are driving the delivery of improvements to our priority objectives.
- 1.2. In many areas, the Council's performance has received external validation. This includes being rated by iMpower as one of the top ten most productive authorities, the district being named by Barclays as being the best place to start a business and the Care Quality Commission praising both the NHS and the authority for its strong and mature partnership working.
- 1.3. In some areas of our business, more needs to be done to address our own performance challenges whilst ensuring that our stretching financial targets are delivered.
- 1.4. To ensure that we have clarity and focus to drive high performance across the authority, this report asks members to approve revised performance indicators and targets to be delivered in 2018/19. These new indicators and targets are outlined in full in appendix B.

2. BACKGROUND

Overall Performance Statement

- 2.1. Over the last twelve months, the Council and the wider District can have had a number of successes. Many of these have been validated by external sources and partners:
 - Bradford MDC was rated as one of the top 10 most productive councils in England.
 - The Care Quality Commission undertook an assessment of health and social care services in the district and praised our mature approach to partnership working.
 - The District was the fourth most improved area on Progress 8 educational attainment.
 - The District was rated as the best place to start a business in the UK by Barclays.
 - We attracted record numbers to cultural and sporting events in the city including Bingley music live, an acclaimed new Hockney gallery, over £3 million invested in Cliffe Castle and a successful Tour de Yorkshire.
 - The prospect of a Northern Power Rail station in the centre of Bradford is now "on the map" in a list of potential options for the Government.
 - The district is increasingly being seen as a place where new Central Government initiatives can be tested and implemented. The District was selected as an Opportunity Area pilot with investment in education in deprived areas and an 'integrated communities' pilot.
- 2.2. Our Council and District Plans were approved by Executive in 2016 and have provided a framework for performance monitoring and reporting. This report provides an overview of Council performance over the last twelve months including the successes and challenges in each Council Plan outcome area.
- 2.3. Reporting is based on the Council Plan Key Performance Indicators (KPIs) for 2017-18 and which can be found in full on section 1 of Appendix A. Where relevant, wider performance information is used in this report to highlight successes and challenges.
- 2.4. Since the Council Plan was set in 2016, some of our challenges and opportunities have shifted. Our Council Plan targets on economic growth have already been met and we therefore require

new stretching targets. Other targets need to be refocused on areas of growing challenges such as homelessness, air quality and social care.

2.5. This report therefore recommends a new set of ambitious and stretching targets for executive to agree for the next year. These have been based the most appropriate target against previous performance, national trends and statistical neighbours.

3. SUMMARY PERFORMANCE BY OUTCOME AREA

BETTER SKILLS, MORE GOOD JOBS AND A GROWING ECONOMY

What we have achieved

3.1. Bradford District has a large economy worth over £10bn with the highest levels of productivity of any northern city and there have been several additional recent successes to point to:

- **Economic productivity**, as measured by Gross Value Added (GVA) per hour worked rose between 2013 and 2016. The latest Office for National Statistics GVA figures for Bradford are £9.9 billion. This exceeds the Council Plan target of £9.5 billion and puts us at the mid table of all English Local Authorities and above the regional average. This is important as improvement to our economy will have a real long-term impact on many of our wider outcomes.
- **The Barclays SME business index ranked Bradford as the best place to start a business.** This was based on an index which looks at a range of factors including business rate relief, road infrastructure and business survival rates. This is in part due to business rate support offered by the authority in Bradford, Keighley, Shipley, Bingley and Ilkley.
- The successful launch of the **Bradford District Economic Strategy**, working with partners to focus on the real activity required to drive good economic growth in the district.
- It has been a successful year for **cultural and sporting events** in the District. Including a sell out at Bingley music live, a Tour de Yorkshire that showcased the district over two days, an acclaimed new Hockney gallery and over £3 million invested in Cliffe Castle in Keighley. This has led to an increase in visitor numbers in our museums from 211,000 in 2016/17 to 228,000 in 2017/18.
- **Northern Cultural Regeneration Funding has been secured for Bradford Live** at the Odeon and this will unlock a significant cultural development in the city centre. This will build upon a number of recent cultural developments in the city centre including the opening of “The Light” multi-screen cinema in May 2018.
- The Leeds City Region has been shortlisted as a potential relocation destination for **Channel 4**. This has the potential to provide a real boost to the creative industries in our district.
- **The Industrial Centre of Excellence (ICE) programme** working to develop the skills of people in the district, making them ready for employment has continued to go from strength to strength as partners experience the benefits of the programme. In 2017/18 the ICE now works with 18 secondary schools, 3 local further education colleges, University of Bradford, 150 associate industry partners over 300 businesses actively engaged. This has supported 3,000 young people to develop their skills and make them ready for employment.
- Our **planning** department continues to perform above the national average with major planning applications processed well above the national average and our own target of

87% major planning applications processed.

What are our areas for improvement?

Employment and skills

- 3.2. The latest figures for working-age employment (12 months to December 2017) show a slight drop in employment but it is too early to see whether this is part of a trend. We are working to address economic inactivity, unemployment and underemployment amongst certain demographics in the district.
- 3.3. Part of this is looking at the evidence base and working with businesses to promote good growth and opportunities:
- The Joseph Rowntree Foundation talent management programme, supporting ethnic minority females into work in Keighley.
 - We have also secured monies for the Community Led Local Development programme, which seeks to stimulate the local economy and provide jobs in two of the most disadvantaged areas of Bradford and Keighley.
- 3.4. To support economic growth, we also need to ensure we develop our workforce to have the appropriate skills and attract and retain talent in the district. The economic strategy includes a target to ensure that there will be 48,000 more people with NVQ level 3 skills in the district by 2030. We need to continue our efforts, such as through the ICE programme and other initiatives to develop the skills of people.

Transport Connectivity

- 3.5. Bradford remains the largest city in the country that is not on a main railway line and Bradford District requires further improvements to the overall rail connectivity. This is a major barrier to our economic growth. Our Northern Power Rail Campaign has put Bradford on the map as a potential option for new routes and an economic case for a City Centre station on a new route between Manchester and Leeds has been presented. We are also lobbying for improvements to the Colne Valley line. We will need to continue activity and lobbying to ensure a successful Northern Powerhouse Rail Campaign.

Future Performance Measures and Targets

- 3.6. Appendix B outlines proposed new targets for this outcome area. The majority of these have been informed by the Bradford district economic strategy¹ which was agreed in March 2017. This includes targets to:
- Increase GVA to make progress on meeting the 2030 economic strategy target;
 - Make progress to the target of 20,000 new jobs by 2030;
 - Improve skills development and the retention of skilled people in the district;
 - Improve the average wage of residents in the district; and
 - Improve visitor numbers to city centre attractions.

¹ <https://www.investinbradford.com/economy/economic-strategy-for-bradford-district-2018-2030/>

3.7. These targets have been set at a stretching but realistic level, using national and regional economic forecasts and benchmarking information.

DECENT HOMES

What we have achieved

3.8. In 2017/18, progress has been made against the objectives to:

- **Improving the supply of homes of the right type to meet demand:** Over the last year, Bradford District housing stock has increased by 1,552 properties between April 2017 and April 2018 – an improvement on the previous year.
- **Ensure that all homes are safe, healthy and affordable:** Over the last year, 1,012 private sector properties have been improved through a combination of financial assistance to homeowners and enforcement activity to ensure that private rented accommodation meets basic health and safety standards.
- **Supporting the most vulnerable and excluded and tackling homelessness:** Bradford's homelessness performance against other English Local Authorities has improved in the last twelve months. This includes a reduction in the number of households placed in temporary accommodation, a reduction in the average length of stay in bed and breakfast accommodation and a 12% reduction in statutory homeless applications. In addition, we have supported care leavers under 21 by exempting them from paying council tax.

What are our areas for improvement?

Supply and Quality of Housing

3.9. Whilst we have made some progress in helping homeowners and enforcing standards with landlords, there continues to be insufficient investment in our ageing private sector stock. It is estimated that 18% of all private sector housing and 27% of properties in the private rented sector have at least one of the highest level of housing hazard (with an estimated cost of mitigation of £78 million).

3.10. The proportion of long term empty homes has reduced significantly in the district from 3.58% in 2009 to 1.84% in 2017.

3.11. We are looking to develop and improve the supply of housing in the district and a housing growth fund was agreed in the Council's 2018 budget. We are currently developing a plan on how to ensure this is used to drive our housing growth.

Future Performance Measures and Targets

3.12. Appendix B outlines the full set of proposed KPIs and targets. These are set against the three priorities for this outcome area in areas where we face challenges. This includes targets to:

- Increase the number of homes delivered;
- Number of properties improved in the District through council interventions;

- Ensure that statutory homelessness remains below the England average and approaches the average levels for our statistical neighbours.

SAFE, CLEAN AND ACTIVE COMMUNITIES

What we have achieved

3.13. In 2017/18, there have been a number of achievements in this area:

- Our approach to tackling integration issues has been recognised by the national government who have selected Bradford as one of five pilot areas for the integration areas.
- Since the introduction of the new waste policy, all in one recycling and alternate weekly collection roll out to 200,000 properties, kerbside recycling has improved compared to the same period last year.

What are our challenges?

Crime and the Fear of Crime

3.14. Crime rates are increasing in line with regional and national trends. Police recorded crime rose to a level that was 29% higher than the Yorkshire and Humber average at September 2017.

3.15. We are working closely with the Police to help tackle these issues. A new model for neighbourhood policing is being rolled out and a new Partnership analytics team across the policy and the council shares intelligence relating to organised crime groups. We are proposing a new performance indicator around reducing the crime rate across the district.

Waste and recycling

3.16. Kerbside recycling levels are increasing, yet there is a decline in overall recycling and composting levels. An innovative and sustainable waste strategy will be developed in the next year which will include how to ensure continued behaviour change to improve recycling. A new target will be proposed that focuses on this challenge.

Dangerous Driving and Road Accidents

3.17. The numbers of people killed or seriously injured on the District's roads (KSI) has increased by 9% during 2017/18. Alongside this, 77% of a sample² of Bradford residents say that dangerous driving in the district is an issue compared with a West Yorkshire average of 70%.

3.18. Major collision hot spots have been addressed through area committees and Operation Steerside which aims to tackle nuisance driving. To help track the success of this partnership working, a new indicator and target focusing on dangerous driving has been proposed.

² As measured by the West Yorkshire Police Survey

Future Performance Measures and Targets

3.19. We have a number of proposed new targets for this outcome area which focus more on partnership activity with other public sector bodies, such as the Police, and communities. Targets are proposed on reducing crime, improving integration and cohesion, improving recycling rates and reducing the levels of dangerous driving. These are outlined in Appendix B.

GOOD START, GREAT SCHOOLS

What we have achieved

3.20. Bradford has seen a year on year increase in Good Level of Development at Early Years Foundation Stage since 2013. We are the fourth most improved education authority in the country for Progress 8 and in Key Stage 2, whilst we were short of our target we are in the highest ranking we have been for at least 10 years.

3.21. There has also been a significant increase over the past 3 years in the percentage of all settings with an Ofsted rating of good or outstanding. As of April 2018, 78% of our primary schools are good or outstanding compared with 69% in August 2015. For the same period 65% of our secondary schools were outstanding compared with 40% in August 2015.

3.22. The Council has invested in the recruitment and retention of teachers. Bradford bus tours have been running for three years taking more than a thousand final year teacher training students around schools in our district. The tours started at primary school and have now visited secondary school for the first time.

3.23. More than 200 talented teachers have been inspired to start their career in Bradford in the first two years of council-run bus tours taking trainees into schools.

3.24. We have also been working to develop the relationships between the business communities and schools, with 5,000 businesses signing up to the Education Covenant. This will help to create new opportunities for young people in the District.

What are our challenges?

Take up of 2 year old offer across the district

3.25. Whilst overall take up of the 2 year old offer is strong, there is significant variation between a 50% take up in some wards and a 100% take up in others. We are focussing on incentivising local parents to engage with the two year old offer.

School Absence Rates and Exclusions

3.26. Reducing the number of absences and exclusions from school is a key imperative of the Children and Young People's Plan but is an area of challenge. Data has also shown that in previous years, there has been a sharp increase in the numbers of permanent exclusions in primary schools (from 3 in 2015-16) to 18 in 2016-17). Although this has reduced in the most

recent data (between September 2017 and January 2018), this is still an area of concern. A more detailed strategy around support for pupils with persistent disruption is being explored with schools to address this issue.

Future Performance Measures and Targets

3.27. We have developed new performance indicators for this outcome which are included in full in Appendix B, these have been selected to be stretching but realistic given the financial context we are in. This includes:

- Being at or near the top of the league table when compared to our statistical neighbours on early years foundation achievement;
- Continuing our progress towards ensuring all our school settings (including SEND settings) are good or outstanding by 2020;
- Reducing unauthorised absences in primary and secondary.
- Continue to make progress on our attainment levels at Key Stages 2 and 4.

BETTER HEALTH, BETTER LIVES

What we have achieved

3.28. Over the last year, there have been several successes for this outcome area. Earlier this year, the Care Quality Commission provided an inspection of Bradford's health and social care services and partnership working. This was complimentary about the "shared and agreed purpose vision and strategy" and the mature approach to partnership working. It was also found that the majority of staff across the system were committed to this vision. The review also suggested areas for review including quality in the independent care market, a review of 15 minute domiciliary care visits and building primary care capacity.

3.29. Through a very severe winter which the NHS has found challenging, our Delayed Transfer of Care attributable to social care is still performing well. We are the 7th best performing local authority in the country on this measure and we are also well within the target level set for the last twelve months.

What are our challenges?

Health inequalities

3.30. People in Bradford are living healthier lives, but health inequalities persist across the district. Life expectancy is 9.3 years lower for men and 7.3 years lower for women in the most deprived areas of Bradford than in the least deprived areas.

3.31. Some of the drivers for this are air quality, childhood obesity and physical activity. In these areas, we are looking at new targets and focused activity to address these issues to improve long term life expectancy and healthy life expectancy.

3.32. The District has also seen a fall in the rates of teenage pregnancy to 20 conceptions per 100,000 population, which is now below the Yorkshire and Humber average of 22 per 100,000.

3.33. We have also received funding from Sport England to work with Active Bradford to get more people (aged 5-14 and their families living active lives in a number of our communities

(Eccleshill and Windhill, Fairweather Green, Heaton, Toller, Manningham, City, Allerton and Bolton and Undercliffe).

Transforming Services with Increasing Demand

- 3.34. Our rates of looked after children were 69.6 per 1,000 children in 2017-18. This is a strong performance compared to our statistical neighbours (82 per 10,000 children in 16/17). Despite this, increasing demand for social care is putting pressure on resources. The numbers of looked after children have increased by 17.6% between April 2016 and April 2018.
- 3.35. We have secured innovation funding of £3.2 million over 2 years from the Department for Education innovation fund which seeks to inspire changes in service delivery to secure better life chances for children receiving help from the social care system; stronger incentives for innovation, experimentation and replication of successful new approaches and better value for money across children's social care.
- 3.36. Demographic pressures and an ageing population is also having an impact on adult social care. Meeting increasing demand inevitably will lead to a new approach and we are working to deliver demand management strategies to help reduce the overall costs of social care whilst continuing to deliver for our most vulnerable residents.

Future Performance Measures and Targets

- 3.37. We have developed a number of headline indicators for 2018/19 and these are summarised in Appendix B. Many of these targets are existing measures from the council and district plans including:
- Reducing childhood obesity rates,
 - Improving levels of adult physical activity, and
 - Reducing the level of DTOC beds attributed to adult social care.
- 3.38. In addition, a number of new targets have been selected that focus on areas where we have challenges or require significant focus. This includes:
- The number of Looked after children,
 - Improve air quality in the district, and
 - Reduce the number of adults and older people in residential and nursing placements.

Well Run Council

What we have achieved

- 3.39. In December 2017 iMpower rated Bradford in the top ten most productive councils in the country. This index defines productivity based as an outcome value per pound spent. There is also significant evidence that services are being transformed to lower cost bases in line with strategies.

3.40. The Council has delivered over the last twelve months whilst having the lowest Council Tax rates charged to residents when compared to other major cities and West Yorkshire Authorities. Some evidence of the value for money we provide includes:

- Overall the amount spent on management and overheads is very low compared to other Councils.
- Adults and Children's Social Care accounts for almost half of Council net spend, and both areas generally benchmark well compared to similar authorities.
- There are relatively low numbers of Older People cared for in costly residential and nursing care, and relatively high numbers in less costly Community Care (Home Care, Direct Payments) in line with the Strategy.
- Re-ablement services are relatively effective at helping to keep people out of long term care, and delayed transfers of care (hospital bed blocking) is very low in the Bradford district when compared to other parts of the country indicating good performance.
- Despite significant increases in the numbers of Looked After Children the relative numbers Looked After Children remains low when compared to other Authorities.
- Waste Services are making big strides in increasing recycling collection and reducing residual waste through the move to alternate weekly collection.
- The Council also spends less per head of population on Street Cleaning and Highways than other Councils, and the maintenance requirement for highways though growing, is similar to other authorities.
- Overhead areas including Finance and HR are the smallest pro rata of all benchmark Councils, and the cost of IT has reduced by nearly £10m, to £12m since the end of the IBM/ Serco contract, and is now close to the average of benchmarks.
- The Property Programme, has overseen the vacation of over 90 buildings since 2010 saving over £7.8m per year. It has also generated over £40m of capital receipts from the disposal of property, and has almost halved the backlog maintenance on the Councils estate through disposals and targeted investment. The Programme has also overseen Community Asset Transfers that transfer buildings and operations to community groups.

3.41. To support inclusive growth, the Council has also introduced a Social Value Procurement Policy to help ensure we increase our spend with local suppliers which could mean an additional £45 million into the local economy, £21 million re-spent in the Bradford economy, which would lead to an additional net effect on the Bradford economy of £66m .

3.42. Good progress is being made on the proposal to refurbish and lease the former Odeon building to Bradford Live and the NEC. NEC have completed their agreement for lease with Bradford Live to occupy the refurbished building and, following the Council's decision to make a loan of £12 million to Bradford Live, the Northern Cultural Regeneration Fund has confirmed the grant of £4 million. A planning application is due in autumn 2018, construction to commence summer 2019 and a planned opening autumn 2020.

What are our challenges?

Delivery against budget savings

3.43. Although the Council underspent overall as outlined in the financial section of this report. We failed to meet our overall savings target in the last financial year and we will need to address this in the coming year to ensure that the council is on a stable and robust footing for the future.

Staff Management

3.44. The data suggested that our current sickness absence rates are slightly increasing and the proportion of staff who receive a performance review is well below the overall target. HR Plus provides advice and support on the management of sickness absence.

3.45. To address these issues, new case management targets for managers are being introduced. For performance reviews, a new online framework has been introduced enabling the authority to record and monitor performance throughout the cycle. Using data from this system, we will be able to determine how many of our employees are having regular performance discussions with their managers and tackle parts of the authority where this is not taking place.

Future Performance Measures and Targets

3.46. For this outcome area, we have maintained many of the headline outcome areas in the Council Plan including:

- Ensuring spending levels remain below budget
- Ensuring there is a reduction in sickness levels
- Increasing the proportion of employees who have a performance appraisal; and
- Improving the confidence of staff to report disabilities.

4. FINANCIAL POSITION STATEMENT FOR 2017-18

Headline Financial Result

4.1. The Council underspent the £375.2m approved net budget (£1.250bn gross expenditure), by £0.3m in line with previous forecasts. Despite the overall underspend, there were however a number of significant departmental budget variances.

4.2. In the tables below, we show the budget and actual results from two perspectives.

4.3. Table 1a shows spending by Department, reflecting the Council's internal management accountabilities. Budgets are allocated to Directors who are accountable for their departmental expenditure.

Table 1a: Budgeted and Actual Expenditure and Income (Department)

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Health and Wellbeing	226.7	235.7	8.9	-107.2	-109.3	-2.2	119.6	126.3	6.8
Children's Services	477.1	488.0	10.9	-395.0	-402.6	-7.7	82.1	85.4	3.3
Department of Place	164.1	169.6	5.5	-63.6	-67.6	-4.0	100.5	102.0	1.5
Corporate Resources	263.7	253.2	-10.5	-223.1	-215.4	7.7	40.6	37.8	-2.8
Chief Executive	4.3	4.3	0.0	-0.1	-0.1	-0.0	4.1	4.2	0.0
Non Service Budgets	38.4	37.4	-1.0	-45.7	-45.3	0.5	-7.3	-7.9	-0.6
Central Budgets & Net Transfers To Reserves	92.4	80.1	-12.3	-56.8	-52.8	4.0	35.6	27.3	-8.3
Total Council Spend	1,266.7	1,268.3	1.6	-891.5	-893.2	-1.7	375.2	375.1	-0.1
Council Funding	-16.8	-16.8		-358.4	-358.5	-0.2	-375.2	-375.4	-0.2
Total*	1,249.9	1,251.4	1.6	-1,249.9	-1,251.7	-1.9	-	-0.3	-0.3

*At year end the £0.3m overall underspend is moved to reserves on the balance sheet to make the income and expenditure account balance to £0. Net transfers to reserves includes the £1.6m of deferred expenditure outlined in section Appendix A Section 2.1

4.4. Table 1b shows spending by outcome to mirror the ambitions set out in the Council Plan. In spending their budgets, Directors undertake activities which help achieve outcomes. Typically, a number of activities undertaken by different departments contribute to realising an outcome.

Table 1b: Budgeted and Actual Expenditure and Income (Council Plan)

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Better Health Better Lives	461.0	470.6	9.6	-275.1	-273.4	1.7	185.9	197.2	11.3
Better Skills, More Good Jobs And A Growing Economy	116.5	121.0	4.5	-50.3	-55.4	-5.1	66.2	65.6	-0.7
Safe, Clean And Active Communities	73.8	74.4	0.6	-24.0	-23.6	0.3	49.8	50.7	1.0
A Great Start And Good Schools For All Our Children	418.7	421.8	3.1	-397.9	-402.6	-4.8	20.8	19.2	-1.7
Decent Homes That People Can Afford To Live In	14.6	14.6	-0.0	-7.3	-7.3	0.0	7.3	7.3	-0.0
A Well Run Council	113.3	109.5	-3.8	-76.6	-74.4	2.2	36.6	35.0	-1.6
Non Service, Fixed and Unallocated	68.9	56.5	-12.4	-60.4	-56.4	4.0	8.5	0.1	-8.5
Total Council Spend	1,266.7	1,268.3	1.6	-891.5	-893.2	-1.7	375.2	375.1	-0.1
Council Funding	-16.8	-16.8	-	-358.4	-358.5	-0.2	-375.2	-375.4	-0.2
Total*	1,249.9	1,251.4	1.6	-1,249.9	-1,251.7	-1.9	-	-0.3	-0.3

Service budgets and actuals include year-end accounting adjustments for depreciation, impairment and pensions. They also include Facilities Management costs and budgets (utilities and repairs) which during the year are managed and controlled within Corporate Resources. These affect Service's budgets and actual spend at year end but have nil impact on the final service variances.

Source: The Council's ledger (SAP) as at 31 March 2018

Financial and Service Performance

4.5. The tables above show that in aggregate the Council underspent the overall net budget of £378.2m by £0.3m. There were however some significant variances from plan within that total.

4.6. The Department of Health and Wellbeing (formerly Adult Services and Public Health) overspent the £119.6m net expenditure budget by £6.8m. This was inclusive of;

- £13.3m of unachieved savings against the £23.6m target.
- £7.3m of other pressures on the Purchased Care budget linked mostly to Learning Disability service users.
- The overspends outlined above were partly offset by £1.9m of compensating underspends in other services, £1.3m of redirected Public Health funding incurred in line with Public Health Outcomes, and £10.4m of time limited Improved Better Care Fund Grant. The IBCF has been used as outlined in the Integration and Better Care Fund delivery plan this has been agreed by the Health and Wellbeing Board and NHS England.

4.7. Children's Services overspent the £82.1m net expenditure budget (£477.1m Gross budget) by £3.3m. The overspend was largely due to;

- Increases in the overall numbers of Looked after Children and Children in Permanent arrangements impacting on the cost of Purchased Placements (£1.5m overspend), Children Residential provision (£0.5m overspend) and Fees and Allowances (£0.2m overspend).
- £3m of undelivered budget savings due mainly to increases in the average number of Looked after Children (931 to 960) against a budget savings plan of reduced numbers

(800).

- The overspends outlined above were partly offset by underspends on the Education, Employment and Skills service of £1.8m (Early Years £0.8m, Achievement/Interventions £0.5m, SEND Services £0.1m, Education Safeguarding £0.1m, Former Teacher/Lecturer Pension cost £0.1m and 14-19 Services £0.2m)

4.8. The Department of Place overspent the £100.5m net expenditure budget by £1.5m. The overspend was largely attributable to;

- A £2m overspend on Waste Management linked mainly to Waste Disposal costs.
- A continuing £0.9m overspend on Sports Facilities caused mainly by higher than budgeted employees expenditure.
- A £0.9m overspend on Street Lighting caused mainly by energy pass through costs and underachieved savings.
- A £0.5m overspend on Highways Winter Maintenance caused mainly by winter gritting.
- £0.4m underachievement on Building Control income.
- The overspends outlined above were partly offset by underspends in Economic Development, Neighbourhoods and Streetscene and other underspends across the Department.

4.9. The above overspends in Health & Wellbeing, Children's Services and the Department of Place were mainly offset by

- £8.4m of capital financing and corporate contingencies underspend
- A £2.8m underspend in the Corporate Resources department
- £0.6m underspend on Non service areas.
- The Council also received £0.2m more Business Rates Top Up grant than budgeted.

4.10. It should be noted that the offsetting items outlined above will not be available to the same extent to offset any further departmental overspends or in savings in 2018-19. Budgets have been significantly reduced³ to help fund the re-profiling of £14.4m of underachieved savings from 2017-18 to stop them recurring in 2018-19.

4.11. Contained within the overall £0.3m underspend outlined above, £22.6m of the £46m budgeted savings programme were not delivered as intended. The underachievement was significantly higher than prior years (£7.9m in 2016-17 and £4.3m in 2015-16) reflecting the increased difficulty in delivering savings as the Council reduces in size, and lower priority areas have already been cut.

4.12. Having high levels of underachieved savings can have a very detrimental impact of the financial health of the Council as savings not delivered in year compound the difficulty in delivering future years' additional savings unless addressed. There is also an opportunity cost of the time lost that could have been used to deliver alternative savings. The

³ Capital Financing and corporate contingencies have been reduced by £8.4m, and the Corporate Resources budget has been reduced by £3.5m in 2018-19.

underachievement of savings and their potential impact on the financial health of the Council is the main issue highlighted by this report and prior monitoring reports.

- 4.13. Given the level of underachieved savings and the potential impact on future years, the Leader of the Council determined that a Member Challenge group inclusive of the Leader, Deputy Leader, Chief Executive and Strategic Director of Corporate Services, should meet with the Portfolio Holders and Strategic Directors of Health and Wellbeing, Children's Services and Place to develop plans to mitigate the underachievement.
- 4.14. The 2018-19 budget has sought to address a number of the underachieved savings from 2017-18. Of the £22.6m of savings not delivered in year,
- £3.4m related to 2017-18 only, and are expected to be delivered in 2018-19.
 - £14.4m has been addressed through the 2018-19 budget. Of this, £4.4m has been identified as not deliverable, and £10m of savings have been re-profiled to later years to reflect a longer implementation period.
 - The remaining £4.8m relates to unmet Travel Assistance savings which will continue to be mitigated by Corporate contingencies in 2018-19 until delivery plans are finalised.
- 4.15. The monitoring of savings is outlined in greater depth in Appendix 1 section 2.2
- 4.16. The 2018-19 budget has also allocated £10.5m of additional budget for Adults and Children's Social Care to cover the cost of Demographic growth, National Living Wage and Contract Price inflation.
- 4.17. Despite the underachievement of savings and the major variances outlined above, the Council did underspend by £0.3m in a continuing adverse fiscal environment, and it has now delivered over £240m of per year savings since 2010. This has been required to manage the significant reductions in central government funding at a time of increased demand for services.
- 4.18. Additionally, there is significant evidence that demonstrates that Council Services perform well and provide good value for money compared to other Councils. Alongside the narrative in section 3 of this report, Appendix A section 3 provides an in-depth look at Departments financial and service performance.

Reserves

- 4.19. Reserves are used to fund future plans, and provide financial resilience to the Council. The Council's policy on unallocated reserves is only to use them for the following purposes:
- Support for transitional arrangements within the organisation and in our communities;
 - Funding for time-limited investment contributing to Council priorities;
 - Support for activities that pay back the investment over time.

- 4.20. Of the Council's total reserves, £20.5m belong to schools and cannot be spent by the Council, and £10.8m are held in a General Reserve in line with Council policy and the advice of external auditors.
- 4.21. The Council will continue to hold a range of other reserves to support investment in priorities such as supporting young and disadvantaged people into employment, and skills, improving local infrastructure, transforming services for older people, preventing homelessness, making sure there is enough money to pay the contracts for new schools and covering the costs of transition that come with adapting to big cuts in spending. The value of Council and School reserves has reduced significantly in recent years, and was relatively very low when compared to other Councils⁴. A point noted in previous reports, and also by the Councils Auditors, former Section 151 Officer, and the Peer Review.
- 4.22. Additionally, School reserves have also reduced significantly from £25.5m at the start of 2017-18 to £20.5m by the end. A further £8m of School reserves are being used to support budgets in 2018-19 and beyond, and the number of schools in deficit, and the value of those deficits has also increased reflecting additional pressure on schools.
- 4.23. Given the relatively low reserves, coupled with significant reductions in the corporate contingency and capital financing budgets in 2018-19, the Councils resilience to withstand further underachieved savings, or other risks was being eroded.
- 4.24. To address this, the following steps have been taken.
- £4m has been added to the Transition and Risk reserve to help provide a one off buffer against future risks, and there have also been other movements to reserves as outlined in Appendix A section 4.1
 - In order to bolster the financial resilience of the Council further, the Assistant Director of Finance and Procurement has recommended that the Council amend its Minimum Revenue Provision (MRP) policy to provide additional flexibility to the Council.
 - The MRP is the minimum amount the Council has to budget for, to repay the principal element of borrowing for Capital expenditure. Although the same amount of principal has to be repaid over time whichever policy is used, changing the policy from the straight line method to an annuity method, where lower amounts are paid in the early years, and higher amounts in later years, results in a significant freeing up of monies today, especially when backdating the policy. £23m has been added to reserves as a result of the change in policy⁵. A similar amount is also expected in 2018-19.
 - Given that the same amount of principal has to be repaid over time irrespective of the method, the recommendation will be to hold the monies freed up from the change in policy into an earmarked reserve, and be used when the MRP costs get higher in future years.
 - In aggregate the only advantage of changing the policy is to provide additional flexibility should it be needed. There are some potentially significant changes to the landscape of

⁴ Indicatively, Bradford's non school's reserves would have needed to be approximately £62m higher to be at the England average as outlined in the 2018-19 Medium Term Financial Strategy

⁵ Subject to Council approval

Local Government finance where it is uncertain if the Council will gain or lose. These include;

- Spending Review 2019
 - Fair funding Review
 - Move to 75% business rates retention
 - Reset of Business Rates Baseline
- Holding the money freed up by the change in MRP policy in an earmarked reserve could help manage any cost pressures that may arise from the above changes in the short term.
 - A further tool to provide financial resilience is the better use of budgets process which enables unspent monies to be carried forward to fund spending that has been committed to in year, but was not incurred, so that the expenditure doesn't impact on the new years budget. Included within the overall £0.3m Council underspend, and outlined in Appendix 1 Section 2.1 of the report, are £1.6m of unspent funds in 2017/18 have been carried forward to 2018/19 to fund delayed activity and priority projects.
 - As a result of the above, net movements from reserves have led to a £12.7m increase in total reserves from £153.0m at 1 April 2017 to £165.7m at 31st March 2018 (£145.2m Council and £20.5m School's).

Provisions

4.25. Within the balance sheet, the provisions are shown as amounts owed as at 31 March 2018. To be classified as provisions, it must be likely that the Council will eventually pay over these amounts.

4.26. The cost of the provisions has already been shown as expenditure against the Revenue Budget, either in 2017-18 or in previous years. The overall effect, therefore, is that amounts are set aside to pay amounts owed because of decisions taken by the Council prior to 31 March 2018.

4.27. Total provisions are £22.5m. The main provisions include:

£8.1m Redundancy provision to fund the cost of future redundancies

£1.1m provision to support a historical insurance provider (Municipal Mutual Insurance) whose assets fell below the minimum level for solvency in 1992, but where Local Authorities still have a responsibility to contribute to outstanding claims.

£5.7m provision to pay the insurance policy excess on outstanding claims

£7.5m Business Rate appeals

Capital Expenditure

4.28. The Capital Investment Plan originally budgeted 2017-18 spend at £124.2m (Full Council, 23 February 2017). This budget was later reprofiled as £90.4m, per the 4th quarter monitoring report (Executive, 3 April 2018). Such reprofiling does not mean a budget reduction. Rather some of the 2017-18 budget was carried forward into other years, according to the latest estimate of when spend is expected to happen.

- 4.29. Against the latest reprofiled budget of £90.4m, the Council outturned spend of £72.9m.
- 4.30. The largest proportion of the spend (£60.5m) was on the upkeep of owned buildings., while next in significance was the creation of new buildings.
- 4.31. Capital expenditure is outlined in greater detail in Appendix A Section 5

Council Tax and Business Rates Collection

- 4.32. Regarding Council Tax, the Council received its £171.4m budgeted share of Council Tax in 2017-18, with any difference in the actual amount collected carried forward into 2018-19. A deficit of £0.97m occurred in 2017-18 due mainly to an increase in the uptake of discounts and exemptions in 2017-18.
- 4.33. Bradford's £0.97m share of the deficit is higher than the £0.4m which it expected to pay back in 2018-19, when the budget for 2018-19 was set. This means that there is a £0.57m pressure in 2018-19, directly reducing budgeted Council Tax when the next budget is set for 2019-20. However, to deal with this, an earmarked reserve for £0.57m was set aside at the end of 2017-18 to fund this pressure
- 4.34. By 31st March 2018 the Council had collected £193.4m (94.2%) of the value of Council Tax bills for the year compared with £182.1m (94.0%) last year.

Business Rates

- 4.35. The Council in 2017-18 received its £63.5m budgeted share⁶ of Business Rates from the Collection Fund with any difference in the actual amount collected carried forward into 2018-19. A deficit of £1.8m was outturned in 2017-18. The main driver of this was lower than expected chargeable Business Rates, including the impact of discounts (known technically as reliefs) awarded to businesses.
- 4.36. Of Bradford's £1.8m share of the deficit, £0.7m is already included in the 2018-19 budget. This still creates an additional £1.1m pressure to be repaid when setting the 2019-20 budget. £0.7m of this is mitigated by additional Section 31 grants from the Government to compensate the Council or changes in policy. The remaining £0.4m has been incorporated into the 2019-20 budget setting process.
- 4.37. At 31st March 2018, the Council had collected £132.5m (97.83%) of the value of Business Rates bills for the year compared with £142.4m (97.01%) in 2015-16.

⁶ In 2017-18, the Council kept 49% of all Business Rates collected. 1% goes to the West Yorkshire Fire and Rescue Authority, and the remaining 50% goes to central government where it is pooled with business rates from other Local Authorities, and then given back to Local Authorities using a redistributive allocation system.

5.0 RISK MANAGEMENT

- The Financial risks of future known and uncertain liabilities are being addressed through contingencies and provisions outlined in this report.

6.0 LEGAL APPRAISAL

- This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules.

7.0 EQUALITY & DIVERSITY

- Equality Impact Assessment is undertaken as part of the annual budget setting decision process.

8.0 IMPLICATIONS FOR CORPORATE PARENTING

None

9.0 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

10.0 NOT FOR PUBLICATION DOCUMENTS

None

11.0 RECOMMENDATIONS

That the Executive is recommended to:

- Note the financial position of the Council reported for the year ended 31 March 2018.
- Approve £1.6m of better use of budget requests as outlined in Section 2.1 of Appendix A.
- Note the performance position and endorse the new KPI measures and targets as outlined in Appendix B.

11.0 APPENDICES

Appendix A - Annual Finance and Performance Outturn Report 2017-18

Appendix B – Proposed new performance measures and targets for 2018-19

12.0 BACKGROUND DOCUMENTS

- The Council's Revenue Estimates for 2018-19 – Council Report P 22 February 2018
- Proposed Financial Plan updated 2018-19 to 2020-21 5th December 2017
- Qtr. 4 Finance Position Statement 2017-18 Executive Report 3rd April 2018
- Annual Finance and Performance Outturn Report 2016-17 Executive Report 11th July 2017
- Medium Term Financial Strategy 2018-19 to 2020/21 and Beyond incorporating the Efficiency Plan - Executive Report 11th July 2017
- Annual Finance and Performance Outturn Report 2015-16 Executive Report 19 July 2016
- The Council's Revenue Estimates for 2016-17 & 2017-18 – Council Report R 25 February 2017

**City of Bradford Metropolitan
District Council**

**Annual Finance and Performance
Outturn Report**

2017-18

The Annual Finance and Performance Outturn Report details the specific financial results by department for 2017-18 as well as key performance achievements of each department and service.

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Annex 1 Unachieved Savings

Annex 2 Reserves Statement at 31/03/2018

Annex 3 Earmarked Reserves Statement at 31/03/2018

Annex 4 Capital Investment Plan by scheme.

1. PERFORMANCE SUMMARY

The Council Plan helps provide the framework for performance monitoring and reporting within the organisation and identifies a number of headline indicators to measure the Council's performance and productivity. This section provides additional detail on performance against those indicators for the year up to March 2017 with additional performance and activity data included in the Departmental commentaries in Section 3 of this report.

Depending on their data source, indicators can be reported monthly, quarterly, half yearly or annually. In some cases where validation is required the information may be for a historic period particularly information related to regional and national comparators and performance reports need to be viewed in the context of the current resource climate and looking ahead, future performance may be at risk from a range of adverse factors that vary from service to service

This section provides summary tables of performance in 2017/18 against the Council Plan KPIs.

Better skills, more good jobs and a growing economy

Description	2017/18		2016/17
	Value	Target	Value
Vacancy rates in Bradford City Centre - Percentage of ground floor business units that are vacant	19.67%	18.1%	18.1%
Number of apprentices in the Council workforce	122	140	75
The value of the local economy measured by Gross Value Added	£9.9bn	£9.5bn	£9.5bn
The total number of visits to council cultural attractions (markets, museums & libraries)	6,670,467		7,115,583
New jobs created with support from Council	64.5 (or 183 over 16/17 and 18/19)	155 (cumulative between 2016/17 and 17/18)	118.5
Total - Processing of planning applications: Major applications	90.16%	87.00%	85.54%
Principal roads where maintenance should be considered	2%	4%	3%

Decent Homes for All

Key performance indicators over the last twelve months

Description	2017/18		2016/17
	Value	Target	Value
Net number of additional homes provided	1,554	1,200	1,334
Number of private sector homes improved	1,012	950	947
Empty homes brought back in to use (gross)	4,559		4,784
The number of households placed in temporary accommodation	928	950	1,042
Housing option - Bed and Breakfast Average Length of Stay (Count of nights)	8.7 nights		9.0 nights
Number of affordable homes delivered (gross)	240	165	184

Safe, Clean and Active Communities

Key Performance Indicators over the Last Twelve Months

Description	2017/18		2016/17
	Value	Target	Value
Victim Satisfaction with the Neighbourhood Resolution Panel	87.5%	90%	90.95%
Total Tonnes of kerbside recycling (Green and dry)	35,576	28,800	28,688
Percentage of reported missed bins	0.27%	0.13%	0.15%

Good Start, Great Schools

Key Performance Indicators from the Last Twelve Months

Description	2017/18		2016/17
	Value	Target	Value
Percentage of children achieving a good level of development in Early Years Foundation Stage	68%	69%	66%
Annual percentage of 2 year old children taking up Early Education	72%	80%	71%
Annual percentage of 3 year old children taking up Early Education	91%	93%	93%
Annual percentage of 4 year old children taking up Early Education	95%	97%	94%
Percentage of Year 1 pupils achieving the Phonics Standard	80%	81%	79%
Percentage of pupils reaching the expected standard in reading, writing & maths combined at Key Stage 2	57%	60%	47%

Better Health, Better Lives

Key Performance Indicators from the last Twelve Months

Description	2017/18		2016/17
	Value	Target	Value
Delayed transfers of care from hospital which are attributable to Adult Social Care per day per 100,000 population	0.9	1	1.2
Successful completion of drug treatment - opiate users (Quarterly)	7.5%	6.5%	4.7%
Successful completion of drug treatment - Non-opiate users	50.3%	39.8%	40.4%
Successful completion of alcohol treatment	40.5%	38.4%	35.5%
Number of Looked after Children	987	800	927
Rate of children who are the subject of a child protection plan per 10,000 children	40.37		40.04
Total visits to council managed recreation facilities	1,784,000	1,800,000	1,822,000
The total number of programmed preventative interventions carried out by Environmental Health	3,676	3,300	4,584

Well Run Council

Table 10: Key Performance Indicators from the last Twelve Months

Description	2017/18		2016/17
	Value	Target	Value
Percentage of Council Tax collected	94.2%	94.5%	94.0%
Percentage of Non-domestic Rates Collected	97.5%	97.2%	97.0%
Greenhouse gas emissions from Council operations	45,844 Tonnes	67,109 Tonnes	67,093 Tonnes
Achievement of Council wide budget savings - Total (Quarterly)	£22.6m	£46m	£37m
The Average Number of Working Days Lost per Employee due to Sickness Absence in Bradford Council (Excluding Schools)	12.06	9.76	11.33
Percentage of total third party spend with suppliers operating from within the District*	42.97%	49%	50.22%
Percentage of staff who have received a performance review and have a performance plan in place	15%	100%	
Value of Backlog Maintenance works outstanding	£54.2m	£56.00m	£56.60m

*The council's social value procurement policy was introduced towards the end of the municipal year.

2.0 COUNCIL REVENUE OUTTURN

2017-18 Revenue Budget

The Council underspent the approved net budget of £375.2m (£1.249.9bn gross expenditure), by £0.3m in line with previous forecasts. Despite the overall underspend, there are however a number of significant departmental budget variances as outlined.

In the Tables below, we show the planned and budgeted results from two perspectives.

Table 1a shows spending by Department, reflecting the Council's internal management accountabilities. Budgets are allocated to Directors who are accountable for their departmental expenditure.

Table 1a: Budgeted and Actual Expenditure and Income (Department)

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Health and Wellbeing	226.7	235.7	8.9	-107.2	-109.3	-2.2	119.6	126.3	6.8
Children's Services	477.1	488.0	10.9	-395.0	-402.6	-7.7	82.1	85.4	3.3
Department of Place	164.1	169.6	5.5	-63.6	-67.6	-4.0	100.5	102.0	1.5
Corporate Resources	263.7	253.2	-10.5	-223.1	-215.4	7.7	40.6	37.8	-2.8
Chief Executive	4.3	4.3	0.0	-0.1	-0.1	-0.0	4.1	4.2	0.0
Non Service Budgets	38.4	37.4	-1.0	-45.7	-45.3	0.5	-7.3	-7.9	-0.6
Central Budgets & Net Transfers To Reserves	92.4	80.1	-12.3	-56.8	-52.8	4.0	35.6	27.3	-8.3
Total Council Spend	1,266.7	1,268.3	1.6	-891.5	-893.2	-1.7	375.2	375.1	-0.1
Council Funding	-16.8	-16.8		-358.4	-358.5	-0.2	-375.2	-375.4	-0.2
Total*	1,249.9	1,251.4	1.6	-1,249.9	-1,251.7	-1.9	-	-0.3	-0.3

*At year end the £0.3m overall underspend is moved to reserves on the balance sheet to make the income and expenditure account £0. Net transfers to reserves includes the £1.6m of deferred expenditure outlined in section 2.1

Table 1b shows spending by outcome to mirror the ambitions set out in the Council Plan. In spending their budgets, Directors undertake activities which help achieve outcomes. Typically, a number of activities undertaken by different departments contribute to realising an outcome.

Table 1b: Budgeted and Actual Expenditure and Income (Council Plan)

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Better Health Better Lives	461.0	470.6	9.6	-275.1	-273.4	1.7	185.9	197.2	11.3
Better Skills, More Good Jobs And A Growing Economy	116.5	121.0	4.5	-50.3	-55.4	-5.1	66.2	65.6	-0.7
Safe, Clean And Active Communities	73.8	74.4	0.6	-24.0	-23.6	0.3	49.8	50.7	1.0
A Great Start And Good Schools For All Our Children	418.7	421.8	3.1	-397.9	-402.6	-4.8	20.8	19.2	-1.7
Decent Homes That People Can Afford To Live In	14.6	14.6	-0.0	-7.3	-7.3	0.0	7.3	7.3	-0.0
A Well Run Council	113.3	109.5	-3.8	-76.6	-74.4	2.2	36.6	35.0	-1.6
Non Service, Fixed and Unallocated	68.9	56.5	-12.4	-60.4	-56.4	4.0	8.5	0.1	-8.5
Total Council Spend	1,266.7	1,268.3	1.6	-891.5	-893.2	-1.7	375.2	375.1	-0.1
Council Funding	-16.8	-16.8		-358.4	-358.5	-0.2	-375.2	-375.4	-0.2
Total*	1,249.9	1,251.4	1.6	-1,249.9	-1,251.7	-1.9	-	-0.3	-0.3

*At year end the £0.3m overall underspend is moved to reserves on the balance sheet to make the income and expenditure account £0. Net transfers to reserves includes the £1.6m of deferred expenditure outlined in section 2.1

Service budgets and actuals include year-end accounting adjustments for depreciation, impairment and pensions. They

also include Facilities Management costs and budgets (utilities and repairs) which during the year are managed and controlled within Corporate Services. These affect Service's budgets and actual spend but have nil impact on the final service variances.

Source: The Council's ledger (SAP) as at 31 March 2018

2.1 Better use of budgets requests – Re-profiled spend

In line with Council financial regulations that enable the management of expenditure over financial years, services are able to apply to carry forward unspent budgets to fund priority activity and projects that continue into future years. Better use of budget requests received are outlined below.

Table 2.1 - Expenditure to take place in 2018-19	£s	£s
Department of Place		
Bereavement Services - to assist with the Bereavement strategy	100,000	
Bradford East Area Committee - unspent grants to be transferred into 2018-19	3,300	
Bradford West Area Committee - unspent grants to be transferred into 2018-19	3,600	
Housing Service - support Housing Growth priorities	26,000	
		132,900
Health and Wellbeing		
Environmental Health - Traveller and Gypsy site repairs	25,000	
		25,000
Corporate Resources		
Estate Management Support - Community Asset Transfers - moving funding forward	140,000	
Universal credit - deferred spend linked to roll out of universal credit	170,000	
School catering - new display boards/ digital display boards	155,000	
HR - Traded services - to fund software/ resource development that has been committed to.	85,000	
Legal - help fund legal cases	100,000	
General Data Protection Regulations	54,000	
Procurement improvement plan	70,000	
Total		774,000
Chief Executives		
Support priority activity marketing the district	37,000	
		37,000
Council Funding 2018-19		
Government (MHCLG) calculation error on section 31 grants resulting in a 2018-19 budget shortfall.	700,000	
		700,000
Total		1,668,900

2.2 Delivery of Budgeted Savings proposals

- The combined budget savings of £36.5m in 2017-18⁷, and a further £1.1m Government cut to the Public Health Grant brings the total budget savings the Council has had to find in the seven years following the 2010 Comprehensive Spending Review (CSR) to £255.8m.

Table 2 Year on Year savings since 2010 CSR

	£m
2011-12	48.7
2012-13	28.5
2013-14	26.1
2014-15	31.8
2015-16	37.7
2016-17	45.6
2017-18	37.5
Total savings	255.8

- The 2017-18 budget includes £37.5m of new budget reductions, however £8.5m of prior year savings were not delivered as planned in 2016-17, meaning that £46.0m of savings are budgeted to be delivered in 2017-18.
- In tracking progress made against each individual saving proposal, £23.4m (51%) of the £46m was delivered, leaving £22.6m that was not delivered. This is largely the same as reported since Qtr 1.

Table 3 Saving Tracker

	Prior year underachieved Savings outstanding at 31/3/17 £m	2017-18 New Savings £m	Total Savings 2017-18 £m	Variance-£m
Health & Wellbeing	1.9	21.6	23.6	13.3
Children's Services	1.4	3.9	5.3	3.1
Place	0.4	5.8	6.1	1.4
Corporate	0.0	5.6	5.6	0.0
Corporate (CEO)	0.0	0.5	0.5	0.0
Non Service Budgets & Cross Cutting	0.0	0.0	0.0	0.0
Travel Assistance	4.8	0.0	4.8	4.8
Total	8.5⁸	37.5	46.0	22.6

- The underachievement is higher than prior years reflecting the increased difficulty of delivering savings.

Table 4 Underachieved Savings £ms

2013-14	4.4
2014-15	2.3
2015-16	4.9
2016-17	7.9
2017-18	22.6

- The planned savings that are were not delivered in full are outlined in greater detail in

⁷ £24.3m of 2016-17 budget decisions to be delivered in 2017-18, less £1.1m amendments approved in Feb 2017, plus £13.3m of new budget savings approved in Feb 2017.

⁸ Underachieved savings from prior years include the value of underachieved savings from 2016-17 and 2015-16 that were not achieved by 31/3/2017.

Section 3 - Service Commentaries, and Annex 1 Unachieved Savings.

- One of the aims of this report is to highlight risks of under delivery, as any underachieved savings from 2017-18 and prior years will compound the difficulty of delivering future year savings and this is the main issue highlighted by this report.
- The 2018-19 budget has sought to address a number of underachieved savings. Of the £22.6m of unmet savings;
 - £3.4m related to 2017-18 only, and are expected to be delivered in 2018-19.
 - £14.4m has been addressed through the 2018-19 budget. Of this, £4.4m has been identified as not deliverable, and £10m of savings have been re-profiled to reflect a longer implementation period.
 - £4.8m relates to unmet Travel Assistance savings. These will continue to be mitigated by Corporate contingencies in 2018-19 until delivery plans are finalised.
- The £14.4m of savings that will either be re-profiled or have been assessed to be undeliverable are outlined below. Alternate budget savings have been identified and these are outlined in Council report - The Council's Revenue Estimates for 2018-19, approved on February 22nd, and outlined in Section 3 – Service Commentaries, of this report.

Ref	Description	Prior Year Savings	2018-19	2019-20	2020-21
		£'000	£'000	£'000	£'000
3A2	Changes to Home Care Services	1,500	0	0	0
3A6	Changes to Learning Disability day care and procurement	1,000	0	-1,000	0
3A10	Changes to contracts for Learning Disability residential and nursing	1,000	0	-1,000	0
4A1	Adults Demand management	8,000	0	0	-8,000
3C7	Reducing the cost of high cost placements – Children's Social Care	1,039	250	0	0
3C8	Reducing the number of looked after children by 75	815	0	0	0
4C4	Child Protection Management restructure	60	240	0	0
4C9	Disabled Children – reduce staffing on CAMHS and reduce budget by 1%	0	34	0	0
4C10	Review Team – review budget and reduce by 2% in 2018/19	0	24	0	0
4C14	Reducing agency spend in Children's Social Care	1,025	36	0	0
4C15	Review of front door customer contact	0	46	0	0
4R4	UTC Centralisation	0	246	0	0
4H2	Revised terms and conditions	0	280	210	210
4L1	Legal and Democratic Services –reductions to Civic, Legal and Committee Services, including Overview and Scrutiny are proposed	0	15	15	0
4R2	WYCA Levy	0	968	250	250
Total		14,439	2,139	1,525	7,540

+ = saving added back (budget increase), - = saving reprofiled to future year (budget decrease)

- In 2018-19 and beyond Council departments will have the following agreed savings to deliver. 2019-20 will also require additional budget savings plans to be agreed in order to

balance the 2019-20 budget.

	Prior year underachieved Savings outstanding at 31/3/18 £m	2018-19 New Savings £m	Total Savings 2018-19 £m	Agreed Savings 2019-20 £m ⁹
Health & Wellbeing	1.6	12.4	13.9	13.1
Children's Services	0.0	0.5	0.5	4.0
Place	1.3	3.6	5.0	3.6
Corporate	0.0	3.5	3.5	2.3
CEO	0.0	0.5	0.5	0.1
Travel Assistance	4.8	0.0	4.8	0.0
Total	7.6¹⁰	20.6	28.2	23.3

3.2 Transformation Fund Progress

- In setting the 2017-18 and 2018 -19 budget in February 2017, the Council agreed to create a £5m Transformation Fund to support change and help deliver budget savings. The Council Plan Delivery Board has agreed the following allocations from the Transformation Fund.

Outcome	Number of Projects	2017-18 £000	2018-19 £000	2019-20 £000	Total Allocation £000	Total 2017- 18 Actual Spend £000
Better Health Better Lives	6	1,392	50	0	1,442	483
Better Skills, More Jobs	5	374	314	50	738	147
Safe , Clean and Active	2	40	20	0	60	11
A Great Start and Good Schools	3	245	120	20	385	83
Decent Homes	1	100	0	0	100	75
A Well Run Council	4	895	440	440	1,775	231
Total	21	3,046	944	510	4,500	1,030

- The remaining £0.5m is currently being held as a Challenge Fund for innovation projects.
- Lead in times of setting up projects and recruitment delays has resulted in the 2017-18 spend of £1,030k being below the £3.046m allocated for the year. The unspent allocations from 2017-18 will be rolled forward into 2018-19.

⁹ 2019-20 will also require additional budget savings plans to be agreed in order to balance the 2019-20 budget per the Medium Term Financial Strategy

¹⁰ Underachieved savings from prior years include the value of underachieved savings from 2016-17 and 2015-16 that were not achieved by 31/3/2018, or have not been addressed as part of the 2018-19 budget.

3. SERVICE COMMENTARIES

3.1 Department of Health and Well Being

- The Department of Health and Wellbeing overspent the £119.6m net expenditure budget by £6.8m (£6.9m at Qtr 4).

Health & Wellbeing	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Operational Services	167.3	177.1	9.8	-61.2	-63.1	-1.8	106.1	114.0	8.0
Integration & Transition	12.8	12.1	-0.7	-1.7	-1.9	-0.2	11.1	10.2	-0.9
Strategic Director	0.5	0.6	0.1	-	-0.0	-0.0	0.5	0.6	0.1
Public Health	46.1	45.9	-0.3	-44.2	-44.3	-0.1	1.9	1.5	-0.4
Total	226.7	235.7	8.9	-107.2	-109.3	-2.2	119.6	126.3	6.8

- The total departmental pressure in 2017-18 was however £21.4m; this comprises of £13.3m of underachieved savings; further demand and cost pressures of £7.3m on the Purchased Care budget and other overspends across the department of £0.8m.
- The overspends outlined above were partly offset by £1.9m of compensating underspends in other services, £1.3m of redirected Public Health funding incurred in line with Public Health Outcomes, and £10.4m of time limited Improved Better Care Fund Grant. The IBCF has been used as outlined in the Integration and Better Care Fund delivery plan this has been agreed by the Health and Wellbeing Board and NHS England.
- The £119.6m Health and Wellbeing net budget above includes £21.7m of approved 2017-18 budget savings and £1.9m of undelivered 2016-17 budget savings; in total £13.3m of savings were unachieved at the year end.

£ms	2016-17 Savings	2017-18 Savings	Total Savings	Unachieved Savings	% Achieved
Adult Services	1.9	18.3	20.2	13.3	35%
Public Health	-	3.4	3.4	0	100%
Total Health & Well-Being	1.9	21.7	23.6	13.3	

- Given the high level of underachieved savings, the 2018-19 budget setting process added back £1.5m of undelivered 2017-18 savings, deferred a further £2m to 2019-20, and a further £8m to 2020-21 to reflect a longer implementation period.
- As a result of adding back or deferring the savings, Adult Social Care will now have £18.5m more budget over the period 2018-19 to 2020-21 than was planned when the 2017-18 budget was set. This has been part funded by £9m of additional time limited IBCF monies for 2018-19 (£6.5m) and 2019-20 (£3.2m), with the remainder from finding additional Council savings elsewhere.
- Additionally, the Government also provided a further £1.4m Adult Social care grant which will provide additional support in 2018-19 and was not known when the 2017-18 budget was set¹¹.

¹¹ Further budget increases of £2.9m for inflation, £3.0m for Demographic growth, and £2.5m for national living wage has also been provided for 2018-19. These have been part funded by the Adult Social Care precept and the element of the IBCF that was known when the 2017-18 budget was set.

3.1.1 Health and Well Being – Adult Services

Adult Services overspent the £117.6m net expenditure budget by £7.2m.

The net budget includes £20.2m budget savings; 35% of these were achieved as planned, giving a shortfall of £13.3m as outlined in section 2.2. These underachieved savings have been addressed as part of the 2018-19 budget.

- Despite the overspend there are a number of positive indicators showing that Adult Social Care services generally benchmark well, and that services are transforming in line with the departmental strategy of having more community based and self-directed care and less Residential and Nursing care, giving both increased independence for service users and reduced expenditure for the Council.
- Additionally, the recent Care Quality Commission inspection has recognised the strength of local partnership working in Bradford and the commitment to a shared vision for people to be 'happy, healthy and at home.'
- The CQC also highlighted through the review that Bradford has good practice and provides service users with the support and advice needed in their care.
- The following sections outline the financial and service performance of the different Adult Social Care services.

Access, Assessment and Support

- The Access, Assessment and Support service provides the first line of contact for potential Adult Social Care service users (Access), and the Social Worker teams that assess, review and support the Adult Social Care needs of service users (Assessment and Support).
- The table below indicates that the service is dealing with higher levels of enquiries for services, but also that fewer assessments and reassessments are resulting in support plans or permanent care.

	2015-16	2016-17	2017-18
Access Contacts	11,996	13,416	15,939
Access Contacts referred for Assessment	5,762	5,550	6,177
New Assessments Undertaken	2,655	3,804	3,235
Reviews of Existing Service users	2,233	2,734	4,932
Reviews where outcome was support plan	1,035	1,476	1,307
Reviews where outcome was permanent care		2,305	1,555

- Regarding outcomes, the national ASCOF (Adult Social Care Outcomes framework) is showing a mixed picture with regards to user satisfaction.

	2016-17 Regional Avg	2015-16 Bradford	2016-17 Bradford
Social Care quality of life	19.1	19.5	19.4
Control over daily life	77.4%	79.2%	75.1%
Feeling Safe	69.1%	73.2%	73.1%
Feeling Safe as a result of services	86.6%	84.8%	86.0%
Overall satisfaction of users with care and support	64.6%	63.1%	64.5%

Source ASCOF framework NHS Digital¹²

- Overall the service underspent the £13.1m net expenditure budget by £0.3m due mostly to staffing vacancies. This is a non-recurrent underspend as the service are recruiting to vacant posts in 2018-19 in order to further strengthen the social work teams; increase the number of service users reviewed and deliver on 2018-19 savings. The regular reviewing of service users ensures they are receiving the appropriate levels of care and is paramount to the transformation of Adult Services and the delivery of future savings.
- When service users have been assessed as eligible for Adults Social Care, the Council then either provides care services directly, or in most cases purchases care from external Social Care providers. Purchased Care is by far the largest budget area within Adult Social Care.

Purchased Care

- The £72.2m Purchased Care net expenditure budget overspent by £8.4m. This was after using £10.3m of time limited Improved Better Care Funding that was received from the Government after the 2017-18 Council budget had been set, and £0.5m of re-directed Public Health Funding used in line with Public Health Outcomes. Without this, the Purchased care budget would have overspent by £19.2m as a result of £12.5m of unachieved savings and further demand pressures.
- Overall the £8.4m overspend comprised of a £0.8m overspend on Older People and Physical Disabilities services, a £7.3m overspend on Learning Disabilities, a £0.1m Mental Health overspend, and a £0.2m overspend on quality premiums.
- The main service areas are outlined in further detail below.

Older People (OP) and Physical Disabilities (PD) Purchased Care

- The table below shows that both Older People and Physical Disability services are providing higher levels of Community Care (Homecare, Direct Payments), and less Residential and Nursing Care in line with the departments strategy, and that overall there are more Older People and those with Physical Disabilities receiving care at 31st March 2018 (+33) than in 2016-17

¹² <https://app.powerbi.com/view?r=eyJrIjoiaNzNkN2lwM2MtNzQ2OS00NTImLWWE3NTMtYzkwMzY4OGVhZGZlIiwidCI6IjgwN2YyZjIMwLWlhOGMtNDE5Zi1hMTc5LTVjNGZjN2E0YmY2YiIsImMiOiN9>

Average Population	2013-14	2014-15	2015-16	2016-17	2017-18
Total Residential and Nursing – Older People	1,403	1,368	1,289	1,234	1,113
Total Residential and Nursing – Physical Disabilities	88	83	85	76	115
Total Residential and Nursing	1,491	1,451	1,374	1,310	1,228
Total Community Care – Older People	1,466	1,521	1,530	1,609	1,816
Total Community Care – Physical Disabilities	375	370	335	353	261
Total Community Care	1,841	1,891	1,865	1,962	2,077
Total	3,332	3,342	3,239	3,272	3,305

- However, despite the positive direction of travel regarding the mix of service provision, the OP and PD Purchased Care budget overspent the £18.6m net expenditure budget by £0.8m as a result of the following.

OP & PD Residential and Nursing Fees

- The service overspent the £15.4m net expenditure budget (£37.2m gross expenditure budget) by £0.8m.
- Activity data continues to show significant reductions in the numbers of people in Residential and Nursing care linked to promoting independent living through the Districts Home First Strategy and Healthy, Happy and at Home Strategy.

Residential Fees	2014-15	2015-16	2016-17	2017-18
Average OP Residential Population	980	943	892	787
Gross Expenditure Residential Fees	£26.7m	£25.9m	£25.0m	£24.6m
Client Contributions	£12.3m	£11.7m	£10.9m	£11.0m
Average Net Cost per Client per Week	£289	£302	£305	£332
Average PD Residential Population	83	85	76	67
Gross Expenditure Residential Fees	£2.7m	£2.8m	£2.4m	£2.2m
Client Contribution	£0.5m	£0.5m	£0.4m	£0.4m
Average Net Cost per Client per Week	£526	£528	£504	£517

Nursing Fees	2014-15	2015-16	2016-17	2017-18
Average OP Nursing Population	388	346	342	326
Gross Expenditure Nursing Fees	£10.7m	£10.5m	£10.2m	£10.2m
Client Contribution	£4.3m	£4.4m	£4.0m	£3.6m
Average Net Cost per Client per Week	£319	£343	£348	£388
Average PD Nursing Population	56	55	56	48
Gross Expenditure Nursing Fees	£1.6m	£1.6m	£1.4m	£1.3m
Client Contribution	£0.4m	£0.4m	£0.3m	£0.3m
Average Net Cost per Client per Week	£406	£414	£371	£400

- However, despite the positive direction of travel, the average population was approximately 60 higher than the budget could have afforded, even after the

application of £1m of IBCF.

OP & PD Home Support

- The service underspent the £6.8m net expenditure budget by £0.2m after applying £5m of non-recurrent iBCF. This funding, agreed in the Winter Plan, was to enable the service to increase homecare capacity, to increase fees paid to providers in order to stabilise the market and to pay a hospital retainer to providers to ensure people are transferred home quickly with support following discharge from hospital. Additional rapid response home support has also been commissioned from the market to support people in crisis to remain at home.
- The department's strategy is to increase homecare provision in the community as reflected in the increased number of service users. Gross costs have increased by £3m in 2017-18, with £2.5m linked to increased activity/hours of care provided and £0.5m due to a £0.61 increase in the hourly rate for framework providers, to £15.04.

OP & PD Home Support	2014-15	2015-16	2016-17	2017-18
Average OP in receipt of Homecare population	1,425	1,426	1,479	1,664
Gross Expenditure Home Support	£8.8m	£8.7m	£10.3m	£13.0m
Average Gross Cost per Client per Week	£118	£117	£126	£150
Average PD in receipt of Homecare population	237	203	151	123
Gross Expenditure Home Support	£2.6m	£2.4m	£1.7m	£1.9m
Average Gross Cost per Client per Week	£210	£225	£212	£297

OP & PD Direct Payments

- The £2m Direct Payments budget overspent by £0.4m primarily due to an increase of the average population to 290 in 2017-18. Although overspent, this is a positive direction of travel in line with the strategy of increasing the use of direct payments to give more choice to service users and keep people at home where possible.
- Though growing, Bradford currently has a relatively low proportion of service users in receipt of Direct Payments relative to other alike Councils (16.5% Bradford, 24% Comparator).

	2014-15	2015-16	2016-17	2017-18
Average Older People in receipt of Direct Payments	96	104	130	152
Gross Expenditure Direct Payments	£1.09m	£1.20m	£1.48m	£1.78m
Average Cost per Client per Week	£218	£222	£219	£225
Average PD Population in receipt of Direct Payments	133	132	137	138
Gross Expenditure Direct Payments	£1.5m	£1.6m	£1.7m	£1.5m
Average Cost per Client per Week	£214	£226	£244	£209

- The above data on Older People and Physical Disability services demonstrates that services are generally being transformed in line with the strategy.
- Additionally, the ASCOF framework also indicates that relative to other Councils, Bradfords Adult Services already benchmark well with very low permanent admissions to care for older people (65 years +); very low levels of bed blocking/delayed transfers of care, and high levels of effectiveness for re-ablement services that promote independence and help keep people out of costly permanent care.

	Regional Avg 2016-17	Bradford 2016-17
Perm admissions to care 65+ per 100,000	658	571
Delayed transfers of care from hospital attributable to Social care	4.0	0.9
Re-ablement (effectiveness) still at home after 91 days	83.40%	87.80%

Source Ascof framework NHS Digital

<https://app.powerbi.com/view?r=eyJrIjoiaNzNkN2lwM2MtNzQ2OS00NTImLWE3NTMtYzkwMzY4OGVINzQzIiwidCI6IlgwN2YyZjMwLWNhOGMtNDE5Zi1hMTc5LTVjNGZiN2E0YmY2YiIsImMiOiN9>

- In summary, there is significant evidence to suggest that Older Peoples and Physical Disability services already benchmark well and are continuing to transform in line with the strategy, indicating both good performance but also greater challenges to reduce permanent admissions to care further relative to other Councils. This then reduces the scope to deliver further savings to balance the budget in future years.

Learning Disabilities (LD) Purchased Care

- The £39.7m Learning Disabilities Purchased Care net expenditure budget overspent by £7.3m, and this was after the application of £3.8m of time-limited iBCF grant, giving an overall pressure of £11.1m.
- £5.8m of the overspend resulted from the underachievement of planned savings.
- The service is however managing demand by caring for service users in community care services including Home Care, Day Care, Supported Living and Direct Payments, which promote independence and are typically less costly than LD Residential and Nursing placements.
- The Learning Disability Purchased Care budget overspent as a result of the following.

Learning Disabilities Residential Fees

- The £5.4m Residential Fees budget overspent by £2.4m; of which £1.2m is due to an overspend on purchased residential fees and a further £1.2m is due to an underachievement of savings on the residential block contract (3A10). This unachieved saving has been deferred through to 2019-20 as part of the 2018-19 budget setting process.

- The £1.2m LD Purchased Residential Fees overspend is due to a number of factors including a recurrent overspend from 2016-17 of £0.4m; unachieved high cost placement saving of £0.4m and a further £0.9m additional expenditure due to rising unit costs (+£137 to £1,332 per week), which is partly offset by a £0.5m reduction in activity (-7 service users to 127 in 2017-18).

Learning Disabilities Residential	2014-15	2015-16	2016-17	2017-18
Average LD People Residential Population	136	133	134	127
Gross Expenditure Residential Population	£8.1m	£8.5m	£8.9m	£9.3m
Client Contribution	£0.6m	£0.6m	£0.6m	£0.5m
Average Net Cost per Client per Week	£1,059	£1,150	£1,195	£1,332
Average LD Residential Population – block contract	56	56	53	49
Gross Expenditure Residential – block	£3.1m	£3.0m	£3.0m	£2.9m
Client Contribution	£0.2m	£0.2m	£0.2m	£0.2m
Average Net Cost per Client per Week	£995	£961	£1,015	£1,059

Learning Disabilities Nursing Fees

- The £3.7m net budget overspent by £0.7m due to an increase in costs associated with the transfer of a LD nursing block contract to a new provider. This is not a recurrent overspend; plans are being developed to transform the model of care from Nursing to Supported Living in 2018-19 which will reduce costs over a period of time.
- The £0.7m overspend includes non-recurrent iBCF funding of £1m and unachieved demand management savings of £0.5m; this saving has been deferred to 2020-21.

Learning Disabilities Nursing	2016-17	2017-18
Average LD People Nursing Population	18	16
Gross Expenditure Residential Population	£0.9	£0.9m
Client Contribution	£0.1m	£0.1m
Average Net Cost per Client per Week	£934	£911
Average LD Nursing Population – block contract	38	36
Gross Expenditure Nursing – block	£3.0m	£2.9m
Income (Client Contribution & CHC/FNC)	£0.2m	£0.2m
Average Net Cost per Client per Week	£1,413	£1,422

Learning Disabilities Home Care

- LD Home Care overspent the £7.2m net expenditure budget by £0.6m due largely to unachieved savings. The overspend was after £1.6m of non-recurrent iBCF expenditure had been applied.
- Gross expenditure has increased by £1.6m from 2016-17, of which £0.2m is due to an increased number of homecare hours delivered (+188 hours per week to 10,158 in 2017-

18) and £1.4m attributable to an increase in prices, reflected in the increase in the gross cost per client per week (+£72 to £413).

	2014-15	2015-16	2016-17	2017-18
Average LD People in receipt of Homecare	445	501	459	460
Gross Expenditure	£6.5m	£7.7m	£8.3m	£9.9m

Learning Disabilities Day Care

- LD Day Care has a net expenditure budget of £7m; of which £5.6m relates to a block contract for approximately 600 places per day, and £1.4m to spot contract arrangements.
- The block contract budget overspent by £1m due to unachieved savings on LD day care procurement (3A6); this saving has now been deferred to 2019-20 as part of the 2018-19 budget process. In 2017-18 the block contract was 87% utilised, however this reduces to 73% when absences are taken into account.
- LD Day Care 'spot contracts' have balanced the £1.4m net expenditure budget. However, the average population has reduced (-89 to 263 in 2017-18), with only a £0.1m reduction in gross expenditure which has increased the gross cost per client per week by £30, to £139 in 2017-18.

	2014-15	2015-16	2016-17	2017-18
Average LD Day Care Population – spot contracts	241	308	352	263
Gross Expenditure	£1.8m	£1.8m	£2.0m	£1.9m
Average Gross Cost per Client per Week	£143	£112	£109	£139

Learning Disabilities Direct Payments

- The £5m gross expenditure budget overspent by £1.5m; of which £0.4m is due to an increase in the average population of 30 to 430 in 2017-18 in line with the strategy, £0.5m is due to the un-achievement of the demand management saving (£0.3m off set by iBCF) and a recurrent overspend from 2016-17 of £0.9m.
- Offsetting this expenditure is income of £0.6m generated from the recovery of unspent direct payment monies through the departmental carrying out audits of expenditure; this is one-off income and only becomes a permanent reduction to expenditure following a re-assessment.

	2014-15	2015-16	2016-17	2017-18
Average LD people in receipt of Direct Payments	280	356	400	430
Gross Expenditure	£3.3m	£4.9m	£6.1m	£6.5m
Average Gross Cost per Client per Week	£226	£264	£293	£291

- Though growing, Bradford currently has a relatively low proportion of service users in receipt of Direct Payments relative to other alike Councils (16.5% Bradford, 24% Comparator).

Learning Disability Supported Living Services

- LD Supported Living overspent the £12m net expenditure budget by £1.7m. The service is in the process of changing contract arrangements for supported living from block contracts to individual 'spot' contract arrangements. Previously these care packages would have been included within Home Support. Therefore, it is not possible to accurately compare expenditure year on year.
- To mitigate the recurrent overspend in 2018-19 the departments dedicated LD reviewing team will continue to review client's packages of care and negotiate costs with providers. The department also works closely with the NHS to share the cost of high cost placements where a client has both health and social care needs.

Mental Health (MH) Purchased Care

- The table below shows that the Mental Health Residential and Nursing Purchased Care is relatively static and that increases in the numbers of people in receipt of care have been managed through increases in homecare and direct payments in line with the strategy.

Mental Health	2014-15	2015-16	2016-17	2017-18
Average MH People Residential Population	135	143	143	140
Gross Expenditure Residential Fees	£3.8m	£3.9m	£4.0m	£4.0m
Average gross Cost per Person per Week	£546	£517	£535	£549
Average MH People Nursing Population	58	50	51	48
Gross Expenditure Nursing Fees	£1.5m	£1.4m	£1.4m	£1.4m
Average gross Cost per Person per Week	£494	£526	£518	£560
Average MH People in receipt of Homecare	141	108	119	153
Gross Expenditure Homecare	£0.9m	£1.4m	£1.6m	£2.0m
Average Weekly Costs	£123	£251	£253	£251
Average MH people in receipt of Direct Payments	22	21	44	52
Gross Expenditure Direct Payments	£0.1m	£0.1m	£0.6m	£0.7m
Average Cost per person per Week	£107	£110	£245	£258
Total Average MH Population	356	322	357	393
Total Gross Expenditure	£6.3m	£6.8m	£7.6m	£8.1m

- The service overspent the £8m net expenditure budget by £0.1m; included in this position is £0.5m of re-directed Public Health funding and £0.5m of unachieved demand management savings offset by £0.5m of one-off iBCF grant.

Mental Health Residential Fees

- MH Residential fees overspent the £3m net expenditure budget by £0.4m due to a recurrent pressure from 2016-17 as gross expenditure was maintained at £4m. The average population reduced by 3 from 2016-17 at 140.
- The MH Reviewing Team will continue to review all residential placements, to reduce the cost of care and to move service users onto independent living where appropriate.

Mental Health Nursing Fees

- MH Nursing fees underspent the £1.4m net expenditure budget by £0.2m due to fewer service users than budgeted for.

Mental Health Home Support

- MH Home Support overspent the £1.6m net expenditure budget by £0.4m primarily due to an increase in the average number of service users (+34 to 153) receiving support.

Mental Health Direct Payments

- MH Direct Payments overspent the £0.5m net expenditure budget by £0.1m due to an increase in the average population (+5 to 52). Despite the overspend this is a positive direction of travel in line with the strategy.

Mental Health Supported Living Services

- MH Supported Living underspent the £1.6m net expenditure budget by £0.3m, due to reduced hours delivered on the contract.

In House Community Care Services Enablement Services

- The Enablement service provides short team support (typically 6 weeks), with the aim of helping to re-able service users to live as independently as possible after a stay in hospital for example.
- The service underspent the £0.9m net expenditure budget (£5.9m gross budget) by £0.2m mainly due to vacancies and additional income. Income has been received from the NHS (£0.2m) to enable the service to implement new models of working, including a Rapid Response service, to assist with hospital discharges and to prevent admissions.

Enablement Services	2014-15	2015-16	2016-17	2017-18
Gross Costs	4,458	5,045	5,181	5,894
Income	-3,441	-4,903	-4,931	-5,194
Net Costs	1,017	142	250	700
Total number of hours BEST/BEST Plus 000s	124	130	130	137
Gross cost per hour £	35.96	38.81	39.86	43.03

- The ASCOF measure (2B1) indicates that re-ablement services are relatively effective with a high proportion of Older people still at home 91 days after discharge from hospital into reablement services (87.8% in Bradford vs a regional average of 83.4%).

BACES Equipment Service

- The Bradford and Airedale Community Equipment Service (BACES) provides equipment to aid independent living through a pooled budget arrangement with the NHS. The service balanced the £0.5m net expenditure budget (£3.1m gross budget). The outturn position

included £0.2m of non-recurrent iBCF and the service have utilised £0.1m of capital funding.

- Gross expenditure has reduced by £0.4m since 2016-17 to £3.1m due to the utilisation of Disabled Facilities Grant (see Housing Operations in Dept of Place) funding but also the impact of a full year of the BACES panel reviewing special order requests.

	2015-16	2016-17	2017-18
Gross Costs	3,715	3,528	3,149
Income	-2,191	-2,697	-2,633
Net Costs	1,524	831	516
Items Lent	36,297	37,212	34,212
Users in receipt of Equipment	10,382	10,618	10,194
% delivered with 7 days	94	93	95

- There have been further savings of £0.3m on the Safe and Sound equipment budgets which provide Telecare and other remote alarmed equipment, due to staffing vacancies and the service utilising stock levels.

In-house Residential and Day Care

- In-house Residential and Day Care overspent the £9.8m net expenditure budget by £0.1m, mainly due to additional activity in external extra care settings, in line with the departments strategy.

In-house Residential Services	2015-16	2016-17	2017-18
Gross Costs £000s	8,209	8,294	*8,345
Income £000s	-2,582	-3,073	-2,623
Net Costs £000s	5,627	5,221	5,722
Number of weeks of care provided	8,791	8,887	7,736
Average % Occupancy	86%	87%	83%
Gross Weekly Unit Cost (excluding Corporate Recharges)	£933	£933	£1,079

*less impairment charges of £0.6m

- The In-house residential care service overspent the £5.6m net expenditure by £0.1m, mainly due to additional expenditure on supplies and services following refurbishment at Thompson Court and a change in charging policy for assessment beds which has led to a reduction in income levels.
- Holme View Residential Home closed in October 2017. The moving of long stay service users at Holme View began in the summer, therefore this has impacted on weeks of care delivered and resulted in a higher unit cost overall (+£131 to £1,064). During refurbishment at Thompson Court there were also less beds available as a wing (10 beds) has been closed from mid-September 2017.

No Recourse to Public Funds

- The service overspent the £0.8m net expenditure budget by £0.2m due to increased numbers of families seeking support as reflected in the activity data below. The number of cases the service is working with continues to increase. The increase is due to more people being entitled to this support for longer due to the length of time it takes for their

status to be clarified.

	2014-15	2015-16	2016-17	2017-18
Number of Cases	77	104	122	124
Number of Families (Adults)	58	78	92	101
Number of Dependants	146	224	222	200
Number of Adults	19	26	30	23

Non-Residential Income

- The £6.5m net income budget was underachieved by £0.1m. The new charging policy, which had a £0.6m saving target in 2017-18 and £0.5m part year effect from 2016-17, has been approved, however due to the delay in implementation £0.7m wasn't achieved, and has been offset by a draw down from reserves. This saving shortfall is not expected to recur in 2018-19 as the policy will be fully implemented.
- There is also a £0.3m saving in 2017-18 relating to reviewing charging arrangements for Mental Health (3A12) and a £0.2m non-achievement from 2016-17; of this £0.1m is forecast to be achieved. All Mental Health service users who are eligible to contribute to their care are now being charged; the shortfall relates to Section 117 service users who are entitled to free social after-care following discharge from hospital. These service users will continue to be reviewed to ensure they are receiving appropriate levels of care.

Commissioned Services

- The service overspent the £3.8m net expenditure budget by £0.1m mainly due to the partly unachieved LD Travel Support saving (3A8).

Integration and Transition

- Integration and Transition underspent the £11m net expenditure budget by £0.9m. Of this, £0.8m relates to re-directed Public Health funding incurred in-line with Public Health Outcomes.
- Further underspends resulted from £0.1m of reduced grant payments and £0.1m in increased rental income. These underspends have been off-set by increased staffing expenditure on Safeguarding to address the backlog of Deprivation of Liberties.

2018-19 and beyond

In 2018-19, Adult Services has significant challenges to address, including;

- Savings of £8m in respect of reducing the demand for services.
- Developing firm plans for tackling the increasing financial pressure in Learning Disability Services.
- Reducing spend to achieve previous years' savings that had not been achieved
- Continuing to review Service Users to ensure that the most appropriate care and support is delivered.
- Continue to work closely with the NHS to manage the system wide pressure and integrate services to provide seamless Health and Social Care Support.

3.1.2 Health and Wellbeing – Public Health

- Public Health underspent the £1.5m net expenditure budget (£46.1m gross expenditure budget) by £0.4m due to reduced expenditure within the Environmental Health Service.

	Gross Expenditure			Income			Net Expenditure		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m
1.0 Public Health	44.9	44.8	0.1	-44.0	-44.0	-0.1	0.8	0.8	0.0
2.0 Environmental Health	1.0	1.3	-0.4	-0.3	-0.2	-0.1	0.7	1.1	-0.4
Total	45.9	46.1	-0.3	-44.3	-44.2	-0.1	1.5	1.9	-0.4

- The department has fully achieved savings of £4.5m, which consisted of a £1.1m reduction in funding from the Department of Health (DoH) and Council approved savings of £3.4m.
- The Public Health grant conditions allow for underspends to be carried over into the next financial year as part of a ring fenced Public Health Reserve. An underspend of £0.2m has been transferred to the Public Health Reserve to use towards Public Health outcomes.
- The total annual funding from DoH is expected to reduce from £44m to £40.7m in 2020-21 and Public Health continues to plan for the reductions.

The main areas of expenditure are:

	Gross Expenditure			Income			Net Expenditure		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m
Clinical Commissioning Group	0.7	0.6	0.0	0.0	0.0	0.0	0.7	0.6	0.0
Oral Health	0.7	0.7	-0.0	0.0	0.0	0.0	0.7	0.7	-0.0
Drugs & Alcohol Team	10.9	11.7	-0.8	-1.0	-1.0	-0.0	9.9	10.7	-0.8
General Health Improvement	0.5	0.4	0.0	0.0	0.0	0.0	0.5	0.4	0.0
Health Improvement Children	13.4	13.4	0.0	0.0	0.0	0.0	13.4	13.4	0.0
Health Protection	1.7	1.7	-0.0	-0.0	0.0	-0.0	1.7	1.7	-0.0
Overheads Including Corporate	0.5	0.5	-0.0	0.0	0.0	0.0	0.5	0.5	-0.0
Public Health Intelligence Team	0.1	0.2	-0.0	0.0	0.0	0.0	0.1	0.2	-0.0
Public Health Management Team	1.1	1.0	0.0	-0.0	0.0	-0.0	1.1	1.0	0.0
Public Health Obesity Team	1.2	1.2	-0.0	-0.0	0.0	-0.0	1.2	1.2	-0.1
Sexual Health	4.4	4.5	-0.1	-0.0	-0.0	-0.0	4.4	4.5	-0.1
Smoking Cessation Team	1.0	1.1	-0.1	-0.0	0.0	-0.0	1.0	1.1	-0.1
Wider Determinants	8.8	7.8	1.1	-0.0	-0.0	-0.0	8.8	7.7	1.1
Grant	0.0	0.0	0.0	-42.9	-42.9	0.0	-42.9	-42.9	0.0
Total	44.9	44.8	0.1	-44.0	-44.0	-0.1	0.8	0.8	0.0

Drugs & Alcohol Misuse - Adults

The service underspent the £10.7m net expenditure budget by £0.8m and fully achieved Council approved savings of £1.2m.

- The underspend relates to a year on year reduction in activity through prescribing and dispensing and reflects the national trend of a reducing population of opiate users.
- The new Substance Misuse Recovery Service contract has been awarded to Change, Grow and Live (CGL) and commenced on 1st October 2017, reducing the number of service providers from 12 to 1. The service will be reporting new Key Performance Indicators and contribute to Public Health Outcomes Framework 2016-2019.
- The DA service has a savings target of £1.6m in 2018-19 and the service continues to plan to meet its savings target.

Drugs & Alcohol Misuse - Young People

- **Services for Young People** (0-17 years) continue to perform above national average. This is despite services working with young people who are more likely to report multiple vulnerabilities in addition to their substance use.
- In Bradford Young People are more likely to exit services in a planned way (92% locally compared with 81% nationally).

DRUGS & ALCOHOL MISUSE - Adults	Outturn 14/15	Outturn 15/16	Outturn 16/17	Outturn 17/18
Number of individuals in substance misuse treatment (YTD) - ALL	4,522	4,475	4,197	3,487
Number of new presentations (YTD) - ALL	2,017	1,991	1,799	1,116

Number of individuals in substance misuse treatment (YTD) - Opiate
Number of individuals in substance misuse treatment (YTD) - Non Opiate
Number of individuals in substance misuse treatment (YTD) - Alcohol

Public Health Outcome 2.15 (Drug & Alcohol treatment Completion)

% of clients completing and not re-presenting within 6 months (opiate)	6.1%	5.4%	4.7%	7.5%
National (opiate)	7.6%	6.9%	6.6%	6.6%
% of clients completing and not re-presenting within 6 months (non opiate)	40.1%	38.5%	40.4%	50.3%
National (non opiate)	39.0%	37.3%	37.1%	36.6%
% of clients completing and not re-presenting within 6 months (Alcohol)	37.5%	37.1%	35.5%	40.5%
National (Alcohol)	39.1%	38.2%	38.3%	38.6%
Referrals from Criminal Justice Services to structured drug treatment (YTD)	154	122	112	
Starting Treatment within 6 weeks of referral (YTD)	115	93	78	
% of new referrals assessed and commence treatment within 6 weeks of referral (criminal justice)	75.0%	76.2%	69.6%	
Police Force Area	59.0%	57.8%	54.0%	
National (criminal Justice)	63.0%	58.5%	54.0%	

DRUGS & ALCOHOL MISUSE - Young People	Outturn 14/15	Outturn 15/16	Outturn 16/17	Outturn 17/18
Substance Misuse - Young People up to 17 Number in treatment	165	113	145	124
Substance Misuse - Young People up to 17 Number in new treatment journeys	103	75	96	75
Substance Misuse - Young People 0-17 Exiting Services (Bradford)	76.0%	86.0%	82.6%	92.2%
Substance Misuse - Young People 0-17 Exiting Services (National)	79.0%	79.0%	82.0%	81.0%
% of planned 0-17 exits re-presenting (Bradford)	5.0%	5.0%	4.3%	4.7%
% of 0-17 exits re-presenting National %	6.0%	6.0%	4.0%	4.0%

Health Improvement Children

The service fully spent the £13.4m net expenditure budget and fully achieved Council approved savings of £0.8m. The expenditure is mainly in annual contracts with the Care Trust and the Voluntary & Community Sector.

- The main service areas within Health Improvement Children are:

0-5 Children's Services - HV: The Health Visiting service provides a Universal and targeted service to all mothers and children up to the age of 5 across the district.

Family Nurse Partnership (FNP) provides an enhanced service to mainly teenage and vulnerable mothers and has undergone major adaptations to develop a model based on local needs. This new model of FNP ADAPT is jointly commissioned with Better Start Bradford and is being piloted until March 2018.

- The Health Improvement Children service has a £1.483m savings target in 2018-19 and the service continues to plan to meet its savings target
- Activity and Performance data indicates some improvements and areas which are not meeting expectations are addressed with the provider.

0-5 Childrens services - Health Visitor Service	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18
Number of infants who turned 30 days within the quarter who received a face-to-face New Birth Visit (NBV) within 14 days from birth, by a Health Visitor with mother (and ideally father)	7,887	7,773	7,558
% of infants who turned 30 days within the quarter who received a face-to-face New Birth Visit (NBV) within 14 days from birth, by a Health Visitor with mother (and ideally father)	98.2%	98.6%	99.0%
Total number of children who turned 12 months in the quarter, who received a 12 month review, by the age of 12 months	7,029	7,037	7,007
% of children who turned 12 months in the quarter, who received a 12 month review, by the age of 12 months	85.8%	86.8%	87.8%
Total number of children due a review by the end of the reporting quarter who received a 2-2.5 year review, by the age of 2.5 years	6,976	7,157	7,025
% of children due a review by the end of the reporting quarter who received a 2-2.5 year review, by the age of 2.5 years	83.5%	86.5%	86.5%

Sexual Health

The service underspent the £4.5m net expenditure budget by £0.1m and fully achieved council approved savings of £71k

- Sexual health inequalities and HIV/Aids support budgets were combined and a new service commenced on 1st December 2017.
- This has resulted in the reduction of a combination of 4 grant agreements/contracts to 1 contract. The new service will have new Key Performance Indicators to assist sustainability of the service going forward.
- The service has a £25k savings target in 2018-19 and plans to meet the savings target.

Sexual Health	Outturn 2015/16	Outturn 2016/17	Outturn 2017/18
Number of service users seen by a health care professional within 2 working days of contacting the service through all routes of access	15,082	19,238	15,547
% of service users seen by a healthcare professional within 2 working days of contacting the service	88.3%	84.2%	85.5%
Number of IUD, IUS and implants fitted within 2 weeks of contraceptive assessment - All women (YTD)	1,283	2,080	2,195
% of IUD, IUS and implants fitted within 2 weeks of contraceptive assessment - All women (YTD)	96.5%	100.0%	99.7%
Number of IUD, IUS and implants fitted by the service to women (aged under 18 years)	99	131	169
% of contraceptives (excluding barrier methods) distributed or fitted by the service to women (aged under 18 years)	37.5%	32.2%	27.7%
Number of IUD, IUS and implants fitted by the service to women (aged 18 years or over)	1,215	1,881	2,064
% of contraceptives (excluding barrier methods) distributed or fitted by the service to women (aged 18 years or over)	41.0%	40.7%	36.2%

Smoking Cessation Services

The service fully spent the £1.1m net expenditure budget. The service has achieved its savings target of £2.0k in 2017-18.

- This service includes a 'Midwifery Stop Smoking' service contract with The Bradford Teaching Hospital Foundation Trust.
- The number of smokers accessing a quit programme is in decline with the local % reduction in line with regional and nationally stats. There are a number of reasons for the decline e.g. more smokers are turning to the use of e-cigarettes as a way of quitting and in recent years there has been a lack of national campaigns promoting support services, plus over time we are also experiencing a reduction in the number of smokers.
- The smoking Cessation service has a savings target of £59.2k in 2018-19

Wider Determinants

- The service fully spent the £7.7m net expenditure budget and an additional £1.1m was re-directed towards Adults Social care in line with Public Health outcomes. The service encompasses a range of distinct service areas as listed below. The programme/services are supported via Inter Departmental Agreements with other Council services in line with public health outcomes.
- The following Programme/services are supported via Inter Departmental Agreements and grant agreements during 2017-18:

Project / Service	Funding allocated 17-18
Recovery in the Community	208,601
Welfare advice	3,298,989
Dementia Adults	246,000
Older People H&W VCS Grants	631,000
Mental Health Adults	1,177,300
Other PH Serv - Housing	379,000
Other PH Serv - Employment & Skills	65,000
Warm Homes	63,403
Health & Well Being Public Health	170,598
Air Quality	2,695
Self Care	150,023
Dementia Project	202,200
School Readiness	200,000
Health Improvements - Wider Determinants	378,841
Domestic Violence	1,143,800
Young People at Risk	263,100
Learning Disabilities	257,400
Wider Determinants Total	8,837,949

Environmental Health

The service underspent the £1.1m net expenditure budget by £0.4m. The service fully achieved Council approved savings of £35k for 2017-18.

	Gross Expenditure			Income			Net Expenditure		
	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m	Actual £m	Budget £m	Variance £m
Environ. Health Mgmt	0.3	0.3	-0.0	0.0	0.0	0.0	0.3	0.3	0.0
Air Quality	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Environ. Health Services	0.6	1.0	-0.4	-0.3	-0.2	-0.1	0.3	0.7	-0.4
Total	1.0	1.3	-0.4	-0.3	-0.2	-0.1	0.7	1.1	-0.4

The under spend is within the Environment Health Services area and was due primarily vacancy management and reduced expenditure across the service on supplies and services, the main service areas and the reasons are:

- Staffing vacancy management (£72k)
- Dog warden service – new contract that commenced in 2017-18 ((45k)
- Gypsy Liaison Service due to savings in the cost of utilities associated with the two Gypsy and Traveller sites run by the service with the recent provision of individual water and electric meters provided by utility providers and occupants paying direct to providers.
- Food Safety - primarily due to reduced testing costs and increase in income from Safety Certification Service work (£100k)
- Animal Impound – Horse Impound contract due from reduction in demand for the service (£83k)

3.2 Children's Services

- Children Services overspent the £82.1m net expenditure budget (£477.1m Gross budget) by £3.3m. In arriving at this position the service delivered £2.3m of the £5.3m approved budget savings.

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Children's Services									
Directors Office	0.4	0.4	0.0	-	-	-	0.4	0.4	0.0
Learning Services	306.4	308.2	1.8	-302.6	304.5	-1.9	3.8	3.8	-0.1
Children's Social Care	63.6	70.5	6.9	-5.1	6.7	-1.6	58.5	63.8	5.3
Performance, Commissioning	41.3	44.0	2.7	-42.0	45.1	-3.0	-0.7	-1.0	-0.3
Deputy Director	65.3	64.8	-0.5	-45.2	46.3	-1.1	20.1	18.5	-1.6
Total	477.1	488.0	10.9	-395.0	402.6	-7.7	82.1	85.4	3.3

- There is £308.2m of gross expenditure in relation to schools included within the service expenditure which is primarily funded from the Dedicated Schools Grant.

3.2.1 Children Social Care Service

- Children's Social Care overspent the £58.5m net expenditure budget by £5.3m. The overspend was largely attributable to;
 - Increases in the overall numbers of Looked after Children (LAC) and Children requiring support, impacting on the cost of Purchased Placements (£1.5m overspend) and Fees and Allowances (£0.2m overspend).
 - The increases in LAC numbers results from an unexpected demand for care placements with over half of the demand coming from children and young people who are originally from outside of the Bradford district. There has also been an increase in the number of teenagers requiring placements.
 - Additionally, there have been increased costs in the private residential sector. Since 2013-14 the average cost of a Purchased Placements has increased by 20%.
 - Increases in costs have resulted partly from risks which attract a higher cost package of care (e.g. Child Sexual Exploitation, Children going missing, violent aggressive behaviour and self-harm amongst others).
- The increases in the numbers and costs of Looked After Children has consequently resulted in;
 - The non-achievement of a budget saving plan to reduce the number of Looked after Children to 800 (£0.8m overspend).
 - The non-achievement of a £0.9m budget savings plan to reduce the remaining Looked after Children in typically more expensive external purchased placements to in house care, as numbers are increasing.
 - Reducing Agency Spend in Children's Social Care £1m
 - Child Protection Management Restructure £0.2m

- Administrative Support Restructure £0.1m

The above budget overspends were experienced despite a local context of:

- Success in managing the proportion of children needing care. Bradford had 69.6 Looked after Children per 10,000 Children, compared with a statistical neighbour average of 82 per 10,000 Children. This figure is also significantly lower than the majority of core cites. Indicatively, if the numbers of Looked After Children in Bradford were the same as average statistical neighbour¹³ benchmarks, the cost of supporting Looked After Children would be approximately £6.8m higher per year.
- Increasing Social Worker workloads: Caseloads per Social Worker in Bradford (18.8) are now above the national (16.1) and regional averages (15.6).
- Improving value for money in respect of placements. Actual costs reduced very marginally in 2017-18 while delivering a higher number of care nights.
- Our internal homes running at close to full capacity
- A 9% reduction since October 2016 in children who are on care orders as the child is now placed with parents. This saves the cost of providing support for the child through e.g. fostering or residential care.

Despite the positive performance outlined above, the table below shows the overall increases in the average number of Children receiving support which is contributing to the budget overspends.

Type of Placement	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Placed with Parents	90	82	84	86	119	117
Placed for Adoption	39	53	63	38	24	25
Friends and Families	201	189	218	206	232	235
Foster Parents	386	383	349	365	365	371
Fostering Agencies (Ext)	39	37	32	32	38	57
Residential Care	60	70	68	63	58	51
Residential Care (Ext)	40	41	46	50	47	42
Other *	34	32	37	34	48	62
Total Looked After Children	889	886	897	874	931	960
Residence Orders	78	81	65	69	59	46
Adoption Orders	213	224	270	271	260	247
Special Guardianship Orders	122	157	240	277	304	320
Total Chd in Permanent Arrangement	413	462	575	617	623	613
Total Children Receiving Support	1,302	1,348	1,472	1,491	1,554	1,573

*Independent Living, Hospital, Mother and Baby and Youth Offending

Looked After Children – Purchased Placements

Purchased Placements overspent the £7.6m net expenditure budget by £1.5m.

- A Purchased Placement is an independent fostering placement, an external residential

¹³ A benchmarking group consisting of Councils most similar to Bradford socio-economically.

placement, a leaving care placement, or secure residential provision.

- There are several issues contributing to the pressure on purchasing external placements:
 - A shortage of in-house options including in-house foster carers; appropriate vacancies within in-house residential units; lack of in-house leaving care provision and no local secure provision.
 - An increase in the number of teenagers requiring placements and the reduction in the number of very young children being accommodated has led to a mismatch with current in-house foster carer approval level, skills and/or experience.
 - Some risks attract a higher cost package of care (e.g. Child Sexual Exploitation (CSE), Children going missing, violent aggressive behaviour and self-harm amongst others).
- The table below outlines that costs increased by 4.2% in 2017-18 and delivered higher numbers of care nights. It should be noted that since 2013-14 the net cost of Purchased Placements has increased by 35%.

	2013-14	2014-15	2015-16	2016-17	2017-18
Gross Costs £000s	6,686	6,320	9,150	9,130	10,137
Income £000s	(104)	-	(592)	(600)	(1,247)
Net Costs £000s	6,582	6,320	8,558	8,530	8,890
Foster care Purchased Nights	16,775	12,941	12,320	13,632	20,093
Secure Residential Care Nights	443	289	770	676	549
Residential Nights Purchased	14,125	13,156	17,829	18,506	14,783
Leaving Care Supported Nights	1,641	3,204	3,899	3,542	5,532
Total	32,984	29,590	34,818	36,356	40,957
Cost per Purchased Fostercare Week £s	813	792	791	801	851
Cost per Secure Residential Week £s	4,215	5,152	3,381	4,416	4,119
Cost per Purchased Residential Care Week £s	2,037	2,226	2,421	2,444	2,440
Cost per Leaving Care Supported Week £s	827	1,003	1,076	1,349	1,310

- The number of purchased foster care nights increased by 47.4% and number of purchased Leaving Care nights increased by 56.2% in 2017-18 with a reduction of 20.1% and 18.8% in the more expensive purchased and secure residential nights. There was also a 18.8% reduction in secure residential care nights.

Fees and Allowances

- The in-house Fees and Allowances budget of £17.6m for Looked After Children and Children in Permanent Arrangements overspent by £0.2m mainly due to a 4.2% increase in number of Special Guardian Orders in 2017-18
- The table below provides a breakdown of the cost of the different placements. The weekly placement costs for Fostering is reducing mainly due changes agreed in September 2015. The Adoption service will be provided regionally from 2017-18 but Bradford will be still responsible for the payment of the Adoption Allowances relating to Bradford Children.

	2014-15	2015-16	2016-17	2017-18
Gross Costs £000s	18,496	18,436	18,890	18,386

Income £000s	(953)	(663)	(889)	(525)
Net Costs £000s	17,543	17,773	18,001	17,861
Average number of Adoption placements	270	271	260	247
Average number of Fostering placements	349	365	365	371
Average number of Friends & Family placements	218	206	232	235
Average number of Residence Order placements	65	69	59	46
Average number of Special Guardian placements	240	277	304	320
Overall Placements	1,142	1,188	1,220	1,219
Cost per Adoption Placement Week £s	225	233	254	245
Cost per Fostering Placement Week £s	554	518	492	492
Cost per Friends & Family Placement Week £s	222	233	242	232
Cost per Residence Order Placement Week £s	135	130	133	149
Cost per Special Guardian Placement Week £s	108	118	120	128
Average Cost per Placement Week £s	295	288	284	281

- The net cost £17.9 has marginally reduced compared to 2016-17 with the number of placements being similar to 2016-17.
- The service has been supported through the Council's Transformation Fund to increase and promote Foster Care. Prior to this, the service had a £10k marketing budget. A full time Recruitment and Marketing officer is now working within the service and has developed a recruitment plan to increase the number for Foster Carers.

Care Management

- The service overspent the £11.4m budget by £0.1m mainly due to pressure on the staffing budgets for the Children Assessment Team (£0.4m) and Children and Young People social work team (£0.2m), offset by a £0.4m underspend on the legal/court cost budgets of £1.0m. Court fees are reviewed annually so it is currently unclear if the saving will recur.
- There are 180 Social Workers (169 full time equivalents) in Children's Social Care directly employed by the Council as at December 2017. The service has been dealing with greater workloads in 2017-18

	2015-16	2016-17	2017-18
Total Referrals per month	420	520	
Total Single Assessments per month	701	881	925
Caseloads per Social Worker	12.7	16.1	18.8
Children subject to a Child protection plan	484	535	

- Department for Education Benchmarking information indicates that
 - Caseloads per Social Worker are now above the national (16.1) and regional averages (15.6).
- As at 31st December 2017 there were 298 children and young people identified as being at risk of child sexual exploitation (CSE). The Council had allocated £0.3m in 2015-16 for 2 years in support of CSE prevention. In 2017-18, the funding was provided through reserves and the Council has made this funding permanent from 2018-19 as part of the budget setting process.

Children In-House Residential Homes

- The In-house Children Residential units overspent the £5.6m budget by £0.5m mainly due to staff turnover, the use of agency staff, overtime and premises related costs.
- There has been an average of 51 Looked after Children placed in in-house residential/respite units during the financial year. 18,673 nights of care were provided at an average weekly cost of approximately £2,521, which is broadly comparable with purchased Residential care.

Children with Disabilities

- The £5.1m budget was fully spent in 2017-18.
- The £3.0m Children respite homes budget and the Home Support/Direct payments budget of £1.1m was fully spent in 2017-18.
- The Children with Complex Health Disabilities Team (CCHDT) overspent their staffing budget by £0.1m. The service has been allocated with a total of £0.1m of staffing budget savings since 2015-16. Shared Care services underspent the £0.4m by £0.1m due to a reduction in support payments.

Through Care and After Care Services

- Through and After Care services overspent the £5.8m net budget by £0.3m (£0.1m on staffing and £0.2m on placement costs). The service has continued to benefit by £0.2m from the Staying Put grant allocation which supports young people to continue to live with their foster carers once they turn 18 (the “Staying Put” duty). This duty came into force in May 2014.

	2015-16	2016-17	2017-18
Gross Costs £000s	5,950	6,168	7,142
Income £000s	(253)	(493)	(1,098)
Net Costs £000s	5,697	5,675	6,044
No of Care Leavers supported	422	430	463
Average Cost per Week £	259	253	250

- The number of care leavers has increased by 9.7% since 2015-16 but the average cost has reduced by 3.5% in the same period.

Targeted Early Help

- The Targeted Early Help service fully spent the £7.5m net budget in 2017-18. The service made a £0.9m budget saving in 2017-18.
- Early Help service underspent the £2.7m budget by £0.1m on salaries.
- The Youth Offending Team has a break-even position for the year on a budget of £1.1m. The service also received £1.2m of grant income from the Youth Justice Board.
- Family Support Services underspent their £2.0m budget by £0.3m on commissioning services.

- Supervised Contact budget of £1.2m was fully spent in 2017-18.
- The Family First service reported an adverse variance of £0.4m due to a reprofile of the number of families engaging on the scheme in order to generate an attachment fee payment from the government.

Innovation Fund (“B” Positive Pathways)

- Children’s Social Care Services have started the delivery of the Innovation Fund (“B” Positive Pathways or BPP) programme in 2017-18. The Government allocated £3.2m of funding over 2 years to develop new and innovative ways of delivering services for vulnerable children and young people in Bradford, particularly children in care. The BPP has three key elements; Hub Home and Specialist Children’s Homes, Mockingbird Fostering Model and PACE model of care. The BPP was officially launched by the Minister of State for Children and Families in October 2017. The BPP service operates its base at a Local Authority Children’s home, The Willows. BPP is fully funded for two years with the expectations that the service generates savings in order to operate in years three and four.

3.2.2 Performance Commissioning and Development

- Performance Commissioning and Development underspent the net budget of £11.1m by £0.1m.
- Bradford Children’s Safeguarding Board (BCSB) fully spent the £0.2m net budget
- Child Protection Services overspent the budget of £1.4m by £0.1m on their staffing budget. The overall trend in the numbers of children who are the subject of a child protection plan has been gradually rising over the last year. There were 532 plans at 31st December 2017 compared to 525 in December 2016.
- The numbers of children who became the subject of a plan has seen a fall, with 609 plans starting in the year to December 2017 compared to 660 in the year to July 2017.
- The Commissioning Team underspent by £0.1m due to staff vacancies and delay in recruitment.
- The Travel Assistance budget of £10.4m underspent by £0.1m. The service has been unable in 2017-18 to contribute any further savings towards the £5.9m Council Travel Assistance savings.
- Workforce Development budget of £0.3m was fully spent in 2017-18.
- Bradford is one of the Education Secretary’s 12 Opportunity Areas (OAs) - these are social mobility ‘coldspots’ each receiving a share of £72 million to improve opportunities for young people in this community. Bradford will receive an allocation of £6m plus a further £5.5m from the £22m Essential Life Skills Funding targeted towards helping disadvantaged young people to develop life skills such as resilience, emotional wellbeing and employability. The investment will be across the entire Education sector in Bradford and not all of the funding will be paid to the Council. The Service has been allocated £2.5m of this funding in 2017-18 for the programme.

3.3.3 Education, Employment and Skills

- Education, Employment and Skills underspent the £15.4m net expenditure budget by £1.8m.

Early Years - Children Centres

- The Children Centre net budget of £7.5m was underspent by £0.3m mainly due to staffing vacancies. The service is set to be reconfigured as part of the Transformation of Prevention and Early Help Services

Early Years Services

- Early Year Services net budget of £1.7m underspent by 0.6m. Children Play Services has a £0.2m favourable variance mainly due to income generation with further underspend of £0.2m on staffing and £0.2m on commissioning/partnerships budgets across the service.
- The service is set to be reconfigured as part of the Transformation of Prevention and Early Help Services

SEND and Behaviour

- SEND and Behaviour services underspent the £3.5m budget by £0.1m due to vacancies within the Education Psychology service.

Services for 5-25 Year olds

- The service underspent its 2017-18 budget by £0.5m. The School Governor Service has generated surplus income of £0.1m and the he Secondary Achievement/School intervention budget underspent by £0.3m

Education Safeguarding

- The Education Safeguarding net budget of £1.2m underspent by £0.1m due to income generation from penalty notices from school absences.

Employment and Skills

- The Employment and Skills service underspent the £2.3m net budget by £0.2m due to staffing vacancies.

Former Teachers/Lecturer Pension Payments

- The £5.6m budget in relation to pension payments to former teachers and lectures underspent by £0.1m due to a reduction in the number of payments. The number of payments has reduced from 1,588 in April 2017 to 1,526 in March 2018.

Curriculum ICT

- Curriculum ICT reported an adverse position of £0.1m due to shortfall in income generation. The service is transferring to the Council's Department for IT Services from April 2018 to investigate options on addressing the current shortfall in income.

3.3 Department of Place

Department of Place

- The department overspent the £100.5m net expenditure budget, (£164m gross budget) by £1.5m,
- £4.7m of the £6.1m budget savings were delivered as planned, and a further £0.3m in offsetting mitigating savings have been found, reducing the unachieved savings to £1.1m.
- Transfers into reserves and better use of budget requests total £1.4m and £0.1m respectively and have been detailed within the service narratives.

	Gross Expenditure			Income			Net Expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Directors Office	0.4	0.4	0.0	0.0	0.0	0.0	0.4	0.4	0.0
Fleet & Transport Services	13.3	12.8	-0.5	13.5	13.2	0.3	-0.2	-0.4	-0.2
Waste Collection & Disposal	32.4	34.2	1.8	6.1	5.9	0.2	26.3	28.3	2.0
Neighbourhoods & Street Scene	21.3	21.0	-0.3	6.6	7.3	-0.6	14.7	13.7	-1.0
Sports & Culture Services	41.5	45.4	3.8	21.1	24.4	-3.2	20.4	21.0	0.6
Economy & Development Services	21.2	20.9	-0.3	9.3	9.5	-0.2	11.9	11.4	-0.6
Planning, Transportation & Highways	33.9	35.0	1.1	6.9	7.3	-0.4	27.1	27.7	0.6
Place	164.1	169.6	5.5	63.6	67.6	-4.0	100.5	102.0	1.5

3.3.1 Fleet, Waste and Transport Services - Waste Services

- Waste Services over spent the £26.3m net budget (£32.4m gross) by £2.0m, comprised of a £1.9m over spend on Waste Disposal, £0.2m over spend on Waste Programme costs and a £0.1m under spend on Waste Collection.
- Of the £1.8m planned savings, £1.2m have been achieved; the £0.6m under achievement relates to;
 - Savings ref 3E4 £1m Alternate Week Waste Collection; £0.4m under achievement due to fewer round reductions than originally planned.
 - Savings ref 3E2 £0.3m Garden Waste; £0.1m under achievement as rounds were not reduced from 5 to 4 (but off-set by favourable income levels).
 - Savings ref 3E1 £0.2m Waste Minimisation; £0.1m under achievement due to insufficient income received from recyclable material sales.

Waste Disposal

- Waste Disposal over spent the £16.8m net budget (£18.2 gross) by £1.9m, mainly due to an over spend on Materials Recovery Facility (MRF) of £0.7m; an under achievement in income from sale of recyclable materials of £0.4m, an over spend on operational running costs for the Transfer Loading Stations (TLS) of £0.4m, and an over spend on treatment/disposal costs of £0.1m.

- Regarding the £0.7m over spend on MRF costs, it was anticipated that savings from a reduction in residual waste treatment costs and increased income as a result of improved recycling rates would fund the MRF. However, unforeseen problems relating to contamination levels in kerbside recycling and resultant negative impact on MRF processing rates has created capacity issues resulting in higher than expected treatment/disposal costs, and insufficient savings to fund the MRF as planned.
- The under achievement in income was predominantly due to market forces, as prices paid have reduced significantly compared with previous years. The service has endeavoured to attain best prices possible by tendering on a monthly or bi-monthly basis.
- The £0.4m over spend on Transfer Loading Station operating costs resulted from one-off agency staff costs and extra ordinary vehicle repairs costs and is not expected to repeat in 2018-19.
- Disposal costs for residual waste treatment have exceeded budget by £0.1m, largely due to contamination issues and capacity problems at the MRF which resulted in additional tonnage requiring treatment, mainly between August and December. Additionally, the Beast from the East contributed to a number of missed bin collections with associated contamination issues. Had it not been for this additional tonnage, disposal costs would have underspent against budget by approximately £0.4m.
- Despite the over spend, collection tonnage data is encouraging, with kerbside residual waste showing a 15% reduction on the 2016-17 figure and kerbside recycling increasing by 36%.
- Additional equipment soon to be installed at the MRF should enable a greater throughput of recyclable materials and remedy some of the contamination problems, which will in turn convert more recycling to sales and reduce treatment/disposal costs.
- The service is also continuing with waste minimisation strategies, concentrating on education and awareness and targeting areas with poor recycling rates and performance.

Waste Disposal	2015-16	2016-17	2017-18
Gross Costs £000s	17,437	18,300	18,982
Income £000s	-1,469	-1,441	-1,066
Direct Net Costs £000s	15,968	16,859	17,916
Direct Non Controllable costs	1,079	1,359	1,213
Corporate and Dept Recharges	805	779	616
Net Costs	17,852	18,997	19,745
Waste Collected as Recycling (Tonnes)	64,928	68,409	69,792
Waste to Landfill or Alternative Treatment (Tonnes) Excl Trade Waste	148,380	143,462	139,920
Total before Trade Waste	213,308	211,871	209,712
Trade Waste Tonnes (Funded by Trade Waste)	20,106	20,273	20,584
Total Municipal Waste Disposed of (Tonnes)	233,414	232,144	230,296
Gross cost per tonne	£81.75	£86.37	£90.51
Net cost per tonne	£74.86	£79.57	£85.43

Waste Programme

- The Waste Programme, consisting of employees, fleet and supplies & supplies costs, linked to the delivery of waste minimisation strategies and project costs relating to alternate weekly collections, was funded from corporate reserves.
- Costs exceeded the £0.5m allocation by £0.2m but the programme successfully delivered the objectives with which it was tasked and alternate weekly collections were implemented successfully and to schedule.
- An additional £0.7m was spent on recycling bins, funded from capital resources.
- All funding identified from reserves, to accommodate Waste Programme costs, has now been spent; subsequently it is the department's responsibility to budget for on-going programme costs beyond March 2018.

Waste Collection

- Waste Collection, comprising of Refuse Collection, Recycling and Trade Waste, underspent the £7.5m net budget (£12.3m gross) by £0.1m.
- With the introduction of alternate weekly collections of residual and recycled waste, the Refuse Collection and Recycling services have now integrated, where the same crews and vehicles collect both types of waste.
- Outturn figures therefore incorporate both services and cost centres will be merged from 2018-19 onwards.
- The combined service balanced the £7.7m net budget (£9.2m gross).
- However, there will be significant budget pressures from April 2018 as the service is tasked with delivering an additional £1m savings, which were originally predicated on a 13 round reduction, which has not been possible due to operational requirements and property growth.

Kerbside Waste & Recycling Collection	2015-16	2016-17	2017-18
Gross Costs £000s	7,344	7,882	7,165
Income £000s	-336	-270	-307
Direct Net Costs £000s	7,008	7,612	6,858
Direct Non Controllable costs	1,436	1,392	1,477
Corporate and Dept Recharges	765	874	1,022
Net Costs	9,209	9,878	9,357
Tonnes collected from Recycling bins	17,977	20,534	27,997
Tonnes collected from Waste bins	132,413	128,441	106,551
Kerbside Tonnes collected	150,390	148,975	134,545
Gross Cost per Tonne collected	£48.83	£52.91	£53.26

- Garden Waste balanced the £0.4m net income budget, and collected higher levels of tonnage, and higher levels of income than 2016/17 when charging for the service was

introduced.

Garden Waste Collection	2015-16	2016-17	2017-18
Gross Costs £000s	676	630	618
Income £000s	-6	-1,025	-1,112
Direct Net Costs £000s	670	-395	-494
Tonnes collected	10,899	8,085	8,622
Gross Cost per Tonne collected	£62.02	£77.92	£71.68

- Trade Waste overachieved the £0.2m net income by £0.1m, largely due to an increased income.

Trade Waste	2015-16	2016-17	2017-18
Gross Costs £000s	2,630	2,747	2,846
Income £000s	-3,158	-3,210	-3,393
Direct Net Costs £000s	-528	-463	-547
Tonnes collected	20,106	20,273	20,584
Direct Net income per tonne	-26	-23	-27

Fleet, Waste and Transport services - Fleet & Transport Services

- Fleet & Transport Services over achieved the £0.2m net budget (£13.3m gross) by £0.2m.
- This in the main is due to an under spend of £0.4m in Fleet and Transport Services which has been offset by an underachievement of income within Licencing and Land Charges.

Licencing

- Licencing has underachieved its £0.3m net income budget by £0.1m
- The number of licence applications (licencing act, gambling act and other) has increased slightly from the 2016/17. However, the average income per licence has decreased due to a different combination of licence applications during 2017-18.

Licensing	2015/16	2016/17	2017/18
Gross Costs £000s	169	168	159
Income £000s	(431)	(437)	(392)
Direct Net Costs £000s	(263)	(269)	(233)
Number of licence applications	2,102	2,118	2,124
Average income per licence application £	205	206	184

Land Charges

- Land Charges under achieved the net income budget of £0.3m by £0.1m. The introduction of VAT charges on local authority search requests came into effect during 2017-18. As prices were maintained at the same level, this has resulted in a reduction in income for

2017-18. There was also a one off correction of property rental income accounted for under Land Charges at the end of 2016/17 which was reversed in 2017/18.

Land Charges	2015/16	2016/17	2017/18
Gross Costs £000s	576	89	78
Income £000s	(923)	(544)	(277)
Direct Net Costs £000s	(347)	(475)	(199)
Number of search requests	3,371	3,299	3,254
Net income per search request*	274	165	85

Emergency Planning

- Emergency Planning, which is funded through Public Health, balanced its £0.0m net budget (gross budget £0.2m).

Emergency Planning	2015/16	2016/17	2017/18
Gross Costs £000s	241	180	214
Income £000s	(5)		
Direct Net Costs £000s	236	180	214
Direct Non Controllable costs	17	12	19
Corporate and Dept Recharges	19	11	17
Net Costs	272	203	250

Fleet Services

- Fleet Services over achieved the net income budget of £0.2m by £0.2m (gross budget (gross budget £7.5m).
- This has been achieved through the vehicle workshop where reduced staff and maintenance costs.
- The number of jobs completed within 24hrs has reduced from 11,396 to 10,278 due to an increase in the number of more complex equipment repairs/ refurbishments linked in part to an ageing fleet, leading to vehicles being off the road for prolonged periods.

Fleet Services	2015/16	2016/17	2017/18
Gross Costs £000s	6,671	6,815	7,022
Income £000s	(7,498)	(7,662)	(7,686)
Direct Net Costs £000s	(827)	(847)	(664)
Direct Non Controllable costs	136	120	183
Corporate and Dept Recharges	3,002	541	524
Net Costs	2,311	(186)	43
Number of jobs completed within 24 hours	11,899	11,320	10,278
% of jobs completed within 24 hours	88%	86%	84%
Total number of vehicles sent for testing	160	157	150
Number of vehicles passed	154	155	141
% MOT passed	97%	98%	94%
Benchmark comparator pass rate	90%	90%	90%
Cost of Fuel Issued £000s	1,950	2,010	2,105

Hackney Carriages

- Hackney Carriages achieved the net income budget of £0.2m (gross budget spend £1m).
- The budget is ring fenced with the surplus achieved during the year being transferred into reserve.
- The number of safety inspections continues to increase due to the number of new drivers / vehicles being licenced.

Hackney Carriages & Private Hire	2015/16	2016/17	2017/18
Gross Costs £000s	877	975	1,142
Income £000s	(1,035)	(1,285)	(1,398)
Direct Net Costs £000s	(158)	(309)	(256)
Direct Non Controllable costs	47	45	76
Corporate and Dept Recharges	309	112	138
Net Costs	198	(151)	(42)
Number of Hackney carriage/ Private Hire safety inspections	3,466	3,688	4,052
Total Number of vehicles passed	2,275	2,372	2,769
% of vehicle inspections passed	66%	64%	62%

Adult Social Care Taxi Transport

- Adult Social Care Taxi Transport underspent the £0.2m net budget (gross budget £1.1m) by £0.1m.
- The number of journeys continues to reduce as a result of reductions in demand following a review of the service and re-routing.
- The average cost per journey has however increased over the last 2 years as gross costs have continued to rise despite the decrease in the number of client journeys.

Adult Social Care Transport - Contracted	2015/16	2016/17	2017/18
Gross Costs £000s	998	1,029	945
Income £000s	(814)	(836)	(825)
Direct Net Costs £000s	184	193	120
Direct Non Controllable costs	79	63	13
Corporate and Dept Recharges	362	70	65
Net Costs	626	326	198
Adult - Number of client journeys 000s	89.6	78.5	69.3
Avg number of Service users transported per day	178	154	138
Avg cost per journey	11.13	13.10	13.64
Avg cost per client per year £s	5,603	6,668	6,831

SEN Children's & Adults In-House minibus transport

- The SEN Children & Adults Core In-house Transport service balanced the £0.4m net budget (£2.2m gross).
- The total number of client journeys has reduced by 19,000 (-5%) from 2015/16 to 350,000 in 2017/18.
- Passenger Transport Services is supporting the Travel Assistance Service (TAS) to review risk and provide options for alternative travel arrangements to improve occupancy levels.

SEN Children & Adults Core Transport - In House	2015/16	2016/17	2017/18
Gross Costs £000s	3,524	3,297	3,224
Income £000s	(1,918)	(1,730)	(1,675)
Direct Net Costs £000s	1,606	1,568	1,549
Direct Non Controllable costs	383	345	431
Corporate and Dept Recharges	492	-66	10
Net Costs	2,481	1,847	1,990
Children - client journeys	153,874	141,468	143,432
Children - Client numbers	419	366	370
Adult - client journeys	215,576	209,498	206,650
Adult - Client numbers	427	411	410
Total Client journeys	369,450	350,966	350,082
Total Client numbers	846	777	780
Avg Gross cost per journey £s	9.54	9.40	9.21
Avg Gross cost per client per year £s	4,161	4,243	4,134

SEN Children's Taxi Transport

- SEN Children's Taxi Transport has balanced the net budget of £0.0m as the service is recharged to Children's services.
- The gross cost of the service has increased by £326k (6%) since 2015-16 and the number of journeys has reduced. This has caused the average cost per client journey to increase from £16.58 in 2015-16 to £17.88 in 2017-18.

SEN Children Transport – Contracted	2015/16	2016/17	2017/18
Gross Costs £000s	5,651	5,954	5,977
Income £000s	(881)	(856)	(857)
Direct Net Costs £000s	4,770	5,098	4,120
Direct Non Controllable costs	93	83	126
Corporate and Dept Recharges	457	284	251
Net Costs	5,320	5,465	4,497
Number of client journeys 000s	340,804	340,286	334,374
Avg number of Service users transported	925	879	797
Avg cost per journey	16.58	17.50	17.88
Avg cost per client per year £s	6,107	6,767	7,499

Training Division

- The Training Division balanced its net nil budget (gross budget £0.1m).

3.3.2 Sports and Culture

Sports and Culture

- Sports & Culture overspent the £20.3m net budget (£41.5m gross) by £0.6m, largely due to overspends in Sports Facilities. Of the £0.9m planned savings £0.6m were delivered as planned. The unachieved savings relate to Sports and Culture staffing - £0.1m, Museums staffing - £0.1m and the Review of Tourism - £0.1m. The full year effect of the saving will be delivered in 2018/19.

Sports & Leisure

- Employee costs within Sports Facilities overspent the £5.7m budget by £0.6m. This is in the main driven by pressures due to spend incurred on monthly allowances & casual staff as has been reported throughout the year. Unadjusted figures show that Sports Facilities have had higher costs, lower income and lower attendances than in prior years, resulting in an increase in the subsidy per attendance in 2017/18.

Sports Facilities	2015/16	2016/17	2017/18
Gross Costs £000s	7,774	8,319	8,364
Income £000s	(4,555)	(4,741)	(4,957)
Direct Net Costs £000s	3,219	3,578	3,408
Direct Non Controllable costs	4,723	1,747	1,865
Corporate and Dept Recharges	1,384	1,215	1,374
Net Costs	9,325	6,540	6,647
Total Attendances 000s	1,834	1,822	1,784
Gross Managed Cost per attendance	£4.24	£4.57	£4.69
Income Per Attendance	-£2.48	-£2.60	-£2.78
Direct Net Subsidy per attendance	£1.76	£1.96	£1.91
Bottom line subsidy per attendance	£5.08	£3.59	£3.73

- It should however be noted the below factors have impacted on Sports Facilities costs and visitor numbers.
 1. Temporary closure of Eccleshill Leisure Centre between April & August 2017;
 2. Temporary closure of Baildon Recreation Centre between January 2016 & March 2017;
 3. The permanent closure of Nab Wood Sports Centre from the end of 2015/16;
- Once adjusted for, Sports Facilities performance was broadly in line with prior years.
- Ground works have commenced on a new Leisure Centre at Sedbergh Playing Fields as part of the Sports Facilities investment programme.

Parks & Green Spaces Service

- Efficiencies within Transport & Equipment have resulted in the service achieving a £0.2m favourable variance driven by lower levels of budget spend against Transport, Repairs & Maintenance & Petrol & Oil.

Bereavement Services

- Bereavement Services over achieved the £1.3m net income budget (£2.1m gross) by £0.2m, due mainly to higher than budgeted levels of grave purchases and income related to cremations.
- In 2016/17 approval was given for £17m of capital funding for the Bereavement Strategy subject to project appraisal.

Bereavement Service	2015/16	2016/17	2017/18
Gross Costs £000s	1,808	1,860	1,945
Income £000s	(3,008)	(3,303)	(3,304)
Direct Net Costs £000s	(1,201)	(1,443)	(1,359)
Direct Non Controllable costs	95	101	(29)
Corporate and Dept Recharges	144	152	164
Net Costs	(962)	(1,190)	(1,223)
Burials and Cremations Administered*	4,197	4,402	4,289

*Includes burials undertaken by CfM and burials of ashes

Culture Services

- Culture Services (which now includes Events) balanced the £9.7m net expenditure budget (£21.5m gross). There were overspends in Markets, Museums & Tourism although these were offset a good year for Bingley Music Live and underspends in Events.
- The £9.7m budget included £0.3m transitional funding in Libraries and Tourism to facilitate the delivery of savings during 2017-18. Between Qtr4 and Outturn an overspend on Museums (£0.1m) was identified although this is offset by the £0.2m underspend on Culture, Policy and Events, the overspend is explained by Hockney Gallery development costs which were incurred to ensure the new attraction opened as planned.
- A number of Culture Services remain in a transition phase, strategic reviews of Libraries, Museums, Markets and Events are being prepared. During the year a number of sites and

activities transferred to community based settings or alternative means of delivery were being prepared for. Tourism and Community Halls are already further along the path toward being smaller community led services albeit aiming to deliver the same outcomes.

- Reserves are earmarked to support Culture transition, these remain intact at the start of 2018-19 but will be utilised to procure specialist support in the year ahead. Theatres reserves increased by £0.2m and will pay for electronic signage improvements in 2018.

Theatres & Community Halls

- Theatres & Community Halls balanced the £0.9m net expenditure budget. This was despite the continuing closure of St George's Hall while the part Heritage Lottery Funded restoration takes place. Ticket sales at the Alhambra were aided by the most successful Pantomime in the region and shows such as War Horse. They were however lower than 2016/17 which had a number of blockbuster shows.

Theatres	2015/16	2016/17	2017/18
Gross Costs £000s	10,805	13,229	10,154
Income £000s	(9,741)	(12,679)	(9,730)
Direct Net Costs £000s	1,064	550	424
Direct Non Controllable costs	(1,558)	422	497
Corporate and Dept Recharges	1,128	1,128	781
Net Costs	634	2,100	1,702
Alhambra Ticket Sales	273,176	343,209	285,687
St Georges Hall Ticket Sales	77,000	0	0
Total Ticket Sales	350,000	343,209	285,687
Gross Managed Cost per ticket	£30.86	£38.54	£35.54
Income per ticket	-£27.82	-£36.94	-£34.06
Net Managed subsidy per ticket	£3.04	£1.60	£1.48
Bottom Line subsidy per ticket	£1.81	£6.12	£5.95

- Community Halls are being handed to local community groups to run with several agreements already completed. The six remaining Council managed community halls will by 2019 have made the transition to community management and so will achieve the net budget savings (£130k) by 2019.

Community Halls	2015/16	2016/17	2017/18
Gross Costs £000s	556	650	571
Income £000s	(310)	(396)	(419)
Direct Net Costs £000s	246	255	152
Direct Non Controllable costs	580	215	540
Corporate and Dept Recharges	112	105	105
Net Costs	938	574	797
Total Sessions	4,238	4,393	4,006
Direct Net subsidy per session*	£58.01	£57.99	£38.05
Bottom Line subsidy per session	£221.32	£130.72	£198.95

Libraries Service

- Libraries close attention to resource planning paid off with a small (£27k) favourable underspend against the total net £4.5m budget. The service also tracked the impact of transferring sites into community managed settings, thereby achieving targeted saving of £100k set in the year.
- Libraries are showing a continued downward trend in the number of visitors over recent years, however this is partially due the changing nature of the Service where more people are renewing on line rather than visiting the Library.

Libraries	2015/16	2016/17	2017/18
Gross Costs £000s	3,804	4,050	4,230*
Income £000s	(144)	(107)	(208)
Direct Net Costs £000s	3,660	3,942	3,942
Direct Non Controllable costs	(95)	330	471
Corporate and Dept Recharges	849	686	753
Net Costs	4,413	4,958	5,166
Books and Media Loans (Sitelib13)	1,077,728	1,072,853	1,000,810
Number of New Borrowers (Sitelib_08)	13,255	14,190	12,486
Number of Visits (Sitelib01)	1,394,170	1,362,386	1,230,959
Gross direct cost per visit	£2.73	£2.97	£3.44
Bottom line subsidy per visit	£3.17	£3.64	£4.20

*Includes one off costs associated with redundancies

Museums and Galleries

- The Museums and Galleries service over spent the £3.1m budget by £0.1m, linked to costs associated with the Hockney Gallery at Cartwright Hall.
- Despite the financial limitations, Museums and Galleries have been able to present a programme of exhibitions including Hockney and the Royal Collection, and visitor numbers have increased from last year.

Museums	2015/16	2016/17	2017/18
Gross Costs £000s	2,507	2,795	2,774
Income £000s	(320)	(572)	(468)
Direct Net Costs £000s	2,187	2,223	2,307
Direct Non Controllable costs	814	731	828
Corporate and Dept Recharges	501	475	588
Net Costs	3,502	3,430	3,722
Number of visits	212,937	211,922	228,186
Net direct cost per visit	£10.27	£10.49	£10.11
Bottom Line subsidy per visit	£16.44	£16.18	£16.32

- As a result of the opening of the Hockney Gallery, visitor numbers at Cartwright hall increased from 42,000 in 2016/17 to 62,000 in 2017/18.

Tourism Service

- Tourism overspent the £0.7m net budget by £0.1m, with staffing and premises costs closing higher than planned. The service saw the loss of transitional funding in 2017-18. The timing in delivery of strategic change in the service took a little longer than anticipated but will be fully achieved in 2018-19. In response to funding changes new visitor information channels are being developed including joint partnership working with Ilkley Parish Council and Shipley College.

Tourism	2015/16	2016/17	2017/18
Gross Costs £000s	728	785	917
Income £000s	(118)	(96)	(95)
Direct Net Costs £000s	610	688	822
Direct Non Controllable costs	37	30	48
Corporate and Dept Recharges	170	118	157
Net Costs	817	836	1,027

Markets Service

- The Markets Service under achieved the £0.5m net income budget by £0.2m due mainly to increases in vacant market stalls at the indoor and outdoor venues. This has meant not only a loss of income but in the case of indoor markets increased expenditure in terms of increased Business Rates liabilities. Council policy is for the surplus or deficit balance on the markets account be paid into or out of the Markets Reserve. The closing balance on the reserve reduced in 2017-18 from £1.1m to £0.7m.
- At the Oastler Centre, there has been a gradual decline in occupancy numbers over the past few years, which was compounded by the closure of Morrison's Westgate store, in April 2016.
- The service plans to vacate the Oastler site in favour of a new food focussed market on Darley Street. A markets reserve fund will help support ongoing and future revenue commitments as plans progress for future provision.

Markets	2015/16	2016/17	2017/18
Gross Costs £000s	1,895	1,916	2,138
Income £000s	(2,838)	(2,721)	(2,580)
Direct Net Costs £000s	(943)	(805)	(442)
Direct Non Controllable costs	845	102	(1,135)
Corporate and Dept Recharges	421	413	475
Net Costs	323	(290)	(1,102)
Avg Units Occupied	629	597	537
Visitor Numbers 000s	5,829	5,562	5,233
Gross Service Managed Cost per unit occupied	3,010	3,206	3,976
Income per occupied unit	(4,508)	(4,553)	(4,797)

Net Cost per occupied unit	(1,498)	(1,346)	(821)
Bottom Line Net Cost per occupied unit	513	(486)	(2,052)

Culture Policy & Events

- The service overachieved the £1.4m net budget by £0.2m. This was down to a very successful year for Bingley Music Live when the good weather and a strong line up served to deliver a sell-out.
- Other events included the City Centre events programme and support for other events across the district.

Culture Policy & Events	2015/16	2016/17	2017/18
Gross Costs £000s	2,140	2,533	2,501
Income £000s	(1,036)	(906)	(1,383)
Direct Net Costs £000s	1,103	1,627	1,119
Direct Non Controllable costs	16	15	23
Corporate and Dept Recharges	102	134	117
Net Costs	1,221	1,776	1,259

- The service is currently being supported by £0.2m of transitional funding, which will be removed in 2018-19. However, £0.1m has been added to the budget, as a recurring investment, for match funding for events.

3.3.3 Neighbourhoods and Customer Services

- Neighbourhoods and Customer Services underspent the £14.7m net expenditure budget (£21.3m gross budget) by £1m and delivered the £1.4m of planned savings.
- The under spend of £1m was achieved as a result of higher than expected revenues and staff vacancies within Uniformed Services and Customer Services.

Street Cleansing

- Street Cleansing under spent the £5.9m net budget (£6.1m gross) by £0.1m, as a result of lower than budgeted expenditure on employees (£0.1m) and transport (£0.05m) and income exceeding target (£0.07m). This combined £0.2m was off-set by an over spend on supplies & services of £0.08m linked to the purchase of solar powered compacting bins.

Street Cleansing	2015-16	2016-17	2017-18
Gross Costs £000s	4,489	4,932	5,022
Income £000s	-162	-175	-225
Direct Net Costs £000s	4,327	4,757	4,797
Non Service Managed costs	1,068	861	1,030
Corp & Dept Recharges	802	732	825
Net Costs	6,197	6,350	6,652
Spend per population per year (based on gross cost)	£8.50	£9.28	£9.40
Bottom line spend per head per year	£11.73	£11.95	£12.45

Environmental Services

- Environmental Services, comprised of Pest Control & Environmental Enforcement, balanced the net £0.5m net budget (£0.7m gross).
- The Pest Control service ceased to exist from April 2018, in line with approved savings, and has been winding down operations during 2017/18.

Neighbourhood Services

- The combined £2.9m net budget (£3.9m gross) for Safer & Stronger Communities and Neighbourhood Support Services under spent by £0.1m.
- Safer & Stronger balanced the net £1.3m net budget, supported by external funding from West Yorkshire Police and Crime Commissioner, and government.
- Of the £1.5m income, £0.7m has been received from government to fund the 'Controlling Migration' project. This will fund a two year project to support cohesion projects, English language sessions and additional services which will target health and early intervention.

Safer & Stronger	2015-16	2016-17	2017-18
Gross Costs £000s	2,812	2,751	2,665
Income £000s	-1,102	-833	-1,455
Direct Net Costs £000s	1,710	1,918	1,210
Direct Non Controllable costs	35	36	85
Corp & Dept Recharges £000's	184	114	180
Net Costs £000's	1,929	2,068	1,475
Spend per population per year (based on gross cost)	£5.32	£5.18	£4.99

- Neighbourhood Support Services under spent the £1.5m net budget by £0.1m as a result of lower than budgeted employee costs.
- The service comprises five Area Committee cost centres, covering the costs for Area Coordinators, Ward Officers and a fund for small grants to local organisations, schools, community groups and charities.

Neighbourhood Service	2015-16	2016-17	2017-18
Gross Costs £000s	1,387	1,328	1,328
Income £000s	-4	-1	-5
Direct Net Costs £000s	1,383	1,327	1,323
Direct Non Controllable costs	102	86	127
Corp & Dept Recharges	315	203	349
Net Costs	1,800	1,616	1,799
Spend per head of population per year	£2.63	£2.50	£2.48

Uniformed Services

- Uniformed Services under spent the £0.9m net income budget (£3.9m gross) by £0.6m. Revenues received in Uniformed Services from parking tickets and parking and bus lane fines exceeded the £4.8m budget by £0.3m, however, levels are down compared to 2016-17.
- Most of the reduction is attributable to fines, with a significant drop in bus lane contraventions due to an increase in bus lane camera awareness, and cameras changing behaviour as intended.
- Revenues from parking tickets has increased slightly when compared with 2016-17, due to installation of new meters and amended tariffs in some areas.
- The service benefitted from one-off rates rebates, as a result of rates revaluations, creating a favourable variance to budget of £0.2m.

Uniformed Services	2015-16	2016-17	2017-18
Gross Costs £000s	3,487	3,483	3,425
Income £000s	-5,861	-5,420	-5,176
Direct Net Costs £000s	-2,374	-1,937	-1,751
Direct Non Controllable costs	576	201	272
Corp & Dept Recharges	655	552	559
Net Costs	-1,143	-1,184	-920
9301 Tickets	-1,948	-1,930	-1,946
9303 Contract Parking	-142	-149	-129
9343 Fix Penalty Fines	-2,429	-1,932	-1,486
9345 Parking Fines	-1,271	-1,313	-1,469
Other	-71	-96	-146
TOTAL Revenues	-5,861	-5,420	-5,176

Customer Services

- Customer Services under spent the £3.7m budget by £0.1m, largely due to savings on staffing costs within Face to Face Customer Service Centres.

Customer Services - Face to Face	2015-16	2016-17	2017-18
Gross Costs £000s	1,258	1,286	1,259
Income £000s	0	0	0
Direct Net Costs £000s	1,258	1,286	1,259
Direct Non Controllable costs	92	77	117
Corp & Dept Recharges	-1,350	-1,363	-1,376
Net Costs	0	0	0
Total Face to Face contacts	128,038	128,117	135,390
Gross cost per contact	£9.83	£10.04	£9.30

Customer Services - Telephony	2015-16	2016-17	2017-18
Gross Costs £000s	1,724	1,776	2,008
Income £000s	0	0	0
Direct Net Costs £000s	1,724	1,776	2,008
Direct Non Controllable costs	89	81	140
Corp & Dept Recharges	-1,813	-1,857	-2,148
Net Costs	0	0	0
Calls Answered 000s	601	753	792
Calls Offered 000s	799	947	912
% Answered	75%	80%	87%
Gross Cost per Call answered	£2.86	£2.36	£2.58

- In order to facilitate the channel shift from face-to-face contacts to telephony and automated services, the service submitted a capital bid and was successful in securing £0.25m. This funding will enable the purchase of new software and equipment and also adaptations to buildings where necessary.
- The new software will allow customers to log requests and queries then track progress, so reducing contact for progress updates.
- However, activity data for Britannia House shows an increase in visitor numbers, partly as a result of the closure of Jacobs Well and also due to more services migrating into Britannia House.
- Visitor numbers are likely to further increase in 2018/19 as a result of legislation changes that will prompt more people to seek advice.

Youth Service

- The £2.4m Youth Service net budget (£2.8m gross) outturned with a £0.1m under spend, which was predominantly on employee costs.
- This was due to vacancies and staff secondments, but is not likely to recur in 2018/19 following recent recruitments.
- The service was supported by £0.3m in grants and contributions during 2017/18 and funds have been secured for the next three years.
- Funding from Creative Support will enable a multi-tiered programme of support to young people, involving collaborative working between the Youth Service and Children & Adolescent Mental Health Services (CAHMS) and other organisations such as Barnado's.
- In relation to this funding, the role of Youth Services' practitioners is to support and promote emotional wellbeing of young people that have been referred by CAHMS, concentrating on early intervention, in a bid to avoid crisis management at a later date.

Youth Service	2015-16	2016-17	2017-18
Gross Costs £000s	3,137	2,773	2,414
Income £000s	-237	-176	-365
Direct Net Costs £000s	2,900	2,597	2,049
Direct Non Controllable costs	256	484	299
Corp & Dept Recharges	673	588	478
Net Costs	3,829	3,669	2,826
Attendees in last qtr	4,644	3,811	2,900
Attendances	56,595	48,694	40,655
Gross Cost per attendance	£55.43	£56.95	£59.38

3.3.4 Economy and Development Services

- The service ended the year with an underspend of £0.6m against the £8.1m net budget, a £0.2m increase from Qtr 4. The reason for the increase in underspend relates to spending constraints on a range of budgets including within the Education Client Services Team and Economic Development.
- The increase in underspend on Economic Development was due to a number of reasons including the launch of commissioning of the programme delivery being held back and the contribution to Leeds City Region from the Business Rates Pool rather than revenue budget.
- Economy and Development Services achieved in full £0.3m of targeted savings.
- There were £14.4m of corporate and service earmarked reserves within Economy and Development Services at the start of 2017-18. A number of transfers were made during the year including surplus rental income on Housing Development and Housing Strategy, HMO Licensing within Housing Operations, and a number of movements within Economic Development of which the most significant at the end of the year were the Business Rates Pool (£402k) and Business Support (£415k). E&DS' reserves closing balance was £12m.
- Two reserve requests have been submitted for Economic Development - £83k (Ad:Venture and Comm Enterprise) and £186k (Economic Strategy).
- A Better Use of Budget request of £25k was also submitted for Housing Operations to carry forward funding to complete the ongoing commission relating to the Council's role in future housing delivery. This piece of work will be completed in Quarter 1 2018/19.

Housing Operations

- The service balanced the £0.7m net expenditure budget.

Housing Operations	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	1,190	1,118	1,145	1,514
Income £000s	(341)	(414)	(419)	(829)
Direct Net Costs £000s	849	705	727	685
Direct Non Controllable costs	158	563	1,509	213
Corporate and Dept Recharges	337	291	270	284
Bottom line Net Revenue Costs/(Income)	1,344	1,559	2,506	1,182
Disabled Facilities Grants Cumulative £000s	2,746	3,288	3,681	4,242
No of Long Term Empty Homes in the district	3,942	4,154	3,944	3,931
No of Long Term Empty homes bought back into use	0	5,651	4,784	4,559*
Number of service requests - Empty Homes	486	303	456	481
Number of service requests - Housing Standards	1,320	1,491	1,727	1,834
No of Housing Standards inspections	849	1,114	1,219	1,136
Number of Disabled Facilities Grants enquiries	489	602	561	532
Number of Disabled Facilities Grants completed	236	240	317	323
Avg Cost per DFG completed including admin costs	£11,636	£13,698	£11,613	£9,806

*latest available figure as of February 2018

- There has been a continued trend in the increase in requests for service from the Housing Standards team which deals with the enforcement of housing standards in the private rented sector (PRS) with a 6% increase in requests received in the last year.
- This increase in demand is likely to reflect the increasing size of the PRS and the high incidence of poor standards, but is also reflective of the increasing use of the private rented sector through the Council's Private Sector Lettings Service (PSLS) as the Council's responsibilities under the Homelessness Reduction Act increase as all properties used are inspected by the Housing Standards team prior to use.
- The introduction of new statutory responsibilities under the Housing and Planning Act 2016 have further increased pressure on the service with the introduction of civil penalty notices during 2017/18. This is to be followed by the introduction of a Rogue Landlord register, banning orders and the extension of the mandatory licensing scheme for Houses in Multiple Occupation during 2018/19 all without any additional resources.
- Demand for major adaptations (Disabled Facilities Grants) to enable disabled people to continue to live independently, has continued to increase with an average of 44 new referrals/month being received by the Housing service during 2017/18. The number of DFG completions (where the planned adaptation has actually been installed) has increased by a further 2% in the last year.
- While this number is similar to the amount of adaptations delivered last year, it represents a 66% increase compared with 2013/14 highlighting the increase in the volume of the work carried out by the team. The indications are that demand is likely to continue at a similar level during 2018/19 in line with the strategy of keeping people independent for longer.

- The empty homes team have sustained performance in relation to the number of long term empty properties that have been brought back in to use through their intervention. This work not only brings properties back into use, but also contributes to the New Homes Bonus that the Council receives. The previous success of the Empty Homes Programme means that the empty properties that the team are now working on are the more difficult and protracted cases, which means that sustained performance is a positive. The social value in terms of removing potential blights on neighbourhoods also increases with these properties.
- The Housing Operations team delivers the Council's financial assistance programmes for vulnerable homeowners. Assistance is offered primarily through equity share loans with a minimal grant available as a last resort where no equity is available. Demand for financial assistance has increased significantly during 2017/18 with a 70% increase in enquiries and a 21% increase in the number of homeowners receiving assistance in the last year.
- The Housing service has taken responsibility for delivering financial assistance with flood resilience measures to residents affected by the floods in early 2017. 803 homes were affected and the team worked closely with those affected; other Council departments and other agencies to provide assistance through grants of up to £5,000 per property. To date the service has delivered 486 completed grants with a value of £2.2m with a further 5 approved but not yet paid grants with a further value of £25,000.

Housing Development

- The service balanced the £0.3m net revenue budget. The work of both the Empty Homes and Housing Development and Enabling teams contributes towards the Council's New Homes Bonus (NHB) which will result in a NHB payment of £11.7m for 2017-18.

Housing Development	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	293	308	233	305
Income £000s	(758)	(828)	(975)	(1,249)
Direct Net Costs £000s	(465)	(519)	(741)	(944)
Direct Non Controllable costs	4,111	4,176	2,078	5,060
Corporate and Dept Recharges	79	49	38	122
Bottom line Net Revenue Costs/(Income)	3,726	3,705	1,375	4,238
NI155 No of affordable homes delivered	306	31	184	240
CIS_05 NI154 No of additional homes (net)	1,320	1,338	1,334	1,552

- There are currently 5 new build housing schemes on site delivering 200 new homes, all of which will complete in 2018-19. The properties meet exacting social housing standards also benefiting from energy efficiency measures to help minimise running costs to tenants
- Developments onsite include an extra care housing scheme in Oakworth, Keighley; 69 one and two bedroom apartments offering older people independent living in a home of their own but with access to around the clock Adult Social Care and support if and when required. Alongside the extra care scheme, a residential care facility offering respite and 50

community care beds is also underway. Funding from the Department of Health of £2.76m has been secured through Homes England to support the delivery of the extra care element of the scheme.

- Unaudited figures for the total number of net additional homes, indicates that there was a slight increase with 1,552 new homes being delivered. Delivering housing growth within the District to meet the target of 8,000 new homes by 2020 continues to be a challenge, as it is reliant on market forces. Of the new homes delivered, 240 were affordable homes, a 55% increase on the previous year.

Housing Strategy and Access

- The service ended the year balancing the £1.8m net budget.

Housing Strategy Access to Housing	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	1,376	2,051	2,492	3,757
Income £000s	(213)	(314)	(434)	(2,042)
Direct Net Costs £000s	1,163	1,738	2,058	1,715
Direct Non Controllable costs	54	97	129	195
Corporate and Dept Recharges	501	565	687	616
Bottom line Net Costs/(Income)	1,718	2,400	2,874	2,526
Bed & Breakfast New Bookings	384	479	538	543
Other Temp Accom Bookings	240	207	430	385
Average Bed & Breakfast Stay Length (nights)		9.5	9.0	8.7
Homeless Prevention Assessments Started	7,516	7,806	8,639	8,659
Homeless Prevention Assessments Closed	7,059	7,798	8,251	8,164
Homeless Decisions	826	1,219	1,107	770
Homeless Acceptances	294	405	413	354
Private Tenancies Started		84	132	161

- Housing Options Casework (including homelessness prevention) – 8,659 homelessness prevention cases were started during 2017/18, which is almost exactly the same as 2016/17. This appears to represent a levelling out of service provision after a trend increase over several years, reflecting both a service focus on early intervention and prevention, and on-going intensifying pressures on homelessness from factors such as welfare benefit reductions, sanctions and budget reductions in related services. However, it is anticipated that with the roll-out of Universal Credit and the adoption of the Homelessness Reduction Act that a further increase of casework will occur in the coming year.
- Private Rented Sector Lettings Scheme - In 2017/18, 150 new private tenancies were created for customers in housing need. This is the second year of this service and it is now established in the District having undertaken various marketing launch activities to publicise the scheme with landlords. Initial targets for the service were to create 100 tenancies per year, which was comfortably surpassed in 2016-17 with 135 and again this year.
- Bed & Breakfast placements - Long-term work is underway to hold down the usage of Bed and Breakfast accommodation for homeless clients. During 2017-18 there were 5,937

nights of Bed & Breakfast used – an increase on 2016/17 (5,395 nights). Correspondingly, the cost of placements in 2017-18 was £430k - an increase on the 2016-17 figure of £328k.

- Refugee Resettlement – The Council resettled 110 vulnerable refugees in the District on a fully-funded basis through a Home Office scheme during 2017-18. The scheme is delivered in partnership with Horton Housing Association.
- Housing Related Support – The Housing Options service has delivered the application, referral and placement system to the District’s Housing Related Support provision on a rolling programme to support clients with multiple generic needs, multiple needs with high risk, young people at risk and those who are homeless. On a rolling programme over 2017/18, the service supported over 930 clients per Qtr. The Service also has specific responsibility for supporting Domestic Violence victims and in 2017-18 helped 77 clients in refuge accommodation and resettlement support for 122 clients.
- No Second Night Out – This Council commissioned service helps individuals who are rough sleeping or at risk of rough sleeping. In 2017-18 they provided assistance to 739 people. NSNO also provided emergency accommodation for over 150 people, with 377 bed-spaces for rough sleepers, over the winter period when the temperature fell below zero as part of the District’s Cold Weather provision. This led the service to be able to secure ‘long term accommodation’ for 67 cold weather clients.

Education Client Services

- In delivering the Council strategic education investment priorities, the team ended the year with an underspend of £0.2m against their net budget of £1.7m.

Education Client Services	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	2,652	2,553	1,719	1,505
Income £000s	(5)	(44)	(17)	(131)
Direct Net Costs £000s	2,647	2,509	1,702	1,374
Direct Non Controllable costs	76	106	93	112
Corporate and Dept Recharges	294	410	216	167
Bottom line Net Costs/(Income)	3,017	3,025	2,011	1,653

- ECS has a team of professional specialists in Project, Programme and Contract Management.
- The team manages the contractual arrangements between the Council and Local Education Partnership. This relates to the terms of the Private Finance Initiative encompassing 7 secondary schools and 3 Special Educational Needs schools.
- Other activities the team are engaged with include support for academy conversions, school expansion projects, pupil place planning and crossing patrols.
- Each Year ECS manages 2 multi-million pound grants from the DfE:
 1. Basic Need which is used to expand schools to meet demand from increasing pupil numbers. The team commissions Architect Services to design, procure and deliver the expansions or new school build schemes.

2. Capital Maintenance Grant which is used to pay for major school repairs. These are identified based on school condition surveys and ECS commissions Building & Technical Services to design, procure and deliver the schemes.

- The table below outlines the activity the team has supported:

	2010-2015 delivered	Outturn 2017-18	Future Years
Number of Schools Expanded	48	7	19
School Expansion Projects Delivered (in phases)	118 to date	0	0
Number of New School Places Created	8,315 to date	267	1,791
School Expansion Capital Spent	£124m	£6.2m	£30m
Number of Major Schools Repair Projects	119	46	92
Major School Repair Capital Spent	£14m	£4.4m	£8.5m
Academy Conversions Completed	34	17	8
School Crossing Patrols Maintained		94	94
Swimming Pool Schemes Commenced	2	1 started on site	1 being planned at Squire Lane
PFI Contract Deductions Administered	£3.6m to date	£90,000 (£150,000 Disputed)	
PFI contract change notices	1,879 to date	175	
Additional Schemes Delivered: <ul style="list-style-type: none"> 2YOO (2 year old offer) UIFSM (Universal Free School Meals) District PRU (Pupil Referral Unit) Tracks PRU (Pupil Referral Unit) 	102 schemes (£7.7m) 66 schemes - £4.3m 33 schemes - £1.96m 1 scheme - £1m 2 schemes - £390k 1 contract	<ul style="list-style-type: none"> 30-Hour Offer Nursery Places 	TBC
Grant Income Secured	£76m	<ul style="list-style-type: none"> New SEMH School (£10-15m) 	
New SEMH (SEN) School	NA		
External Consultancy Contracts Delivered		<ul style="list-style-type: none"> 1 - Better Start Bradford 	1 - Better Start Bradford
New schemes for Place	NA	<ul style="list-style-type: none"> St Georges Hall - work ongoing Markets Relocation – work ongoing City Hall – bid Submitted. Odeon - commenced 	

		work April 2018	
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Economic Development

Economic Development Services – Delivery

The service underspent the £1.8m net expenditure budget by £0.4m.

Economic Development - Delivery	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	2,334	1,871	1,557	2,522
Income £000s	(263)	(383)	(482)	(1,253)
Direct Net Costs £000s	2,071	1,488	1,075	1,269
Direct Non Controllable costs	127	2,733	1,705	128
Corporate and Dept Recharges	276	237	390	368
Net Costs	2,474	4,458	3,169	1,766

Economic Development Services – Delivery

- The Broadway shopping centre which opened in November 2015 has become a focal point for a growing city centre restaurant and leisure offer, and The Light Cinema, multi-screen cinema, opened on the 11th May 2018.
- Other developments led by Economic Development include the continued support of a private sector-led development group, to put together proposals for a Bradford City Centre Business Improvement District. A full business plan has been developed and will be presented to business in June 2018.
- Work has continued on One City Park to develop the delivery model in line with the funding agreement with the Combined Authority. The development opportunity was launched at the October 2017 MIPIM (UK) event to gauge market appetite as collaboration with an experienced development partner is essential to facilitate delivery. This was followed by an invitation for informal expressions of interest to the development/investment sector which produced some positive returns.
- Elsewhere in the District, Baildon Business Park has now reached its final stages. The developer has redesigned the final two phases of the scheme to meet the demands of companies wishing to be located on what has proven to be a very popular location. The construction of the 12 units began on site in late March 2018 and completion of the whole development is due by the end of 2018. Produmax have taken a second unit which is now being fitted out. Canvasman moved onto site in late 2017 and the 12 new units have all been sold prior to completion.
- EDS Delivery team continue to support the Enterprise Zone projects. Gain Lane secured planning permission in December 2017 and is now ready to begin on site once approval of

funding from WYCA is approved. This will provide over 300,000 sq ft of new development on the Bradford/Leeds boundary. Site investigations of Staithgate Lane and design work at Parry Lane will be undertaken in 2018.

- In addition to the businesses supported through the City Growth Zone outlined below, the Inward Investment team work with a number of existing larger businesses both foreign and overseas owned to facilitate significant investment in the district. Successful investment projects of all types handled by the team totalled over £41 million investment and created 455 jobs in the last 12 months. The team also work with the LEP to develop the joint Leeds City Region working on inward investment.

Economic Development Services – Programmes

The Service ended with a £0.1m overspend against its net budget of £1.7m.

Economic Development - Programmes	2014/15	2015/16	2016/17	2017/18
Gross Costs £000s	3,166	2,151	2,214	1,843
Income £000s	(1,658)	(751)	(125)	(132)
Direct Net Costs £000s	1,508	1,400	2,089	1,711
Direct Non Controllable costs	32	323	319	71
Corporate and Dept Recharges	224	155	118	98
Net Costs	1,764	1,878	2,526	1,880

Economic Development Services – Programmes

- EDS are responsible for large scale initiatives supporting the local economy. Among these is the City Centre Growth Zone. £17.6m of Regional Growth Fund money was secured to deliver the City Centre Growth Zone matched with £17.5million of Council resource.
- The City Centre Growth Scheme supports new business to move into the City Centre and existing businesses to grow. The last 12 months saw 11 businesses being awarded Business Rate Rebates in recognition of their job creation. The Priority Streets Scheme awarded capital grants to 2 businesses. Last year saw 66 new jobs (55.5 FTE) created as a result of these investments.
- Community Led Local Development Programmes for Bradford Central and Keighley secured European Structural & Investment Fund monies for programmes in two areas of the most disadvantaged areas of the District that aim to stimulate the local economy to deliver jobs and growth, by supporting activity that addresses the local needs and opportunities. The Council is acting as Accountable Body, working with lead delivery partners Action for Business Ltd and CNet in Bradford and Airedale Enterprise Services in Keighley.
- The team commissioned the 'Northern Max' business support project, delivered at the Digital Exchange in Little Germany. The project, project part-funded through the Ad:Venture programme, provided an intensive market-access focussed accelerator for 20 digital health start-ups from across the city region.

3.3.5 Planning Transportation and Highways

- Planning Transport and Highways overspent the £26.6m net expenditure budget by £0.6m.
- In 2017-18 PTH had a shortfall in income for Building Control Fees (£0.4m), higher than planned spend on both Street Lighting (£0.8m) and Winter Maintenance (£0.5m). An underspend arose due to changes to the Local Plan programme, which was deferred into 2018-19, this equated to £0.6m, although the allocated funds are one off. Structural pressures in Street Lighting and Building Control are to be subject to budget recovery plans in 2018-19.
- PTH outturn results represent deterioration since Qtr 3 as there was a sustained period of cold weather which resulted in a larger Winter Maintenance operation than planned. Highlighted issues for Planning Services were;

Policy/Local Development Framework;

- The service continued to lead on the delivery of the Local Plan for the District and underspent by £0.6m in 2017-18. This was due to the Secretary of State holding direction on the Core Strategy, together with national planning reforms and resulting re-programming of the Local Plan site allocations work. The unspent balance is recommended to be moved to a reserve to help fund the Local Plan in 2018-19.

Building Control Services

- Building Control under achieved the £1.2m Building Control Fees budget by £0.4m which represented a deterioration of £0.1m compared to 2016-17.

Development Services

- Development Services underspent the £0.2m net budget by £0.3m. The Service collected £2.26m of Planning Fees in 2017-18 compared to £1.8m in 2016-17 which was a result of more detailed major applications which carry a significant larger fee. Planning Fee charges were increased by 20% on the 17th January 2018. It is anticipated that the full effect of this increase, will be realised in 2018-19 and will be reinvested in the planning service including the policy team to deliver the local plan.

Development Services	2015/16	2016/17	2017/18
Major Planning applications processed	80	83	83
Minor Planning applications processed	913	948	937
Other Planning application processed	2,165	2,593	2,410
Total	3,158	3,624	3,430

Highways Asset Management inc Highways Delivery Unit

- The service overspent the £22.6m budget by £1.4m due to winter operations of £0.6m, Street Lighting £0.8m, and less than planned spend on trunk road maintenance of £0.1m.
- Street lighting operations and utilities energy costs were £0.8m above the £2.6m budget, this was mostly down to energy prices and pass through costs. Additional Council capital

investment into energy saving equipment will help to reduce consumption is but has some way to go still to achieve budgeted savings of £0.2m.

- Due to a sustained period of bad weather, Winter Maintenance overspent by £0.6m. The operation used 18,800 tonnes of salt in 2017-18 compared to 6,800 tonnes in 2016-17. Savings in Trunk Road maintenance of £0.1m helped to alleviate the pressure overall in the Highway Development Unit.
- The service maintains approximately 1,840kms of road. During 2017-18 fewer potholes were repaired during the cold weather period as teams were redirected into winter service operations, however capital expenditure on surfacing work was the same as in 2016-17 resurfacing approximately 56kms of road.

	2016-17	2017-18
Capital Spend	£4.9m	£4.9m
Potholes repaired	9,188	8,290
Cat 1 Repair Jobs	185	210
Cat 2 Repair Jobs	3,645	3,981

- Highways services continued to work on the Challenge Fund schemes in conjunction with Kirklees MDC. This is a three year Capital Funded Grant for the maintenance of Highway Structures of which Bradford's share is £3.63m.

Transport Development

- Transport Development underspent the £0.4m net budget by £0.2m which has helped to offset expenditure pressures within Highways Asset Management. The street work permit scheme and associated income achieved £1.2m. Despite a challenging climate for front line highways services, Transportation Development officers are leading on the delivery of major highways projects that form part of a regional vision to improve local infrastructure. A number of projects (Hard Ings Road, Harrogate New Line and the Station Gateways), all in partnership with the Combined Authority, are reaching key staging posts in their delivery.
- **Council savings tracking:** included in the above figures is non-achievement of savings amounting to £0.4m, although there were offsetting saving of £0.2m, this equates in total that £1.2m was achieved from a total of £1.4m

The unachieved savings were;

- (R19) - The £0.2m saving linked to Highways cost reduction from 2016-17 was forecast at Qtr1 to be unachieved but since then progress has been made to reduce the energy load of street lighting which while delivering cashable benefits (£0.1m) was offset by price increases
- (3R18) – The £0.1m saving linked to restructuring Planning Transport & Highways and transferring functions to the West Yorkshire Combined Authority is forecast to be unachieved.
- (4R4) – The £0.1m saving linked to the Centralisation of Urban Traffic Control including reduced maintenance of street lighting asset is forecast to be unachieved. The saving has been mitigated in 2017-18 by utilising one off external funding.

- (3R13 and 3R14) – £0.1m savings relating to CCTV and Partial Street Lighting switch off were partially unachieved as the timing in modernising facilities affected CCTV and consultation arrangements regarding lighting switch offs is taking longer than anticipated

3.4 Corporate Resources

- Overall the department underspent the £45.6m net expenditure budget (£268.8m gross budget) by £2.76m; and delivered £5.6m of planned savings. The underspend was largely from Revenues & Benefits (£1.1m), Estates & Property (£0.6m), Information Services (£0.5m) and Commissioning & Procurement (£0.4m). £1.5m of underspends are proposed to be transferred to reserves or carried forward to 2018-19.

	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Corporate Resources									
Director of Corporate Resources	0.3	0.3	-0.0	-0.0	-	0.0	0.3	0.3	-0.0
Finance & Procurement	4.9	2.8	-0.4	-0.4	-0.2	-0.1	4.5	2.6	-0.4
Revenues & Benefits	183.4	175.8	-7.6	-178.5	-172.0	6.5	4.9	3.8	-1.1
ICT	14.2	13.6	-0.5	-1.0	-1.0	-0.0	13.1	12.6	-0.5
Estates and Property Services	45.2	43.3	-1.9	-39.0	-37.7	1.3	6.2	5.6	-0.6
Human Resources	6.8	6.7	-0.1	-2.0	-2.0	0.0	4.8	4.8	-0.0
Legal Services	8.8	8.9	0.1	-2.1	-2.2	-0.1	6.7	6.7	-0.0
Total	263.7	251.5	-10.5	-223.1	-215.1	7.7	40.6	36.4	-2.8

Financial Services

- Financial Services balanced the £2.6m net expenditure and delivered savings as planned. CIPFA benchmarking information shows that the Council spends the lowest on Financial Services relative to other Councils.

Bradford cost of Fin Services per £000 Gross Revenue Turnover	1.81
Cipfa Group Average Cost per £000 Gross Revenue Turnover	4.17

- Indicatively if Financial Services in Bradford operated at the same average cost of benchmark Councils, the total cost of service in 2015-16 would have been £5.8m rather than £2.6m.

Revenues & Benefits

- Revenues and Benefits underspent the £4.9m net expenditure budget (£183.4m gross budget) by £1.1m and delivered budget savings of £0.2m as planned. Pressure on payroll services school income and summons income was offset by mitigating one-off savings in contract costs of £0.2m. Cash Handling & Security services also delivered in year savings in advance of savings targets for 2018-19. A Better use of budget request has been put forward to carry forward £0.2m of this underspend relating to New Burdens funding provided to carry out on-going work associated with the move to Universal Credit.

ICT

- ICT underspent the £13.1m net expenditure budget by £0.5m as a result of an on-going review of contracts after the service returned in-house in 2015-16. The year-end position allows for the provision of £0.5m of funding for the cost of medium to long term transformational projects via the previously identified reserve.
- Spend on ICT has significantly reduced since the end of the IBM contract in September 2015. Spend per user has also reduced over the years and although it has stabilised in 2017-18 .

	2014/15	2015/16	2016/17	2017/18
Gross Spend	£22.8m	£16.4m	£13.0m	£12.8m
Bradford Gross Cost per user £s	3,404	2,656	2,196	2,252
Bradford Net Cost per user £s	3,176	2,442	2,034	2,067

Commissioning & Procurement

- Commissioning & Procurement underspent the £1.6m budget by £0.4m in line with forecasts. Of this £0.1m is on employee costs due to vacancy control pending a service review and £0.3m through a reduction in contract costs.

Estates and Property Services

- Estates and Property Services underspent the £11.4m budget by £0.6m. The improved position across the year as a whole has come from improved trading position in School Catering & ISG and underspends in Residential Catering, the Energy Unit and the Property Programme.

Service Name	Gross expenditure			Income			Net expenditure		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
FM- Building Cleaning	0.6	0.5	(0.1)	(0.3)	(0.3)	0.0	0.3	0.2	(0.0)
FM - Other Catering	0.3	0.4	0.1	(0.4)	(0.4)	0.0	(0.0)	0.1	0.1
FM - School Catering	17.5	17.4	(0.1)	(17.2)	(17.8)	(0.6)	0.3	(0.4)	(0.7)
FM - School Cleaning	1.2	1.1	(0.1)	(1.1)	(1.0)	0.1	0.1	0.1	(0.1)
FM - Residential Home Catering	0.2	0.1	(0.1)	-	(0.0)	(0.0)	0.2	0.1	(0.1)
FM - Admin Buildings	8.8	9.2	0.4	(0.5)	(1.0)	(0.5)	8.3	8.2	(0.1)
FM- Building and Technical Services	14.1	13.7	(0.3)	(12.8)	(12.3)	0.4	1.3	1.4	0.1
FM – Architects	1.0	1.0	(0.0)	(1.2)	(1.0)	0.2	(0.3)	(0.0)	0.2
Facilities Management	43.7	43.4	(0.3)	(33.5)	(33.8)	(0.3)	10.1	9.5	(0.6)
Estates - Operations	(0.5)	(0.7)	(0.3)	(2.5)	(2.7)	(0.2)	(2.9)	(3.4)	(0.5)
Estate - Programmes	1.5	1.4	(0.1)	(0.1)	(0.1)	(0.1)	1.5	1.3	(0.2)
Estates Management	1.1	0.7	(0.4)	(2.5)	(2.8)	(0.3)	(1.5)	(2.1)	(0.6)
Energy Unit - ECCU	0.8	0.1	(0.7)	(0.1)	(0.4)	(0.2)	0.7	(0.3)	(1.0)
ISG	3.0	2.9	(0.1)	(2.0)	(2.0)	(0.0)	0.9	0.9	(0.1)
AD Estates & Property Services	0.2	0.1	(0.0)	-	-	-	0.2	0.1	(0.0)
Total	48.7	47.2	(1.5)	(38.3)	(39.0)	(0.8)	10.4	8.1	(2.3)

Energy Unit

- The Energy Unit manages the Councils energy contracts, and leads on initiatives to reduce energy consumption. In 2017-18 the service underspent the £4.8m budget¹⁴ by £0.2m and delivered £0.2m in savings as planned.
- The unit's efficiency work plus reductions in the estate through the Property Programme have also helped reduce energy consumption and mitigate the financial impacts of price rises since 2016.
- Additional benefits in water cost savings from more precision billing and shutting down unused supplies have further assisted the bottom line. The outturn balance was also affected favourably by a reduction in the estimated potential liability for historic accounts.

¹⁴ The £5m budget is managed by the Energy unit during the year, but charged out to user services at year end in line with accounting practice.

- The table below outlines continued reductions in energy usage. The reduction in Energy consumption since 2014-15 equates to approximately £750k of savings per year at 2017-18 prices.

	2014/15	2015/16	2016/17	2017/18
Electric (Non Street Lighting)	21.7	20.0	18.7	16.4
Gas	46.2	46.7	43.8	45.1
Total Electric and Gas Kwh ms	67.9	66.7	62.5	61.5

- A request has been made to set aside the 2017-18 underspend into a reserve as a contingency to offset the impact of above inflation energy price rises in 2018-19 & 2019-20

School Catering

- School Catering achieved an underspend of £0.2m due primarily to improved productivity even though overall volumes reduced due to the loss of contracts. Operational efficiencies were achieved through the increased use of ICT, including electronic payment for which is now available in approximately 65% of schools, and the achievement of procurement savings via new contracts.
- However, the service is under increasing pressure, both to retain contracts and reduce costs, from the increase in Multi Academy Trusts and from individual schools with budgetary constraints. A better use of budget application for £155k has been put forward to fund on-going pre-planned dining room & menu development work in 2018-19.

FM - School Catering	2015/16	2016/17	2017/18
Number of Meals 000s	6,476	6,654	6,117
Other activity - e.g. Breakfast clubs meals 000s	179	176	150
Number of Primary Schools Catered For	149	147	141
Number of Secondary Schools Catered For	5	5	5
Take up of school lunches	69%	69%	67%
Primary school children's satisfaction with school meals	72%	72%	74%

Estates Operational

- Estates Operations balanced the £2.8m net budget. This was despite having a developing pressure on rental income relating to the voluntary sector.
- Overall rental income remained relatively static at £2.6m, short of the total budget of £2.8m and with an increasing move to Community Asset Transfers there is expected to be little increase in income from this sector in 2018-19. In 2017-18 the Council started to generate income from the NCP Car Park, but this was mostly offset by Morrisons vacating the Oastler Centre.
- It should also be noted that the service faces the challenge of improving rent account control while operating a wide range of commercial and non-commercial leases. The service area as a whole has seen an increasing pressure from one off projects and has requested that a central reserve of £0.35m be established to provide contingency funding to cover both internal costs of

managerial and legal support and 3rd party costs.

Estates Investments

- Estates Investments underspent its net budget by £0.06m in 17/18 via over achieving its budget for income generated via the first year of the targeted investment programme. However it should be noted that generating further income via investment properties is dependent on market conditions and opportunities.

Estates Property Programme

- The Estates Property Programme underspent by £0.15m through more efficient use of resources. In 2017/18 the service has continued to reduce the size of the Councils operational estate while improving the quality of the buildings retained. Two leased buildings (Kershaw House and Bank House) have been vacated, and the service has overseen a number of Community Asset Transfers. The full year effect of savings from vacating buildings in 2017-18 totalled approximately £0.5m.
- Since 2008/9 when the Programme Started,
 - Over 90 operational buildings have now been vacated saving over £7.8m per year. The reduction in the size of the estate is over 90,000m², equivalent to over 6 City Halls.
 - £41m of capital receipts have been generated from the disposal of surplus property
 - Backlog maintenance on the Councils estate has reduced by £47m as a result of building vacations, and targeted investment.
- Estates Programmes have submitted a better use of budget request to carry forward funding of £0.14m specifically provided to facilitate Community Asset Transfers over 2 years into 2018-19.

Building, Technical & Architectural Services

- Building and Technical Services overspent the £3.2m net budget by £0.4m, of which £0.3m was a reduced contribution to central overheads from Architects (£0.1m compared to a £0.3m budget).
- This reduction in contribution is due to an historic and on-going decline in workloads down from £1.2m in 15/16 to £0.9m in 17/18.
- Building & Technical Services as a whole had a limited overspend of £0.1m on its net revenue budget of £3.6m. However, this was on a reduced budget, down £0.6m from 2016-17, and against a background of reducing capital works which saw income levels drop from £14m in 2015-16 to £12.3m in 2016-17 and to £11.3m in 2017-18.
- Overall, the Councils estate has significantly reduced in size, and improved in quality in recent years.

Backlog Maintenance £m	Base line	2014-15	2016-17	2017-18
Operational	85	50	49	46
Non Operational	16	5	8	5
Approx. Total Backlog Maintenance £ms	101	55	57	54
Of which Priority 1 £ms	70	28	25	24
Operational GIAm2 000s	319	256	237	228
Non-Operational GIAm2 000s	27	23	37	37
Total	346	279	274	265

GIAm2 = Gross Internal Area metres squared

Admin Buildings

- Admin Buildings is the budget that funds the main Council Office buildings including City Hall, Britannia House, Margaret Macmillan Tower and Keighley Town Hall amongst others. In 2017-18 spend was in line with the £6.2m budget while delivering £0.8m in savings predominantly due to the vacation of Jacobs Well offices.
- Pressures on salary budgets was offset in year by additional income from rents and recharges for shared occupancy. The increasing shift to flexible working through the Property Programme, has resulted in significant improvements in occupancy levels and reductions in the cost base. Buildings vacated include Future House, Jacobs Well, Flockton House and Olicana House amongst others.

Admin Buildings	2015/16	2016/17	2017/18
Occupants	3,221	3,396	3,225
Workstations	3,892	2,784	2,653
% OCCUPANCY (1:1)	83%	122%	118%
Gross internal area (m2)	73,711	54,494	54,494
Backlog Maintenance £000s	8,281	6,595	6,595

Industrial Services Group's

- ISG provides work based training and employment opportunities to disabled people from across the Bradford district. Workload levels and trading position improved in 2017-18 although its position is still subject to considerable pressure since ISG is no longer a guaranteed supplier to In-communities.
- The service area as a whole, while still being in receipt of a one-off subsidy of £0.08m, underspent its net budget by £0.25m via a combination of savings via a planned restructuring and an upturn in trading levels.
- A rise in manufacturing sales levels from £1.4m in 2016-17 to £2.3m in 2017-18, have resulted in an under spend against budget of £0.1m while the Festival lights operation which produces festival lights for many Councils and other organisations across the country was £0.2m under budget.
- Although trading conditions remain difficult, recent new order leads mean that 2018-19 sales

levels are expected to remain high. A request has been put forward to transfer this underspend to a trading reserve.

Human Resources

Human Resources (HR)

- HR underspent the £4.8m net budget by £0.04m. Savings of £0.9m have been achieved in 2017-18 as a result of service restructures. A restructuring of workforce development has also taken place at the start of the new financial year to enable the delivery of planned savings for 2018-19.
- The service is seeing an increasing pressure on its traded services due to the increasing number of Multi Academy trusts with income down £0.2m and the net surplus down £0.1m on budget. Offsetting the trading/cost pressures the service raised additional income through providing training to students via the college and from recharges to schools for medicals.
- Outturn figures allows for work in 2017-18 on Council priority programmes such as Organisational Change & Learner Management System being funded via dedicated reserves with unspent money of £0.06m being returned to the reserve.
- A better use of budget request has been put forward for £85k to fund software enhancement for traded services.

City Solicitor

- The City Solicitor spend was in line with its £6.7m net budget while achieving its planned savings of £0.3m in 2017/18. The service has seen pressures upon both the cost of elections and the coroners/mortuary services, £0.3m combined, which have however been off set in year by one off savings via a combination of a vacancy control, £0.2m, and additional income of £0.1m across all service areas.

3.5 Chief Executive

Service Name	Gross expenditure			Income			Net expenditure		
	Actual £m	Budget £m	Var £m	Actual £m	Budget £m	Var £m	Actual £m	Budget £m	Var £m
Chief Executive Core Office	0.5	0.5	-0.0	-0.0	-0.0	-0.0	0.5	0.5	-0.0
Political Offices	0.2	0.2	-0.0	-	-	-	0.2	0.2	-0.0
Public Affairs	1.5	1.4	-0.0	-0.1	-0.1	0.0	1.3	1.3	-0.0
Policy Programme	2.1	2.2	0.1	-0.0	-	-0.0	2.1	2.1	0.1
Total	4.3	4.3	-0.0	-0.1	-0.1	0.0	4.1	4.2	-0.0

- The Chief Executive's Office including Policy, Programmes & Change (PPC) balanced the £4.1m net expenditure budget and achieved £0.5m of targeted savings following a restructuring of the programme support function. Planned funding of £0.4m was provided from the Implementation

fund in year to fund a short/medium requirement to support transformational project work. The full year effect of the restructuring, which completed in October 2017, is budgeted to deliver a further £0.5m of savings in 2018-19.

3.6 Non Service Budgets

- Non Service budgets underspent by £0.6m mainly due to underspends on Joint Committees and External Audit

3.7 Central Budgets & Contingencies

- Central budgets & contingencies includes budgets associated with Capital Financing, Payments to the West Yorkshire Combined Authority, and Corporate Contingencies amongst others. Overall the budget underspent by £8.4m largely due to an underspend on capital financing and lower redundancy costs than budgeted.

4.0 BALANCE SHEET

4.1 Cash Reserves

- Net movements from reserves have led to a £12.7m increase in total reserves from £153.0m at 1 April 2017 to £165.7m at 31st March 2018 (£145.2m Council and £20.5m School's), a £39.5m increase from Qtr 4.

	Opening Balance 2015-16 £m	Opening Balance 2016-17 £m	Opening Balance 2017-18 £m	Net Movement	Closing Balance at 31st March 2018 £m
Council reserves	145.8	133.9	127.8	17.4	145.2
Schools Delegated budget	38.4	33.8	25.2	-4.7	20.5
Total	184.2	167.8	153.0	12.7	165.7

- The £12.7m net increase in reserves is outlined in Annex 2. Than main movements include

Transfers From

-£16.8m was drawn down from reserves to use as part of the 2017-18 budget from drawing down against the Severance, Waste Collection, Disposals and Reserve and renewal and the Care Act Reserve.

-£2.7m was transferred from the Better use of budget reserve at the start of 2017/18, £1.7m was added back at year end to be carried forward to 2018/19.

-£2.8m was released from Regional Revolving Investment Fund to the Local Enterprise Partnership who loan to commercial businesses

-£4.7m from the Schools Delegated Budget linked to schools transferring to academies and in support of the 2017/18 schools budget

-£3.2m was released from the Integrated Care Reserve to support ring-fenced projects and integration of Health and Social Care

-£8.4m other movements out of reserves as shown in annex 2 & 3

Transfers to

+£3.9m transferred to the Implementation Reserve. £5m was allocated to fund the implementation programme over 2 years.

+£1.9m transferred to the Insurance Risk Reserve as a result of the equivalent reduction in the insurance provision

+£4.0m has been added to the Transition & Risk Reserve to cover future risks

+£2.4m transferred back to a Redundancy Reserve to meet termination costs beyond 2018-19.

+£15.3m other movements to reserves as shown in annex 2 & 3

+£23.7m transferred to the Financing Reserve as a result of the change in the Capital Financing Minimum Revenue Provision policy

4.2 School Balances

The table below shows that School Reserves (including Schools Contingencies) position as at 31st of March 2018.

	Balance 1 st April 2017		Balance 31 st March 2018		Movement	
	Nos	£000	Nos	£000	Nos	£000
Nursery	7	659	7	854	0	(195)
Primary	106	8,580	100	6,694	6	1,886
Secondary	7	(635)	7	(1,538)	0	903
Special	6	354	4	654	2	(300)
Pupil Referral Units (PRU)	7	666	7	457	0	209
Subtotal	133	9,624	125	7,121	8	2,503
School Contingency		14,650		12,721	0	1,929
Other Activities		943		708	0	235
Total	133	25,217	125	20,550	8	4,667

- The school balances reserve has reduced by £4.7m in 2017-18 from £25.2m to £20.5m.
- The overall reduction in individual school balances was £2.5m.
- Balances held by academies schools are not included within the Authority's reporting. At March 2018, 8 fewer schools were maintained by the Local Authority than at 31st of March 2017 (including the amalgamation of 2 maintained schools at September 2017). The 7 schools that have converted to academy status during 2017-18 held revenue balances of £0.518m at 31st of March 2017.
- Therefore £1.985m of the reduction in the individual school balances relate to the in year use of balances as schools are having difficulty in balancing their budgets due to school funding reforms.
- The gross value of total surpluses held at 31st of March 2018 is £10.441m (vs £11.467m at March 2017). The gross value of deficits is £3.320m (9 Schools) (vs £2.360m 8 Schools at March 2017)
- In setting the 2018-19 School's Budget, £8m of the School Contingency balance of £12.7m was allocated to support the overall schools budget from April 2018.

4.3 Provisions and Contingencies

- Within the balance sheet, the provisions are shown as amounts owed as at 31 March 2018. To be classified as provisions, it must be likely that the Council will eventually pay over these amounts.

- The cost of the provisions has already been shown as expenditure against the Revenue Budget, either in 2017-18 or in previous years. The overall effect, therefore, is that amounts are set aside to pay amounts owed because of decisions taken by the Council prior to 31 March 2018.
- Total provisions are £22.5m. The main provisions include:
 - £8.1m Redundancy provision to fund the cost of future redundancies
 - £1.1m provision to support a historical insurance provider (Municipal Mutual Insurance) whose assets fell below the minimum level for solvency in 1992, but where Local Authorities still have a responsibility to contribute to outstanding claims.
 - £5.7m provision to pay the insurance policy excess on outstanding claims
 - £7.5m Business Rate appeals
- A number of contingencies or potential risks were disclosed in the Council's Statement of accounts. No costs for these contingencies have been shown in the revenue budget because an eventual payout is regarded as unlikely or not material. For example, one of the contingencies disclosed was the risk of pension guarantees to external bodies eventually requiring a payout from the Council.

5.0 CAPITAL

- The Capital Investment Plan deals with investment in land, buildings and equipment that brings benefits to the Council for more than one year. In contrast costs that are used up on an ongoing basis are dealt with in the revenue budget, for example the payment of salaries to staff a library.
- The Capital Investment Plan originally budgeted 2017-18 spend at £124.2m (Full Council, 23 February 2017). This budget was later reprofiled to £90.4m in the 4th quarter monitoring report (Executive, 3 April 2018). Such reprofiling does not mean a budget reduction. Rather some of the 2017-18 budget was carried forward into other years, according to the latest estimate of when spend is expected to happen.
- Against the latest reprofiled budget of £90.4m, the Outturn was £72.9m. This is summarised by department in the Table below and is outlined in greater detail in Annex 4.

Capital Investment Plan 2017-18 by Department

	2017-18 Capital Investment Plan	2017-18 Q4 Budget	2017-18 Outturn	2017-18 Underspend
	£m	£m	£m	£m
Health and Wellbeing	15.3	4.3	3.1	-1.2
Children's Services	23.5	14.1	13.9	-0.2
Place – Economy and Development Services	34.4	*20.8	21.0	0.1
Place – Planning, Transportation and Highways	12.3	20.0	14.5	-5.6
Place – Other	15.3	11.9	12.8	0.8
Corp Services – Estates and Property Services	2.3	8.0	7.7	-0.4
Reserve schemes and contingencies	21.0	*11.2	0.0	-11.2
All Services	124.2	90.4	72.9	-17.5

*Includes additional transfer £0.55m from Reserve scheme to Place – Planning, Transportation and Highways, from contingencies

- As shown in the table above, the 2017-18 Outturn had a £17.5m underspend compared to the Quarter 4 reprofiled budget. Part of the underspend was on Place – Planning, Transportation and Highways, across a number of projects, including street lighting and transport structure.
- The most significant underspend related to Reserve schemes and contingencies on budgets set aside for what is called Strategic Acquisitions. Strategic Acquisition budgets are part of a new policy to invest to promote economic development and generate ongoing income that funds Council support across the district (Executive, 9 January 2018, A strategy for Growth from Council Tax, Business Rates and investments). However, the underspend on Strategic Acquisitions was in accordance with the Council's Capital Strategy (Full Council, The Council's Investment Plan for 2018-19 onwards, see Appendix A, 2.3). Such acquisitions should only happen when an investment meets high threshold against criteria including risk and yield.
- The underspend on Strategic Acquisition is also the most significant variance which has not been rolled onto future budgets. This is in line with the previous approval for a new Strategic Acquisition budget in 2020-2021, making any further roll forward unnecessary (Full Council, 22 February, The Council's Investment Plan for 2018-19 onwards, see 4.3). Overall of the overall £17.5m underspend, £8.7m has been added back onto future budgets to be spent in future years. This is shown in the table below.

Capital underspend 2017-18 by Department

	2017-18 Q4 Budget	2017-18 Outturn	Underspend	Underspend not added to future budgets	Underspend added to future budgets
	£m	£m	£m	£m	£m
Health and Wellbeing	4.3	3.1	-1.2	0.3	-0.9
Children's Services	14.1	13.9	-0.2	-1.5	-1.7
Place – Economy and Development Services	20.8	21.0	0.1	0.0	0.1
Place – Planning, Transportation and Highways	20.0	14.5	-5.6	0.6	-5.0
Place – Other	11.9	12.8	0.8	-1.1	-0.3
Corp Services – Estates and Property Services	8.0	7.7	-0.3	0.1	-0.1
Reserve schemes and contingencies	11.2	0.0	-11.2	10.5	-0.8
All Services	90.4	72.9	-17.5	8.8	-8.7

- The latest Capital Investment Plan was set as part of the 2018-19 budget (Full Council, 22 February, The Council's Investment Plan for 2018-19 onwards, Appendix 1).
- This Plan has been updated following the 2017-18 Outturn. This update includes the £8.7m carry forward from 2017-18, as shown in the table above. Other capital schemes are proposed for addition to the Capital Investment Plan, following approval from Executive. Further, existing schemes have been reprofiled to better reflect the expected date of spend. The revised Capital Expenditure Plan is shown in the table below.

Capital Investment Plan 2018-19 by Onwards (updated for 2017-18 Outturn)

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Total All Services (Full Council 22 Feb 2018)	176.2	172.8	98.0	49.3	496.3
Underspend added to future budgets	8.7		0.0	0.0	8.7
New Schemes/changes to current schemes	17.0	3.5	0.5	0	21
Reprofiling	-51.2	0.7	42.5	8.0	0.0
All Services	150.7	177.0	141.0	57.3	526.0

- The main impact of the reprofiling is to roll forward £51.2m of current 2018-19 budgets into future years.
- Despite the underspend, a 2017-18 Outturn of £72.9m against a £90.4m budget represents a substantial investment in the district. Of the total amount, £60.5m was on investment in assets owned by the Council, while the remainder comprised expenditure on schools and residents' housing, for example grants funding disabled adaptations.
- The largest proportion of the £60.5m spend was on the upkeep of the Council's buildings, with further significant spend on new builds. An analysis of the 2017-18 capital spend showing its purpose is set out in the table below.

2017-18 Budget, Outturn and underspend analysed by purpose

	2017-18 Budget	2017-18 Outturn	2017-18 Underspend
	£m	£m	£m
Maintenance of Council Fixed Assets	45.0	40.0	-5.0
Invest to Save	2.8	2.2	-0.6
New Build or Acquisition	27.0	16.3	-10.7
Schools Capacity	7.2	6.7	-0.5
Regeneration	0.2	0.2	0.0
Grants to Third Parties	8.2	7.5	-0.7
Total	90.4	72.9	-17.5

- This 2017-18 spend included innovative approaches and schemes that have improved services in the district. For example, it includes the construction of affordable housing units in 2017-18, which will eventually be available to rent. This project is in partnership with the Homes and Communities Agency. These new housing units will represent an important achievement for the Council Plan, which set out targets to improve housing in the district.
- Further, the 2017-18 spend enabled the completion of works to Cliffe Castle museum and the surrounding grounds. There was further spend on St Georges Hall, protecting the district's heritage in the centre of the city and further encouraging visitors to the area.
- There was continued spend on primary school expansion, improving education, another key aim of the Council Plan. Other spend included highways maintenance, improving transport links.
- One Strategic Acquisition included in the spend was the purchase of the NCP car park, in Hall Ings. This purchase is in a prime strategic location and delivers a yield in excess of the Council's borrowing costs, achieving the criteria set out in the Council's Capital Strategy.
- While achieving important Council aims, remarkably the 2017-18 spend in the Capital Investment Plan creates no additional draw on the revenue budgets for future years. This is because the Corporate Borrowing requirement is £0m. To help explain this, the funding of the spend is set out in the table below:

2017-18 Capital spend sources of funding	£m	£m
Capital Grants & Private Developer contributions	41.2	
Capital Receipts	8.6	
Revenue budgets & reserves	5.9	
<i>Sub-total funding already applied</i>		55.7
Invest to Save Borrowing	17.0	
Private Finance Leases & Other Finance Leases	0.2	
Corporate Borrowing	0	
<i>Sub-total funding to be applied in future years</i>		17.2
Total		72.9

- The above table shows that out of the £72.9m spend, there was no future capital financing requirement for £55.7m of it, which was financed from available funding in 2017-18.
- The £55.7m includes £41.2m of grants. Such grants were used in the 2017-18 year, so up to their full amount, there is no remaining financing requirement on the spend. The grants were mostly given by other public sector bodies to fund specific schemes within the spend. For instance, £2.3m was given by the Homes and Communities Agency to help fund the affordable housing units described above. The majority of the grants are from the Department of Education. Also these grants include contributions from private developers to meet statutory obligations to provide infrastructure for their new buildings.
- The £55.7m also includes £8.6m of capital receipts, in effect income from the sale of the Council's surplus land and buildings. The remaining £5.9m of funding comes from ongoing revenue budgets or one off reserves. Of this amount, the most significant contribution was £1.4m from schools' own funds to fund their capital improvements. Again there is no future financing requirement on any of the spend funded from any of these sources.
- In contrast to the funding sources described above, the so called Invest to Save spend of £17m has not yet been financed from available funding, leading to a future financing requirement. However, unlike Corporate Borrowing, the Invest to Save spend will not lead to a draw on future revenue budgets. The point of Invest to Save spend is that relevant schemes generate ongoing savings matching the future financing requirement, so there is no net draw on the revenue budget. For example, the affordable housing units are partly funded by Invest to Save, with a future financing requirement funded from the rentals.
- The £0.2m funding from Finance Leases represents a technical accounting adjustment which reclassified an ongoing Council rental payment as a funding source for capital spend. Since the rental payments are already included in the revenue budget again there is future additional draw.
- Corporate Borrowing is where the Council has incurred capital spend that has not been funded and for which there are no compensating ongoing savings, unlike Invest to Save borrowing described above. Such Corporate Borrowing would lead to a future financing requirement and a future additional draw on the revenue budget. However, a key outcome for the 2017-18 Outturn is that no such Corporate Borrowing was needed.
- This key outcome was achieved by maximising available flexibility to fund spend using grants and income from sales of land and building. Since such funding is one-off, it is worth noting the opening and closing available balances on these funding sources for the 2017-18 financial year. These balances are shown in the two tables below.

Capital Grants Balances

Capital grants and private developer contributions	£m	£m
Balance b/fwd at 01.04.2017		42.9
Capital grants received in year		45.6
Applied to fund spend expenditure on own assets	-31.3	
Applied to fund expenditure on residents' houses and schools	-9.9	
Total Grants applied		-41.2
Balance c/fwd 31.03.2018		-47.4

Capital Receipt (Land and Building sales) Balances		£m
Balance b/fwd at 1.4.2017		3.7
Capital receipts received in year		5.1
Used to fund spend on the Council's own property		-8.8
Balance c/fwd at 31.3.2018		0

- The Council can use capital receipts to fund any capital spend, so has fully used the balances, as shown in the tables above, to avoid using Corporate Funding in 2017-18. The capital receipt balances will be replenished as the Council generates new sales of land and buildings. The Property Programme strategy currently assumes £3.5m per year in capital receipts, although there may be potential for this to increase.
- The above tables also show while avoiding a requirement for Corporate funding, the Council also has a sizeable balance of capital grants to support the Capital Investment Plan in future years. Such grants are given for specific projects, so balances are more likely to be carried forward because they can only fund particular capital spend. However, the current Capital Grant balance of £47.3m, will enable significant investment in the district in future years.
- Overall, though, the use of balances of capital grants and receipts has avoided the use of Corporate Borrowing in 2017-18, while the estimates prepared for the 2018-19 budget assumed a requirement for some. The capital financing costs included in the 2018-19 revenue budget are calculated on the estimated total for all Corporate Borrowing up to 1 April 2018.
- Therefore, a positive outcome from the Capital Outturn position is a saving on the capital financing costs. This saving is preliminarily estimated at around £1m. The saving is currently being reviewed and analysed. It will be further considered as part of the separate report on capital financing costs to Full Council on 17 July 2018.
- Another positive outcome is that the Capital Outturn position has led to an increase in assets held on the Council's balance sheet. As noted above, of the £72.9m spend, £12.4m was on residents houses and other schools, leaving £60.5m additions to the balance sheet.
- Other outcomes for capital in 2017-18 were a net £26.6m upward revaluation of the Council's property by a qualified in house property valuer. While this revaluation is not an increase, it reflects the expectation of the valuer of increases in the service benefit that can be derived from the Council's property portfolio.
- Other changes to the property portfolio's value shown on the balance sheet included £32.1m of depreciation reflecting the cost of their wear and tear from delivering services

over the 2017-18 financial year. There was also £32.9m of property disposal, although this mainly relates to a technical accounting adjustment when schools convert to academies. Accounting rules require that such schools are removed from the Council's balance sheet.

- The changes on the property portfolio described above, which impact on its value, are summarised in the table below.

	Opening balance sheet 31/03/17	Additions	Asset disposal	Depreciation	Revaluation	Reclassify	Closing balance sheet 31/03/18
	£m	£m	£m	£m	£m	£m	£m
Land, Buildings & vehicles	935.2	56.1	-30.6	-31.9	19.5	-1.8	946.5
Investment Property	48.6	4.4	-0.9	0.0	7.0	-0.2	58.9
Heritage Property	36.9	0.0	0.0	0.0	0.2	0.0	37.1
Mainly software licences	0.8	0.0	0.0	-0.2	0.0	0.0	0.6
Assets ready to sell	0.5	0.0	-1.4	0.0	-0.1	2.0	1.0
Total	1,021.9	60.5	-32.9	-32.1	26.6	0.0	*1,044.0

6.0 COUNCIL TAX AND BUSINESS RATES

- The Council holds a separate account (Collection Fund) both for the collection of Council Tax and Business Rates and distributing them back out to public bodies comprising the Council, Government, West Yorkshire Police and Crime Commissioner and West Yorkshire Fire and Rescue Authority. By statute these distributions are the budgeted amounts. A surplus or deficit is created on the separate account when the amount of Council Tax or Business Rates is less or more than the budgeted amount.
- In summary a surplus or deficit is generated because the distributions during the year are the budget amounts, while the actual collection of Council Tax and Business Rates always varies from the budget. The surplus or deficit on the account has to be paid back in the following year, by adding it onto that year's budget. However, the budget for Council Tax and Business Rates is set before the Outturn for the previous year is complete. The previous year's surplus or deficit added to the budget is based on an estimated Outturn rather a final Outturn.
- Overall for both Council Tax and Business Rates there were deficits in 2017-18. However, Bradford's share of the deficit that has to be paid back in the following year, is the proportion of Bradford's distributions compared to the total distributions.
- The individual results for Council Tax and Business Rates are discussed in more detail below.

Council Tax

- Bradford's share of the Council Tax deficit for 2017-18, so the amount that has to be paid back in the future, was £0.97m. The total deficit to be paid back by all the different bodies which receive distributions out of the separate account was £1.1m.
- Bradford's £0.97m share of the deficit is higher than the £0.4m which it expected to pay back in 2018-19, when the budget for 2018-19 was set. This means that there is a £0.57m pressure in 2018-19, directly reducing budgeted Council Tax when the next budget is set for 2019-20. However, to deal with this, an earmarked reserve for £0.57m was set aside at the end of 2017-18 to fund this pressure.
- There are a number of reasons for the overall deficit of £1.1m. Around £0.35m was caused because the cost of Council Tax reduction under the old scheme reduced more slowly than anticipated. A further £0.26m pressure was caused because the anticipated 2016-17 surplus, was lower for the final outturn than expected at the time the budget was set.
- The remaining part of the deficit is caused by chargeable Council Tax being £1.49m lower than expected, mitigated by a £0.95m saving in the amounts set aside to cover the projected unpaid amounts on remaining Council Tax Debt from all years prior to 31 March 2018. Lower chargeable Council Tax was caused by an increase in the uptake of discounts and exemptions in 2017-18. The overall result is shown in the table below.

	2017-18 Budget £m	2017-18 Actual £m	Deficit/(Surplus) £m
Previous year (surplus)	-2.34	-2.34	0.00
Distribution of surplus	2.34	2.09	-0.26
Chargeable Council Tax	240.35	238.87	-1.49
Council Tax Support	-33.64	-33.99	-0.35
Bad Debt Provision	-4.75	-3.80	0.95
Police payment	-20.57	-20.57	0.00
Fire distribution	-8.30	-8.30	0.00
Parish distribution	-1.71	-1.71	0.00
Bradford's distribution	171.39	171.39	0.00
Current Year deficit	0.00	1.14	1.14
Bradford's 85.6% share of deficit	0.00	0.97	0.97

- As noted above, a positive trend is the saving on the amounts set aside to fund unpaid Council Tax debt. Applying the same calculation model used in previous years against all the remaining outstanding debt, has allowed a lower amount than expected to be set aside.
- Further the collection rate for 2017-18 Council Tax debt to date has remained very close to the collection target.

Council Tax Collection	2015/16	2016/17	2017/18
Council Tax - Dwellings administered	212,133	213,645	214,856
BV9 Council Tax collected in year to 31 Mar £000s	173,574	182,085	193,475
BV9 % of Council Tax Collected to 31 Mar	94.20%	94.00%	94.20%
Council Tax Collection Target at 31 Mar	95%	94.50%	94.50%

Business Rates

- Bradford's share of the Business Rates deficit, representing the amount that has to be paid back in 2018-19, was £1.8m. However, the total deficit on Business Rates, including the shares for Government and the West Yorkshire Fire and Rescue Authority, was £3.7m.
- Of Bradford's £1.8m share of the deficit, £0.7m is already included in the 2018-19 budget. This still creates an additional £1.1m pressure to be repaid when setting the 2019-20 budget.
- The main cause of the increased deficit, though, were additional discounts granted to businesses, mandated by Government policy, for which the Government compensates the Council with Section 31 grants. Such Section 31 grants are not transferred into the separate account for Council Tax and Business Rates but form part of the normal revenue budget. As a result, within the revenue budget the Council received £0.7m more Section 31 grants, which have been set aside in an earmarked reserve. This reserve will be released to match the 2019-20 pressure arising from the increased deficit.
- However, as noted above, overall Bradford's share of the Business Rates deficit was £1.8m. The main drivers of this was lower than expected chargeable Business Rates, including the impact of discounts (known technically as reliefs) awarded to businesses. This is summarised in the table below.

	2017-18 Budget £m	2017-18 Actual £m	Deficit/(Surplus) £m
Total Rateable Value	390.79	386.14	4.65
Gross Rates Yield (@0.466p)	182.11	179.94	2.17
Previous year surplus/deficit	-11.96	-11.93	-0.03
Less discounts (Reliefs)	-40.94	-43.41	2.47
Less bad debt provision	-2.62	-1.79	-0.83
less appeal provision	-8.27	-8.24	-0.03
Less allowance for collection	-0.74	-0.74	0.00
Total	117.58	113.84	3.75
Bradford's 49% share	57.62	55.78	1.84

- The table above shows that the overall value of Business property was £4.65m lower than anticipated, which when applied against the tax rate of £0.466 causes a £2.17m cash loss. There is also a cash loss from increased discounts, though as noted above some of this is offset by increased Section 31 grants.
- The challenge with Business Rates is that Businesses can always appeal against the amount of tax they pay, including past years. It is always difficult to estimate the amount that will be paid back as a result of these appeals. For 2017-18 the table above shows that the cost of the appeal provision was almost exactly in line with the budget. Despite this, there is still uncertainty around the eventual cost of appeals. In particular, it is difficult to estimate the impact of a new appeals process introduced in 2017-18.
- The table above also shows there was a small saving in the cost of all unpaid debt. Indeed the in-year debt collected as at 31 March exceeded its target, as can be seen from the table below.

Business Rates Collection	2015/16	2016/17	2017/18
Number of Business Rates bills issued plus the number of summonses	34383	37,766	41,523
CIS_034 (BV10) - Business Rates collected in year to 31 March £000s	131.9	142.4	137.3
BV10 % Business Rates collected in year to the March	96.94%	97.01%	97.5%
Business Rates Collection Target at the 31 March	97.9%	97.9%	97.2%

Ref	Saving Narrative	Budgeted Saving £000s	Forecast Saving £000s	Variance £000s
Health & Wellbeing				
3A1	Changes to the Contributions Policy	611	0	611
3A2	Changes to Older People and PD Home Care Service	1,500	0	1,500
3A3	Changes to Supported Living for Learning Disabilities	500	209	291
3A6	Changes LD Day Care and Procurement	1,000	0	1,000
3A7	Changes to Housing Related Support	1,000	710	290
3A8	Continue to Review Learning Disabilities Travel Support	360	187	173
3A10	Changes to Contracts for LD Residential and Nursing	1,000	0	1,000
3A12	Review Charging Arrangements for People with MH – 17/18	250	0	250
4A1	Adults - Overall Demand Management Strategy - moving from a dependency model to one that promotes independence and resilience (e.g. reducing numbers coming in to care, care system culture change, speeding up integration, redesign enablement, reviewing financial needs, continued personalisation).	8,000	746	7,254
4A2	Demand management – further reductions in high cost packages, further reductions in Supported Living contracts/packages, various reductions in travel and fees.	2,000	1,450	550
Total 2017-18 new budget savings				12,919
3A10	Changes to Contracts for LD Residential and Nursing	278	55	223
3A12	Review Charging Arrangements for People with MH	215	68	147
Unachieved savings from prior years				370
Health and Wellbeing Total				13,289
Children's Services				
3C7	Looked After Children - bring children cared for outside of Bradford back into the District.	500	85	415
4C4	Child Protection management restructure - reduction in teams by four to ten with potential reduction in team managers plus review other overall budgets	240	60	180
4C7	Looked After Team – Review of staffing and non-staffing budgets	19	0	19
4C14	Reducing agency spend in Children's Social Care Services	1,025	0	1,025
4C16	Administrative Support restructure – rationalisation of the supervision and management structure	100	35	65
Total 2017-18 new budget savings				1,704
3C7	Looked After Children - bring children cared for outside of Bradford back into the District.	624	0	624
3C8	Looked After Children - Reduce the Numbers of Looked After Children by 75 Over 2 Years.	815	0	815
Unachieved savings from prior years				1,439
Children's Services Total				3,143

Department of Place				
3E1	Support & Encourage Recycling	200	130	70
3E2	Introduction of Charges for Green Waste	310	190	120
3E4	Alternative Week Waste Collection	1,000	575	425
3E9	Sports Facilities – new online booking system	50	25	25
3E11	Restructure Sports & Culture Management Staffing	100	0	100
3E13	Transfer Ownership of Playing Pitches & Facilities to Sports Clubs, Parish Councils & Community Organisations	80	60	20
3E14	Parking Charges at Some Parks and Woodlands	40	10	30
3E19	Museums – restructure of the Service	80	0	80
3E22	Review of Tourism Budget	50	0	50
4R3	Commercialise HDU to increase the range of services provided	223	293	(70)
4R4	Centralisation of urban traffic control	119	0	119
3R13	CCTV – commercial income generation	100	50	50
3R14	Street Lighting - Partial Night Switch Off	100	50	50
3R18	Re-Structure Planning Transport & Highways and Transfer Some Functions to the West Yorkshire Combined Authority	125	0	125
Total 2017-18 new budget savings				1,194
R19	Reform services following on from highways delivery review. Reduce lighting costs and energy consumption through reduced and/or varied street lighting levels across the district's modern lighting stock. Securing a reduced highways insurance premium due to application of new legislation. Reduce the operational budgets for Urban Traffic Control, Street lighting and Highway Maintenance which represent a 10% reduction in operational budgets with a resultant pressure on maintaining assets across those areas. This would adversely affect: the efficiency of first time permanent repair of potholes; overall network condition; potential increase in insurance claims; risk of traffic disruption due to signal failure; increase in repair times for street lighting	170	0	170
Unachieved savings from prior years				170
Department of Place Total				1,364
Travel Assistance		4,774	0	4,774
Total Forecast underachievement				22,570

Reserves Statement as at 31st March 2018

Annex 2

	Opening Balance £000	Movement in 2017-18 £000	Closing Balance £000	Comments
A. Reserves available to support the annual revenue budget				
Unallocated Corporate Reserves	14,497	0	14,497	
Total available Unallocated Corporate Reserves	14,497	0	14,497	
B Corporate Earmarked Reserves to cover specific financial risk or fund specific programmes of work.				
ESIF - STEP	1,198	29	1,227	Funding to support young and disadvantaged people into employment
Managed severance	4,093	-4,093	0	Money to meet termination costs in the years beyond 2017-18. Used to support 2017-18 budget.
Exempt VAT	2,000	0	2,000	Amount set aside to meet the estimated cost of VAT that the Council would not be able to recover should it exceed its partial exemption limit.
Waste Collection and Disposal Options	3,063	-3,063	0	A Trade Waste VAT claim resulted in a £4.4m reimbursement. This has been set aside to address future Waste Collection and Disposal costs
Trade Waste VAT refund	343	-64	279	£120k per annum to be used in 2015-16 onwards to contribute towards the cost of Financial Services.
PFI credits reserve	805	-121	684	Funding to cover outstanding potential Building Schools for the Future liabilities.
Insurance	1,775	0	1,775	To mitigate and smooth the impact of any future increases in insurance premiums.
Industrial Centres of Excellence	1	0	1	
Sports Strategy	104	-104	0	To cover feasibility costs associated with the Sports Strategy.
Single Status	23	0	23	To cover any residual implementation of Single Status costs.
Transformation Programme	125	-125	0	To fund transformational activity
Better Use of Budgets	2,788	-1,118	1,670	To cover deferred spend on priority work from 2016-17.
Producer City Initiative	192	-30	162	To pump prime initiatives linked to the Council's Producer City programme
Regional Growth Fund	5,187	-520	4,667	The Council's revenue match funding for the Regional Growth Fund
Regional Revolving Investment Fund	3,956	-2,804	1,152	Money set aside in 2013-14 carried forward to meet the Council's commitment to the Regional Revolving Investment Fund.
Discretionary Social Fund	1,848	-129	1,719	To fund a replacement local welfare scheme following the government ending its Local Welfare Assistance grant programme at 31 March 2015.
Transitional and Risk Reserve	6,864	4,047	10,911	To help fund Transitional work, and cover risks.

	Opening Balance £000	Movement in 2017-18 £000	Closing Balance £000	Comments
Dilapidation & Demolition	2,000	-372	1,628	At the end of a lease on a building, the Council will be liable for any dilapidations of the building. The Council also plans some demolition work.
Health Integration Reserves	222	0	222	Available to fund projects that lead to greater integration between the Council and its Health partners.
Match Fund Basic needs Grant	700	0	700	
Strategic Site Assembly	756	0	756	
Implementation Reserve	0	3,970	3,970	To fund Projects associated with delivering 2017-18 savings plans.
Insurance Risk	0	1,893	1,893	From reduction in provision
S31 offset to NDR deficit	0	735	735	To be used in 2019-20
Council Tax Reserve	0	575	575	To be used in 2019-20
Redundancy Provision	0	2,430	2,430	Help fund redundancy costs beyond 2020.
Review of Council's MRP Policy	0	10	10	
Review of Council's Pension Guarantees	0	10	10	
Leeds City Region WYTF	0	421	421	Transport Fund
Leeds City Region Economic Development	0	402	402	
Financing Reserve	0	23,738	23,738	Change in MRP policy
Sub Total	38,043	25,717	63,760	
C. Reserves to support capital investment				
Renewal and replacement	13,283	-8,146	5,137	Funding used to support the capital investment programme.
Markets	1,148	-480	668	Cumulative Market trading surplus's to be re-invested in maintaining market buildings throughout the district.
Sub total	14,431	-8,626	5,805	
D. Service Earmarked Reserves	41,685	-4,330	37,355	See Annex 3
E. Revenue Grant Reserves	8,366	4,571	12,937	
F General Reserves				
General Fund	10,803	0	10,803	The GF balance acts as a necessary contingency against unforeseen events. The balance at 31st March represents a minimum of 2.5% of the Council's budget requirement in line with council policy and the general advice of External Auditors.
Schools delegated budget	25,217	-4,667	20,550	Represents in the main balances held by schools as part of delegated budget responsibility. These balances are not available for Council use but are balances attributable to individual schools.

	Opening Balance £000	Movement in 2017-18 £000	Closing Balance £000	Comments
Sub Total General Fund Reserve & School balances	36,020	-4,667	31,353	
Grand total	153,042	12,665	165,707	

Departmental Earmarked Reserves Statement at 31st March 2018

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Adult and Community Services				
Supporting People	1,416	-662	754	Funding to support invest to save projects
Integrated Care	4,491	-3,200	1,291	NHS and Council monies used to support ring fenced projects and integration of health and social care
Great Places to Grow Old	436	-147	289	Funding to cover management and staffing costs linked to the transformation of services for older people.
Care Act Reserve	4,543	-3,549	994	To support the implementation of the Care Act
Public Health	59	0	59	
Total Adult and Community Services	10,945	-7,558	3,387	
Children Services				
BSF Unitary Charge	6,929	389	7,318	These reserves are being built up to ensure that in the future there is sufficient money available to meet the cost of BSF annual contract payments when the PFI grant the Council receives reduces
BSF Unitary Charge Phase 2	4,465	312	4,777	See above
Children's Service Program Support	52	47	99	
Better Start Programme	90	42	132	Council's two year contribution to a programme that will bring in £50m of revenue investment to the District over a 10 year period.
Travel Training Unit	0	368	368	
Early Help Enabler Support	0	500	500	Programme Support
Bradford Learning Network (Broadband)	0	128	128	
Early Help Workforce Development	0	81	81	
Recruitment & Retention	105	-63	42	
Routes to Work	348	-348	0	Employment and Skills funding that was carried forward from 2014-15 to complete initiatives that span more than twelve months.
Advanced Skills Fund	10	-10	0	
Retail Academy (Skills for Employment)	227	35	262	
Child Sexual Exploitation Prevention	300	-300	0	To support the continuation of CSE work in 2017-18.
Training Work Programme (Skills for Work)	927	-128	798	
Total Children	13,453	-1,053	14,506	

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Department of Place				
Marley pitch replacement	305	0	305	To provide match funding under the terms of grants given to maintain Sports and Leisure venues across the District
Waste disposal procurement	83	-83	0	Set aside to meet Departmental costs associated with delivering a Waste Management solution
City centre regeneration	51	0	51	
Customer Service Strategy	835	-773	62	Non recurring investment to be used to fund the Customer Service Strategy.
Taxi Licensing	491	55	546	Statutory requirement to set aside any taxi licensing surplus when setting future fees.
Theatres Box Office	446	200	646	
Cricket Pitch Refurbishment	310	0	310	
Culture Service Transition	121	0	121	To cover costs associated with modernising the service and adopting a different service delivery model.
Art Fund	12	-12	0	To fund the purchase of works of Art.
HLF Building Maintenance	10	0	10	A condition of the HLF grant is that an asset management programme is in place to maintain Manningham Library to a specified standard.
Torex	10	0	10	To address e-Govt targets and improve service delivery.
Saltaire Tourist Information Centre	15	0	15	
Culture Company	173	-100	73	Help create a Culture Company
Gym Equipment	133	0	133	To fund replacement gym equipment in Sports Facilities
Museum Restoration	91	-15	76	
Tour De Britain	8	0	8	
Tour De Yorkshire	279	-192	87	To help fund the Tour De Yorkshire
Lidget Moor YC	18	-9	9	To support Youth Services in Lidget Green Area
Empty Homes	125	-125	0	To support the on-going programme to bring empty homes back into use
Council Housing Reserve	455	161	616	To meet future costs associated with later stages of the affordable housing programme

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Housing Development Programme	75	0	75	Fee income generated to be used to subsidise the delivery of projects in future years.
Bradford District Improvement District	0	125	125	
HMO Licencing Scheme	0	319	319	
VCS Transformation Fund	0	160	160	
Tree & Woodland Planting Fund	0	76	76	
City Park Sinking Fund	784	1	785	Funding set aside to meet the future maintenance costs of City Park.
European Structural Investment Programme	867	596	1,463	Match funding for ESIP
Empty Rates Relief Scheme	500	0	500	Supporting Business Growth
Stock Condition	95	-95	0	Funding to procure Stock Condition Surveys.
Private Housing Rented Option	664	-464	200	To undertake a feasibility study for a Social lettings Agency.
Homelessness prevention	956	-673	283	To fund initiatives to prevent Homelessness.
District Tenants Federation	30	0	30	Funding committed to provide support to District Tenants Federation
Clergy House/Jermyn Court	0	74	74	Set aside for Clergy House/Jermyn Court
Cold Weather Calculator	0	11	11	Licence costs over several years
Fresh Start	0	412	412	Housing project focussing on offenders
Complex Needs Project	0	280	280	Project to support hard to place vulnerable homeless people
B&B Emergency Contingency	0	261	261	
Housing Options IT System	0	173	173	IT system
PT&H Local Plan	0	600	600	Complete the Local Plan
PT&H Local Plan Transport Modelling	0	250	250	Complete the Local Plan
Ad:venture & community enterprise Reserve	0	83	83	
Economic Strategy Reserve	0	186	186	
Well England Reserve	0	200	200	
Department of Place	7,942	1,682	9,624	

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Corporate Resources				
Schools Traded HR Reserves	106	0	106	To mitigate the risk of changes in customer base.
Business Support Centre	72	-72	0	To support organisational development
Workforce Development	549	-300	249	Changing the organisation - vision & values, recruitment & selection, development of managers, performance management, leadership & succession planning.
Learner Management System	81	0	81	Software/system implementation etc. in support of workforce development.
District Elections	192	43	235	To smooth the cost of District Elections over a four year period.
Non Council Events programme	10	0	10	To support events put on by non-Council.
Community Support and Innovation Fund	352	0	352	To support community led service provision and investment in initiatives that engage with vulnerable people.
Subsidy Claim	711	0	711	Contingent support set aside to address the fluctuations in the subsidy claims.
ICT Programmes Budget	6,212	500	6,712	To fund future ICT projects
UC Admin Reserve	545	0	545	To help cover the cost of the implementation of universal credit administration.
Facility Management Service Improvement	515	-515	0	To support investment in service improvements and cover against uncertainty in the client base
Additional cost of projects including legal and 3rd party costs Reserve	0	350	350	
ISG over achievement trading reserve	0	257	257	
Energy unit	0	230	230	Help manage in-year price volatility
Total Corporate Resources	9,345	493	9,838	
Total Service Earmarked Reserves	41,685	-4,330	37,355	

Capital Expenditure

Capital Executive Report

Scheme No	Scheme Description	Original Budget 17-18	Exec Report Q4	Spend 31 Mar 18	Variance	Funding			Budget Total
						Specific Grants, cap receipts, reserves	Invest to Save Funding	Remainder funding requirement	
		£'000's	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health and Wellbeing									
CS0237	Keighley Rd Extra Care	4,324	2,050	1,805	-245	1,805	0	0	1,805
CS0237	Keighley Rd Residential Care	7,432	1,100	1,098	-2	1,098	0	0	1,098
CS0373	BACES DFG	0	667	64	-603	64	0	0	64
CS0239	Community Capacity Grant	3,593	151	25	-126	25	0	0	25
CS0348	Whiteoaks Respite Centre	0	153	63	-90	63	0	0	63
CS0311	Autism Innovation Capital Grant	0	19	0	-19	0	0	0	0
CS0312	Integrated IT system	0	131	41	-90	41	0	0	41
CS0352	Electric vehicle charging infrastructure	0	30	29	-1	29	0	0	29
Total - Health and Wellbeing		15,349	4,301	3,125	-1,176	3,125	0	0	3,125
Children's' Services									
CS0249	Schools DRF	0	0	1,460	1,460	1,460	0	0	1,460
CS0256	2yr old Nursery Educ Expansion	0	55	54	-1	54	0	0	54
CS0278	Targeted Basic Needs	47	74	40	-34	40	0	0	40
CS0286	Outdoor Learning Centres	30	33	6	-27	6	0	0	6
CS0297	Universal Free Sch Meals - Kitchen	0	0	0	0	0	0	0	0
CS0022	Devolved Formula Capital	0	914	793	-121	793	0	0	793
CS0030	Capital Improvement Work	0	173	131	-42	131	0	0	131
CS0240	Capital Maintenance Grant	4,538	5,569	4,400	-1,169	4,400	0	0	4,400
CS0244	Primary Schools Expansion Progr	16,392	4,094	4,090	-4	4,090	0	0	4,090
CS0244	Silsden Sch £7.265m Exec 12/04/16	1,900	768	824	56	824	0	0	824
CS0244	SEN School Expansions	0	1,609	1,195	-414	1,195	0	0	1,195
CS0360	Early Yrs 30 hrs childcare	0	487	481	-6	481	0	0	481
CS0313	School Capital Loans	550	0	0	0	0	0	0	0
CS0314	Foster Homes Adaptation	0	16	15	-1	15	0	0	15
CS0316	Tracks Educational provision	0	8	7	-1	7	0	0	7
CS0322	Horton Park Prim Open Spaces	14	21	15	-6	15	0	0	15
CS0362	Secondary School Expansion	0	150	107	-43	107	0	0	107
CS0377	LA SEN Free School	0	50	3	-47	3	0	0	3
CS0343	Childrens Home Build Works	0	46	2	-44	2	0	0	2
CS0382	Finance Leases	0	0	201	201	201	0	0	201
CS0389	Adaptation of SHMH - YOT	0	0	51	51	51	0	0	51
Total - Children's' Services		23,471	14,067	13,875	-192	13,875	0	0	13,875

Scheme No	Scheme Description	Original Budget 17-18	Exec Report Q4	Spend 31 Mar 18	Variance	Specific Grants, cap receipts, reserves	Invest to Save Funding	Remainder funding requirement	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Place - Economy & Development Services									
CS0134	Computerisation of Records	10	0	0	0	0	0	0	0
CS0136	Disabled Housing Facilities Grant	4,273	3,858	3,951	93	3,951	0	0	3,951
CS0137	Development of Equity Loans	1,500	800	787	-13	0	0	787	787
CS0144	Empty Private Sector Homes Strat	1,021	600	694	94	342	0	352	694
CS0225	Afford Housing Prog 11-15	240	126	126	0	0	126	0	126
CS0308	Afford Housing Prog 15 -18	18,468	12,000	12,960	960	3,635	9,325	0	12,960
CS0250	Goitside	205	5	4	-1	0	0	4	4
CS0280	Temp Housing Clergy House	50	263	31	-232	0	0	31	31
CS0335	Bfd Cyrenians 255-257 Mngm Ln	30	163	153	-10	153	0	0	153
CS0084	City Park	205	0	46	46	46	0	0	46
CS0085	City Centre Growth Zone	1,300	0	0	0	0	0	0	0
CS0086	LEGI	51	0	0	0	0	0	0	0
CS0189	Buck Lane	111	41	6	-35	0	0	6	6
CS0228	Canal Road	200	0	0	0	0	0	0	0
CS0241	Re-use of Fmr College Builds Kghly	306	152	135	-17	0	0	135	135
CS0266	Superconnected Cities	882	0	0	0	0	0	0	0
CS0291	Tyrils	1,000	0	18	18	0	0	18	18
CS0265	LCR Revolving Econ Invest Fund	1,956	2,299	1,148	-1,151	1,148	0	0	1,148
CS0285	Strategic Development Fund	1,167	0	0	0	0	0	0	0
CS0378	Cust Serv Strategy	250	33	16	-17	0	0	16	16
CS0345	Develop Land at Crag Rd, Shply	1,441	503	814	311	814	0	0	814
CS0382	New Bolton Woods	0	0	93	93	93	0	0	93
Total - Place - Economy & Development Serv		34,666	20,843	20,982	139	10,182	9,451	1,349	20,982
Place - Planning, Transport & Highways									
CS0131	Kghly Town Cntr Heritage Initi	0	397	241	-156	178	0	63	241
CS0178	Ilkley Moor	18	18	0	-18	0	0	0	0
CS0179	Landscape Environ Imp	0	23	2	-21	2	0	0	2
CS0281	Saltaire - Public Realm imp	0	0	2	2	0	0	2	2
CS0071	Highways S106 Projects	586	72	37	-35	37	0	0	37
CS0372	Countryside S106 Projects	0	0	2	2	2	0	0	2
CS0091	Capital Highway Maint	0	4,968	4,960	-8	4,960	0	0	4,960
CS0095	Bridges	0	806	927	121	927	0	0	927
CS0096	Street Lighting	0	203	191	-12	191	0	0	191
CS0099	Integrated Transport	0	431	1,061	630	1,061	0	0	1,061
CS0103	WY Casualty Reduction Ptner	0	36	52	16	52	0	0	52
CS0164	Local Intgrtd Transp Area Com	0	660	687	27	687	0	0	687
CS0168	Connecting the City (Westfield)	0	57	40	-17	40	0	0	40
CS0172	Saltaire R/bout Cong& Safety Works	0	320	39	-281	39	0	0	39
CS0252	Measures to Support Hubs	45	45	0	-45	0	0	0	0
CS0264	Highway to Health	0	234	440	206	440	0	0	440
CS0282	Highways Strategic Acquisi	0	206	30	-176	0	0	30	30
CS0289	Local Pinch Point Fund	0	502	7	-495	0	0	7	7

Scheme No	Scheme Description	Original Budget 17-18	Exec Report Q4	Spend 31 Mar 18	Variance	Specific Grants, cap receipts, reserves	Invest to Save Funding	Remainder funding requirement	Budget Total
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0293	West Yorks & York Transport Fund	2,966	2,853	1,999	-854	1,999	0	0	1,999
CS0353	Strategic land purch Hard Ings Kghly	950	0	0	0	0	0	0	0
CS0355	Strat land purc Hrrgte Rd/New Line Jct	3,500	0	0	0	0	0	0	0
CS0296	Pothole Fund	0	428	354	-74	354	0	0	354
CS0306	Strategic Transp Infrastr Priorit	1,810	550	0	-550	0	0	0	0
CS0306	Connectivity Project	0	4	4	0	4	0	0	4
CS0302	Highways Prop Liab Redn Strat	0	110	13	-97	0	0	13	13
CS0307	Bus Hot Spots	0	0	1	1	1	0	0	1
CS0310	Clean Vehicle Technology Fund	0	3	0	-3	0	0	0	0
CS0317	VMS Signage	0	39	0	-39	0	0	0	0
CS0319	Challenge Fund	750	2,465	1,076	-1,389	1,041	0	35	1,076
CS0323	Flood Risk Mgmt	0	285	89	-196	89	0	0	89
CS0325	Street Lighting Invest to Save	1,650	198	210	12	0	0	210	210
CS0329	Damens County Park	0	48	0	-48	0	0	0	0
CS0332	Flood Funding	0	919	532	-387	532	0	0	532
CS0334	Air Quality Monitoring Equip	0	9	0	-9	0	0	0	0
CS0350	Street Lighting Invest to Save	0	825	0	-825	0	0	0	0
CS0365	National Productivity Invest Fund	0	835	808	-27	808	0	0	808
CS0370	LTP IP3 One System Public Transport	0	779	376	-403	376	0	0	376
CS0371	LTP IP3 Places to Live and Work	0	629	243	-386	243	0	0	243
CS0375	Sign Shop	0	82	63	-19	0	63	0	63
CS0306	Strategic Acq - Highways	0	0	0	0	0	0	0	0
Total - Place - Planning, Transport & Highways		12,275	20,039	14,486	-5,553	14,063	63	360	14,486
Dept of Place - Other									
CS0060	Replacement of Vehicles	3,000	3,000	3,893	893	179	2,713	1,001	3,893
CS0066	Ward Investment Fund	0	0	0	0	0	0	0	0
CS0151	Building Safer Commun	0	0	0	0	0	0	0	0
CS0063	Waste Infrastructure & Recycling	797	677	676	-1	676	0	0	676
CS0132	Community Hubs	0	0	0	0	0	0	0	0
CS0274	Bfd Enhanced Recycle Collect Bid	0	0	0	0	0	0	0	0
CS0283	Above Ground Fuel Storage	0	110	0	-110	0	0	0	0
CS324	Waste Minimisation Strategy	0	0	0	0	0	0	0	0
CS0328	Cliffe Castle Various	0	35	0	-35	0	0	0	0
CS0374	Cartwright Hall CCTV	0	45	94	49	94	0	0	94
CS0376	Recycling Bins	0	680	680	0	0	0	680	680
CS0340	St George's Hall	3,568	3,000	3,995	995	1,246	0	2,749	3,995
CS0121	Roberts Park	0	65	69	4	0	0	69	69
CS0129	Scholemoor Project	83	0	0	0	0	0	0	0
CS0162	Capital Projects - Recreation	0	200	249	49	249	0	0	249

Scheme No	Scheme Description	Original Budget 17-18	Exec Report Q4	Spend 31 Mar 18	Variance	Specific Grants, cap receipts, reserves	Invest to Save Funding	Remainder funding requirement	Budget Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0187	Comm Sports Field & Facili	0	53	25	-28	25	0	0	25
CS0229	Cliffe Castle Restoration	605	2,458	2,360	-98	2,106	0	254	2,360
Total - Dept of Place - Other									
		15,328	11,924	12,761	837	4,804	2,713	5,244	12,761
Corp Serv - Estates & Property Services									
CS0094	Property Programme (bworks)	0	0	0	0	0	0	0	0
CS0294	Property Prog - Essential Maint	0	0	0	0	0	0	0	0
CS0262	Margaret McMillan Towers	0	22	22	0	0	0	22	22
CS0318	Property Programme 15/16	0	30	40	10	0	0	40	40
CS0333	Argos Chambers / Britannia Hse	723	1,171	420	-751	0	0	420	420
CS0344	Property Programme 16/17	0	544	633	89	0	0	633	633
CS0366	Property Programme 17/18	0	1,000	1,071	71	0	0	1,071	1,071
CS0368	Dishwasher	0	31	0	-31	0	0	0	0
CS0230	Beechgrove Allotments	0	0	0	0	0	0	0	0
CS0269	Burley In Whrfedle Culvert repair	0	97	80	-17	0	0	80	80
CS0050	Carbon Management	1,620	506	710	204	59	0	651	710
CS0305	Healthy Heating Scheme	0	90	31	-59	31	0	0	31
CS2000	DDA	0	50	0	-50	0	0	0	0
CS0361	Strategic Acquisitions	0	4,500	4,352	-148	0	4,352	0	4,352
CS0381	Fmr Odeon	0	0	309	309	0	0	309	309
CS0383	Jacobs Well Demolition	0	0	5	5	5	0	0	5
Total - Corp Serv – Estates & Property Services									
		2,343	8,041	7,673	-368	95	4,352	3,226	7,673

Scheme No	Scheme Description	Original Budget 17-18	Exec Report Q4	Spend 31 Mar 18	Variance	Specific Grants, cap receipts, reserves	Invest to Save Funding	Remainder funding requirement	Budget Total
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserve Schemes & Contingencies									
	General Contingency	2,000	471	0	-471	0	0	0	0
	Essential Maintenance Prov	2,000	0	0	0	0	0	0	0
	Bfd City Ctre Townscape Herit	2,750	750	0	-750	0	0	0	0
	Strategic Acquisition	10,000	10,000	0	-10,000	0	0	0	0
	School catering CPU Refurb	1,000	0	0	0	0	0	0	0
	Keighley One Public Sector Est	3,000	0	0	0	0	0	0	0
Total - Reserve Schemes & Contingencies		20,750	11,221	0	-11,221	0	0	0	0
TOTAL - All Services									
		124,182	90,436	72,902	-17,534	46,144	16,579	10,179	72,902

APPENDIX B – PROPOSED KPIS and Targets for 2018/19

Better Skills, More Good Jobs and a Growing Economy

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Increase GVA by £4 billion by 2030 to bring in line with national average for an economy of this size.	£170m (or 1.7% growth) in Bradford overall GVA	£9.9 billion	To close the gap, Bradford's economy needs to grow by faster than average for the UK. Target is 1.7% growth versus UK GDP forecast of 1.5% growth in 2017.	The national average GVA for an economy of Bradford's size is currently £14bn but (based on average national growth rates of GVA, this figure will be £18.5 billion by 2030.
20,000 more people into work in the district by 2030	1,670 additional in employment	223,000 people in employment in Bradford District	The 20,000 jobs target will be delivered across a flat profile over the next 12 years.	Not applicable
48,000 more people in the district with NVQ level 3 and above by 2030.	2,800	New target, average of previous 3 years performance is 1,230	Based on the target set as part of the Bradford District Economic Strategy	The overall national proportion of people with NVQ3 skills has had a year on year increase over the last three years.
Raise district average earnings (as measured by median gross resident full time wages)	£480 per week	£476 per week.	Target is for wages to be higher than they are in the current year and to close the gap with Yorkshire and Humber average.	National median wages increased by 2.2% in 2017. Yorkshire and Humber average growth is 0.9%.
Total number of visits to council cultural attractions (markets, museums and libraries)	6.6 million	6.7 million	Number of visitors used as a proxy. Target is to arrest rate of decline in visitors to 2%. Future measures of cultural impact to be explored.	Not applicable

Decent Homes – Proposed KPIs for 2018/19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
An additional 2,476 homes delivered per annum	2,476 homes delivered per annum	1,500 homes (Year to date)	1,500 homes (YTD)	Target agreed as part of the core housing strategy.
Increase the number of homes improved through council interventions	1,000 homes improved in 2018/19	1,012 homes improved in 2017/18	Measure included to track improvements to housing quality	No direct statistical comparisons.
Ensure statutory homelessness remains below the England average per 1,000 households	Below England Average per 1,000 households – currently 2.47	1.99 per 1,000	The Homelessness Reduction Act came into force in April 2018, affecting all local authorities by fundamentally shifting emphasis onto early intervention and prevention. It will therefore, be inappropriate to compare future performance with past data, therefore a target against the England average (based on the new approach) is more appropriate.	Oct –Dec 2017 Statistical neighbours is 0.7 per 1,000 residents. Oct-Dec 2017 England average is 0.58 per 1,000 households

Safe, Clean and Active Communities – Proposed KPIs for 2018/19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Reduce Crime rate per 1,000 people & bring in line with WY average (Current Bradford crime rate is 127 per 1,000 people)	112 crimes per 1,000 people (year to 31 Dec 17).	127 per 1,000 people (year to 31 Dec 17)	In the long run, the Council and partners are working to reduce crime rates to be in line with the West Yorkshire Average. In the short run, the target is to be in line with statistical neighbours.	West Yorkshire Crime Rate= 112 per 1,000 (yr to 31 Dec 17) Statistical neighbour crime rate is = 109 per 1,000 (yr to 31 Dec 17)
Improve the percentage of people from different backgrounds in the district who get on well together	Survey data began in July 2017. This first year of data should be used to set a baseline position for 2018/19 for targeting in future years	49.5% for July 17 – March 18	Collect baseline data for 2018/19 to create a target for improvement in future years	No current comparisons as the West Yorkshire Police Survey only began collecting data in July 2017.
Increase the % of household waste sent for reuse, recycling, composting or anaerobic digestion	Over 40%	37%	An improvement on the current recycling rates for the district	National and regional comparators
Reduce the number of people killed or seriously injured in road accidents	Target for Jan-Dec 2018: 173 KSI casualties Target for Jan-Dec 2019: 167 KSI casualties	193 KSI casualties (Jan-Dec 2017)	173 KSI casualties is Bradford District's KSI target for Jan-Dec 2018 (reducing to 167 for Jan-Dec 19). These targets have been set as part of The West Yorkshire Local Transport Plan which aims to reduce the number of fatal or serious road casualties in West Yorkshire by 50% by 2026. This reduction target uses the 2005-2009 average figure as a baseline. For the Bradford district this equates to a reduction from 248 to 124 casualties by 2026.	Target set at national level.

Good Start, Great Schools – Proposed KPIs for 2018-19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
EYFS at good level of development in the top 2 of our statistical neighbours	Above 69.7%	67.6%	Bradford currently performs below the national average, so being above the level of statistical neighbours is a stretching target for this indicator.	National average is 71% Statistical neighbour average is 66.36% Best amongst statistical neighbours is 69.8% (Sheffield), 69.7% (Telford and the Wrekin)
Every school to be judged good or better by September 2021	88% schools to be good or better by July 2019	77% schools are good or better (April 2018)	To lift the average to a figure towards the national and regional average.	National – 89% (Dec 2017) Regional (Y&H)– 84% (Dec 17) No data available for statistical neighbours
All SEND settings (PRUs & Special Schools) to be good or better by 2021	July 2019 86% SEND settings (12 out of 14 Special schools and PRUs) are good or better July 2019 Special Schools: 100% (7 out of 7) PRUs: 71% (5 out of 7 PRUs)	April 2018 79% SEND settings (11 out of 14 Special schools and PRUs) are good or better Dec 2017 and April 2018 Special Schools: 100% (7 out of 7) PRUs: 57% (4 out of 7 PRUs)	Currently Bradford's performance is below both the regional and the national averages due to two PRUs being in special measures and one judged as RI. One of the PRUs is improving and should secure a good outcome at its next inspection in 2019.	National – 92% SEND settings (Dec 2017) Regional (Y&H)– 88% SEND settings (Dec 17) No data available for statistical neighbours In December 2017 National Special Schools: 94% Regional Special Schools: 93% National PRUs : 86% Regional PRUs: 76%
By September 2020 KS2 Reading Writing and Maths at Expected Standard to be in line or above the national average	Sept 2019 69% end of KS2 pupils to achieve the expected standard in RWM	July 2017 57%	Bradford's performance is broadly in line with its statistical neighbours. The aim is to continue to close the gap with the national and the regional comparators.	July 2017 National – 61% Regional (Y&H)– 58% Statistical Neighbours: 57.3%

Good Start, Great Schools – Proposed KPIs for 2018-19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Continue to improve on the positive KS4 Progress 8 measure	October 2019: 0.05	October 2017: 0.02	Bradford's performance is better than the national and regional averages and one of the best performers amongst its statistical neighbours.	October 2017 National : -0.03 Regional (Y&H): 0.03 Statistical Neighbours: -0.12
Reduce percentage of unauthorised absences across all phases	Bradford All: 1.5% (Primary : 1.3% Secondary: 2.2% Specials: 1.2%)	Bradford All:1.9% (Primary : 1.4% Secondary: 2.6% Specials: 1.3%)	Currently Bradford's overall performance is worse than its statistical neighbours but unauthorised absence in special schools is lower and better than the national, regional and statistical neighbours. We need to close the gap in the primary and secondary schools.	National: All : 1.3% (Primary :1.1% Secondary: 1.5% Specials: 2.1%) Regional (Y&H): All:1.6% (Primary :1.3% Secondary: 2.0% Specials: 1.8%) Statistical neighbours: All 1.8% (Primary :1.5% Secondary: 2.2 % Specials: 2.2%)

Better Health, Better Lives – Proposed KPIs for 2018-19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Number of Looked after Children in Bradford per 10,000 under 18s	70 per 10,000 under 18s	69.3	Bradford performance is currently much stronger than for statistical neighbours so should look to be the strongest performing amongst this group	2016/17 Statistical neighbours = 81.8 National = 62.0 Regional = 67.0
Reduce childhood obesity rates at year 6 to statistical neighbour average	37.2%	37.9%	Aim to reduce to the levels of statistical neighbours.	Statistical neighbours =37.2% National average=34.2% Regional average = 34.6
Increase the number of adults who are physically active to the regional average	64.6%	63.7%	Bradford already performs better than its statistical neighbours.	Statistical neighbours =61.4% Regional average = 64.6% National Average = 66.0%
Improve fraction of mortality due to air quality to the regional average	4.8%	5.0%	Target is regional average as Bradford already performs better than the statistical neighbour average for this area.	Regional average = 4.8% Statistical neighbour average = 5.4% National average= 5.3%

Better Health, Better Lives – Proposed KPIs for 2018-19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Reduce number of 16-64 year olds in new care home placements per 100,000 over 18-64s	14.8	17.1	Move to the same performance as the top performing amongst our statistical neighbour group	England = 13.4 Statistical neighbours = 18.1
Maintain performance for the number of older people in new care home placements per 100,000 over 65s	570	571.3 (16/17 data)	This target has been selected as our current performance is ahead of national, regional and statistical neighbours.	England = 610.7 Yorkshire and Humber = 658.4 Statistical neighbours= 734.2
Sustain delayed transfer of care (delayed days) from hospital per 100,000 population aged 65+	315	315 (Average across the year)	Target is sustain our current rate which is already in the top 10 in the country	Bradford has the 7 th strongest performance in Delayed Transfers of Care in England

Well Run Council – Proposed KPIs for 2018-19

Performance Indicator	Performance target 2018/19	Current performance	Rationale	Performance of national average/ statistical neighbours
Ensure spending is within budget and year on year savings agreed by the council from February 2016 to March 2018 are delivered	£28.2 million savings	£22.6 million	Aligned to budget savings targets	No comparator data
Reduce the average number of sick days lost per employee from 11.29 days to 9.76 days.	9.76	12.06		No comparator data
Number of performance reviews completed	90%	15%	Completion of performance reviews is critical to ensure that staff are well managed and supported.	No comparator data
Percentage of employee declaring a disability	5.4%	3.9%	Included as a proxy for employee reporting protected characteristics	No comparator

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Report of the Assistant Director of Finance and Procurement to the meeting of the Executive to be held on 10th July 2018.

E

Subject:

Qtr. 1 Finance Position Statement for 2018-19

Summary statement:

This report provides Members with an overview of the forecast financial position of the Council for 2018-19.

It examines the latest spend against revenue and capital budgets and forecasts the financial position at the year end. It states the Council's current balances and reserves and forecasts school balances for the year.

Andrew Crookham
Assistant Director – Finance &
Procurement

Portfolio:

Leader of the Council and Corporate

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Overview & Scrutiny Area:
Corporate

FIRST QUARTER FINANCIAL POSITION STATEMENT FOR 2018-19

1.0 INTRODUCTION

This report is the first monitoring report presented to Members on the Council's 2018-19 financial position. It provides an early indication of the revenue and capital financial position of the Council at the 31st March 2019.

The report covers

- The forecast outturn of the Council's revenue budget including management mitigations where issues have been identified.
- The delivery of 2018-19 approved budget savings plans.
- A statement on the Council's reserves including movements in the first quarter.
- An update on the Capital Investment Plan.
- An update on Council Tax and Business Rates collection.

2.0. MAIN MESSAGES

- Based on May 31st 2018 projection, the Council is forecast to spend £5.8m above the approved budget of £358.1m.
- The Department of Health and Wellbeing (formerly Adult Services and Public Health) is forecast to overspend the £102.9m net expenditure budget by £7.0m. This is mainly due to a forecast £6.8m underachievement of the 2018-19 £8m demand management saving.
- Children's Services are forecast to overspend the £93.2m net expenditure budget by £1.4m. The overspend is largely due to;
 - A £1.3m overspend on the £8.4m external purchased placements budget due to higher numbers of placements than budgeted. The service has reduced this overspend compared to previous years by placing children into external fostering placements instead of costlier external residential placements.
 - The fees and allowances budgets of £18.1m are also anticipated to overspend by £0.4m due to increased Special Guardians Order placements.
 - Social Work services are currently forecasting a £0.4m overspend on the £8.9m frontline Social Work staffing budget.
 - The above overspends are partly offset by other underspends in the Department.
- The Department of Place is forecast to overspend the £63.3m net expenditure budget by £3.4m. The overspend is largely attributable to;
 - A £2.5m overspend on Waste Management comprised of a £1.14m over spend in Waste Disposal, £1.04m over spend in Waste Collection, and continuing Waste Programme costs of £0.33m, previously funded from reserves but which have now been fully spent.
 - A continuing £0.8m overspend on Sports Facilities caused mainly by higher than budgeted employees expenditure.
 - A £0.8m overspend on Street Lighting caused mainly by energy pass through costs and underachieved savings.
 - £0.3m underachievement on Building Control income.
 - The overspends outlined above are partly offset by underspends in Neighbourhoods and Streetscene and other underspends across the Department.
- The above overspends in Health & Wellbeing, Children's Services and the Department of Place totalling £11.8m are partly offset by
 - £3.0m of corporate contingencies
 - £2.0m of forecast lower redundancy costs.

- £1.0m of other centrally held underspends
- Contained within the overall £5.8m overspend outlined above, £13.4m of the £28.2m¹ budgeted savings programme are forecast not to be delivered as intended. Although significantly lower than the £22.6m in 2017/18, the forecast underachievement is still higher than prior years reflecting the increased difficulty of delivering further savings after lower priority areas have already been cut.
- Since 2010, the Council has delivered £240m of savings that have been required as a result of cuts in government funding, and increases in demand for social care services.
- Having high levels of underachieved savings can have a very detrimental impact on the financial health of the Council as savings not delivered in year compound the difficulty in delivering future years' additional savings unless addressed. There is also an opportunity cost of the time lost that could have been used to deliver alternative savings. The underachievement of savings and their potential impact on the financial health of the Council is the main issue highlighted by this report and prior monitoring reports.
- The Leadership Team will oversee Departmental plans and actions that will seek to address the overspend and underachieved savings. Alongside this, further crosscutting mitigations will be considered.
- At 31st May reserves stand at £167.3m (Council £146.8m and Schools £20.5m). Net movements in reserves have led to a £1.6m increase in reserves from the start of the Section 4 details reserves.
- Unallocated reserves stand at £14.5m. This is equivalent to just 1.7% of the Council's gross budget excluding schools.
- Regarding Capital Expenditure, the profiled resource position for 2018-19 for the Capital Investment Plan (CIP) stands at £150.7m with £9m incurred at 31st May.
- New schemes that are recommended to be added to the Capital Investment Plan include;
 - £0.5m for Thornton Road / Toller Lane (A6177) Improvements. The scheme seeks temporary short term funding to secure the purchase of properties that can be successfully acquired by agreement in advance of full scheme funding through the West Yorkshire Transport Fund.
 - £0.3m additional funding to complete works to St Georges Hall.
 - £0.5m for the demolition of Jacob's Well, this scheme was approved by Executive in April 2017.
- Regarding Council Tax and Business Rates, the Council will receive in 2018-19 its budgeted shares. Any variance from the budget to the outturn is carried forward into 2019-20, so only impacts on next financial year. However, no significant variance is forecast for Council Tax or Business Rates.

¹ £20.6m are new budgeted savings, and £7.6m relates to underachieved savings from prior years that have carried over into 2018-19

2. COUNCIL REVENUE FORECAST

2018-19 Revenue Forecast as at 31st May 2018

The Council's approved net revenue budget of £358.1m is forecast to overspend by £5.8m. There are however a number of significant departmental budget variances as outlined.

In the Tables below, we show the planned and budgeted results from two perspectives.

Table 1a shows spending by Department, reflecting the Council's internal management accountabilities. Budgets are allocated to Directors who are accountable for their departmental expenditure.

Table 1a – Revenue forecast by department

	Gross expenditure			Income			Net expenditure		
	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m
Health and Wellbeing	215.6	222.4	6.7	-112.8	-112.5	0.2	102.9	109.8	7.0
Children's Services	483.2	485.0	1.7	-390.1	-390.4	-0.3	93.2	94.6	1.4
Department of Place	119.6	126.2	6.6	-56.3	-59.4	-3.2	63.3	66.8	3.4
Corporate Services	251.4	251.0	-0.4	-209.0	-208.7	0.3	42.4	42.3	-0.1
Chief Executive	4.0	4.0	0.0	-0.1	-0.1	-	3.9	3.9	0.0
Non Service Budgets	7.2	7.2	-	-1.3	-1.3	-	5.9	5.9	-
Central Budgets & Net Transfers To Reserves	81.8	75.8	-6.0	-35.3	-35.3	-	46.5	40.5	-6.0
Total Council Spend	1,162.9	1,171.6	8.7	-804.8	-807.7	-2.9	358.1	363.9	5.8

Table 1b shows the income and expenditure of the Council by priority outcome which reflect the alignment of resources with the priorities of the Council and the District as set out in the respective Council and District Plans. In essence the activities the Council undertake contribute to the delivery of the outcomes.

Table 1b – Revenue forecast by Council Plan Outcomes

	Gross expenditure			Income			Net expenditure		
	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m
Council Plan Outcomes									
Better Health Better Lives	435.1	445.8	10.7	-268.5	-269.8	-1.3	166.6	176.1	9.5
Better Skills, More Good Jobs And A Growing Economy	93.6	97.4	3.8	-49.6	-52.5	-2.9	44.0	44.9	0.9
Safe, Clean And Active Communities	62.5	64.0	1.5	-23.1	-22.6	0.5	39.4	41.3	2.0
A Great Start And Good Schools For All Our Children	419.3	418.9	-0.4	-393.7	-393.2	0.5	25.6	25.6	0.0
Decent Homes That People Can Afford To Live In	4.2	4.2	-	-0.7	-0.7	-	3.5	3.5	-
A Well Run Council	83.8	83.3	-0.9	-29.8	-29.6	0.6	54.0	53.7	-0.3
Non Service, Fixed and Unallocated	64.4	58.1	-6.3	-39.4	-39.3	0.0	25.0	18.8	-6.3
Total Council Spend	1,162.9	1,171.7	8.7	-804.8	-807.8	-2.9	358.1	363.9	5.8

2.2 Delivery of Budgeted Savings proposals

The combined budget savings of £20.6m in 2018-19² brings the total savings the Council has had to find in the eight years following the 2010 Comprehensive Spending Review (CSR) to £261.7m.

Table 2- Year on Year savings since 2010 CSR

	£m
2011-12	48.7
2012-13	28.5
2013-14	26.1
2014-15	31.8
2015-16	37.7
2016-17	45.6
2017-18	37.5
Less undelivered savings added back	-14.4
Total savings to 17-18	241.1
2018-19	20.6
Total savings	261.7

The 2018-19 budget includes £20.6m of new budget reductions, however £7.6m of prior year underachieved savings have carried forward into 2018-19, meaning that £28.2m of savings will need to be delivered in 2018-19.

In tracking progress made against each individual saving proposal, £14.7m (52%) of the £28.2m is forecast to be delivered, leaving £13.4m that is forecast not to be delivered.

Saving Tracker

	Prior year underachieved Savings outstanding at 31/3/18	2018/19 New Savings	Total Savings 2018/19	Forecast Variance 2018/19	Total Savings 2019-20 ³
Health & Wellbeing	1.6	12.4	13.9	6.8	13.1
Children's Services	0.0	0.5	0.5	0.0	4.1
Place	1.3	3.6	5.0	1.6	3.7
Corporate	0.0	3.5	3.5	0.3	2.3
Corporate (CEO)	0.0	0.5	0.5	0.0	0.1
Non Service Budgets & Cross Cutting	0.0	0.0	0.0	0.0	0
Travel Assistance	4.8	0.0	4.8	4.8	0
Total	7.6⁴	20.6	28.2	13.4	23.3

Although the forecast underachievement is lower than last year, it is higher than prior years.

	Underachieved Savings £ms
2013/14	4.4
2014/15	2.3
2015/16	4.9
2016/17	7.9
2017/18	22.6
2018/19	13.4 (Forecast)

The planned savings that are at risk of not being delivered in full are outlined in the table below, and in greater detail in section 3 Service Commentaries.

³ Additional budget savings will be required in line with the Medium Term Financial Strategy

⁴ Underachieved savings from prior years include the value of underachieved savings from 2016/17 and 2015/16 that were not achieved by 31/3/2018

	Prior year underachiev ed savings balance carried forward.	This years approved Budget Savings	Total Budget Saving to be delivered in year	This years Forecast Under / Over Achievement
Health and Wellbeing				
5A3 - LD Residential and Nursing Demand Management	773	2,480	3,253	2,480
5A2 = MH Residential and Nursing Demand Management		136	136	136
5A6 - Access review	-	2,000	2,000	2,000
5A7- Efficiencies in the contracting regime of all discretionary services		2,112	2,112	2,112
4PH11 – Environmental Health restructure		40	40	40
Health and Wellbeing Total	773	7,541	7,541	6,768
Department of Place				
4E2 - Waste Collection and Disposal Services – Full year effect of introduction of alternate weekly collection and associated round reduction, improved recycling, reduction in residual waste and improved efficiencies	-	807	807	500
4E11 - Sport and Physical Activity – investigate all methods of future operational service delivery	-	150	150	150
4R11 - Planning, Transportation and Highways - introduction of limited lighting hours / switch off of street lighting on non-principal road network	-	60	60	60
Total 2018/19 new budget savings		1,017	1,017	710
3E1 - Waste Minimisation – Support and Encourage Recycling; Provide One General Waste Bin and End the Collection of Side Waste. £500k saving applied to ref 3E1; this has been split between disposal costs and recycling income.	70	-	70	70
3E11 - Restructure Sports & Culture Management Staffing	100	-	100	50
3E13 - Transfer Ownership of Playing Pitches & Facilities to Sports Clubs, Parish Councils & Community Organisations	20	-	20	20
3E22 - Review of Tourism Budget	50	-	50	50
3E4 - Alternative Week Waste Collection	425	-	425	425
3E9 - Sports Facilities - New Online Booking & Membership System	25	-	25	25
3R13 - CCTV Services - seek to generate income through exploring the commercial opportunities for example services to education, other authorities and the private sector.	50	-	50	50
3R14 - Street Lighting - Partial Night Switch Off	50	-	50	50
3R18 Re-Structure Planning Transport & Highways and Transfer Some Functions to the West Yorkshire Combined Authority	125	-	125	125
Unachieved savings from prior years	915	-	915	865
Department of Place Total	915	1,017	1,932	1,575
4H1 - Human Resources – reduce HR transactional support, to reduce volume of service specific training				
	-	204	204	102
4H2 - Terms and Conditions – removal of non-contractual overtime payments and removal of essential car allowance lump sum payments				
	-	120	120	30

4R14 - Asset Management – make the best use of the Council's and public sector partners' estate working with the Voluntary and Community Sector
 Also seek to invest in non-operational property to generate surplus income

	-	360	360	120
Corporate Services Total	-	684	684	252
Travel Assistance Total	4,774	-	4,774	4,774
Total Forecast Underachieved Savings	6,462	9,242	14,931	13,417

- The forecast underachieved savings is the assessment at this early stage of the financial year. Work that is being undertaken to deliver these savings plans may reduce the forecast underachievement as the year progresses.

3. SERVICE COMMENTARIES

3.1 Health and Wellbeing

- The Department of Health and Well-Being is forecast to overspend the £102.9m net expenditure budget by £7.0m, all of which falls within Adult Services.

Health & Wellbeing	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Operational Services	161.2	166.9	5.7	-66.1	-65.9	0.2	95.1	101.0	5.9
Integration & Transition	9.9	10.8	0.9	-1.9	-1.9	-0.0	8.0	8.9	0.9
Strategic Director	0.5	0.7	0.1	-1.4	-1.4	-	-0.9	-0.7	0.1
Public Health	44.0	44.0	-0.0	-43.3	-43.3	-	0.6	0.6	-0.0
Total	215.6	222.4	6.7	-112.8	-112.5	0.2	102.9	109.8	7.0

Adult Services

- The 2017-18 outturn for the department highlighted a £21.4m pressure; this comprised of £13.3m of underachieved savings; further demand and cost pressures of £7.3m on the Purchased Care budget and other overspends across the department of £0.8m.
- Due to the financial pressure faced by the department and as a result of the 2018-19 budget process, £10m of savings have been deferred to future years (£2m to 2019-20 and £8m to 2020-21) and a further £1.5m saving was permanently deleted as it was conflicting to the new Home First strategy.
- The department also received additional funding of £8.4m for inflation and demographic growth and a further £1.4m one-off Adult Social Care Grant was received.
- This gave an increase to the budget of £21.3m before savings of £8m were applied.
- The department has increased care fees paid by £2.9m on an interim basis whilst a consultation process is underway with providers.
- The forecast £7m overspend at quarter one is primarily as a result of £6.8m underachievement of the 2018-19 £8m demand management saving. The department has allocated the saving to the following areas.
 - Older People (reduce packages of care) - £1m
 - Mental Health (reduce packages of care) - £0.1m
 - Learning Disabilities (review services, contracts and packages of care for people with learning disabilities to promote choice and independence) - £2.5m
 - Access Review - £2m
 - Efficiencies in Contracting - £3m
 - Direct Payment Reviews - £0.2m
- At quarter one, the forecast is indicating that £1m saving linked to reducing packages of care for older people will be achieved. This is due to the demand management and the Home First Strategy working very well in this area. The direct payment reviews (£0.2m) is also forecast to be achieved
- Learning Disability Services have an underlying £11m pressure in the budget and the further savings also add to this pressure. Action plans have been drawn up and intensive monitoring and scrutiny is taking place through task and finish groups and transformation boards.
- The Access review is unlikely to achieve the full savings target in year due to the time delay in preparing and implementing plans. Further work on gathering baseline data to aid the monitoring will be completed during the summer.

- There is a full review and scrutiny of all contracts however, due to timing of contract end dates and staffing resources to review each spot contract there will be a delay in delivering this savings in full this year.

Mitigating Actions

In terms of the Health and Well Being savings, the service will continue on the delivery of the demand management approach, which within Older People and Physical Disabilities has shown positive results. As such, the focus of will be in Learning Disability and include the following changes to support this work:

- The service will be changing the line management of the Learning Disability(LD) Service from Operations to the Principal Social Worker (PSW). The management will be strengthened in this area with temporary recruitment of a Service Manager reporting to the PSW whose first task will be a review of safe supervision levels between Team Manager and Social Work staff, review of the LD Duty System (front door) and a review of use of Agency staff.
- The Council has appointed Impower as a partner to support the Health and Wellbeing Department Transformation Programme with a specific focus on Learning Disability. Impower will commence their work in July for an initial period of three months.
- The LD transformation programme will be led by the Interim Assistant Director for Integration and Transition and overseen by a multi service task group.
- A diagnostic review of LD Commissioning will be undertaken and a set of recommendations will be made which will include quick wins and longer term activity around processes and procedure change leading to budget savings.
- The service will stop any new commissioning additional support for those people in 24 hour supported accommodation.
- The service will review all high cost packages with transitions to ensure the packages are sustainable while meeting the needs of people.
- The process of referrals to legal services is changing. Except in urgent cases referrals will be made by a special risk panel, which will consider the views of the Social Worker and the Mental Capacity Act team, before making a decision to refer to legal.
- Will continue to review the people in high cost packages outside of Bradford, while also undertaking a detailed review focusing on the pathway of Children who have been placed outside Bradford.
- Review the Capital Programmes within the H&WB department to identify any projects that could be delayed or reprioritised to secure savings/efficiencies.

3.2 Children's Services

Children Services are forecast to overspend the £93.2m net expenditure budget (£483.3m Gross budget) by £1.4m. The £0.5m of budgeted savings are forecast to be delivered as planned.

	Gross expenditure			Income			Net expenditure		
	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m
Children's Services									
Directors Office	0.4	0.4	-0.0	-	-	-	0.4	0.4	-0.0
Learning Services	294.4	294.4	-	-297.0	-297.0	-	-2.6	-2.6	-
Children's Specialist Services	63.6	66.3	2.7	-3.6	-4.7	-1.1	60.0	61.6	1.6
Performance, Commissioning	56.1	55.9	-0.2	-41.3	-41.0	0.3	14.8	14.9	0.1
Deputy Director	68.8	68.0	-0.7	-48.2	-47.7	0.5	20.6	20.3	-0.2
Total	483.2	485.0	1.7	-390.1	-390.4	-0.3	93.2	94.6	1.4

Children Social Care Service

Children's Social Care is forecast to overspend the £60.0m net expenditure budget by £1.6m. The main variances include:

- A £1.3m overspend on the £8.4m external purchased placements budget. The service has reduced this overspend compared to previous years with placing children in the cheaper external fostering instead of external residential placement.
- The fees and allowances budgets of £18.1m are also anticipated to overspend by £0.4m in relation to increase numbers of Special Guardians Order placements.
- Social Work services are currently forecasting a £0.4m overspend on the £8.9m frontline Social Work staffing budget.
- Children internal residential provision forecasts to overspend the net budget of £4.7m by £0.2 mainly due to staffing and premises cost.
- The Children with Complex Health and Disability Team (CCHDT) is forecasting an adverse variance on salary budgets of £0.4m.
- The above pressures are partly offset by forecast underspends on the Legal/Court cost budget of £0.3m, support cost for children with disability £0.2m and commissioning budgets on Targeted Early Help services £0.2m.

Performance Commissioning and Development

- Performance Commissioning and Partnerships are forecast to overspend the £14.8m net expenditure budget by £0.1m as a result of a £0.2m overspend on salary budgets in Child Protection services, partially offset by staff vacancies of £0.1m within the Employment and Skills Team.
- The Travel Assistance team is currently forecasting a breakeven position on the £10.6m net budget for 2018-19. The service is currently seeking a partner to will support in the delivery of the remaining £4.8m Travel Assistance savings.

Education and Learning

- Education and Learning is forecast to underspend the £20.6m net expenditure budget by £0.3m.
- The £5.7m net budget in relation to pension payments to former teachers and lecturers is set to underspend by £0.3m due to a reduction in claimants. The Deputy Director's office is forecasting a £0.1m underspend on non-staffing related cost.
- Education Standards and Safeguarding is set to underspend the £1.9m net budget by £0.2m mainly due to vacancies (£0.1m) and income generation from penalty notices due to pupil absences (£0.1m).
- The Inclusion Services budget of £11.6m is forecast to overspend by £0.3m. This is made up of a pressure to generated traded income of £0.8m of which £0.6m relates to the requirement for SEND services to generate income from September 2018 and £0.2m income shortfall for the Education Psychology Service. The income generation requirement is from the recent SEND service transformation and a traded service brochure has been designed. Discussions are taking place with schools on the new traded offer from September 2018.
- The pressure is currently offset by £0.4m staffing underspend on Early Year Services (including Children Centres) and £0.1m underspend on Behaviour Support Services.

Mitigating Actions

In order to mitigate the overspend, Children's Services are:

- Initiating a new project to move placement coordination into Performance Commissioning and Partnerships as part of the commissioning team to enable commissioning expertise to support the procuring of placements and to reduce the cost of placements.
- Continuing with our tight vacancy management in advance of the early help restructure.
- Continuing to work towards reducing cash spend within the department.
- Continuing to use work with other nearby authorities to maximise respite capacity.

3.3 Department of Place

The department is forecast to overspend the £63.3m net expenditure budget (£119.6m gross budget) by £3.4m and deliver £3.4m of the £5m savings as planned.

Department of Place	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Directors Office	0.6	0.6	-0.0	-	-	-	0.6	0.6	-0.0
Fleet & Transport Services	12.9	12.5	-0.4	-13.9	-13.4	0.5	-1.0	-0.9	0.1
Waste Collection & Disposal	29.2	31.4	2.1	-6.2	-5.9	0.4	23.0	25.5	2.5
Economy & Development	8.5	8.5	0.1	-2.3	-2.3	-	6.2	6.2	0.1
Sports & Culture Services	30.4	34.3	4.0	-20.7	-23.8	-3.1	9.7	10.5	0.8
Neighbourhoods & Street Scene	18.4	18.2	-0.3	-6.1	-6.6	-0.5	12.3	11.6	-0.8
Planning, Transportation & Highways	19.5	20.7	1.2	-7.0	-7.5	-0.4	12.4	13.2	0.7
Total	119.6	126.2	6.6	-56.3	-59.4	-3.2	63.3	66.8	3.4

- The £3.4m forecast overspend position is in the main due to continued pressures within Waste Services, Planning, Transportation & Highways and Sports facilities. Budget recovery plans are being developed to mitigate structural pressures.
- Of the £5m planned savings £1.6m is forecast not to be achieved in 2018-19. The £1.6m includes unachieved savings totalling £0.9m which have been carried over from 2017-18 and are being monitored with this year's budget reductions.
- Unachieved savings from 2017-18 include £0.2m Planning, Transportation & Highways, £0.2m Sports & Culture and £0.5m Waste Services.

Waste, Fleet & Transport

- Fleet & Transport are forecast to under achieve their £1.0m net income budget (£12.9m gross budget) by £0.1m. The main pressure within the service is related to income levels for land charges where we have seen a reduction over the last 12 months due to changes in VAT.
- Waste Services are forecast to over spend the £23m net expenditure budget (£29.2m gross budget) by £2.5m, comprised of a £1.14m over spend in Waste Disposal, £1.04m over spend in Waste Collection and continuing Waste Programme costs of £0.33m, previously funded from reserves but which have now been fully spent.
- Of the £1.4m planned savings £0.4m is forecast to be achieved with a pressure in Waste Collection, which is detailed below.
- The £1.14m forecast over spend in Waste Disposal is due to:-
 - £1.2m costs to fund the MRF operation, but which are partially being off-set by a £0.7m under spend in disposal costs to the main waste contractor.

The MRF is currently employing an additional shift to cope with demand until new screening equipment is installed in August/September.

The new Trommel screen should address the capacity issues at the MRF and increase the current tonnage throughput of approximately 20,000 tonnes per year to nearer 30,000. This will in turn increase income yields from sales of recyclable materials and reduce fuel costs in transfer haulage, as no waste will be delivered to secondary outlets, outside of the district.

The forecast £0.7m under spend in waste disposal costs assumes an annual tonnage for residual waste of approx. 136,000 per year. The expectation is that 2018/19 tonnages will actually outturn at a lower level than the final figure for 2017/18, of 134,000 tonnes, therefore the £0.7m should be a conservative estimate. However, data from the first eight weeks of disposal suggests that a less favourable trend is emerging, with tonnages at a higher level than the first eight weeks of 2018/19. The service is closely monitoring the situation in

an endeavour to establish the root cause of these higher than expected tonnages.

- A £0.3m over spend on the £3.4m budget for waste operational costs, i.e. transfer loading sites, household waste recycling centres and transfer haulage; the overspend is largely on employees and transport costs as the service has dealt with the additional demands of increased waste haulage and increased resources to cover for temporary staff secondments to the MRF.
- A £0.4m under achievement in income from sale of recyclable materials; the commodities market remains volatile and consistent prices and contracts cannot be secured.
- The £1.04m forecast over spend in Recycling Domestic Waste Collection and Trade is largely due to a significant under achievement of the 2017/18 & 2018/19 savings.
- The combined £1.97m savings over the two years was predicated on a reduction of 13 collection rounds, plus spares and management reductions; however, due to operational requirements and ever increasing property numbers the number of rounds has reduced by 6, with a further two to be released later this financial year. The financial impact of this variance to plan is an estimated £0.9m; this will inform a wider investigation to ascertain service requirements and to establish whether current resources can be further reduced, whilst still maintaining adequate levels of service.

Neighbourhoods and Customer Services

- Neighbourhoods and Customer Services are forecast to under spend the £12.3m net expenditure budget (£18.4m gross) by £0.8m.
- Planned savings of £0.53m are forecast to be delivered during the year.
- Most of the forecast under spend can be attributed to Parking Services, where it is anticipated that income from ticket sales and parking fines will exceed budget.

Sports and Culture

- Sports & Culture are forecast to overspend the £9.7m net expenditure budget (£30.4m gross budget) by £0.8m
- Of the planned savings of £1.1m it is forecast that £0.8m will be delivered during the year. At present it is forecast that the main areas of pressure will come from the Management & Museums restructures.
- Culture Services are forecast to balance the £5.4m net expenditure budget (£17.1m gross). Service transitional funding has now ended. Planning is underway for the transformation of cultural services taking into account proposed transfer of operations into the community and parallel new forms of delivery, in Libraries initial cost reduction of £0.1m is planned for. Similarly, cost reductions in Events (£0.15m), Tourism (£50k) and Theatres services (£0.1m) are expected to follow suit. Museums and Libraries are services undergoing significant change again in 2018-19 (£1.2m) for which planning is underway.

Economy and Development Services

- Economy & Development Services are forecast to balance the £6.2m net expenditure budget (£8.5m gross budget). This is a cautious estimate as it has been the case in previous years that E&DS closed with a favourable unspent balance of upwards of £1m. There is a reasonable probability E&DS will close 2018-19 under-spending the net £6.2m by at least £0.3m.
- Key programmes for E&DS such as the affordable housing programme and higher value regeneration schemes like the Enterprise Zone take considerable time to come to fruition, therefore funding can carry forward from year to year. Housing Access Services are recipients of 'new burdens' funding of £144k in 2018-19. The funding will enable the Service to make changes in order to provide homelessness services to all of those affected.

Planning, Transportation and Highways

- The service is forecast to overspend the £12.4m net expenditure budget (£19.5m gross budget) by £0.7m. This is mainly due to cost pressures incurred by Street Lighting, Building Control Fees & targeted savings. There are though risks inherent in delivering a balanced budget in Highways of up to £0.5m (not included in the £0.7m total pressure) but it is assumed at this early phase in the financial cycle the service will balance by year end.
- Street Lighting - estimated costs exceed the £2.4m budget by £0.8m, in response the service is preparing for large scale investment into energy efficient lighting equipment which is in addition to the £2.5m already identified. The business case for the investment rests on payback assumptions based on savings in lighting energy use.
- Building Control Fees – an estimated pressure £0.3m is likely to result in 2018-19. Consideration is being given to placing chargeable building control into alternative service delivery means that will help to recoup costs through using a more commercial approach.
- There remains a continuing challenge to deliver savings carried forward from previous years, e.g. adjusted street lighting hours (4R11) and other street lighting savings (R19) which in aggregate equate to £0.2m of unachieved savings. Of the new planned savings for 2018-19 the commercialisation plan for HDU (£0.4m) is at greatest risk as it will assume funding opportunities being gained from regional and national capital grants some of which will require the service to be leaner and more productive to be successful.

Mitigating Actions

The service is has the following mitigation actions to address the overspend:-

- Preparation and implementation of budget recovery plans for Waste Services, Sports Facilities and Street Lighting.
- Further development of income / commercial opportunities and partnership funding.
- Examine potential acceleration of 19/20 budget saving proposals.
- Potential vacancy management of non-critical posts.
- Explore possible re-phasing of capital schemes.

3.4 Corporate Resources

- The department is forecast to underspend the £42.4m net expenditure budget (£251.4m gross budget) by £0.1m, and deliver £2.8m of savings as planned.

Corporate Resources	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Director of Corporate Resources	0.3	0.2	-0.1	-0.0	-0.0	-	0.3	0.2	-0.1
Finance & Procurement	4.2	4.2	0.0	-0.4	-0.4	-	3.8	3.8	0.0
Revenues & Benefits	170.4	170.7	0.3	-166.8	-167.0	-0.2	3.6	3.7	0.1
Information & Customer Services	13.2	13.1	-0.2	-1.0	-1.0	-	12.2	12.0	-0.2
Estates and Property Services	49.4	49.0	-0.4	-36.6	-36.3	0.4	12.8	12.7	-0.1
Human Resources	5.5	5.4	-0.1	-2.0	-1.7	0.3	3.5	3.6	0.2
Legal Services	8.4	8.4	0.1	-2.1	-2.2	-0.1	6.2	6.2	-0.0
Total	251.4	251.0	-0.4	-209.0	-208.7	0.3	42.4	42.3	-0.1

- Strategic Director of Corporate Resources, Financial Services and Commissioning & Procurement are, between them, forecasting an under spend of £0.1m, primarily on salaries as posts remain vacant pending recruitment & service reviews.
- Revenues & Benefits are forecast to achieve a small overspend of £0.05m with reductions in grant and pressures on traded areas, such as payroll services, expected to be primarily offset by comparative short term reductions in spend including salaries due to existing vacancy levels.
- Information Services are forecasting an under spend of £0.2m as a result of further savings being achieved on contract costs. This is in addition to the £0.7m of planned for budgetary reductions in 2018/19.
- Estates and Property Services are forecast to underspend the £12.8m net budget by £0.1m mainly linked to an anticipated reduction in Property programme costs.
- Within Building & Technical Services, Industrial Services Group (ISG) is expected to come in on budget while maintaining the improvement in activity levels it achieved in 17/18. Architectural Services and Building Services are forecast to have a structural pressure of £0.3m resulting from a smaller capital programme reducing the overhead contribution. The Energy unit has a forecast underspend of £0.2m due to one off savings in 2018/19 on CRC payments as the scheme ends.
- Catering & Office Services is seeing pressure on its traded services increase, notably in School Catering where a number of school contracts ending in September are at risk. However, they are still anticipating meeting budget as a result of further improvements in productivity levels and savings from extending the use of on line payments via ParentPay. Other Catering continues to see pressures on trading levels; however, this is being offset by anticipated savings in Building Cleaning.
- Estates Operational, Property Programme and Investments are forecasting an under spend of £0.1m between them. Pressure on income levels both within the normal rental account and via planned investments is currently expected to be offset by savings on the Property programme. It should be noted that as the number of CAT's increases that there is a consequent reduction in rental levels and the level of investment income is dependent on opportunity.
- Human Resources (HR) are forecast to overspend by £0.2m due to a combination of pressures on its traded services, an increasing requirement for support to the Coroners' office and a reduction in the in-year forecast for terms conditions savings. The restructuring of workforce development to achieve the planned for savings of £0.25m has been completed. HR projections assume work on Council priority programmes such as the Learner Management System will be funded in 2018-19 via previously established reserves.

- The City Solicitor is forecasting a balanced position and to achieve budgeted for savings of £0.2m in 2018/19. Pressure on the Coroners' office (including mortuary services) and Democratic services (Increased net cost of registration) is being offset by anticipated one-off savings on the salary budget within Legal Services.

3.5 Chief Executive

- The Chief Executive's Office is forecast to balance the £3.9m net expenditure budget. This includes delivering £0.5m of previously planned for savings in 2018/19 via the restructuring of the service which was completed in October 2017. The forecast assumes that work on projects to the value of £0.44m is being funded by the centrally held Implementation budget.

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
Chief Executive	£m	£m	£m	£m	£m	£m	£m	£m	£m
Chief Executive Core Office	0.7	0.7	-0.0	-0.0	-0.0	-	0.7	0.7	-0.0
Political Offices	0.2	0.2	-0.0	-	-	-	0.2	0.2	-0.0
Public Affairs	1.3	1.3	0.1	-0.1	-0.1	-	1.1	1.2	0.1
Policy Programme	1.0	1.1	0.1	-	-	-	1.0	1.1	0.1
Programme Management	0.9	0.7	-0.1	-	-	-	0.9	0.7	-0.1
Total	4.0	4.0	0.0	-0.1	-0.1	-	3.9	3.9	0.0

3.6 Non Service Budgets

- Non service budgets are forecast to balance. Non-service budgets include payments to Joint Committees, External Audit and bank interest amongst others.

3.7 Central Budgets & Contingencies

- Budgets held centrally include the revenue costs associated with capital investment, payment to the West Yorkshire Combined Authority and contingencies amongst others.
- There is a forecast £6m underspend which includes £3m of Corporate Contingencies and £2m lower redundancy costs than budgeted, and £1m of other forecast underspends.
- The £4.8m of savings associated with Travel Assistance that are forecast to be undelivered, will continue to be mitigated by £4.8m of Contingencies.

4. BALANCE SHEET

4.1 Cash Reserves

- Net movements in reserves have led to a £1.6m increase in total reserves from £165.7m at 1 April 2018 to £167.3m at 31st May. At 17th May 2017 unallocated reserves stand at £14.5m.

	Opening Balance 2016-17 £m	Opening Balance 2017-18 £m	Opening Balance 2018-19 £m	Net Movement	Reserve Balance at 31 st May 2017 £m
Council reserves	133.9	127.8	145.2	+1.6	146.8
Schools Delegated budget	33.8	25.2	20.5	-0.0	20.5
Total	167.8	153.0	165.7	+1.6	167.3

- The £1.6m net increase in reserves include:

Releases from

- £120k from the VAT refund reserve to support Financial Services
- £99k from Children's Services Programme Support reserve

Transfers to

- £1.9m to the Transition & Risk reserve linked to one off gain on Business Rates, partly offset by investment into children's Services and the Growth Strategy (Appendix G of the 2018-19 Budget Report)

Appendices 1&2 outline Council and schools reserves.

4.2 School Balances

- The table below shows that School Reserves (including Schools Contingencies) position as at 31st of March 2018. Schools do not report their quarter one financial position for 2018-19 until the end of July 2018.

	Balance 1 st April 2018		Balance 31 st March 2019		Movement	
	Nos	£000	Nos	£000	Nos	£000
Nursery	7	854	7	854	0	0
Primary	100	6,694	97	6,570	3	124
Secondary	7	(1,538)	7	(1,538)	0	0
Special	4	654	4	654	0	0
Pupil Referral Units (PRU)	7	457	7	457	0	0
Subtotal	125	7,121	122	6,997	3	124
School Contingency		12,721		4,721	0	8,000
Other Activities		708		708	0	0
Total	125	20,550	122	12,426	3	8,124

- The school balances reserve is currently forecasted to reduce by £8.1m in 2018-19. There have been three schools (Farnham Primary, Hollingwood Primary and Laycock Primary) that converted to academy status in 2018-19.
- There are nine schools (six primary and three secondary) currently in deficit with a combined deficit total of £3.3m.
- In setting the 2018-19 Schools budget, the Schools Forum allocated £8.0m of balances held within Schools Contingencies.

5.0 Capital Expenditure

- The profiled resource position for 2018-19 for the Capital Investment Plan stands at £150.7m. This is a reduction from the previous report. To the end of May there has been total spend of £9.0m. A summary by service is shown below with a detailed monitor in Appendix 3.

Scheme Description	Approved by Exec		Re profile Budget	Spend	Budget	Budget	Budget	Total
	2018-19	Changes	2018-19	31 May 18	19-20	20-21	21-22	
	£m	£m	£m	£m	£m	£m	£m	£m
Health and Wellbeing	10.4	-0.6	9.8	0.8	7.7	5.0	0.4	22.9
Children's Services	16.5	0.9	17.4	1.3	29.0	12.9	0.6	59.9
Place - Economy & Development Serv	22.6	-0.3	22.3	2.6	7.3	15.8	3.2	48.6
Place - Planning, Transport & Highways	30.8	10.7	41.5	1.1	38.9	35.8	27.1	143.3
Dept of Place - Other	21.5	-1.6	19.9	2.9	13.6	19.3	7.5	60.3
Corp Serv – Estates & Property Services	3.3	2.5	5.8	0.3	0.9	0.0	0.0	6.7
Reserve Schemes & Contingencies	71.0	-37.0	34.0	0	79.6	52.3	18.5	184.4
TOTAL - All Services	176.1	-25.4	150.7	9.0	177.0	141.1	57.3	526.1

- The latest Capital Investment Plan was set as part of the 2018-19 budget (Full Council, 22 February) and £496.4m of spend was approved in total. The Plan has been updated with the carry forward from 2017-18 and additional funding allocations. Also schemes have been reprofiled between years to better reflect the year of spend.
- Overall there has been an increase in the budget of £29.7m to £526.1m. This relates to:
 - £8.7m of 2017-18 underspend carried forward into future years
 - £8.3m of new schemes, the main ones being New Bolton Woods and School Capital Programme. Both are grant funded schemes.
 - £0.5m removed from 2018-19 CIP as funding no longer required.
 - £13.2m of additional spend on current schemes already included in the Capital Plan. The main schemes included here are School expansion, Disabled Housing Facilities Grant (DFG) and Capital Highway Maintenance. The increase in the DFG spend is due to an increase in the government grant such that we have a 2018/19 budget of £4.6m all of which is capital grant (no corporate resources).
- Although the total budget to 2021-22 has increased, there has been a £25.4m reduction to the 2018-19 Budget. This is made up of:
 - £8.7m of 2017-18 underspend added to 2018-19.
 - £7.2m of new schemes, including Jacob's Well demolition.
 - £10.3m of additional spend on current schemes already included in the Capital Plan.
 - £0.5m removed from 2018-19 CIP as funding no longer required.
 - £51.1 m of 2018-19 Budget re-profiled into future years.
- Profiling the capital spend between financial years is a key challenge to ensure that the Council borrows at the most cost effective time. £51.1m of Budgets have been re-profiled into future years and Service managers are in the process of reviewing the profiled spend on their capital schemes but further work is required to ensure accurate profiling of the capital spend over the next four years.

New Capital Schemes

The Project Appraisal Group (PAG) has considered the following capital bids and recommends their approval by Executive for inclusion in the Capital Investment Plan (CIP).

- **St Georges Hall** – the scheme was approved as part of the 2016-17 Capital Investment Plan. The scope of St Georges Hall's refurbishment has developed over a 24-month period and work on site has highlighted the need to carry out other statutory and specialist works for the facility to open to the public. The scheme currently has a revised budget of £9.3m but an additional £300,000 is required to complete works to the auditorium.
- **Thornton Road and Great Horton Road Lane Junction Improvements** £0.5m for the purchase of properties identified as being key for the A6177 Outer Ring Road Improvement programme in advance of receiving identified external funding.

The scheme involves a package of measures to improve highway efficiency for the benefit of all road users along part of the A6177 Outer Ring Road which forms part of the West Yorkshire Key Route Network (KRN). Providing extra capacity at the Thornton Road / Cemetery Road junction and Great Horton Road / Cross Lane will reduce congestion at this key pinch point on the road network and help to facilitate housing and employment growth along both the A6177 and B6145 corridors and the regeneration of Bradford City Centre.

This project seeks temporary short term funding to secure the purchase of properties that may be successfully acquired by agreement in advance of full scheme funding through the WYTF. The estimated cost of the scheme is £0.5m to be temporarily funded from CS0353 Strategic Land Purchase line in the CIP prior to being reimbursed by the WYTF.

6.0 COUNCIL TAX AND BUSINESS RATES COLLECTION

Council Tax

- In 2018-19 the Council will receive its budgeted Council Tax of £187.1m. Any in year variance against the budgeted Council Tax and surplus does not impact in 2018-19 but will be carried forward into 2018-19. No variance is forecast for the budgeted Council Tax.

Business Rates

- In 2018-19 the Council will receive its budgeted £126.7m share of Business Rates. As with Council Tax, any in year variance between budgeted Business Rates and the deficit is carried forward into the 2019-20 financial year. However, no variance is currently forecast for Business Rates

7.0 RISK MANAGEMENT

- The Financial risks of future known and uncertain liabilities are being addressed through contingencies and provisions outlined in this report.
- The Councils risk register has been provided in Appendix 4

8.0 IMPLICATIONS FOR CORPORATE PARENTING

None

9.0 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

10.0 LEGAL APPRAISAL

- This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules

11.0 NOT FOR PUBLICATION DOCUMENTS

None

12.0 RECOMMENDATIONS

That the Executive

12.1 Note the contents of this report and the actions taken to manage the forecast overspend.

12.2 Approve the following capital expenditure schemes.

- £0.5m for Thornton Road / Toller Lane Junction Improvements. The scheme seeks temporary short term funding to secure the purchase of properties that can be successfully acquired by agreement in advance of full scheme funding through the West Yorkshire Transport Fund.
- £0.3m additional funding to complete works to St Georges Hall.

13.0 APPENDICES

Appendix 1	Reserves Statement as at 31 st May 2018
Appendix 2	Service Earmarked Reserves as at 31st May 2018
Appendix 3	Capital Investment Plan
Appendix 4	Council Risk Register

12.0 BACKGROUND DOCUMENTS

- Annual Finance and Performance Outturn Report 2017-18 Executive 10th July 2018
- Medium Term Financial Strategy 2019-20 2022-23 Executive Report 10th July 2018
- Annual Finance and Performance Outturn Report 2016-17 Executive Report 11th July 2017

Reserves Statement as at 31st May 2018

Appendix 1

	Opening Balance £000	Movement in 2018-19 £000	Closing Balance £000	Comments
A. Reserves available to support the annual revenue budget				
Unallocated Corporate Reserves	14,497	0	14,497	
Total available Unallocated Corporate Reserves	14,497	0	14,497	
B Corporate Earmarked Reserves to cover specific financial risk or fund specific programmes of work.				
ESIF - STEP	1,227	0	1,227	Funding to support young and disadvantaged people into employment
Managed severance	0	0	0	Money to meet termination costs in the years beyond 2017-18. Used to support 2017-18 budget.
Exempt VAT	2,000	0	2,000	Amount set aside to meet the estimated cost of VAT that the Council would not be able to recover should it exceed its partial exemption limit.
Trade Waste VAT refund	279	-120	159	£120k per annum to be used in 2015-16 onwards to contribute towards the cost of Financial Services.
PFI credits reserve	684	0	684	Funding to cover outstanding potential Building Schools for the Future liabilities.
Insurance	1,775	0	1,775	To mitigate and smooth the impact of any future increases in insurance premiums.
Industrial Centres of Excellence	1	0	1	
Single Status	23	0	23	To cover any residual implementation of Single Status costs.
Better Use of Budgets	1,670	0	1,670	To cover deferred spend on priority work from 2016-17.
Producer City Initiative	162	0	162	To pump prime initiatives linked to the Council's Producer City programme
Regional Growth Fund	4,667	0	4,667	The Council's revenue match funding for the Regional Growth Fund
Regional Revolving Investment Fund	1,152	0	1,152	Money set aside in 2013-14 carried forward to meet the Council's commitment to the Regional Revolving Investment Fund.
Discretionary Social Fund	1,719	0	1,719	To fund a replacement local welfare scheme following the government ending its Local Welfare Assistance grant programme at 31 March 2015.
Transitional and Risk Reserve	10,911	1,916	12,827	To help fund Transitional work, and cover risks.
Dilapidation & Demolition	1,628	0	1,628	At the end of a lease on a building, the Council will be liable for any dilapidations of the building. The Council also plans some demolition work.
Health Integration Reserves	222	0	222	Available to fund projects that lead to greater integration between the Council and its Health partners.
Match Fund Basic needs Grant	700	0	700	
Strategic Site Assembly	756	0	756	
Implementation Reserve	3,970	0	3,970	To fund Projects associated with delivering 2017-18

	Opening Balance £000	Movement in 2018-19 £000	Closing Balance £000	Comments
				savings plans.
Insurance Risk	1,893	0	1,893	Reduced Insurance provision, increased reserve.
S31 offset to NDR deficit	735	0	735	Additional S31 grant to offset NDR deficit resulting from govt policy
Council Tax Reserve	575	0	575	To be used in 2018-19
Redundancy Provision	2,430	0	2,430	To provide for the costs of future redundancies
Review of Council's MRP Policy	10	0	10	Professional advice on MRP policy
Review of Council's Pension Guarantees	10	0	10	
Leeds City Region WYTF	421	0	421	Contribution to WY Transport Fund
Leeds City Region Economic Development	402	0	402	
Financing Reserve	23,738	0	23,738	MRP policy changed to annuity method. The reserve to be used to fund higher MRP costs in future years.
Sub Total	63,760	1,796	65,556	
C. Reserves to support capital investment				
Renewal and replacement	5,137	0	5,137	Funding used to support the capital investment programme.
Markets	668	0	668	Cumulative Market trading surplus's to be re-invested in maintaining market buildings throughout the district.
Sub total	5,805	0	5,805	
D. Service Earmarked Reserves	37,355	-127	37,228	See Appendix 2
E. Revenue Grant Reserves	12,937	-58	12,879	
F General Reserves				
General Fund	10,803	0	10,803	The GF balance acts as a necessary contingency against unforeseen events. The balance at 31st March represents a minimum of 2.5% of the Council's budget requirement in line with council policy and the general advice of External Auditors.
Schools delegated budget	20,550	0	20,550	Represents in the main balances held by schools as part of delegated budget responsibility. These balances are not available for Council use but are balances attributable to individual schools.
Sub Total General Fund Reserve & School balances	31,353	0	31,353	
Grand total	165,707	1,611	167,318	

Departmental Earmarked Reserves Statement at 30th Jun 2018

	Opening Balance £000	Movement in 2018-19 £000	Latest Balance £000	Comments
Adult and Community Services				
Supporting People	754	0	754	Funding to support invest to save projects
Integrated Care	1,291	0	1,291	NHS and Council monies used to support ring fenced projects and integration of health and social care
Great Places to Grow Old	289	0	289	Funding to cover management and staffing costs linked to the transformation of services for older people.
Care Act Reserve	994	0	994	To support the implementation of the Care Act
Public Health	59	0	59	
Total Adult and Community Services	3,387	0	3,387	
Children Services				
BSF Unitary Charge	7,318	0	7,318	These reserves are being built up to ensure that in the future there is sufficient money available to meet the cost of BSF annual contract payments when the PFI grant the Council receives reduces
BSF Unitary Charge Phase 2	4,777	0	4,777	See above
Children's Service Program Support	99	-99	0	
Better Start Programme	132	0	132	Council's two year contribution to a programme that will bring in £50m of revenue investment to the District over a 10 year period.
Travel Training Unit	368	0	368	
Early Help Enabler Support	500	0	500	To help support Early Help programme
Early Help Workforce Development	81	0	81	
Recruitment & Retention	42	0	42	
Retail Academy (Skills for Employment)	262	0	262	Skills for work
Training Work Programme (Skills for Work)	798	0	798	Skills for Work
Total Children	14,378	-99	14,279	
Department of Place				
Marley pitch replacement	305	0	305	To provide match funding under the terms of grants given to maintain Sports and Leisure venues across the District
City centre regeneration	51	0	51	
Customer Service Strategy	62	0	62	Non recurring investment to be used to fund the Customer Service Strategy.

	Opening Balance £000	Movement in 2018-19 £000	Latest Balance £000	Comments
Taxi Licensing	546	0	546	Statutory requirement to set aside any taxi licensing surplus when setting future fees.
Theatres Box Office	646	0	646	
Cricket Pitch Refurbishment	310	0	310	
Culture Service Transition	121	0	121	To cover costs associated with modernising the service and adopting a different service delivery model.
HLF Building Maintenance	10	0	10	A condition of the HLF grant is that an asset management programme is in place to maintain Manningham Library to a specified standard.
Torex	10	0	10	To address e-Govt targets and improve service delivery.
Saltaire Tourist Information Centre	15	0	15	
Culture Company	73	0	73	Help create a Culture Company
Gym Equipment	133	0	133	To fund replacement gym equipment in Sports Facilities
Museum Restoration	76	0	76	
Tour De Britain	8	0	8	
Tour De Yorkshire	87	0	87	To help fund the Tour De Yorkshire
Lidget Moor YC	9	0	9	To support Youth Services in Lidget Green Area
Council Housing Reserve	616	0	616	To meet future costs associated with later stages of the affordable housing programme
Housing Development Programme	75	0	75	Fee income generated to be used to subsidise the delivery of projects in future years.
Bradford District Improvement District	125	0	125	
HMO Licencing Scheme	319	0	319	
VCS Transformation Fund	160	0	160	
Tree & Woodland Planting Fund	76	0	76	
City Park Sinking Fund	785	0	785	Funding set aside to meet the future maintenance costs of City Park.
European Structural Investment Programme	1,463	0	1,463	Match funding for ESIP
Empty Rates Relief Scheme	500	0	500	Supporting Business Growth
Private Housing Rented Option	200	0	200	To undertake a feasibility study for a Social lettings Agency.
Homelessness prevention	283	0	283	To fund initiatives to prevent Homelessness.
District Tenants Federation	30	0	30	Funding committed to provide support to District Tenants Federation
Clergy House/Jermyn Court	74	0	74	Set aside for Clergy House/Jermyn Court
Cold Weather Calculator	11	0	11	Licence costs over several years

	Opening Balance £000	Movement in 2018-19 £000	Latest Balance £000	Comments
Fresh Start	412	0	412	Housing project focussing on offenders
Complex Needs Project	280	0	280	Project to support hard to place vulnerable homeless people
B&B Emergency Contingency	261	0	261	
Housing Options IT System	173	0	173	Housing I
PT&H Local Plan	600	0	600	To complete the local plan
PT&H Local Plan Transport Modelling	250	0	250	To completed the local plan
Adventure & community enterprise Reserve	83	0	83	
Economic Strategy Reserve	186	0	186	
Well England Reserve	200	0	200	
Department of Place	9,624	0	9,624	
Corporate Resources				
Schools Traded HR Reserves	106	0	106	To mitigate the risk of changes in customer base.
Workforce Development	249	-28	221	Changing the organisation - vision & values, recruitment & selection, development of managers, performance management, leadership & succession planning.
Learner Management System	81	0	81	Software/system implementation etc. in support of workforce development.
District Elections	235	0	235	To smooth the cost of District Elections over a four year period.
Non Council Events programme	10	0	10	To support events put on by non-Council.
Community Support and Innovation Fund	352	0	352	To support community led service provision and investment in initiatives that engage with vulnerable people.
Subsidy Claim	711	0	711	Contingent support set aside to address the fluctuations in the subsidy claims.
ICT Programmes Budget	6,712	0	6,712	To fund future ICT projects
UC Admin Reserve	545	0	545	To help cover the cost of the implementation of universal credit administration.
Additional cost of projects including legal and 3rd party costs Reserve	350	0	350	

	Opening Balance £000	Movement in 2018-19 £000	Latest Balance £000	Comments
ISG over achievement trading reserve	257	0	257	To support ISG
Bradford Learning Network (Broadband)	128	0	128	
Energy unit	230	0	230	To help smooth effect of price spikes.
Total Corporate Resources	9,966	-28	9,938	
Total Service Earmarked Reserves	37,355	-127	37,228	

Capital Executive Report

Scheme No	Scheme Description	Budget 2018-19	Changes	Revised Budget	Spend 31 May 18	Budget 2019-20	Budget 2020-21	Budget 2021-22	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health and Wellbeing									
CS0237	Great Places to Grow Old	0	0	0	0	4,638	4,500	0	9,138
CS0237	Keighley Rd Extra Care	5,870	245	6,115	716	488	0	0	6,603
CS0237	Keighley Rd Residential Care	2,645	3	2,648	123	89	0	0	2,737
CS0373	BACES DFG	443	350	793	-13	443	443	443	2,122
CS0239	Community Capacity Grant	1,452	-1,374	78	15	2,016	0	0	2,094
CS0348	Whiteoaks Respite Centre	0	90	90	0	0	0	0	90
CS0311	Autism Innovation Capital Grant	0	19	19	0	0	0	0	19
CS0312	Integrated IT system	0	90	90	0	0	0	0	90
CS0352	Electric vehicle charging infrastructure	0	1	1	0	0	0	0	1
Total - Health and Wellbeing		10,410	-576	9,834	841	7,674	4,943	443	22,894
Children's Services									
CS0039	Surestart Early Years & Childcare	0	0	0	0	0	0	0	0
CS0249	Schools DRF	0	0	0	0	0	0	0	0
CS0256	2yr old Nursery Educ Expansion	0	5	5	0	0	0	0	5
CS0278	Targeted Basic Needs	0	34	34	0	0	0	0	34
CS0286	Outdoor Learning Centres	0	27	27	0	0	0	0	27
CS0022	Devolved Formula Capital	0	0	0	974	0	0	0	0
CS0030	Capital Improvement Work	27	42	69	6	0	0	0	69
CS0240	Capital Maintenance Grant	3,331	1,169	4,500	120	0	0	0	4,500
CS0244	Primary Schools Expansion Progr	1,409	291	1,700	141	7,700	600	0	10,000
CS0244	Silsden Sch £7.265m Exec 12/04/16	2,979	-57	2,922	-7	5,588	0	0	8,510
CS0244	SEN School Expansions	2,391	414	2,805	18	0	0	0	2,805
CS0360	Early Yrs 30 hrs childcare	0	6	6	0	0	0	0	6
CS0314	Foster Homes Adaptation	0	1	1	0	0	0	0	1
CS0362	Secondary School Expansion	5,876	-2,776	3,100	50	7,633	6,900	0	17,633
CS0377	LA SEN Free School	500	-500	0	0	7,000	5,350	647	12,997
CS0387	School Cap Inv Prog 18-19	0	2,200	2,200	0	1,100	0	0	3,300
Total - Children's Services		16,513	856	17,369	1,302	29,021	12,850	647	59,887

Scheme No	Scheme Description	Budget 2018-19	Changes	Revised Budget	0	Budget 2019-20	Budget 2020-21	Budget 2021-22	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Place - Economy & Development Services									
CS0134	Computerisation of Records	10	0	10	0	0	0	0	10
CS0136	Disabled Housing Facilities Grant	2,028	2,572	4,600	405	2,028	5,753	2,028	14,409
CS0137	Development of Equity Loans	1,000	13	1,013	70	1,300	1,200	1,195	4,708
CS0144	Empty Private Sector Homes Strat	662	200	862	-44	0	0	0	862
CS0225	Afford Housing Prog 11-15	0	0	0	0	0	0	0	0
CS0308	Afford Housing Prog 15 -18	8,600	-960	7,640	1,972	1,383	0	0	9,023
CS0380	Afford Housing Prog18-21	0	0	0	0	0	0	0	0
CS0250	Goitside	0	1	1	0	0	177	0	178
CS0280	Temp Housing Clergy House	0	232	232	0	0	0	0	232
CS0145	S106 monies Affordable Hsg	0	0	0	0	0	0	0	0
CS0299	CPO Monies to be held	0	0	0	0	0	0	0	0
CS0335	Bfd Cyrenians 255-257 Mngm Ln	4	10	14	0	0	0	0	14
CS0084	City Park	205	0	205	0	0	0	0	205
CS0085	City Centre Growth Zone	1,699	-1,099	600	-91	1,150	4,400	0	6,150
CS0189	Buck Lane	75	35	110	0	0	0	0	110
CS0228	Canal Road	100	0	100	0	0	0	0	100
CS0241	Re-use of Frmr College Builds Kghly	506	17	523	0	60	0	0	583
CS0266	Superconnected Cities	907	-841	66	0	841	0	0	907
CS0291	Tyrils	4,800	-4,800	0	0	500	4,300	0	4,800
CS0265	LCR Revolving Econ Invest Fund	0	1,151	1,151	0	0	0	0	1,151
CS0285	Strategic Development Fund	1,167	0	1,167	0	0	0	0	1,167
CS0378	Cust Serv Strategy	299	-66	233	0	0	0	0	233
CS0345	Develop Land at Crag Rd, Shply	573	-311	262	219	0	0	0	262
CS0382	New Bolton Woods Regen Sch P3		3,507	3,507	76	0	0	0	3,507
Total - Place - Economy & Development Serv		22,635	-339	22,296	2,607	7,262	15,830	3,223	48,611
Place - Planning, Transport & Highways									
CS0131	Kghly Town Cntr Heritage Initi	0	156	156	2	0	0	0	156
CS0178	Ilkley Moor	0	18	18	0	0	0	0	18
CS0179	Landscape Environ Imp	0	21	21	0	0	0	0	21
CS0281	Saltaire - Public Realm imp	0	0	0	0	0	0	0	0
CS0071	Highways S106 Projects	100	35	135	2	386	0	0	521
CS0372	Countryside S106 Projects	0	0	0	0	135	0	0	135
CS0091	Capital Highway Maint	0	4,958	4,958	136	0	0	0	4,958
CS0095	Bridges	0	729	729	84	0	0	0	729
CS0096	Street Lighting	0	144	144	17	0	0	0	144
CS0099	Integrated Transport	0	587	587	18	0	0	0	587
CS0103	WY Casualty Reduction Ptner	0	0	0	0	0	0	0	0
CS0164	Local Intgrtd Transp Area Com	0	0	0	4	0	0	0	0
CS0168	Connecting the City (Westfield)	0	16	16	0	0	0	0	16
CS0172	Saltaire R/bout Cong& Safety Works	0	281	281	0	0	0	0	281
CS0252	Measures to Support Hubs	0	45	45	0	0	0	0	45
CS0264	Highway to Health	0	0	0	107	0	0	0	0

Scheme No	Scheme Description	Budget 2018-19	Changes	Revised Budget	36	Budget 2019-20	Budget 2020-21	Budget 2021-22	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0282	Highways Strategic Acquisi	0	176	176	0	0	0	0	176
CS0289	Local Pinch Point Fund	0	495	495	0	0	0	0	495
CS0293	West Yorks & York Transport Fund	23,952	835	24,787	204	32,878	35,795	27,014	120,474
CS0296	Pothole Fund	0	74	74	0	0	0	0	74
CS0306	Strategic Transp Infrastr Priorit	90	0	90	0	2,600	0	0	2,690
CS0306	Connectivity Project	1,196	0	1,196	0	400	0	0	1,596
CS0302	Highways Prop Liab Redn Strat	0	97	97	0	0	0	0	97
CS0307	Bus Hot Spots	0	0	0	0	0	0	0	0
CS0310	Clean Vehicle Technology Fund	0	3	3	0	0	0	0	3
CS0317	VMS Signage	0	39	39	0	0	0	0	39
CS0319	Challenge Fund	0	1,389	1,389	143	0	0	0	1,389
CS0323	Flood Risk Mgmt	0	196	196	6	0	0	0	196
CS0325	Street Lighting Invest to Save	0	0	0	83	0	0	0	0
CS0329	Damens County Park	60	48	108	0	0	0	0	108
CS0332	Flood Funding	0	387	387	58	0	0	0	387
CS0334	Air Quality Monitoring Equip	0	9	9	0	0	0	0	9
CS0350	Street Lighting Invest to Save	825	0	825	0	0	0	0	825
CS0365	National Productivity Invest Fund	3,500	-3,473	27	23	0	0	0	27
CS0370	LTP IP3 One System Public Transport	779	403	1,182	56	779	0	0	1,961
CS0371	LTP IP3 Places to Live and Work	300	386	686	24	0	0	0	686
CS0375	Sign Shop	0	19	19	1	0	0	0	19
CS0379	NPIF UTMC	0	1,730	1,730	63	1,770	0	0	3,500
CS0384	Pothole Fund 1819	0	829	829	30	0	0	0	829
CS0385	ULEV Taxi scheme LTP3	0	50	50	0	0	0	0	50
CS0386	Cycling & Walking Schemes LTP3	0	19	19	0	0	0	0	19
Total - Place - Planning, Transport & Highways		30,802	10,701	41,503	1,097	38,948	35,795	27,014	143,260
Dept of Place - Other									
CS0060	Replacement of Vehicles	3,000	0	3,000	682	3,000	3,000	3,000	12,000
CS0066	Ward Investment Fund	35	0	35	0	0	0	0	35
CS0151	Building Safer Commun	47	0	47	0	0	0	0	47
CS0063	Waste Infrastructure & Recycling	204	1	205	0	0	0	0	205
CS0132	Community Hubs	25	0	25	0	0	0	0	25
CS0274	Bfd Enhanced Recycle Collect Bid	0	0	0	0	0	0	0	0
CS0283	Above Ground Fuel Storage	0	110	110	51	0	0	0	110
CS0328	Cliffe Castle Various	0	35	35	0	0	0	0	35
CS0374	Cartwright Hall CCTV	0	0	0	39	0	0	0	0
CS0376	Recycling Bins	0	0	0	0	0	0	0	0
CS0340	St George's Hall	5,889	-995	4,894	1,578	0	0	0	4,894
CS0121	Roberts Park	0	0	0	0	0	0	0	0
CS0129	Scholemoor Project	0	0	0	0	0	0	83	83
CS0162	Capital Projects - Recreation	0	0	0	0	0	0	0	0
CS0187	Comm Sports Field & Facili	0	28	28	0	0	0	0	28
CS0347	Park Ave Cricket Ground	20	1	21	14	0	0	0	21
CS0004	S106 Recreation	0	0	0	0	0	0	0	0

Scheme No	Scheme Description	Budget 2018-19	Changes	Revised Budget	0	Budget 2019-20	Budget 2020-21	Budget 2021-22	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0367	King George V Playing Fields	1,096	-29	1,067	2	0	0	0	1,067
CS0392	Russell Hall Comm Grn		14	14	0	0	0	0	14
CS0393	Queensbury Play Areas		24	24	0	0	0	0	24
CS0277	Wyke Manor Sports Dev - demolitr	0	252	252	1	0	0	0	252
CS0245	Doe Park	0	37	37	0	0	0	0	37
CS0349	Chellow Dene	8	-2	6	51	0	0	0	6
CS0284	Sport Facilities Invest Prog (SFIP)	0	0	0	0	0	0	0	0
CS0356	Sedburgh SFIP	8,865	706	9,571	491	7,035	49	0	16,655
CS0354	Squire Lane Sports Facility	0	0	0	0	600	4,400	4,400	9,400
CS0359	Community Resilience Grant	0	22	22	0	0	0	0	22
CS0388	Recreation Equipment	0	0	0	0	0	0	0	0
CS0107	Markets	35	5	40	0	0	0	0	40
CS0342	Westgate Carpark	0	0	0	0	0	0	0	0
CS0363	Markets Red'mnt - City Cntr	2,219	-1,879	340	0	2,975	11,850	60	15,225
CS0247	Replace Box Office Equip	0	3	3	0	0	0	0	3
Total - Dept of Place - Other		21,495	-1,569	19,926	2,911	13,610	19,299	7,543	60,378
Corp Serv - Estates & Property Services									
CS0094	Property Programme (bworks)	609	0	609	0	0	0	0	609
CS0262	Margaret McMillan Towers	0	0	0	0	0	0	0	0
CS0318	Property Programme 15/16	0	10	10	10	0	0	0	10
CS0333	Argos Chambers / Britannia Hse	0	751	751	0	0	0	0	751
CS0344	Property Programme 16/17	0	0	0	-10	0	0	0	0
CS0366	Property Programme 17/18	750	-71	679	14	0	0	0	679
CS0385	Property Programme 18/19		1,911	1,911	0	0	0	0	1,911
CS0368	Dishwasher	0	31	31	0	0	0	0	31
CS0230	Beechgrove Allotments	274	0	274	0	0	0	0	274
CS0269	Burley In Whrfdle Culvert repair	0	17	17	0	0	0	0	17
CS0050	Carbon Management	1,000	-203	797	-4	820	0	0	1,617
CS0305	Healthy Heating Scheme	77	59	136	22	0	0	0	136
CS2000	DDA	50	50	100	0	50	50	62	262
CS0361	Strategic Acquisitions	576	-576	0	0	0	0	0	0
CS0382	Fmr Odeon		0	0	278	0	0	0	0
CS0383	Jacobs Well demolition		495	495	14	0	0	0	495
Total - Corp Serv – Estates & Property Services		3,336	2,474	5,810	324	870	50	62	6,792

Scheme No	Scheme Description	Budget 2018-19	Changes	Revised Budget	Spend 31 May 18	Budget 2019-20	Budget 2020-21	Budget 2021-22	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserve Schemes & Contingencies									
	General Contingency	2,000	-300	1,700		2,000	2,000	2,000	7,700
	St George's Hall	0	300	300		0	0	0	300
	Highways Strategic acquisitions	0	500	500		0	0	0	500
CS0277	Wyke Manor Ph2 Sports Dev	493	0	493		0	0	0	493
	Essential Maintenance Prov	2,000	-2,000	0		2,000	2,000	2,000	6,000
	Bfd City Ctre Townscape Herit	2,000	0	2,000		750	0	0	2,750
	Strategic Acquisition	10,000	0	10,000		10,000	10,000	10,000	40,000
									0
	Keighley One Public Sector Est	10,000	-10,000	0		10,000	5,000	3,000	18,000
	Depots	3,000	-3,000	0		3,000	0	0	3,000
CS0306	Strategic Acq - Highways	550	0	550		0	0	0	550
	Canal Road Land Assembly	450	0	450		0	0	0	450
	Bereavement Strategy	8,500	-8,500	0		8,500	8,500	0	17,000
	New Schemes	31,995	-14,010	17,985	0	43,312	24,806	1,461	87,564
Total - Reserve Schemes & Contingencies		70,988	-37,010	33,978	0	79,562	52,306	18,461	184,307
TOTAL - All Services									
		176,179	-25,463	150,716	9,082	176,947	141,073	57,393	526,129

Corporate Risk Register May 2018



Corporate Risk Register May 2018
Generated on: 23 May 2018

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

Risk Code & Title	Adults Corp - 1 ADULTS - MCA DoLS	Current Risk Matrix
Description	The Cheshire West ruling March 2014 has significantly increased requests for authorisation of the Deprivation of Liberty Safeguards for people living in care homes and hospital. Failure to comply with the statutory DoLS processes leads to unlawful detention on the part of the state by the Local Authority.	
Potential Effect of risk	Harm to an individual unlawfully deprived of their liberty. Damage to the Council's reputation. Financial consequences arising from maladministration. The Court of Protection is able, and has taken action to indemnify people and their families up to the current potential maximum rate, £1000 per week for an unauthorised deprivation of liberty.	
Internal Controls	The department has completed the following work: <ul style="list-style-type: none"> 60 day internal audit review undertaken which recommended safe staffing levels going forwards Implementation of an improvement plan in response to all actions recommended in the internal audit report. Review of staffing compliment, leading to the establishment of a new MCA team and a business case for stabilising the level of base budget going forwards. Migration of all Best Interest Assessors through Comensura (bringing to and end the use of "independent BIAs"). Review of processes and systems. By end June 2018 all 1,800 cases in the backlog have been screened and cleared. Increase in use of short authorisations to manage the risk of cases where there are quality and safeguarding concerns. Recommissioning of the advocacy service contract to ensure capacity to provide Paid Relevant Person's Representatives. Retraining of all 47 qualified Best Interest Assessors within the Department. Bi-monthly free training offered to all providers across the health and social care sector to raise awareness of mental capacity and thresholds for authorisation of the Safeguards. Reintroduction with the CCG of the MCA Local Area Improvement Network reporting into the Safeguarding Adults Board. The impact of the internal controls has seen a significant improvement in performance: <ul style="list-style-type: none"> The total number of requests for DoLS has increased year on year by 26% to 3711 Applications not granted has increased by 40% to 1290 Applications withdrawn has increased by 176% to 458 	

	<ul style="list-style-type: none"> • Applications granted in year was 841 • The number of application completed was 929 • 27 cases have progressed to the level of a Section 21A appeal and are progressing before the Court of Protection. <p>The work undertaken over the last year has also led to a reduction in the number of active authorisations, which during 16-17 was 1,813 and during 17.18 stood at 1,417. This is a reflection of the good work by the team, the bar for capacity being low, and the MCA training raising awareness about the process.</p> <p>In 6 months the DoLS team reviews have resulted in a reduction in expenditure by £400K, the team have identified a further £2.1M of potential reductions to be achieved from purchased care spend if their work continues and the level of restriction is reduced.</p>
Actions/controls under development	In response to the internal audit recommendations and management review of capacity in the team, a business case has been developed to stabilise the level of base budget going forward to ensure we can continue to meet statutory responsibilities and manage the workload coming through.
Ownership Managed By	Bev Maybury

Risk Code & Title	Adults Corp - 2 ADULTS - Safeguarding incident	Current Risk Matrix
Description	We have the embargo policy for providers and working as a whole system to identify and mitigate against risks in accordance with safeguarding procedures.	
Potential Effect of risk	<p>Harm to an individual. Damage to the Council's reputation. Backlog of cases currently held by the Adult Protection Unit could lead to litigation of the Council. Adults at risk could be placed at further risk of harm without the backlog of cases being addressed. Failure to follow the N & W and York City Safeguarding Procedures will result in non-compliance with the Care Act 2014 and the 'Making Safeguarding Personal' (MSP) initiative. Safeguarding Procedures being applied incorrectly and without front-line operational consideration for MSP Information will not be disseminated to the operational workforce in order to effect changes in practice and improve service delivery. If performance data is not appropriately collected, analysed and reported there is a risk that</p> <ol style="list-style-type: none"> 1. The incorrect data collected will not allow for appropriate analyses to be made. 2. There is a risk that the data collected will lack integrity. 3. The service will be unable to deploy resources to those areas identified as needing specific support. 4. Appropriate data collection will ensure a robust analysis of how the service is working towards its goals and delivering outcomes for service users. 	
Internal Controls	<p>Safeguarding Adults Procedures in place which are currently being updated in line with the the Care Act 2014 and to embed the provision of MSP. A Safeguarding Adults Board manager has been appointed to monitor further development of the SAB and its Sub-groups. Senior management representation on Safeguarding Adults Board. Strong cooperation with the Commissioning arm of the Council and the Clinical Commissioning Group (CCG), and with the Care Quality Commission (CQC). Regular</p>	

	<p>meetings are scheduled each month throughout the year. Reporting to Council Members via the Overview and Scrutiny Committee. Regular meetings, discussions and supervision between the Adult Protection Team Manager and members of the Adult Protection Unit to ensure that members understand how to address the current backlog of cases and the seriousness of failing to do so. The appointment of two additional Adult Protection Unit staff members to focus upon the backlog of cases received in Duty for a period of two weeks after which the situation will be reviewed.</p>
Actions/controls under development	<p>On-going monitoring of all reported incidents by the Adult Safeguarding Team. The North and West and York City Safeguarding Adults Procedures are currently being updated A training programme is being developed to ensure all staff across all partner agencies receive a consistent level of training. Internally, the Adult Protection Unit is currently under review. The review is considering the introduction of a single point of contact for all safeguarding concerns received. A Communication Strategy is to be developed to enable the SAB partner agencies to disseminate information within their own agencies, across agencies and the public. The collecting and collating of safeguarding performance data is to be improved through a review of current data collection and presentation of the performance reports. Develop links with HM Coroner through face to face meetings and the development of a Protocol for effective working between Safeguarding, Commissioning and the HM Coroner. Further develop the links with the PREVENT initiative to address the growing concerns from the risk of adults being radicalised.</p>
Ownership Managed By	Bev Maybury

Risk Code & Title	CRR_New_BCM Critical facilities	Current Risk Matrix
Description	<p>Critical facilities - premises, IT & communication systems, key staff resource - become unavailable Disruption of services and infrastructure arising from a civil contingency or business continuity incident.</p>	
Potential Effect of risk	<p>The Council is unable to function - some or all delivery priorities jeopardised. The Council is unable to meet its Corporate targets The reputational risk to the Council is adversely effected The welfare and safety of the Council's citizens is at risk Increasing incidence and impact of service interruption events. Failure of business-critical systems Climate incident - extreme weather, flooding Civil unrest. Hostile act Work streams are dictated by the Community Risk Register</p>	
Internal Controls	<p>All services have in place a business continuity plan which are collated by the Emergency Management Team annually. These plans are owned by the relevant Service Assistant Director Plans identify a list of critical and statutory functions for their service (Annex A), Generic Actions (B) and Specific Action to take in relation to identified risks (C). Services' Business Continuity Plans which must be reviewed annually by the Assistant Director (or a nominated deputy) as the plan owner. These plans will be reviewed by the Emergency Management Team The Emergency Management Team coordinates the Councils approach to an incident/emergency and lead on the requirements of the Civil Contingencies Act 2004. The act lists 7 areas of responsibility which are to make risk assessments, create emergency plans, communicate with the public, co-operate with other responding organisations, share information with other responders, make our own business continuity arrangements and promote business continuity to businesses. 7 duties are covered in key work area sub groups and one of these groups is the Training and Exercising Group. They regularly develop exercises where plans are tested in a range of scenarios, such as incidents caused by bad weather, a CBRN (chemical, biological, radiological and nuclear) event, flooding, resource sharing etc. These events</p>	

	<p>are sometimes "live" but may also be table top. Different injects are added during the day and the outcomes debriefed for lessons identified</p> <p>Service on call 24 hours per day, 365 days a year and are responsible for co-ordinating the Council's approach in an incident or emergency situation.</p> <p>In place a range of plans which include contingencies for extreme weather, flooding, evacuation, rest centre/humanitarian assistance centres and Emergency Management Plan, to name but a few. These plans are exercised and tested regularly and lessons identified are included in plan reviews.</p> <p>Disaster Recovery site away from the City which houses secondary servers which would be switched over to from the Councils servers in the City Centre should there be an incident affecting these.</p>
Actions/controls under development	Revised Business Continuity Management Template has been devised to simplify plans and render them more usable when they are most needed. In March 2018 all AD's were asked to nominate service contacts to work with Emergency Management to transfer BCM plans onto the new format. This work is ongoing.
Ownership Managed By	John Major

Risk Code & Title	CRR_New_Care 2 ADULTS - Demographic change / migration / legislation	Current Risk Matrix
Description	Ability to deliver the Adults Social Care Transformation Programme priorities is threatened by rising costs and resource pressures due to changing demographics and changing legislation.	
Potential Effect of risk	<p>Demand for social care services is predicted to continue increasing and overspends are likely.</p> <p>Budget proposals highlight this particular pressure as an ongoing concern for the Council.</p> <p>There is a continuing need to re-prioritise and reallocate resources and actions have been identified in preparing budgets for coming years.</p> <p>Conflict between expectations and affordability - standards of service deteriorate as a result of increasing demand and fewer resources</p> <p>Lengthening waiting lists for assessments and provision of care</p> <p>Increases in numbers requiring care</p> <p>Increasing overspends</p>	
Internal Controls	<p>Savings plans based on a demand management mode have been agreed, these also include renegotiating and remodelling services to help mitigate the pressure.</p> <p>H&WB Transformation and Change Board in place which includes Assistant Directors (AD) within the dept, Service Managers and AD Finance and Transformation. Meetings held on a monthly basis to review progress on saving plans.</p> <p>Monthly Finance and Performance meeting in place with Leadership Group focusing on reviewing budget position and identify any pressure areas as well as areas of potential under spend elsewhere in the budget to mitigate and relieve problems.</p> <p>At both meetings a savings tracker is presented which summarises progress to date.</p> <p>Where problems are still being identified these are highlighted in the quarterly budget monitoring reports to Members.</p> <p>Regular progress updates are provided to the Portfolio Holder highlighting potential issues raised by this pressure</p>	
Actions/controls under development	<p>Continue to work with Health Partners as part of the integration of health and social care agenda to examine areas where there may be overlaps or synergies that could lead to more efficient ways of working and increasing value for money. These discussions are taking place via the ECB and ICB etc</p> <p>Gap analysis undertaken on Care Act implementation and have identified areas which require further work. Business case put forward to support this work which will be integrated within the Departmental Transformation and Change Programme</p>	
Ownership Managed By	Bev Maybury	

Risk Code & Title	CRR_New_E&CS1 Educational attainment	Current Risk Matrix
Description	Increasing pressure on skills, competency, capacity and other resources caused by changes in systems, funding, organisational or delivery structures and culture results in adverse impact on educational attainment.	
Potential Effect of risk	Reduced opportunity for citizens. Inability to attract high value-added employment Performance Indicators, attendance or Ofsted assessments decline Changing legislation, governance or funding structures require adaptation of delivery strategy	
Internal Controls	Annual analysis of attainment and progress measures and schools/academies with very low scores notified and monitored by LA, MAT and RSC. Annual Educational Standards report circulated and approved at O&S Committee in September and February. Annual risk assessment of LA maintained schools in July involving key stakeholders such as governors, Diocese reps, School Finance, Safeguarding, Headteachers and SEND and resources deployed according to needs Improving standards noted at the end of all key stages particularly in the progress measures due to the introduction of firmer lines of accountability Evidence of the narrowing of the gap with the national figures due to the rigorous monitoring and evaluation of key performance indicators and effective sharing of the data with key stakeholders including Teaching Schools and the RSC. Improved LA ranking in KS1, KS2 and KS4 due to the improved pupil outcomes. Boys' achievement in reading and writing continue to be an area for improvement and LA working in partnership with the National Literacy Trust and the Manager of the Bradford Literacy Trust and the Teaching Schools in order to establish targeted projects and initiatives aimed at improving boys' literacy skills.	
Actions/controls under development	April 2018 – Transformation of Prevention and Early Help and SEND approved at Ex Committee on 3rd April and officers to work on the first stage of the implementation process. All services operating under the Deputy Director for Skills restructured due to austerity challenges and limited funding.	
Ownership Managed By	Yasmin Umarji	

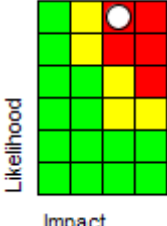
Risk Code & Title	CRR_New_E&CS2 Safeguarding incident	Current Risk Matrix
Description	A high-profile safeguarding failure occurs caused by inadequate governance procedures or non-observance of protocols	
Potential Effect of risk	Harm to an individual. Damage to the Council's reputation	
Internal Controls	The action plans from the Safeguarding inspection in 2014 have been implemented. Safeguarding arrangements commended by Ofsted May 2014 - action plan devised for achieving improvements as recommended in the report within 6 month timescale. There is increased demand for child protection services; a steady increase in referrals and the numbers of children on plans has resulted in higher numbers supported by specialist services. In April this rose to above 1000 LAC. Caseloads have significantly increased for social workers. The Council has funded a resource plan and increased the number of social workers, staff in the child protection unit and a multi-agency response to Eastern European families. It has proved difficult to recruit additional experienced workers and the quality of agency workers who are available is poor, this has resulted in continued	

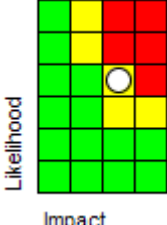
	<p>vacancies and staffing levels are a potential risk. A review of caseload allocation has been put in place to ensure resources are aligned to need. The Safeguarding Board has carried out a Section 11 Audit of the safeguarding arrangements. Tight Performance Management Systems and clear lines of Management and Accountability Systems in place. Comprehensive Child Protection Training Strategy in place for all operational staff. Bradford Safeguarding Children Board has implemented enhanced safeguarding procedures across member agencies in the district including a review of children missing education and a review of the CSE hub. There is a robust co-located multi-agency service for dealing with contacts, referrals and assessments, and an additional specialist multi-agency service for dealing with child sexual exploitation concerns; this has been further enhanced by co-location at Sir Henry Mitchell House from April 2015. The work of the Child Sexual Exploitation Hub is strong as evidenced in the Ofsted Inspection March 2014 and the review in 2015. There has been a good response to nationally required improvements to track and reduce risk for young people. Strengthening assessment processes through the single child assessment; the Board has implemented a non-engagement pathway to address working with difficult and evasive service users. BSCB and its partners have a programme of multi-agency case file audit and case challenge. Challenge panels have been put in place to focus on key areas of practice including CSE ,and this has been further strengthened by a robust internal case file audit process. A quality assurance framework has been developed for children's services There has been further case file audit and challenge panels, together with the publication of a QA framework for Children's Social Care which has provided assurance and challenge around safeguarding work with vulnerable children. CSE has been reported to all area committees and the programme of awareness raising and training has continued. A review of caseload allocation has been put in place to ensure resources are aligned to need. The overall risk level remains the same.</p>
Actions/controls under development	
Ownership Managed By	Jenny Cryer

Risk Code & Title	CRR_New_E&S 1 Delivery of skills and training priority	Current Risk Matrix
Description	<p>Increasing budget pressure and resource constraints caused by competition for resources required for delivery of skills and training priorities. Need to deal with historical / legacy issues.</p>	
Potential Effect of risk	<p>Lack of coordination in the efforts of various agencies involved. Lack of congruence with educational attainment objective. District becomes unattractive to businesses and employers. Loss of leadership role. Actions detailed in the Employment and Skills Strategy are not delivered Get Bradford Working outcomes not realised Funding bodies releasing new contracts in isolation Underspend of current funding</p>	
Internal Controls	<p>New contracts are developed in conjunction with key partners and are discussed with ESB Contracts are procured with specific reference to avoiding duplication of resources and funding Continue to promote streamlined provision and encourage providers to work in partnership to avoid duplication Delivery of the ESF STEP programme continues in Bradford and Leeds. ESF STEP contract runs until March 2020. Skills for Work (SfW) Choice and Work Programme contracts continue to run down until final customers leave programme. Customer numbers across all SfW DWP programmes will be less than 50 before the end of 2018 Reed in Partnership have started delivery of the DWP Work and Health Programme in the North of England and are delivering this programme in the Bradford district. SfW continue to deliver Levy and Non-Levy Apprenticeships since the introduction of the new Government Reforms in May 2017. SfW continues to deliver Education and Skills Funding Agency (ESFA) Classroom and Community Learning funding and have received</p>	

	their 2018-2019 Contract Variation with Maximum Contract Value allocated by the ESFA.
Actions/controls under development	SfW 2018 restructure will be implemented in July 2018. The restructure takes into account the rundown of DWP contracts and reducing staff customer caseloads. Resulting in a reduction in customer facing staff and support staff. Senior management is keeping abreast of the Governments' devolution agenda for education and skills funding to a more local level i.e. West Yorkshire Combined Authority and Leeds City Region LEP Organisations can bid for DWP Flexible Support Funding via the DWP Dynamic Purchasing System (DPS), where local jobcentre plus offices can purchase service for specific customer groups or area need. Organisations need to submit their Service Offer/s on the DPS that JCP can purchase.
Ownership Managed By	Jenny Cryer; Jim Hopkinson

Risk Code & Title	CRR_New_Env Environment and sustainability	Current Risk Matrix
Description	Rising costs, resource pressures and increasing exposure to penalties as a result of demographic changes and other volume/capacity pressures, changing targets, legislation, economic and political pressures.	
Potential Effect of risk	<p>Damage to Council's reputation due to failure to meet own carbon reduction targets or if identified as having poor measurement and control systems in place</p> <p>Damage to Council's credibility as leader if district-wide targets not met.</p> <p>Need to develop new consensus and relationships with city and citizens around creative, local initiatives to enhance sustainability</p> <p>Need to re-prioritise and reallocate resources.</p> <p>Reduced ability to promote external investment.</p> <p>Amount of energy costs as gross figure and relative to the size of Council's estate/ activities</p> <p>Performance against corporate and district wide carbon reduction target (40% reduction in greenhouse gas emissions by 2020, using 2005 as baseline year)</p> <p>Climate "incident"</p> <p>Lack of robust understanding of population and other economic trends</p> <p>Actions identified in corporate energy cost reduction plan not delivered</p> <p>Funding for renewable energy and energy efficiency projects not available</p> <p>Wider stakeholder community under resourced to deliver on action commitments</p> <p>Changing legislation, political priorities, targets</p> <p>Global insecurity causing major fluctuations in energy costs</p>	
Internal Controls	<p>Managing systems and processes to monitor and report on energy consumption and carbon emissions to ensure compliance with statutory Carbon Reduction Commitment. Carbon emissions from Council operations published annually, tracking progress to 2020 target.</p> <p>Arrangements with Yorkshire Purchasing Organisation for the monitoring of utility markets and understanding impacts of price volatility.</p> <p>Use procurement processes to secure optimal price advantage in purchasing resources for instance through category management.</p> <p>Sophisticated and comprehensive understanding of corporate resource use profiles and identification of business critical resource risks in terms of supply and availability or price volatility and impacts on service budgets.</p> <p>Delivering corporate resilience through sourcing local resources where viable such as PV panels, District Heat Network.</p> <p>Delivering projects to use resources such as energy, efficiently and where feasible reducing direct resource consumption.</p>	
Actions/controls under development		
Ownership Managed By	Ben Middleton	

Risk Code & Title	CRR_New_FSE 1 Financial resilience and sustainability	Current Risk Matrix
Description	Central Government funding is likely to continue to reduce . The combination of past and future funding reductions and increasing service demand calls into question the long term sustainability of local public services	
Potential Effect of risk	<p>Services run the risk of failing to deliver statutory minimum standards</p> <p>Budget is overspent.</p> <p>Suboptimal decisions could be made.</p> <p>Achievement of priorities delayed or not delivered.</p> <p>Service delivery not achieved.</p> <p>Challenges to governance framework.</p> <p>Deterioration in reputation with knock on consequences.</p> <p>Scarce resources may not be utilised / prioritised to maximum effect.</p> <p>Reduced effectiveness of Council Leadership</p> <p>The Council's budget & setting of Council Tax is challenged.</p> <p>The risk was addressed for the current year. Spending pressures were resolved through the budget process together with the use of reserves.</p> <p>The risk remains for future years though already being planned for through organisational review and new operating models workstream.</p> <p>Central Government funding is still reducing and the future is uncertain beyond 2020.</p> <p>The Fair Funding Review which is underway will determine the national funding picture.</p>	
Internal Controls	<p>Council priorities reaffirmed in the Council Plan approved July 2016 and in the Medium Term Financial Strategy updated July 2017</p> <p>Comprehensive financial and performance monitoring information provided to DMTs, CMT and Executive supported by value for money and activity information.</p> <p>Budget process fully integrated with the Authority's strategic service and value for money planning.</p> <p>Political engagement in place for budget process.</p> <p>Medium term planning extended over a six year time line.</p> <p>Controls on procurement and workforce changes in place</p> <p>Meaningful budget consultation process in place</p> <p>Strict adherence to Reserves Policy Project Appraisal Group established to scrutinise individual capital business cases</p>	
Actions/controls under development	<p>A series of productivity ratios continue to be developed along side the linkage of activity and finance data to identify whether value for money is being achieved - Power Bi.</p> <p>Medium Term Financial Strategy incorporating scenario planning / forecasting / sensitivity analysis, is being continuously updated to take account of national and local funding announcements.</p> <p>Raise financial acumen across the Council to improve decision making.</p>	
Ownership Managed By	Andrew Crookham	

Risk Code & Title	CRR_New_FSE 2 Information Security	Current Risk Matrix
Description	Confidential data is lost, stolen, accessed or disclosed without authority because of inadequate data security or non-observance of protocols	
Potential Effect of risk	<p>Damage to the Council's commercial interests, reputation and ability to provide credible leadership of the district.</p> <p>Risk of financial penalty</p>	

	<p>Penalty arising from reference of data security breach to Information Commissioner. Adverse publicity.</p> <p>Loss of trust between the Council, its partners and citizens</p> <p>Required "culture change" is not achieved</p> <p>Inadequate engagement fails to deliver physical security, effective procedures or efficient processes.</p>
Internal Controls	<p>Designated SIRO (senior information risk owner) - City Solicitor</p> <p>Assistant Directors Assigned Information Asset Owners.</p> <p>Information Asset Administrators (IAAs) – managers appointed by IAOs who collectively form the Information Assurance Operational Network (IAON). Middle management working group who support Assistant Directors in meeting their IAO responsibilities.</p> <p>Updated E-learning "Responsible for Information : levels 1,2 and 3" is sent annually via email to all staff for compulsory completion. "Think! Security Training available for Non ICT Users".</p> <p>Security breach notice and protocol is well established.</p> <p>IT Security Policies, guidance and procedures actively maintained and reviewed annually.</p> <p>GDPR Implementation Plan in place</p> <p>Technological solutions enable a consistent, safe and accessible infrastructure for data - IT systems and projects enable the business while minimising risk to the confidentiality, integrity and availability of those systems. Data in use, in transit and at rest should be in line with legislative requirements and follow policy/procedure.</p> <p>Appropriate physical security mechanisms. - Buildings are secured to a level commensurate with the nature of the data they contain. Mechanisms are in place to protect physical (paper based) information from creation to destruction.</p> <p>Risk Log approved by IAG and regularly updated.</p> <p>Public Services Network (PSN) compliance achieved which is a rigorous on-going IT governance assessment</p> <p>Secure e-mail solutions in place for safe information exchange with other public service agencies and 3rd party organisations, GCSx and Egress in place and communicated through service DMTs and Managers Express</p> <p>Regular independent Penetration testing of IT systems to provide assurance that suitable technical security controls are in place.</p> <p>Required encryption in place.</p>
Actions/controls under development	<p>GDPR Implementation Plan in place to ensure compliance with the new Data Protection Act is achieved.</p> <p>Implementation Plan will need to be completed through 2018/19</p>
Ownership Managed By	Parveen Akhtar

Risk Code & Title	CRR_New_FSE 3 Governance breakdown	Current Risk Matrix
Description	Governance and corporate management framework is compromised, for example as a result of prioritising short term cost reduction over long term transformation.	
Potential Effect of risk	<p>Increase in fraud.</p> <p>Declining performance.</p> <p>Critical inspection/ external/ scrutiny report.</p> <p>Non-compliance with statute or regulations.</p> <p>Prosecution / financial penalty.</p> <p>Outcomes not delivered</p> <p>Resources not effectively or efficiently allocated and utilised</p> <p>Financial loss.</p> <p>Reputational damage</p> <p>Failure to deliver value for money.</p> <p>Staff reductions may create potential for weakening of key controls through reduced examination and assurance work</p>	
Internal Controls	Strong Corporate Governance & Audit Committee (CGAC) and scrutiny arrangements. Annual work programme determined by the CGAC in consultation with Directors or	

	<p>Finance and City Solicitor. New Code of Corporate Governance Adopted by the Council in December 2017. Assurance exercise completed April 2018. This follows the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" Reference to risk a fundamental element in prioritising and design of Annual Internal Audit plan. Established whistle blowing policy and procedure available to all staff. Corporate Fraud Unit established External Audit independent overview. Annual review of governance framework including Strategic Directors' compliance statements. Established insurance principles & processes New Corporate indicator set established Regular review of corporate indicators presented to Executive to measure performance in delivering service improvement and outcomes Increased demand on services/requests for assistance</p>
Actions/controls under development	<p>Well run Council Transformation Board Back to Basics Approach</p>
Ownership Managed By	<p>Parveen Akhtar</p>

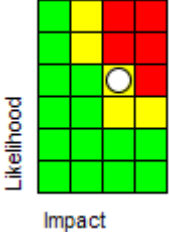
Risk Code & Title	CRR_New_FSE 4 Disruption or failure in other Public Sector operations or service provision	Current Risk Matrix
Description	<p>Operational failure or disruption, at worst organisational failure, in other parts of the public sector, caused by continuing fiscal constraint, leads to direct or indirect adverse consequences for Council services</p>	
Potential Effect of risk	<p>Additional unfunded demand Breakdown in supply chains making Council services inoperable Resources diverted into failing organisations which makes less available for the Council Emergency/high-cost activity by the Council to keep services running Management attention diverted</p>	
Internal Controls	<p>Liaison with other public bodies through existing governance, partnership and peer-to-peer contacts Engagement in devolution agenda at regional level Engagement with Bradford-based public sector leaders Monitor consequences of any such failures in other places</p>	
Actions/controls under development		
Ownership Managed By	<p>Kersten England</p>	

Risk Code & Title	CRR_New_Health_1 Changing demographics	Current Risk Matrix
Description	<p>Public Health priorities are threatened by rising costs and increasing resource pressures arising from changing demographics - rising birth rate and aging population.</p>	
Potential Effect of risk	<p>New balance to be struck in resource allocation between public protection and affordability Damage to reputation.</p>	

	This risk is likely to have a significant impact over the long term. Over a rolling review period of 3-5 years however the impact is considered to be marginal allowing for effective mitigation. The Authority needs effective systems for monitoring demographic trends.
Internal Controls	Strategic Health Needs Assessment (HNA) completed Autumn 2014. The Bradford Dementia Strategy Group have agreed that HNA is in effect the Strategy. This has been accepted as such by: Health and Social Care Scrutiny, AWCCCG, BDCCG, BCCCG, BDCT. There is a 5 year action plan under auspices of the Dementia Strategy Group
Actions/controls under development	
Ownership Managed By	Bev Maybury

Risk Code & Title	CRR_New_Health_3 Health protection incident	Current Risk Matrix
Description	Public health is threatened by a health protection incident such as a communicable disease outbreak e.g. Pandemic Influenza or other disease or an environmental hazard e.g. severe weather.	
Potential Effect of risk	Widespread disruption of the local economy and social fabric. the number of cases of severe illness and deaths it causes summarises, the overall severity of a pandemic's impact e.g. viral property, population vulnerability, subsequent waves of spread and capacity to respond. This risk is composite in nature so risk factors will vary according to the nature of the incident	
Internal Controls	Development of a Pandemic Influenza Plan during 2014/15 which clarifies CBMDC's role During 2014 a Bradford District Communicable Disease Outbreak Management Algorithm was developed by CBMDC Public The Outbreak Management Algorithm dovetails with the following documents: - West Yorkshire Gastro-intestinal Disease Management Protocol - West Yorkshire Specification for Local Health Protection Responsibilities - PHE Communicable Disease Outbreak Management Operational Guidance The CBMDC led Bradford District Resilience Forum (BDRF) has been operational since November 2014 and aims to provide a co-ordinated approach to integrated emergency management as determined by the risks and needs throughout the district of Bradford, in accordance with the requirements of the Civil Contingencies Act 2004. As well as Influenza and communicable disease outbreak specific planning mechanisms, the CBMDC Emergency Management Plan (Feb 2015) outlines the strategic and operational arrangements to be undertaken in the event of any emergency. The Council's Adverse Weather Plan and Flood Plan outline the procedure for the distribution of weather warnings and define the framework for response to adverse weather incidents.	
Actions/controls under development	Work is continuing to ensure other key health protection areas such as infection prevention and control (including health care associated infection), screening and immunisations and various elements of environmental health continue to be priority areas and links between Environmental Health, Public Health, PHE, NHS England and other key agencies continue to develop in a manner which enhances the delivery of services and functions seeking to address health protection issues.	
Ownership Managed By	Bev Maybury	

Risk Code & Title	CRR_New_Hsg 2 Inadequate housing supply in terms of quality, accessibility and affordability.	Current Risk Matrix
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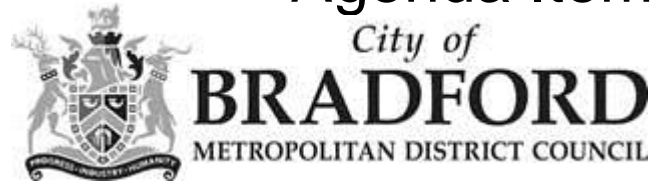
<p>Description</p>	<p>Changing demographics and demand pressures, changes in national policy (especially as relating to affordable housing) and a period of reduced housing construction, leads to an inadequate housing supply in terms of quality, accessibility and affordability. This will impede the Council's progress towards the corporate priority of decent homes that people can afford to live in.</p>	
<p>Potential Effect of risk</p>	<p>Reduced scope for economic development and adverse impact on labour market due to reduced mobility and availability. Negative impact on regeneration priorities and neighbourhoods. Negative impact and wasted resources associated with a large number of empty homes. Negative impact on health priorities as inadequate housing contributes to chronic health problems, critical incidents such as falls and delays discharge back in to the community Negative impact on education priorities as inadequate housing affects children's educational attainment. Net additional homes (CIS_05 (NI 154)) Number of affordable homes delivered (NI 155)</p>	
<p>Internal Controls</p>	<p>Documented evidence base for Housing and Homelessness Strategy which reflects anticipated demographic and demand changes and other regular monitoring of trends such as Housing Market tracker Comprehensive stock modelling for Bradford District completed in 2016 providing insight in to housing condition and basis for targetted interventions. Strategic direction for District set out in Housing and Homelessness Strategy which was approved by the Council's Executive and Bradford Housing Partnership in 2014 and subject to review Number of other housing related strategies, policies and programmes setting out actions and interventions to address housing supply/ provision including the Local Investment Plan, area plans, Great Places to Grow Old programme, Empty Homes Delivery Plan and Private Sector Housing Enforcement Policy and area plans Strategic Housing Market Assessment (SHMA) and the Strategic Housing Land Availability Assessment (SHLAA) developed by the Planning Service to ensure that sufficient land is made available during the life of the Local Development Plan in order to provide opportunities for the provision of affordable housing. Ongoing monitoring of external factors which may impact on housing development and improvement in the District, such as Brexit and the potential impact that this will have on developer confidence, general economic conditions and political/ legislative changes such as the implementation of the Housing and Planning Act and changes in the approach to provision of affordable housing. These factors taken into account and acted on in development of relevant plans and policies. Key indicators reported as part of the corporate indicator set relating to net additional homes and improvement delivered by main Housing services Development and Enabling team working to maximise the number of new affordable homes in the District through working in partnership with Registered Providers and Homes England to attract affordable housing grant and private finance to support the delivery of new build Affordable Housing schemes. Between 2010 and 2015 the team completed the delivery of 176 affordable homes and has now commenced the 2015/18 programme (funded by £4.9m HCA grant) for 194 new homes. To date 55 properties have been completed (47 for rent and 8 for sale) Planning service ensure provision of affordable housing is maximised through Section 106 planning agreements on larger private development schemes Housing Standards team apply the Council's statutory enforcement powers to improve the standards of accommodation in the growing private rented sector – dealt with approximately 2350 requests for assistance during 2017/18 Work with the Leeds City Region and energy providers to develop and deliver energy efficiency improvements to the District's housing stock. Invest in a proactive programme of interventions to bring empty homes back in to use. Allocations Policy which ensures access to social housing and supports employment mobility. Council provides Housing Options service which proactively seeks to prevent homelessness. Private Sector Lettings Scheme developed to make better use of private rented sector in meeting housing need. Monitoring of impacts of welfare reforms (e.g. benefits cap, roll-out of Universal Credit, Under 35s, LHA caps) ongoing, with short-term impacts mitigated via Discretionary Housing Payments (DHPs).</p>	
<p>Actions/controls under development</p>	<p>Development of a Housing Design guide to improve the quality of new build housing developments and through delivery of exemplar projects by the Council. Document</p>	

	awaiting final approval. Facilitate capital investment by partner organisations in order to exploit new financial models for the supply of housing in the District. Consideration of options for the delivery and management of additional new build affordable housing by the Council beyond the current 2015-2018 Affordable Housing Programme (approach approved by the Executive on 10 March 2015).
Ownership Managed By	Shelagh O Neil

Risk Code & Title	CRR_New_R&I Regeneration and Investment	Current Risk Matrix
Description	Loss of confidence in the local economy and regeneration prospects caused by failure to engage with the private sector, poor planning or ineffective interventions.	
Potential Effect of risk	<p>Inability to raise funds for projects. Reduced job opportunities. Increasing deprivation. District does not emerge from / break out of a subsidy culture to achieve a diversified and resilient economy. Delivery of local plans and economic growth adversely affected. Inability of transport infrastructure to accommodate demand for travel. Investment levels -enquiries and secured investments Business rates growth Premises vacancy/occupancy rates Projects delivered Continued reducing corporate resources - impact on the non statutory function of Economic Development Failure to engage the private sector Poor planning Ineffective interventions</p>	
Internal Controls	<p>Key account management with major businesses and employers to enhance business relationships and engagement with the private sector through various networks e.g. regular Property Forum; City Region joint working; district wide events. Joint attendance with Leeds City Region at investor events in London progresses engagement with key investors. Monitoring of economic intelligence and performance through monthly economic update bulletins and relevant `on the day` briefings; sharing of information across the Council and Partners. Comprehensive Invest in Bradford website www.investinbradford.com Partnership working - supporting effective local and regional strategic partnerships e.g. West Yorkshire Combined Authority activity. Growth Deal project development and Economic Strategy launched. Strategic planning and leadership e.g. Bradford Economic Partnership launched 6.3.18. www.madeinbradford.com Relationship management - development and monitoring of benefits from key programmes such as the European Social Integration Fund (ESIF), Homes England, West Yorkshire Transport Plan, Leeds City Region Transport Strategy and related projects, and the Local planning development framework Utilisation of housing investment as a key factor in regeneration e.g. to meet affordable homes targets (see separate corporate risk on Housing).</p>	
Actions/controls under development	<p>Economic Development Service reshaping and restructure ESIF Programme engagement Implementation of Bradford Economic Strategy Development of Leeds City Region (LCR) pipeline projects Contractual development of local plans Engaged fully in Leeds City Region and West Yorkshire Combined Authority action impacting on the District including Business Rated Pool and CLLD Programmes</p>	
Ownership Managed By	Shelagh O'Neill	



Risk Code & Title	CRR_New_SSC Cohesive Community	Current Risk Matrix
Description	<p>An incident occurs that leads to a rising of community tensions, possibly leading to counter action, civil unrest and criminal activity.</p> <p>As a consequence, there is a direct impact on managing the outcome for the council, police and partners and adverse reputational damage to the 'district'.</p>	
Potential Effect of risk	<p>Negative impact on trust - between citizens, the Council and its partner agencies. Widening inequality. Cost of managing response is not contained within existing resources (council, police & partners). Breakdown in relationships between different community groups, leading to protracted tensions that need to be managed. Loss of community cohesion within the district. Adverse media and reputational damage for the district and key agencies. Ineffective engagement with citizens, community groups Communities continue to believe that some sections are treated better than others Impact of welfare reform on the district's most vulnerable communities</p>	
Internal Controls	<p>The Stronger Communities Partnership is a Strategic Delivery Partnership of the Health and Well Being Board (HWBB), and is accountable to HWBB. It is committed to working with all the Bradford District Partnerships to embed principles of cohesion and inclusion in their work. Neighbourhood Service supported Ward Officer Teams - reporting community tensions as part of standard agenda – including police. Council Wardens record issues that may lead to increased community tensions. Ward Assessments provide an annual assessment of community tensions based on above. West Yorks Police share their community tension monitoring with Safer Communities team. Comprehensive action plans ensure each delivery group's objectives are achieved, evidence of effectiveness obtained and performance monitored. Community Safety Partnership co-ordinates a Reassurance and Engagement group. The Community Safety Partnership subgroup - Neighbourhood and Community Strategy group -overview of Communities of Interest. Police incidents which may have an impact on tension are shared with relevant partners. The Prevent Strategy programme reduces risk of extremist influences creating divisions between communities. A weekly intelligence @Community Information Report is circulated to partner agencies</p>	
Actions/controls under development	<p>Continued vigilance is needed to ensure that any rise in tension in the District is addressed on an ongoing basis with key partners. The government launched its Integration strategy as a 'Green Paper' on 14 March and Bradford has been identified as one of 5 'Integration Areas'. A local strategy will be developed and signed off in August 2018, which will lead to a two-year programme of work to respond to the government's integration strategy. Social media continues to pose significant challenges with real, and often 'fake news', leading to heightened tensions.</p>	
Ownership Managed By	<p>Ian Day</p>	



Report of the Assistant Director Finance and Procurement to the meeting of Executive to be held on 10 July 2018

F

Subject:**Medium Term Financial Strategy 2019/20 to 2021/22 and beyond****Summary statement:**

The Medium Term Financial Strategy focuses on how the Council intends to respond to the forecasted public sector funding reductions as a result of the on-going austerity measures imposed by the Government's spending plans. It sets out the approaches and principles the Council will follow to ensure the Council remains financially viable and delivers on its priorities.

The next three years already contained a series of potentially significant changes to the structure of the Council and the services it will be responsible for and what it can provide. Many of these changes are still at consultation stage which brings additional complexity when predicting the future. In addition the impact on the economy from leaving the EU may also affect local government funding and demand for services.

The forecast identifies for planning purposes that savings need to be identified of £15.3m in 2019/20 in addition to the £6.1m agreed in February 2018. In the following year the gap increases to £20.2m in 2020/21 and then up to £32.3m by 2024/25. This forecast reflects the risks associated with delivering the Council Plan 2017-2021 in particular the challenges of the costs of social care

Andrew Crookham
Assistant Director Finance and
Procurement

Portfolio: Leader and Corporate

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 Whilst there is a growing national awareness of the demand on council services with reduced funding there are several fundamental reforms being proposed but with no detail at this stage, which makes financial planning difficult. This Medium Term Financial Strategy (MTFS) sets out the financial envelope for the Council to deliver its key priorities as set out in the revised Corporate Plan based on assumptions made from the relevant data available.
- 1.2 The key outcomes that underpin the financial planning of the Council are:
- Good schools and a great start for all our children
 - Better skills, more good jobs and a growing economy
 - Better Health and better lives
 - Safe, clean and active communities
 - Decent homes that people can live in
 - A well run council
- 1.3 The MTFS shows a continuing reduction in the size of the Council's financial envelope and identifies an immediate need for planning purposes to identify revenue savings of a further c£15.3m in order to set a balanced Budget in February 2019. The gap rises to £20.2m in 2020/21 and continues to widen to £32.3m by 2024/25 (Appendix 1 Table 2). These forecasts assume that for planning purposes additional savings are identified to reflect a proportion of the savings identified in the Quarter 1 monitor at being at risk of not being delivered.
- 1.4 Appendix 1 section 3.1 contains details of the key uncertainties associated with the forecast. There are several national reforms that will impact on the forecast namely:
- Fair funding review
 - Business Rates Baseline reset
 - Move to 75% Business Rates retention
 - Spending Review 2019
 - Social Care Green Paper
 - Brexit
- 1.5 Clearly Brexit is still an unquantifiable uncertainty for the national economy. Any deterioration of the national economy could lead to further austerity measures imposed on local government. For many of the reforms listed above the implications on individual local authorities will not be known until late in 2019. This will not give much time for local authorities to budget for any significant changes in funding. As a result it is important that Council reserves are maintained now in order to smooth any adverse transition.
- 1.6 If a percentage of the social care savings cannot be made then the reductions required from other service areas would lead to a fundamental reshaping of the Council to become in essence a social care provider, with very limited capacity to undertake other functions central to its wider ambitions.
- 1.6 The Council benefitted in 2018/19 from the Leeds City Region 100% Business Rate

Pilot. The letter from MHCLG indicated that the pilot was for one year only. Recent discussions with MHCLG have not given any indication whether the pilot would be extended into 2019/20 as it is a “policy” decision. For the purposes of this forecast it is assumed that the Pilot will not continue. The comparisons of the Council’s net resources are therefore skewed by the 100% pilot in 2018/19 and subsequently the estimate of 75% business rates retention..

2. BACKGROUND

- 2.1 The MTFS forms part of the Council’s planning and performance framework, and provides the context for the more detailed budgeting process.
- 2.2 The MTFS is refreshed each year to give a rolling three year assessment of the fiscal environment, after the close of the previous year, and before the budgeting round commences. It also provides a forecast for a further three years but given the uncertainty on any reforms to local government financing this forecast will need to be refreshed as further information becomes available.
- 2.3 The MTFS (Appendix 1) comprises three sections
 1. Purpose, priorities and principles
 2. Medium Term Financial Forecast and Gap Analysis
 3. Risks associated with the forecast

Followed by a series of annexes

Annex A	Current Cost and Resource Structure and savings approved to date
Annex B	Expenditure Forecast Assumptions
Annex C	Resource Forecast Assumptions

3. OTHER CONSIDERATIONS

- 3.1 The MTFS is typically affected by Forward Plan decisions being considered by Executive and Council which have material financial implications. In addition national policy changes can also have a significant impact on the MTFS.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The MTFS is a financial and resource appraisal.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The principal risks arising from the strategic assessment emerge from:
 - the sensitivity of financial estimates to actions beyond the immediate control of the Council, in particular Government decision on local authority financial regimes and spending levels. This is particularly significant for this forecast given the National reforms currently being considered;
 - the capability of the Council to influence Council Tax and Business Rates;
 - the impact on the economy and any resulting adjustment to the local

government financial envelope resulting from the EU referendum vote to leave the European Union.

5.2 Specific risks in the plan are set out in section 3.1 of Appendix A.

5.3 The MTF5 basic premise is that approved local savings plans will be delivered on time and in full. For planning purposes a proportion of the savings identified at risk of not being delivered have been incorporated into the budgetary gap to be closed. See Table 4 in section 3.3 of Appendix 1.

6. LEGAL APPRAISAL

6.1 This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules.

6.2 The Council is legally obliged to set a balanced budget.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Non specific

7.2 SUSTAINABILITY IMPLICATIONS

Non specific

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Non specific

7.4 COMMUNITY SAFETY IMPLICATIONS

Non specific

7.5 HUMAN RIGHTS ACT

Non specific

7.6 TRADE UNION

Non specific

7.7 WARD IMPLICATIONS

Non specific

7.8 IMPLICATIONS FOR CORPORATE PARENTING

Non specific

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Non specific

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

This report sets out the assumptions for budget planning purposes and therefore does not include any options.

10. RECOMMENDATIONS

10.1 That Executive consider the Medium Term Financial Strategy as an assessment of the Council's financial outlook to 2021/22 and beyond, and a framework for it to remain financially viable and deliver sustainable public services in line with its priorities and the principles set out in Appendix 1.

10.2 That Executive recommends the updated and revised Medium Term Financial Strategy at Appendix 1 of this report be forwarded to Council for approval.

11. APPENDICES

11.1 Appendix 1 Medium Term Financial Strategy 2019/20 to 2021/22, including the annexes to the Strategy.

12. BACKGROUND DOCUMENTS

12.1 Council Budget Report 22nd February 2018 - Document P

12.2 Executive Report 10th July 2018 - Review of Minimum Revenue Provision (MRP) Update Policy - Document G

12.3 Executive Report 10th July 2018 - First Quarter Financial Position Statement for 2018/19 - Document E

**City of Bradford Metropolitan
District Council**

Medium Term Financial Strategy

2019/20 – 2024/25

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

1.1 Purpose and priorities

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

- the forecasted size of the financial challenge it faces in both the medium and longer term
- the constraints of the national and local landscape
- the risks to financial resilience.

In the current financial climate the Council's principal financial aim is to remain viable so that it continues to work with partners, other organisations, residents and communities to deliver positive outcomes on its priorities of:

- Good schools and a great start for all our children
- Better skills, more good jobs and a growing economy
- Better Health and better lives
- Safe, clean and active communities
- Decent homes that people can afford to live in
- A well run council

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

- Continue the trend of recent years to manage down the Council's recurrent cost base in line with reductions in overall resources
- Maintain income levels and increase them where possible, including growing the Council Tax and Business Rates tax base
- Prudently use reserves and balances to smooth the transition to a lower cost base and accommodate unforeseen challenges, and ensure that longer term liabilities and risks are adequately covered
- Seek to benefit from public service reform

1.2 Approach and principles

The MTFS is consistent with the priorities the Council is pursuing, as articulated in the District Plan and the Council Plan.

The principles that will influence the choices the Council will make in the future are summarised below

- **Working together** – working closely with partner organisations, business, communities, families and individuals to make the most of all our district's resources, assets and opportunities
- **Equality** – making sure that council activity helps to reduce inequality, provides opportunities for everyone and builds an economy that works for us all

- **People in charge of their own lives** - supporting wellbeing and independence through early action to prevent problems developing or stop them getting worse
- **Every pound counts** – using money wisely and targeting resources at district priorities while supporting the development of cost-effective and innovative solutions

A robust performance management framework arrangement will make sure value for money, sustainability, efficiency gains and the effectiveness of resource allocations can be demonstrated across all Council services, partnerships and commissioned service delivery; and that mechanisms are in place by which performance against these can be measured and managed. This will provide an increasingly sophisticated understanding of performance against district wide and local priorities set within the context of the financial outlook.

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

The strategy and principles set out above lay down the framework and constraints for the next stage in the continuous cycle of operational and financial planning.

MEDIUM TERM FINANCIAL FORECAST AND GAP ANALYSIS

- 2.1 The medium term and longer term forecasts set out in Table 1 and Table 2 derive from comparing forecast expenditure assuming no changes to current plans, with forecast income, to give a deficit to be managed out through budget decisions. Table 3 shows the additional pressures identified since the budget was approved by Full Council and Table 4 shows the forecast budgetary gap attributed to savings plans at risk.
- 2.2 The starting point for the Forecast is the current financial structure of the Council, which is analysed in Annex A which assumes that the Service and non-Service savings approved by Council in previous years will be achieved in full. The Quarter 1 financial monitor report indicates that we are already seeing potential slippage in the savings profile and unless these are brought back on track then additional pressures will need to be included in future financial plans. As a result for planning purposes an additional amount has been incorporated into the forecast budgetary gap.
- 2.3 Forecast cost structure and forecast future resources are affected by a number of factors, some that are within our control and others that are not. Business Rate Reform, Spending Review, Fair Funding Review, Social Care Green Paper and the potential impact of Brexit are all potentially going to impact on Bradford but the quantum of these factors on the Council's budget is unknown. In Annex B the material factors that are likely to affect the Council's spending forecasts are set out.
- 2.4 In the five years from the beginning of 2011/12 to 2017/18 the Council has approved a series of reductions to its net budget of £255.9m. Further reductions of £6.1m (including £1.1m of further Public Health grant cuts) are being applied during 2018/19 taking the total reductions to £262m.
- 2.5 The Government announced in the December 2017 Provisional Local Government Settlement that there would be a move to 75% business rates retention but that Public Health Grant and Revenue Support Grant (RSG) would be funded by the retained business rates. The figures for 2020/21 have therefore been presented on an anticipated 75% rates retention system but this makes net funding comparisons between financial years problematic. Details of the assumptions on 75% business rates retention are included in section 6.1.
- 2.6 On 23 February 2018 the Council agreed further savings for 2019/20 of £23.3m. Assuming that the Council raises Council Tax in 2018/19 by 1.99% the deficit still to be closed in 2019/20 is forecast to be £15.3m.

Table 1 Cumulative Medium Term Forecast

	2019-20 Forecast £'000	2020-21 Forecast £'000	2021-22 Forecast £'000
NET EXPENDITURE			
2018/19 Base Budget	358,110	358,110	358,110
Reversal of non recurring investment	(649)	(1,216)	(1,216)
Full year effect of recurring pressures	2,967	4,507	4,567
Sub total	360,428	361,401	361,461
FUNDING CHANGES			
Independent Living Fund	59	116	171
Local Council Tax Support and Housing Benefit Admin	250	500	750
New Homes Bonus Grant	1,266	2,734	3,283
Dedicated Schools Grant	2,607	2,607	2,607
Improved Better Care Fund	(3,968)	(720)	(720)
Adult Social Care Support Grant	1,436	1,436	1,436
S31 grants	9,045	8,795	8,795
Public Health Grant to be funded by 75% business rates	0	40,722	40,722
Public Health Grant cut	1,087	1,087	1,087
Sub total	11,782	57,277	58,131
INFLATION			
Pay Award (average 2.9% in 2019-20 then 2.0% thereafter)	6,879	11,676	16,763
Contract Price Indexation (2.0% in 2019-20, 1.5% thereafter)	7,305	13,564	17,338
Employer's LGPS Contribution	0	2,000	2,000
Income (0.5%)	(821)	(1,346)	(1,872)
Base Net Expenditure Requirement	385,573	444,572	453,821
Demographic Pressures in Adults	3,052	6,167	7,667
Looked After Children demographic growth	625	1,250	1,250
Reduction in Adult spend due to loss of Support Grant	(1,436)	(1,436)	(1,436)
Public Health reduction expenditure in line with reduced grant	(1,087)	(1,087)	(1,087)
Termination costs	0	0	(4,500)
One off pressures	636	25	0
Capital financing and central budget adjustments	2,059	2,609	3,524
Net on-going reduction in MRP charge	(1,000)	(1,000)	(1,000)
Release of overprovision of MRP from previous years	(24,000)	(5,000)	0
Net reduction in carbon commitment costs	(345)	(345)	(345)
Reduction in Apprenticeship levy	(150)	(150)	(150)
Budget decisions approved in Feb 2018	(22,224)	(32,325)	(32,325)
Indicative savings per budget report	0	(22,993)	(22,993)
Savings at risk (Table 4)	10,800	18,800	18,800
Transformational Funding	(2,500)	(2,500)	(2,500)
Net Expenditure Requirement	350,003	406,587	418,726
RESOURCES			
Settlement Funding Assessment	(165,631)	(194,209)	(196,193)
Transfer to reserves – MRP overprovision	24,000	5,000	0
Use of Reserves - Earmarked	(1,170)	(500)	0
Council Tax Income	(191,857)	(196,713)	(201,688)
Total resources	(334,658)	(386,422)	(397,881)
Budget shortfall	15,345	20,165	20,845
Memorandum			
Council tax base	141,098	141,848	142,598
Council tax Band D	£1,359.74	£1,386.79	£1,414.38

Table 2 Cumulative Six Year Outlook

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000
NET EXPENDITURE REQUIREMENT	350,003	406,587	418,726	430,165	441,176	452,289
RESOURCES						
Settlement Funding Assessment	(165,631)	(194,209)	(196,193)	(198,256)	(200,399)	(202,617)
Transfer to reserves – MRP overprovision	24,000	5,000	0	0	0	0
Use of Reserves - Earmarked	(1,170)	(500)	0	0	0	0
Council Tax Income	(191,857)	(196,713)	(201,688)	(206,782)	(212,000)	(217,343)
Total resources	(334,658)	(386,422)	(397,881)	(405,038)	(412,399)	(419,960)
Budget shortfall Memorandum	15,345	20,165	20,845	25,127	28,777	32,329
Council tax base	141,098	141,848	142,598	143,348	144,098	144,848
Council tax Band D	£1,359.74	£1,386.79	£1,414.38	£1,442.52	£1,471.22	£1,500.49

RISKS ASSOCIATED WITH THE FORECAST

3.1 A series of potential changes in the Spending Review 2019, Local Government Settlement, Business Rate reform and the results of the fair funding review inevitably means there are uncertainties and sources of risk attached to the forecast.

Risks associated with the forecast:

- The impact of national economic performance public sector finance as a result of the Brexit negotiations.
- The buoyancy of the local economy
- Fair Funding Review
- Business Rates Baseline Reset
- Move to 75% Business Rate retention
- Business Rates Review process, appeals against the rating list and future increases in the Business Rate multiplier
- Integration of health and social care, the financial health of the NHS, and the ability and willingness of the NHS to fund social care
- Inflation – a 1% variance in pay equates to £2.5m and a 1% change in prices would have a £2.2m impact on expenditure assumptions
- Treasury management – the extent to which cash balances will drive the need to borrow to finance capital investment

- Change management risk, and the deliverability of existing budget decisions
- Liabilities that may arise from conversion of schools to academies
- Contractual risk
- What devolution, regional and other aspects of public sector reform will mean for Bradford
- Reductions in the West Yorkshire Transport levy incorporated in the budget savings of the Council
- Impact of demographics in terms of both additional demand and additional growth
- The potential costs of transition and restructuring
- Spending Review 2019

KEY MOVEMENTS FROM 2018/19 BUDGET

3.2 The key changes from the budget assumptions are set out in the Table 3 below.

Table 3 – Movements from Approved Budget Forecast	2019/20	2020/21	2021/22
	£m	£m	£m
Budget Shortfall per Budget February 2018	0	0	2.5
Savings not identified in February 2018 budget	4.0	20.2	20.2
New Homes Bonus change to assumption (Annex C 7.1b)	(0.3)	(0.6)	(1.0)
Change to specific grant assumptions	(1.1)	(1.1)	(1.1)
Amendments to indexation assumptions (Annex B 5.1)	0.4	(0.5)	0.7
Estimate of triennial pension revaluation	0	2.0	(1.5)
Benefit from change in MRP policy (Annex B 5.12)	(1.0)	(1.0)	(1.0)
Net reduction in carbon commitment costs (Annex B 5.6)	(0.4)	(0.4)	(0.4)
Reduction in Apprenticeship Levy	(0.2)	(0.2)	(0.2)
Recurring pressures	1.4	1.4	1.4
Revised assumptions re 75% business rates retention	0	(19.2)	(18.5)
Revision to business rates estimates	1.7	0.8	0.9
Revised budgetary gap per MTFS (cumulative basis) – Table 4	4.5	1.4	2.0

3.3 There are some savings agreed in the budget that are at a potential risk of not being delivered to plan as outlined in the Quarter 1 report. If we assume that a percentage of these are at risk of not being delivered then it would be prudent to start planning now for an increased budgetary gap.

Table 4 – FORECAST BUDGETARY GAP TO CLOSE

	2019/20	2020/21	2021/22
	£m	£m	£m
Budget Shortfall per Tables 3 above	4.5	1.4	2.0
Adults social care demand management	9.5	17.5	17.5
Waste collection and disposal	1.3	1.3	1.3
Revised budgetary gap – Table 1	15.3	20.2	20.8

4.1 ANNEX A: CURRENT COST AND RESOURCE STRUCTURE AND SAVINGS APPROVED TO DATE

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

a) Cost Base

Whilst the Council continues to have overall accountability for over £1.1bn of spend, it cannot spend directly £319m which is controlled by schools. This leaves, in 2018/19, a gross expenditure budget of £838m (£358m net expenditure) to fund non school activity.

2018/19	Gross Exp £m	Net Exp £m
Council Services	837.9	358.1
Schools	318.8	0
	1,156.7	358.1

If the £157m spent on benefit payments, the £35m required to meet the cost of the long term PFI contracts, the £23m levy paid to the West Yorkshire Combined Authority (WYCA), the £42m that must be spent on Public Health activity and the £38m capital financing budget are excluded from the gross expenditure budget, this leaves a much smaller gross cost base, £543m, from which to drive out further savings.

Of the net budget of £358m, 28.7% is allocated to Health and Wellbeing. This emphasises that if the Council is going to balance its books in the long term and make sure the services it provides are sustainable, controlling demand and spend on Adult and Integrated Health Care is key.

2018/19 Budget	Gross	Net	% of net budget
Health and Well Being	215.7	102.9	28.7%
Children's Services	482.9	93.2	26.0%
Place	120.6	63.7	17.8%
Capital Financing and WYCA	61.0	61.0	17.0%
Chief Executive	3.9	3.8	1.1%
Corporate	251.4	42.4	11.8%
Non Service	21.2	(8.9)	-2.4%
	1156.7	358.1	100.0%

A different way of presenting the budget is by the Council Outcomes that will be used for the Outcome Based Budgeting exercise.

Outcome Budget 2018/19	Gross	Net	% of net budget
Better health better lives	435.1	166.6	46.5%
A well run council	77.1	53.8	15.0%
Better skills more jobs and a growing economy	93.3	44.1	12.3%
Safe clean active communities	62.5	39.3	11.0%
Fixed	64.1	31.1	8.7%
Good schools and a great start for all our children	419.0	19.7	5.5%
Decent homes that people can afford to live in	5.6	3.5	1.0%
	1156.7	358.1	100.0%

The analysis illustrates that over 46% of the budget relates to personal type services which will undoubtedly lead to some difficult choices through the budget process if the Council wishes to retain the current proportion of spend across its outcomes.

b) Resource base

The Table below shows that in 2018/19 over half (52%) of the Council's net expenditure is funded from Council tax. For 2018/19 the Business Rates income figure is skewed by the Leeds City Region 100% Business Rates Pilot. The Business Rates Pilot is currently for one year only and it is assumed that the Council would revert back to 49% retained business rates in 2019/20.

As mentioned in 2.5 above an assumption has been made on the proposed 75% business rates retention. These are set out in section 6.1. There are also other reforms planned, namely:

- Business rates baseline reset;
- Fair Funding Review; and
- Spending Review 2019.

A key issue will be what the total size of local government will be across the board. The earliest Bradford Council is likely to understand the impacts of these changes will be in late 2019.

In addition we are expecting the publication of the Green Paper on Adult Social Care. There are clear links to reforms of local government funding and the potential reforms to funding of social care. However, it is unclear how these two initiatives will impact on each other and ultimately on the ability of Councils to meet their obligations.

In addition if there were to be significant redistributions of local authority funding, it is expected there would be transitional arrangements at least for 2021/22 to lessen the impact.

The table below provides a further breakdown of the source so funding in 2018/19.

Sources of Funding in 2018/19	Gross £m	%	Net £m	%
Schools Grants	318.8	28%	-	0%
Other Government Grants	272.2	24%	-	0%
Fees, Charges, Contributions	207.5	18%	-	0%
Council Tax and previous year surplus	186.7	16%	186.7	53%
Government "Top Up" Grant	46.5	4%	46.5	13%
Revenue Support Grant	-	0%	-	0%
Business Rates and previous year deficit	126.7	11%	126.7	35%
Use of Reserves	(1.8)	0%	(1.8)	-1%
	1156.7	100%	358.1	100%

Please note totals may not add up due to rounding differences

As the Council is required to absorb further reductions in Government funding, the clear message is that the Council's ability to grow both its local council tax base and local business rates base in order to sustain services and deliver on priorities will take on increasing significance.

c) Savings approved to date

Eight consecutive years of reductions in Government funding, and inflationary and demographic pressures have required the Council to approve savings/cuts over the period of £262m.

	2011-12	2012-13	2013-14	2014-15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Savings	48.7	28.5	26.1	31.8	37.7	45.6	37.5	6.1	262.0

By 2024/25 it is estimated that to balance the books over £86m more in savings and additional income (24% of the current net budget) will have to be found – on top of the £262m already made and increases in Council tax.

During the period of austerity the Council has absorbed a large share of Government funding reductions in relation to overall public sector funding reductions. Throughout this period the Council has protected basic services at a time of growing cost pressures. The Council will continue to focus on reducing costs and improving efficiency and productivity but finding new savings and raising income means that frontline services are now being impacted.

ANNEX B: EXPENDITURE FORECAST ASSUMPTIONS

5.1 Inflation

a) Pay

Although the Council does not receive any specific funding for pay awards an amount equivalent to 2.9% for 2019/20 and then 2.0% for each year up to 2024/25 has been included in the calculations. Services are expected to absorb incremental increases.

This forecast assumes £4.5m of redundancy costs built into the base budget for 2019/20 and 2020/21 but then zero after that date on the basis that Local Government should be on a stable footing. However, if further reductions in local government funding continue after this date then this assumption will need to be revisited.

There may be additional costs in respect of implementing the new spinal column points due to the new grades overlapping existing supervisory grades. At this stage nothing has been quantified or provided for this.

It has therefore been assumed for 2020/21 onwards, that the introduction of the new spinal column points in 2019/20, means that all spinal column points will receive the same percentage increase.

b) Non Pay

The Bank of England published their forecast of CPI in May 2018, which indicated that inflation would be close to 2% by the end of 2018/19. Given this, an inflation rate of 2.0% has been assumed for contract inflation for 2019/20 and then 1.5% during the remaining period of this MTFS. Provision has been made for Premises and Transport costs which have been increased by 2.5% in all years.

In the budget papers approved by Budget Council in February 2018 an additional amount of non pay inflation was provided for Adult Social Care of £2.5m p.a. for 2019/20 and 2020/21.

In recognition of difficult trading conditions, all Services inflation increases to their income budgets are factored in 0.5% per annum.

5.2 Pension Contribution Rates

The next Actuarial Valuation will take place in December 2019. Employers' pension contribution rates have been fixed at 17.5% until the end of 2019/20. The forecast assumes that further provision will have to be made in 2020/21 to deal with changes arising from actuarial assumptions. Clearly many factors on the performance of the pension scheme can vary over the next three years. A provision for increased contributions of £2.0m has been included from 2020/21.

5.3 Apprenticeship levy

The Apprenticeship levy was introduced from April 2017 at 0.5% on all pay subject to National Insurance. The estimated cost to the Council (excluding schools) has been reduced to £850k p.a. It is assumed that the remaining cost for apprentices are entirely

funded from the levy itself and no provision has been made for any extra training costs.

Following the introduction of the Enterprise Act 2016 a government consultation on apprentices set a target of 2.3% of the workforce for Councils with more than 250 employees. No provision has been made for any extra employment costs as a result of this target. It is assumed that the target will be met through staff turnover and converting existing posts into apprenticeships.

5.4 Demand-Led Service Pressures

As in previous years extra money of approximately £3m p.a. has been included to reflect the increased pressure on Adult Social Care services from demographic trends in the next two years and then £1.5m p.a. thereafter. This forecast assumes that the current amount of funding from Health Partners will continue to be received.

Additional funding has been factored in for Adult Social Care safeguarding of £1.29m p.a.

The 2017/18 budget included a provision for demographic growth on looked after children which would increase by £625k p.a. over a four year period. This forecast assumes that the extra £2.5m p.a. that will be in the base budget continues at that level from 2021/22 onwards. No further provision has been made on the assumption that the numbers of looked after children has stabilised or if the problem continues then the government will have to provide extra funding to deal with a national problem.

A 12 year contract to secure an outlet for household waste disposal and recycling was signed in September 2017. An estimate has been provided in the MTFs which includes the anticipated increased costs and the anticipated increase in tonnages. This provision also includes an estimate of inflation on this contract which is not included in the Non Pay inflation calculation.

An element of cost pressures on waste collection and disposal associated with demographic growth has been factored in as part of the risk of non delivery of savings in Table 4.

5.5 West Yorkshire Transport Levy

The budget proposals agreed in February 2018 assume a reduction in the levy of £500k in 2019/20 followed by a further £500k reduction in 2020/21. However, discussions are required on how to bridge the funding gap to deliver the £1.4bn Transport Fund. Initial estimates were that a further £1.3m would be required from Bradford by 2024/25 (an average increase of £140kp.a.). No provision has been made for increased contributions in respect of the Transport Fund as we are awaiting a reprofiled capital expenditure profile from WYCA colleagues.

5.6 Service and Non Service Saving Proposals

The Forecast in Table 1 assumes that the Service and Non Service savings approved by Council, covering 2018/19 and part of the gap for 2019/20 will be achieved in full. There are already indications in the Q1 forecast report that the achievement of these savings is proving to be challenging.

Table 3 shows that new pressures will require to be addressed but in addition for planning purposes it is recommended that additional savings plans are developed now in the event that some of the existing savings proposals are at risk of not being delivered.

Table 4 shows that for planning purposes if it is assumed that a proportion of the savings identified at being at risk of not being delivered to plan are factored into this forecast the revised gap increases from the £4.5 m in 2019/20 to £15.3m rising to £20.2m in 2020/21 and £20.8m in 2021/22.

Travel assistance savings are profiled in to this forecast in line with those agreed in the budget approved by Full Council. For reference these savings on a cumulative basis are 2018/19 £0.4m, 2019/20 £1.6m, 2020/21 £2.0m. It is therefore assumed that these savings will met in full in accordance with that profile.

The Carbon Reduction Commitment (CRC) will be abolished after 2018/19 so a net saving of £345k has been factored into this forecast which reflects the saving on the CRC with uplift on the Climate Change Levy.

5.7 Health Sector Reforms

Sustainability and Transformation Plans (STPs) have been developed in collaboration with the NHS to tackle financial, care quality and health challenges. No allowance has been made in this MTFS for any impact of financial, organisational or service delivery changes arising from those plans.

5.8 Better Care Fund (BCF)

The Local Government Settlement provided an estimate for an Improved Better Care Fund (iBCF) that recognises the fact that some local authorities with a low council tax will not be able to raise as much from the social care precept as those with a high council tax base. Part of this iBCF is being funded through the reductions to the amounts of New Homes Bonus paid. The full amount of the iBCF announced in the Local Government Settlement has been included as funding to the Council and is being used towards funding for demographic growth and cost pressures.

The amounts included in this forecast are set out below:

	2019/20	2020/21	2021/22
	£m	£m	£m
Improved Better Care Fund	20.4	17.2	17.2

Source: Final core spending power supporting information published by DCLG Feb 2018

As Adult Social Care represents nearly one third of the Council’s net budget it is imperative that cuts allocated to this area are delivered in full.

5.9 Care Act 2014

The Care Act 2014 brings a number of challenges to the Council but until further information is available the forecast takes a neutral stance in terms of the impact of the proposed cap on care costs until further information is revealed in the proposed Green Paper due later in 2018.

There is a concern that the Social Care Green Paper may not link with the other local government funding reforms resulting in perverse pressures in local government.

5.10 Independent Living Fund

For 2018/19 the Council will receive a grant of £1.9m for the administration of the Independent Living Fund (ILF). A modest 3.5% p.a. reduction in the ILF grant has been forecast over the period of this forecast in line with the indicative allocations.

5.11 Devolution

For the purposes of the Forecast in this document, no assumptions, either positive or adverse have been made about the financial consequences of any devolution deal that could affect Bradford.

5.12 Minimum Revenue Provision

As set out in the report to Executive Document G 10th July 2018 there are proposed changes to the Minimum Revenue Provision policy. The effects of these changes are included in this forecast.

One effect of this relates to the estimation of previous MRP charges and by releasing this it will provide a benefit of c£52m over a period of 3 years, commencing in financial year 2017/18, but it is assumed that this will be transferred to a MRP Adjustment reserve in order to build resilience for any changes resulting from the fair funding review or slippage in agreed savings proposals.

There will also be an on-going budgetary saving of £1m p.a. that has been factored as a saving that will flow through to the bottom line.

More detailed explanations of these adjustments can be found in the report to Executive 10th July 2018 - Review of Minimum Revenue Provision (MRP) Update Policy - Document G.

ANNEX C: RESOURCE FORECAST ASSUMPTIONS

6.1 National influences

The Local Government Settlement and the Spring Statement 2018 have both outlined that continuing measures will be applied to return public finances to a sustainable level in the long term. There are several reviews and consultations taking place that will affect local government financing over the period covered by this forecast but as these have not yet concluded there is uncertainty on what this will mean for Bradford. The reviews and consultations are referenced in the appropriate sections below.

The Brexit negotiations bring further uncertainty and it is unclear whether there will be an adjustment to local government finances or what the size of any such adjustment may be. No adjustments have been made to this forecast but the situation will be under constant review during the budget setting process.

a – Business Rates Reform

As reported previously the government was undertaking work on reforming business rates. This work consisted of three streams:

- Fundamental Review of Relative Need
- Reset of the Business Rates Baseline
- Change to the percentage of rates retention

A technical consultation on the relative needs of local authorities closed in March 2018 and it is expected that a further technical consultation on relative resources of local authorities will be issued later in 2018.

The government announced it will seek to implement a 75% business rates retention from 2020/21 and that the ring-fenced Public Health Grant will disappear and instead be funded from retained business rates together with the remnants of RSG. For this forecast it has been assumed that a reduced Public Health Grant of £40m will be rolled into 75% business rates retention together with £20m of RSG.

The government has also indicated that the next business rate revaluation will be 2021 followed by triennial revaluations. For this forecast the impact on Bradford is assumed to be neutral.

Regarding the reset of the business rate baseline it is likely to be April 2020 and a full reset based on 2018/19 business rate income although this is still to be confirmed. Again it is assumed for this forecast any effect is cost neutral for Bradford.

b– Revenue Support Grant

The Council successfully applied for the multi year settlement which provided some certainty on the Revenue Support Grant (RSG) and the rate of reduction during the period to April 2020.

For 2018/19 the 100% business rate pilot has meant the Council receives no RSG but if the pilot does not continue beyond 2018/19 the RSG will be £34m for 2019/20. As explained in 6.1a above it has been assumed that for 2020/21 there will be no separate RSG but £20m will be rolled into the 75% business rates retention. The £20m is based on an estimated further reduction in RSG funding together with the removal of damping in the 2013/14 figures.

This assumption will be kept under review.

c- Schools Funding

The academisation programme will continue to change the relationship of the Council with schools and hence the Council will need to carefully consider the activities it undertakes in respect of the education agenda.

The amount of Dedicated Schools Grant (DSG) is in the main passported directly to schools and therefore the transfers to academies, whilst affecting how the Council might undertake its duties in respect of education, will have a lesser effect on the net budget of the Council. However, there is an amount of DSG that is used to fund services provided by the Council and this has been forecast to decline as we move to a sector led model.

6.2 Local Influences

a) Business Rates

The Business Rates forecast is subject to a number of proposed changes in Government policy, which are still subject to discussion and further change. Further achieving budgeted Business Rates continues to be a challenge for the Council, suggesting current assumptions around business rate income are optimistic.

In terms of Government policy, it is assumed that 75% rates retention will be introduced in 2020/21, with compensatory adjustments made to other Government funding. The impact of other reviews which could result in some technical changes is unknown at this stage.

Very late in the 2017/18 financial year and after the completion of the budget process, the Government revised its calculation methodology for the calculation of Section 31 grants, reducing funding. While this shortfall will be met in 2018/19 from a planned release of earmarked reserves, there is an on-going £0.4m pressure which has been factored into this forecast.

Further the 2017/18 outturn on Business Rates was lower than originally budgeted, suggesting that the projections of the underlying Business Rates Base are too high. While the impact of the weaker 2017/18 Outturn has already been factored into the 2018/19 budgets, there is an on-going £0.8m pressure. A reason for this on-going pressure is that the cost of mandatory reliefs was higher than expected, although this is directly offset with higher section 31 grants. Therefore on an on-going basis, £0.7m additional compensatory Section 31 reliefs have been projected.

A significant unknown factor in estimating the Council's funding from Business Rates are appeals. A new appeal system was introduced in 2017/18, with the Council setting aside amounts to fund refunds. However, the impact of the new appeal system and the likely cost of appeals is still very uncertain at this stage.

b Council Tax Levels

For 2018/19 the limit on raising council tax was increased to 3% but it is assumed that this referendum limit will fall back to 2% during the period covered by this forecast as MHCLG suggested the 3% limit was as a result of higher than expected inflation. With a 2018/19 Band D Council tax of £1,333.21 (including the social care precept) the Council continues to set one of the lowest Band D Council Taxes of all Metropolitan Districts. (9th lowest metropolitan district council in 2018/19). If the referendum limit was to be raised and the Council chose to increase Council Tax by an extra 1% this would generate an estimated £1.8m in additional income.

In total the Council budgeted to raise £187m in Council Tax in 2018/19.

The government announced in the local government settlement the flexibility to raise the social care precept by 3% in 2017/18 and 2018/19 with no increase in 2019/20. The government have made no commitment to the ability to raise a social care precept beyond April 2020 so no further social care precept increase have been assumed in this forecast. Given the high levels of savings to be made in Adult Social Care it would be problematic to implement any future social care precept rises without reducing the level of savings required in Adult Social Care which would not provide any easing of the budgetary pressures.

Any future increase in Council Tax will be consulted on as part of the Budget process. In February 2018 Full Council indicated a 1.99% Council Tax rise for 2019/20. This figure has been included in this forecast with further increase of 1.99% p.a. for subsequent years. If no Council Tax increase were made the budgetary gap by 2024/25 would increase by a further £24m.

With early indications pointing to a growing number of new properties being built in the District the Council Tax base has been increased by an estimated 750 Band D properties in 2019/20 continuing to increase at this level in subsequent years. This may prove to be a relatively cautious estimate and will be kept under review as the Local Plan is implemented.

It is important to understand the profile of the categorisation of properties in the District and the effect it has on limiting the revenue that can be raised through Council Tax increase compared to more affluent areas. The table below shows that 157,191 or 80% of properties fall within bands below Band D. This clearly limits the amount of money that a rise in Council Tax will raise compared to other districts that have property profiles skewed to higher council tax bands.

Council Tax Band Analysis 2018/19

	A*	A	B	C	D	E	F	G	H	Total
Equivalent number of properties	141	79,521	41,361	36,168	16,581	11,659	5,519	3,437	244	194,631
Band D Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D Equivalent number of properties	78	53,104	32,170	32,150	16,581	14,250	7,972	5,729	488	162,432

Source: Report to Executive 9th January 2018 Document AO Appendix A1 – please note the figures above are before reductions due to Council Tax Reduction Scheme, bad debt provision and forecast growth

Government published statistics illustrate the disparity between how much local authorities can raise in their respective areas depending on the profile of the properties in their districts. The table below compares Bradford's Band D rate with that billed by the District Council Elmbridge in Surrey and also the amount raised per dwelling. As can be seen although the difference between Band D is only 18.5% the difference between how much is raised per dwelling is 103%.

Table – Illustration of difference between Band D and Council Tax per Dwelling

	Band D 2018/19	Average Council Tax per Dwelling 2018/19
Bradford	£1,573	£1,039
Elmbridge	£1,864	£2,110
Difference	£291	£1071
% difference	18.5%	103%

Source: MHCLG Live Tables on Council Tax

7.1 Core Funding – specific grants

In addition to the funding announced in the Final Local Government Settlement details of the main grants that will be paid to the Council have been announced which will be used to fund over £270m of the Council's gross expenditure, the most significant being the ring fenced Housing Benefit Grant and Public Health Grant.

	2018/19 £m
Housing Benefit Grant	157.1
Public Health Grant	41.8
PFI Grant	27.3
Section 31 Business Rates Compensation	19.8
New Homes Bonus	5.7
Local Council Tax Support and Housing Benefit Admin Subsidy	2.7
Adult Social Care Support Grant (one off temporary funding)	1.4
Other	16.4
Total	272.2

a) Public Health

To cover the cost of public health services delivered by the Council, the Department of Health will pay the Council a ring fenced grant of £41.8m in 2018/19. The Head of Public Health England previously indicated the probable level of cuts to the Public Health grant up to and including 2019/20 and these cuts have been included in this forecast. This means future contract inflationary pressures will have to be absorbed from the within the Public Health grant.

This forecast assumes that the level of Public Health funding will remain cash flat post 2020. As mentioned in 6.1a there have been strong hints that as a result of the fair funding review the Public Health Grant will form part of the increased business rates income. For this forecast we have assumed a further cut of £0.7m to the grant and that it is transferred into 75% retained business rates.

b) New Homes Bonus Grant

The forecast of the New Homes Bonus (NHB) reflects the reduction in the legacy payments down to four years together with the deadweight factor. No reduction in the forecast has been made for any potential NHB being withheld due to the Council not supporting housing growth. As can be seen in the table below the forecast amount of NHB is dramatically reduced due to the introduction of the deadweight factor.

Forecast New Homes Bonus	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m	£m
Yr1	1.708						
Yr2	1.916	1.916					
Yr3	1.004	1.004	1.004				
Yr4	1.034	1.034	1.034	1.034			
Yr5		0.442	0.442	0.442	0.442		
Yr6 est.			0.448	0.448	0.448	0.448	
Yr7 est.				0.455	0.455	0.455	0.455
Yr8 est.					0.462	0.462	0.462
Yr9 est.						0.468	0.468
Yr10 est.							0.475
Yr11 est.							
Total payable	5.663	4.397	2.929	2.380	1.807	1.834	1.861

d) Local Council Tax Support and Housing Benefit Administration

With no clarity on when Housing Benefit Administration will fully transfer to the Department of Work and Pensions (DWP), a reduction of £250k p.a. has been assumed in the two separate grants the Council receives to fund the cost of administering Council Tax reduction (CTR) scheme and Housing Benefit. The reduction has been factored into the underlying funding gap as opposed to being addressed by the Service.

e) Local Welfare Assistance Funding

The Forecast assumes no external funding for Local Welfare Assistance.

8.1 Schools Funding

Of the Council's gross spend of over £1.1bn, £318.8m is spent by schools and funded from the ring fenced grants, Dedicated Schools Grant (DSG), Pupil Premium and Post 16 funding.

There is continued pressure on school budgets with the continued rise in staffing costs and the limited response to this within the DfE's national funding formula as it currently stands. This is a national issue, which is affecting all local authorities, and which has meant that the majority of schools in Bradford have already progressed managed staffing reductions. The pressure specifically on Special Education Needs (SEND) budgets in Bradford is very significant and continues. This pressure is mirrored in other local authorities and has now become a national publicised issue. For example, in an ADCS survey, published in October 2017, 68 (out of 85 authorities that responded to the survey) reported that their High Needs Block budgets were overspent in 2016/17. National press reported that, at the recent NAHT conference (May 2018), 1 in 5 motions passed related to the insufficiency of high needs funding.

9.1 Reserves

At the start of year, the Council has £14.5m of unallocated reserves (17% of the Council's gross budget excluding schools) as a contingency reserve.

The level of unallocated reserves will be kept under the review, in the light of the Council's External Auditor's recommendation in their June 2015 report on the Council's arrangements for securing Value for Money "that unallocated reserves should not be allowed to fall below the level determined prudent by the Council's Section 151 Officer".

As explained in section 5.13 there is a forecast transfer to reserves of £52m over a period of three years, commencing in financial year 2017/18, from the proposed adoption of the new MRP policy. This new MRP adjustment reserve will be set aside to deal with any implications from the fair funding review and/or to provide breathing space if current savings plans do not deliver and alternative budget proposals have to be implemented.

All other balances are set aside to meet the cost of future commitments and Council priorities. The utilisation and purpose of which will be subject to regular scrutiny.

10.1 European Funding

The Council is in receipt of EU Structural funds and works with businesses and the VCS across the district on EU programmes. It is anticipated that following the vote to leave the EU that central government monies will be directed to the regions to replace any potential loss of EU structural funding.

If the funding is not replaced it will have a negative impact on the range and type of interventions the Council can be involved with.

ADDENDUM TO DOCUMENT “F”

Outline Submission to the 2019/20 National Budget

Background

In October 2017, the Council resolved to make a submission to the government’s 2019/20 budget consultation and that this and the principles underpinning it would be brought before Council prior to submission. The government’s arrangements for consultation are likely to require the Council to make a submission by September 2018. This paper sets out our ambitions for the District, the challenges we face in achieving them and the principles underpinning our approach. It summarises the limitations of our local revenue base, the critical pressures on Council budgets, and the key investments and support that we need from Government in order to sustain services, invest in growth and deliver on our shared ambitions. It will inform a final submission to be prepared later in the year.

Our Ambition – Fastest growing economy delivering inclusive growth.

Bradford Council shares Government’s goal of achieving a balanced national economy with prosperous communities across the country and we are committed to playing a full part in its realisation. Our Economic Strategy, “Pioneering, Confident & Connected”, sets out ambitions to be the UK’s fastest growing economy by 2030, adding £4bn to its value, supporting 20,000 more people into work and 48,000 more people to NVQ Level 3, delivering inclusive, sustainable growth by increasing productivity and supporting enterprise and innovation.

Asset Rich, Youngest City. The UK’s youngest city, Bradford District offers vast productive potential. Globally connected, home to over half a million people, a £10 billion economy and the most productive businesses in Northern England, Bradford has been named by Barclays Bank as the best place to start a business. Strong growth factors include low commercial rents, high business rate relief and broadband speed. High business start-up rates reflect a tradition of industry, enterprise and pioneering innovation while extensive international connections place Bradford among the UK’s top exporters.

Bradford Council is working together with local, regional and national partners to attract investment, improve infrastructure, connect more people to the economy, and support the growth of our manufacturing, digital and health and care sectors. Collectively we are promoting Bradford District as a place of choice to live, work, study, invest and to visit.

Challenges Like all big cities, Bradford faces its share of challenges. We need more jobs, more businesses and must improve productivity and skills. We need to transform transport connectivity and go further and faster on raising educational attainment and skills. We need to have at least an additional 48,000 people skilled to NVQ3 or above. We have to eliminate significant inequalities in health outcomes, address viability issues restricting housing growth and invest in the creation of great places to live and work.

Working with Government to secure the right investments and interventions we can unlock productive capacity and deliver dividends to the local and national economies, generate a sea change in social mobility and reduce pressure on public finances.

Council resources, capacity and leadership are key to achieving those goals. However, we face significant financial pressures, particularly in social care. These pressures, along with a limited local resource base and on-going reductions in Government funding, threaten to

overwhelm our ability to invest in the services, activities and facilities integral to delivering the transformation in outcomes that we need.

Principles.

Bradford's Council Plan sets out the principles that shape our approach::

- **Equality** – making sure that council activity helps to reduce inequality, provides opportunities for everyone and builds an economy that works for us all.
- **Every pound counts** – using money wisely and targeting resources at district priorities while supporting the development of cost-effective and innovative solutions.
- **People in charge of their own lives** – supporting wellbeing and independence through early action to prevent problems developing or stop them getting worse.
- **Working together** – working closely with partner organisations, business, communities, families and individuals to make the most of all our district's resources, assets and opportunities.

Performance.

Applying those principles to the Council's services, investments and leadership of place has seen the District achieve significant progress:

- IMPOWER-10th most productive Council
- 4th most improved education authority area on Progress 8 measure
- 5,000 businesses signed up to our Education Covenant, promoting a culture of lifelong learning.
- 3,000 young and disadvantaged people supported into employment through Get Bradford Working our local skills programme.
- 7th best performer nationally on delayed transfers of care.
- Care Quality Commission praised strong partnership working across the health and social care system that is seeing strategic plans translate into real difference on the ground..
- Economy growing faster than Regional averages; Barclays best place to start a business.
- 1,500 new homes in the last year.
- Bradford on the map in its campaign for high speed rail.
- Our People Can initiative is supporting communities and individuals to volunteer and make a difference to the District.

We need action to ensure that Bradford has sufficient funding to meet the District's needs in order to sustain and improve on these outcomes.

Financial Context

Bradford Council has made a significant contribution to cuts in national public spending which, along with finding the resources to meet increased demand for social care and rising costs of delivery, have required us to make £262m in savings since 2011. Our current net budget is £358.1m compared to over £500m in 2010. Our forecasts predict that further cuts to Council budgets of £15.5m will be needed by 2019/20 in order to balance the books and that by 2024/5 this will have risen to over £87m even when the maximum possible increases in Council tax are taken into account.

Council Tax Base. Over half of the Council's net expenditure is funded from Council tax but Bradford's local tax base is low compared to many other authorities. Band D Council tax is the 9th lowest of all Metropolitan Districts and high proportions of properties – 80% - fall below Band D. These factors mean that the amount raised through local taxes including the Social Care precept is much lower than among our counterpart authorities.

For example, Bradford's band D Council tax raises £1,039 per dwelling in comparison to an English average of £1,258 and far higher levels in far lower need authorities such as £1,839 in Wokingham or £1,724 in West Berkshire who also enjoy the benefit of larger numbers of higher band households.

Bradford is committed to going for growth and continues to invest in its delivery which, over time will help to expand the local revenue base. We are looking to adopt an increasingly commercial approach and to make appropriate income generating investments.

Nevertheless, the demand for and costs of social care are moving at a pace which exceeds by far the rate at which we can grow local revenue streams in response and which threatens to overwhelm our ability to sustain investment in growth, early intervention and innovation at a time when they are needed most.

Business rates. Bradford's Business rates are relatively weak however the Council is currently piloting 100% Business Rates within the Leeds City Region Pool. As a result in 2018-19, Business Rates income will meet 35% of the Council's Net Budget Requirement.

We ask Government to:

- **Ensure that the funding settlement for Local Government, including the re-distribution of business rates, takes full account of Bradford District's needs, its resources and the pace at which it is able to grow its local revenue base.**
- **consider extending the pilot within the Business Rates Pool, to improve financial sustainability.**
- **Accelerate the processing of appeals against rateable values. Currently, it is very difficult for all Councils to estimate their financial position because of the large number of unresolved appeals**

Social Care Cost Pressures. Caring for and safeguarding vulnerable children and adults accounts for around half of the Council's net expenditure. As demand for these services grows and the cost of providing them rises in part due to national wage reforms, there is a high risk that they will absorb an increasing proportion of the Council's budget and that activity will be limited to statutory provision. This will severely restrict our ability to invest not only in growing our economy and revenue base but ironically, in the non-statutory preventative services that will best help us manage demand and associated costs across the entirety of public services and in particular, the NHS.

Adult Social Care. The Council has invested resources of £3m a year over the next two years to meet demand for adult social care arising from demographic growth bringing total additional Council investment for this purpose to over £46m since 2011. Despite this investment the overall scale of the budget reductions the Council has been required to make coupled with the limited local tax base mean that Adult social care services must also seek to reduce costs and deliver savings - £26m are planned for 2019/20 and 2020/21 on top of £69m already made. The action being taken to manage demand and reduce costs includes:

- Focusing on ensuring people are cared for at home first by making sure they get the right service in the right place at the right time.
- Close and more integrated working with health services.
- Using technology to improve efficiency

A recent Care Quality Commission System review of care for older found that committed leadership across the whole system and a skilled, dedicated workforce are translating strategic goals into good services and real difference on the ground.

But transformational change on the scale required is challenging and takes time and capacity to deliver, placing some savings at risk. The 2018 ADASS Annual Survey of Directors of social care found that only 28% are fully confident that their savings planned for 2018-19 will be met. Some 69% said that prevention and early intervention is very important in delivering savings yet nationally and here in Bradford, spending on prevention is reducing.

In Bradford the situation is compounded by our relatively low tax base so if we are unable to deliver budgeted savings then this in turn, will force us to find reductions to other services. These will inevitably include services designed to deliver early intervention and prevention and will ultimately lead to increased pressures and costs across the entire health and care system. Additional funding for the NHS will not reduce pressure on health services without a commensurate increase in resources for social care.

We ask government to:

- **Address the immediate pressures on Bradford's adult social care system which will require a minimum of an additional £7m a year.**
- **Agree to the Local Government Association's call for urgent cross-party talks on the shape of a viable and sustainable social care and support system for the future involving the leadership of national political parties.**

Children's Social Care. Bradford performs relatively well in terms of rates of children in care but is experiencing significant growth in the numbers of children entering the care system and increasing complexity of cases. We are the UK's youngest city with a quarter of the people under the age of 18 and population growth alone potentially adds a further 64 Looked After Children (LAC) every three years; 28% of children live in poverty; the numbers of LAC increased by 17.6% between April 2016 and April 2018 and in 2016-17, the numbers of children placed on a child protection plan rose by 23%; our external placement costs are up 21% since 2013. Significant numbers of children in care are from outside the District including central and eastern European migrant communities.

Bradford's pioneering track record of innovation and collaboration includes:

- Joining the national Innovation programme, targeting teenagers on the edge of care.
- Social Impact Bond promoting support for positive behaviour focussed on interventions with children with learning disabilities and challenging behaviour.
- Partners include Born in Bradford, building a unique and globally important evidence base about children, young people and families.
- Strong partnership working reflected in joint targeted area inspection of domestic abuse.

However, demand is outstripping resources. The Council has made funding available to address demographic growth but this reduces the money that can be spent on services that provide early help and prevent the escalation of problems and associated costs.

We ask Government to:

- **Ensure that Bradford's children's social care needs are properly recognised and funded which will require an additional average increase of £7m a year over the next 3 years.**
- **Work with us, building on our trailblazing experience, to deliver new approaches to reducing demand. This will require additional social care capacity to develop a system wide demand reduction project for children and young people's social care that will improve outcomes while reducing costs. The learning arising from this work would be available to be shared and deliver national cost reductions.**

Devolution

Achieving a successful and inclusive UK economy depends on achieving a successful, inclusive regional economy in which Bradford District plays its full part.

We want regional devolution of policy, powers and resources in finance, employment and skills, transport and infrastructure and housing and planning along with policy reform and increased investment to help us unlock our potential and deliver dividends to the national economy and public finances.

We ask Government to commit to an ambitious Yorkshire devolution deal, building on the region's powerful identity and distinctive economic and cultural community.

Infrastructure investment

Bradford District offers significant, infrastructure investment opportunities which will transform the regional economy and productivity. Our proposed capital investment pipeline includes key transport and growth packages:-

Northern Powerhouse Rail. A high speed rail stop for Bradford city centre will add £1.3bn to our economy and connect our talent, enterprise and energy to opportunities across the north and beyond. An additional package of c£50m support will maximise opportunities offered by high speed rail.

Bradford South Gateway - ca £25m development of commercial centre including multi-sports facilities delivering new jobs and attracting inward investment.

Airedale Corridor Growth Package – ca £25m support to support growth and inward investment in the Aire Valley with potential links to re-opening of the Skipton-Colne rail route.

We ask government to work with us to invest in and secure the necessary support to deliver these critical investments.

Investing Together in a Better Future.

Failure to invest additional resources will lead to higher costs and poorer outcomes. There is a very real risk that the Council will eventually provide only statutory care and a rump of other statutory services within the context of an increasingly unsustainable care system. Funding for early interventions that reduce overall costs will be curtailed and our ability to provide the investment and accountable leadership of place required to deliver our shared ambitions for growth and prosperity will be eradicated at a time of greatest need.

Bradford Council is a partner that can be trusted to deliver and our District is a crucible of innovation and enterprise.

We want to work together with Government to forge a better future for our place and its people, to generate growth and opportunity and lower costs. Successfully achieving those goals requires central government to recognise the cost pressures in adults and children's social care, the needs of the District and its relatively limited local resource base and the importance of investment in growth and early intervention.

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Report of the Assistant Director of Finance and Procurement to the meeting of the Executive to be held on 10th July 2018.

Subject:

Document: G

2017-18 Minimum Revenue Provision Policy Update

Summary statement:

This report provides Members with an overview of the proposed changes to the Council's Minimum Revenue Provision (MRP) policy from 2017-18 onwards. MRP is a statutory requirement to make an annual charge to the Council's budget to provide for the repayment of historic capital debt and other related liabilities.

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1. SUMMARY

- 1.1 The Council has undertaken a detailed review of its Minimum Revenue Provision (MRP) Policy within the Capital Strategy.
- 1.2 The Council has identified budgetary pressure in the Medium Term Financial Strategy 2019-20 to 2021-22 and beyond. A change in the MRP Policy will generate medium term revenue savings through re-profiling the provision.
- 1.3 This report is submitted to enable the Executive to make recommendations to Council on changes to the MRP Policy 2017-18 onwards. It sets out the following changes:
 - For 2017-18 calculate the MRP on Supported Borrowing from 2008 to 2016 on a 2% straight line method and that the overprovision to be applied as an adjustment to the forecast MRP in the current and future years.
 - An amendment to the MRP methodology for PFI assets for 2018-19 and beyond.

2. MINIMUM REVENUE PROVISION (MRP) BACKGROUND

- 2.1 MRP is a statutory requirement to make an annual charge to the Council's budget to provide for the repayment of historic capital debt and other related liabilities.
- 2.2 The scheme of MRP was set out in former regulations 27, 28 and 29 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. This system was radically revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. New regulation 28 replaces a requirement that local authorities calculate the MRP pursuant to detailed calculations with a duty to make prudent MRP.
- 2.3 MRP was introduced in 2003 with the charge based on 4% of the outstanding balance of debt in any given year. The scheme was updated in 2008 to give councils more latitude around how the charge is calculated. It allows the Council to consider the amount of MRP which it considers to be prudent, rather than the process being explicitly controlled by legislation.
- 2.4 These current regulations and supplementary Ministry of Housing, Communities and Local Government (MHCLG) MRP guidance (February 2018) therefore offer councils significantly more discretion in deciding upon the amount of MRP. The regulations require councils to "have regard" to the guidance and the recommendations within it. In principle, a council is now only required to make a "prudent provision" in respect of its on going MRP charge, and to arrange for its debt liability to be repaid over a similar period to that which the asset associated with the capital expenditure provides benefits or, in the case of borrowing supported by Revenue Support Grant, in-line with the period implicit in the determination of that grant (i.e.4% p.a.).

- 2.5 The regulations require councils to prepare an annual statement of their policy on making MRP for submission to their full Council for scrutiny and approval before the start of the financial year. The original statement may be revised during the year by full Council.
- 2.6 The Guidance recommends four options for the calculation of the provision.
- i) Option 1- Regulatory Method – a 4% annual charge, equivalent to paying for an asset with a life of 25 years. This method should only be adopted for a council's historic debt liability as at 31 March 2008 or for new “supported” capital expenditure applied within the year.
 - ii) Option 2 – Capital Financing Requirement (CFR) Method - This is a simplified version of Option 1, which provides for MRP to be calculated solely on the non-housing element of the CFR.
 - iii) Option 3- Asset life Method – charge the total amount borrowed to revenue over the expected life of the asset. Either in equal annual instalments aligned to the life of the asset which is determined at the discretion of the Council, for example a 50 year asset generates a 1/50th or 2% charge. Or using an annuity method (which more closely reflects the fact that an asset deteriorates slowly at first and more rapidly during its later years).
 - iv) Option 4 – Depreciation method – charge the total amount borrowed in accordance with depreciation accounting, which would mean that the rate at which the MRP is charged could increase (or, more rarely, decrease) from year to year.
- 2.7 For balance sheet liabilities relating to finance leases and on balance-sheet PFI contracts, the MRP Guidance states that the requirement to make prudent MRP would be regarded as met by a charge equal to the element of the rent/charge that goes to reduce the Balance Sheet liability. This would have the effect that the total impact on the bottom line would be equal to the actual rentals paid for the year.
- 2.8 The key principle of MRP is that the annual amount set aside should be prudent. The relevant regulations state that Local Authorities are required to have regard to the MRP guidance when setting MRP Policy. The guidance gives flexibility in how it calculates MRP, providing the calculation is deemed prudent.
- 2.9 A practice across the sector in recent years, as austerity has made balancing budgets more difficult, has been to assess whether past charges of MRP have resulted in a prudent set aside, which in turn has seen councils generating savings as they move to new methods or releasing cash as they make backdated adjustments.
- 2.10 The Council's 2017-18 MRP Policy reviewed and approved by Full Council is:
- a) The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.

- b) Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31st March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1st April 2012 the MRP is calculated on an equal instalment basis.
- c) Since 2009-10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations. Appropriateness includes an on going consideration of asset lives.
- 2.11 The policy change to historic supported borrowing was introduced in 2016-17. Prior to this, MRP for capital expenditure pre 1 April 2008 was charged at 4% on a reducing balance basis. At this time the change to the policy was not applied backwards to 2008.
- 2.12 Following an MRP review, two further changes are being proposed to the policy. These are:
- To apply the 2% straight line method on its historic supported borrowing back to 2008-09.
 - The future charge for PFI schools being calculated using asset lives.

3 MRP Changes

SUPPORTED BORROWING

- 3.1 The Council currently charges MRP for supported borrowing and historic debt prior to 2008-09 using the straight line method over 50 years at £6.47m per annum. This method has been applied by the Council from 2016-17 and has the effect of reducing the debt liability to a period of 50 years from the previous 4% Reducing Balance method and has already provided a reduction in the MRP provision. The change to a straight line method was considered prudent because it reduces the repayment period from over 150 years down to 50 years.
- 3.2 Work has been undertaken to calculate a notional overpayment of MRP since 2008 by the re-profiling of MRP on the supported borrowing using the current 2% MRP Policy. If it had wished to, the Council would first have been permitted to make this change when the current MRP requirements were introduced in 2008-09. If the policy had changed in 2008-09, the MRP on this tranche of debt would have been lower than was actually charged during the years between 2008-09 and 2015-16, but would now be at a higher level than currently and would be fully repaid seven years earlier than under the current MRP policy.
- 3.3 This proposal seeks to provide a prudent provision for debt repayment that is also a fair approach for current and future Council Tax payers whilst giving due regard to the MRP guidance.

PRIVATE FINANCE INITIATIVE

- 3.4 The statutory guidance expresses a view that a prudent provision for PFI schemes will be made when the annual MRP is equal to the part of the Council rent/charge that goes to reduce the Balance Sheet liability. This is on the presumption that this is the only part of the payment not charged directly to revenue and thus an MRP for this amount will reconcile the overall charge to revenue to the total payment for that year.
- 3.5 The argument for changing the approach is that this is an oversimplification and the whole of the asset is paid for during the unitary charge contract period which is less than the actual asset life. It is proposed that for 2018-19 this part of the policy is brought in line with the main MRP Policy and the charge of principal to the revenue account is over the life of the asset.
- 3.6 The Council currently has the following PFI schemes, relating to ten Schools:
- August 2008: Building Schools for the Future (BSF) Phase 1 – a 25 year contract for the building and maintenance of three schools. The contract expires in August 2033.
 - March to May 2011: BSF Phase 2 – a 25 year contract for the building and maintenance of four mainstream Secondary Schools and three co-located Special Needs secondary Schools. The contract expires in 2035-36.
- 3.7 The policy is currently to charge the principal element to the revenue account over the term of the PFI agreement being 25 years. The estimated asset life for the Bradford Schools PFI is 50 years.
- 3.8 The Phase 1 and Phase 2 schemes came in to use 10 and 8 years ago so this means that there is an asset life of 40 and 42 years left.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The Assistant Director of Finance and Procurement considers that the proposed changes to the annual MRP methodologies are individually and cumulatively prudent and recommends them to Members.
- 4.2 This scenario is judged to achieve a more prudent provision to repay the Council's supported borrowing and provides greater fairness to current and future council tax payers.

SUPPORTED BORROWING

- 4.3 The calculated over provision for the period 2008 to 2016 is £52m based on the actual MRP charged to revenue versus the MRP that would have been charged if the supported borrowing element was to be repaid over 50 years i.e. 2% at that point.
- 4.4 The total recalculated overprovision is £52m but any recovery can not result in a negative MRP charge. As the Council has a positive Capital Financing Requirement

it must make a prudent MRP provision. A prudent approach is considered to be phasing the reduction in MRP over a number of years.

- 4.5 The calculated MRP charge for 2017-18 is £24.7m for all debt and past liabilities. The Council is proposing to reduce its MRP charge for 2017-18 to a nominal amount of £1m (releasing £23.7m of the overprovision) with further reduced amounts charged in 2018-19 and 2019-20 until the over provision has been recovered.
- 4.6 The overprovision will be transferred to a MRP Adjustment Reserve in order to build resilience for any changes resulting from the fair funding review or slippage in agreed savings proposals.
- 4.7 It should be recognised that this change would reduce the rate of repayments of borrowing over the period during which the overprovision is being applied, which will lead to the Council incurring additional interest costs in the meantime. However, in the current climate of low interest rates it is considered that this would be an acceptable cost given the benefits to be gained from the change.
- 4.8 Recalculating the 2008 to 2016 supported borrowing charge does mean that the annual MRP charge increases from 2018-19 by £2.6m. The table below demonstrates the reduction over the next three years and the position after the overprovision has been used to reduce the MRP.

Years	Release of Overprovision for supported borrowing £'m	On going Supported borrowing MRP increase £'m	Total cash £'m
2017-18	-23.7	0	-23.7
2018-19	-23.7	2.6	-21.1
2019-20	-5.1	2.6	-2.5
2020-21 to 2034-2035	0	41.7	41.7
2035-36 to 2057-2058	0	57.4	57.4
2058-2059 to 2065-2066	0	-51.8	-51.8
Total	-52.5	52.5	0

PFI

- 4.9 A change in policy to charge the principal element over 42 and 40 years rather than the current 25 would create a saving of £3.9 million in 2018-19 and £14.7 million in 2019-20 to 2022-23. Savings would continue to be made for a further 13 years ranging in value from £1.8 million to £6.2 million. Years 19 to 42 will see a charge to the revenue account where there is none at present but with the time value of money taken into account the sum is modest. These savings relate to Council funded budgets for PFI schools.

Years	Current basis £'m	Asset life £'m	Difference £'m
2018-19	8.2	4.3	(3.9)
Years 2-5	31.9	17.2	(14.7)
Years 6-10	48.9	21.5	(27.4)
Years 11-20	88.6	43.1	(45.5)
Years 21-30	0	43.1	43.1
Years 31-40	0	43.1	43.1
Years 41-50	0	5.3	5.3
TOTAL	177.6	177.6	0

- 4.10 Although this change in Policy will lengthen the period over which the MRP charge is made, it is still prudent as it will better match the set aside period with the service potential of the assets. The change means that council tax payers will be charged for the cost of these buildings over the full period of time for which they are expected to be in use.
- 4.11 The Council's proposed change for the two PFI schemes is considered to be prudent. As newly constructed assets, the asset life could be in excess of 50 years. Therefore, it would appear to be reasonable for the Council to provide for its PFI on the same basis, by charging MRP on a straight-line basis over the remainder of the 50 years outstanding at 2018-19.
- 4.12 The total impact of both changes is summarised below.

Years	Release of Overprovision for supported borrowing £'m	On going Supported borrowing MRP increase £'m	Private Finance MRP reduction £'m	Total cash £'m
2017-18	-23.7	0	0	-23.7
2018-19	-23.7	2.6	-3.9	-25.0
2019-20	-5.1	2.6	-3.4	-5.9
2020-21 to 2034-2035	0	41.7	-92.8	-51.1
2035-36 to 2057-2058	0	57.4	94.8	152.2
2058-2059 to 2065-2066	0	-51.8	5.3	-46.5
Total	-52.5	52.5	0	0

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The uncertainties regarding the funding that will be available to the Council and the control of the capital programme are considered within the Quarter 1 Finance Position Statement 2018-19 and the Medium Term Financial Strategy 2019-20 to 2021-22 and beyond Reports.
- 5.2 Changes to PFI asset lives or impairments could impact on the calculation of the annual MRP charge. The MRP Policy will be reviewed annually and approved by

Council.

- 5.3 The existing governance arrangements for controlling the capital programme remain appropriate.

6. LEGAL APPRAISAL

- 6.1 The legal basis for Minimum Revenue Provision ('MRP') is set out in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended ('the Regulations'). The Regulations provide that local authorities are under a duty to make an amount of MRP which it considers to be 'prudent'. Local Authorities are obliged by the Local Government Act 2003 to have regard to statutory guidance on MRP. A local authority must make a statement setting out its policy on making prudent provision for MRP to full Council for approval.
- 6.2 In determining the level of a prudent MRP, local authorities are required to 'have regard' to statutory guidance issued by the government. This means that local authorities should not take a substantially different course from that set out in the guidance, but may deviate from its detailed requirements where they determine there is good reason to do so. The statutory guidance sets out that the broad aims of a prudent MRP policy should be to ensure that borrowing is repaid either over the life of the asset which the capital expenditure related to or, for supported borrowing, the period assumed in the original grant determination.
- 6.3 The amendments to the Guidance in February 2018 make it more difficult to identify an estimated overprovision after the 31 March 2018 accounting period. However the Council is looking to apply the overprovision to the 2017-18 year.
- 6.4 Advice has been sought from specialist counsel on the lawfulness of the proposed amendments to the Council's MRP policy, in relation to supported borrowing for the period from 2008-2009 and a change with respect to the future charge levied to fund the cost of building PFI schools. Counsel advises that both these proposed changes are lawful for the following reasons:
- a) the Council will continue to adhere to the broad aim of the Guidance;
 - b) the concept of prudence is for the Council as decision maker, within the bounds of reasonableness, to assess and evaluate and decide what weight, if any, is to be given to a consideration;
 - c) there is liberty to deviate from guidance on admissible grounds and for good and articulated reason;
 - d) the Council has to have regard to the Guidance but this does not mean that the Guidance cannot be departed from for cogent reasons;
 - e) the adoption of the proposals is in accordance with Regulation 28 of the 2003 Regulations in that it complies with the duty to have regard to the Guidance and general public law principles.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

There are no equality and diversity implications.

7.2 SUSTAINABILITY IMPLICATIONS

There are no sustainability implications.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no greenhouse gas emissions implications.

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications.

7.5 HUMAN RIGHTS ACT

There are no Human Rights Act implications.

7.6 TRADE UNION

There are no Trade Union implications.

7.7 WARD IMPLICATIONS

There are no Ward implications.

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

Not applicable.

7.9 IMPLICATIONS FOR CORPORATE PARENTING

There are no Corporate Parenting implications.

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

There are no Privacy Impact implications.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. RECOMMENDATIONS

9.1 Note the contents of the report and the proposed changes to the MRP Policy.

9.2 The Executive recommends to Council that:

- a) The 2018-19 MRP policy for PFI assets is brought in line with the main MRP Policy and the charge of the principal to the revenue account is over the life of the school building assets.
- b) For 2017-18 calculate the MRP on Supported Borrowing for 2008 to 2016 on a 2% straight line method. The overprovision of £52m will be included in a reserve and applied to reduce the annual MRP charge from 2017-18 onwards.

9.3 Executive recommends to Council that the MRP Policy be amended to reflect the following conditions:

- i) Total MRP after applying previous overpayment will not be less than zero in any financial year.
- ii) The same amount of principal has to be repaid over time irrespective of the method, the recommendation will be to hold the £52m freed up from the change in policy in an earmarked reserve, and it will be used to reduce the annual MRP cost.
- iii) The changes to MRP are agreed, releasing the overprovision of £52m over the coming years. As the overprovision is released, and given our balanced financial plan, the cash saving is credited to a dedicated earmarked MRP Adjustment Reserve so that future usage can be appropriated and monitored.
- iv) The PFI budgetary saving is used to reduce the net reported cost pressure in 2018-19.
- v) That the following checkpoints are met, and the implications of each are understood, before future usage of the proposed MRP Adjustment Reserve is determined:
 - a) Formal 2018-19 monitoring to determine likely outturn and further detailed understanding of structural cost pressures.
 - b) Review of the Medium Term Financial Strategy (MTFS) to determine detailed anticipated budgetary gaps over the next three years.
 - c) Clarity on future savings delivery, including the Demand Management strategy, for 2019-20 and 2020-21.
 - d) Finalising the 2019-20 and 2020-21 detailed budget process.
- vi) Subject to the outcomes noted above, consideration is given to a future voluntary repayment of outstanding capital debt using any residual amount set aside. This would therefore designate this move as a last resort insurance policy to protect against any negative consequences associated with the uncertainties outlined above.

10. BACKGROUND DOCUMENTS

- The Council's Capital Investment Plan for 2017-18 onwards - Executive 21st February 2017 and Council 23rd February 2017
- The Council's Capital Investment Plan for 2018-19 onwards - Executive 20th February 2018 and Council 22nd February 2018
- Annual Finance and Performance Outturn Report 2017-18 Executive 10th

July 2018

- Medium Term Financial Strategy 2019-20 2022-23 Executive Report 10th July 2018

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Report of the Strategic Director of Children's Services to the meeting of Executive Committee to be held on 10 July 2018

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Subject:

Change in age ranges of children at Hirst Wood Nursery School, Lilycroft Nursery School and Strong Close Nursery School.

Summary statement:

This report asks the Executive to approve the unrelated proposals to change the lower age range of children attending Hirst Wood Nursery School, Lilycroft Nursery School and Strong Close Nursery School from 3 - 5 years to 2 – 5 years as from 1 September 2018.

Michael Jameson
Strategic Director –
Children's Services

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Portfolio:

Children's Services

Overview & Scrutiny Area:

Children's Services

1. SUMMARY

This report asks the Executive to approve the unrelated proposals to change the lower age range of children attending Hirst Wood Nursery School, Lilycroft Nursery School and Strong Close Nursery School from 3 - 5 years to 2 – 5 years as from 1 September 2018.

2. BACKGROUND

2.1 Hirst Wood Nursery School

- 2.1.1 Piccolo's Day Nursery on the Saltaire Primary School site has closed and the nursery school is receiving demands from parents to offer 2 year old places. They have requested that the age range be lowered from 3-5 year olds to 2-5 year olds to enable them to offer up to 36 part time 2 year old places from 1 September 2018.
- 2.1.2 This proposal would support the children and families within the local area with a focus on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential.
- 2.1.3 Piccolo's Nursery consistently delivered 10 places to funded 2 year old children who, on a whole, lived less than ½ mile from their provision. There are further 10-12 children who are not accessing their funded place within ½ mile.
- 2.1.4 There are sufficient places within a mile of the provision but the parents are not accessing these. Parents are expressing that they wish to take up places within Hirst Wood Nursery School as they have siblings currently attending the nursery school and find the school more accessible than the childcare providers.

2.2 Lilycroft Nursery School

- 2.2.1 Lilycroft Nursery Governing Body currently hold an Early Years Ofsted registration for 0-5 year olds at 56 Toller Lane Bradford BD8 8QH under which they provide 2 year old funded entitlement places and paid for childcare.
- 2.2.2 The Nursery School are proposing to reconfigure the service to provide 2 year old funded entitlement places and paid for childcare to be delivered by the school Lilycroft Road, Bradford, BD9 5AD.
- 2.2.3 The nursery school have therefore requested that the age range of the nursery school be lowered from 3-5 year olds to 2-5 year olds to enable them to offer up to 64 part time 2 year old places from 1 September 2018.
- 2.2.4 This would support the children and families within the local area with a focus on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential.
- 2.2.5 Lilycroft Nursery under the Governing Body with their Ofsted registered site has consistently delivered up to 70 part time two year old funded places for the last 3 terms. There are insufficient places within ½ mile of the school if this provision does not operate.
- 2.2.6 As these proposed places are not new places but merely being relocated to

the school site this will not have any impact on other providers in the area

2.3 Strong Close Nursery School

- 2.3.1 The Pre-school Learning Alliance who own Strong Close Day Nursery has closed the day nursery.
- 2.3.2 Strong Close Nursery School want to be able to offer parents 2 year old provision, so the Local Authority is proposing to lower the age range to enable them to offer up to 48 part time 2 year old places at the Nursery School from 1 September 2018.
- 2.3.3 When the day nursery was opened there were sufficient places in the area, however with the day nursery closing there are now not enough providers with vacancies or the capacity to absorb this number of children.
- 2.3.4 The 2 year old places that Strong Close Nursery School propose to deliver will close the sufficiency gap and should have no impact on providers in the area.
- 2.3.5 This would support the children and families within the local area with a focus on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential

3. OTHER CONSIDERATIONS

Consultation

3.1 Hirst Wood Nursery School

- 3.1.1 Informal consultation took places between 23 April and 25 May 2018, from a total of which 37 responses were made, see table below:

Group	Agree	Disagree	Other
Parent or child attending the nursery	16	1	
Parent of other child under 3 years	3		1
School Governor	2		
Staff member	1		
Councillor or MP	0		
Member of Local Community	3		
Other Childcare Provider	0	2	
Local School	5		
Other	3		
Total	33	3	1

Responses in support of the Proposal

- A number of comments showed they felt that the provision and education at Hirst Wood Nursery is excellent, lowering the age range would allow more children to access this.
- It is recognised that early education provision is important especially for disadvantaged children, this proposal would support this.
- Some respondents commented that the change in age range will enable access to children who have been displaced or would not have a nursery to attend due to the closure of Page 219 nursery.

Responses against the Proposal

- This proposal would take children away from private childcare business.
- There are enough places in the local area so there isn't enough demand.
- Siblings will be separated if the offer is for 2 years and not for babies.

A full list of comments extracted from the responses is shown in Appendix E.

3.1.2 The Statutory Proposal was published on 7 June 2018 and No responses have been received during the representation period.

During the representation period between 7 June and 5 July 2018 any person could submit comments on and objections to the proposal to the Local Authority to be taken into account by the decision maker.

3.2 Lilycroft Nursery School

3.2.1 Informal consultation took places between 23 April and 25 May 2018, from a total of which 13 responses were received. 4 agreed with the proposal 6 were against.

Group	Agree	Disagree	Other
Parent or child attending the nursery			1
Parent of other child under 3 years			
School Governor	1		
Staff member			
Councillor or MP			
Member of Local Community	2		
Other Childcare Provider		6	1
Local School	1		1
Other			
Total	4	6	3

Responses in support of the Proposal

- The case is made by the Headteacher – it is a necessity.
- Lilycroft nursery school offers outstanding provision and it would be fantastically beneficial to widen the impact to include younger children. We wholeheartedly support this application to continue to share high quality early years across the district.
- Children accessing 2 year education will continue onto 3 year education which is better for them. They will already be familiar not only with the site but the staff too.

Responses against the Proposal

- Will affect our small business and settings.
- Will affect childminders.
- The basis of our objection is that the reach area in question is already well served by 5 providers and that there is insufficient demand to warrant extending the number of providers of the 2 year old offer in the reach.

Neither Agree nor Disagree

- Although I am happy for this to move forward I think consideration to the other school nurseries should be taken when places are allocated. The earlier we can take. The earlier we can take children in to formal nurseries the more impact we can have.
 - Feel ok about this as long as it would not limit parent choice.
 - It depends upon the situation. For working parents it could be a good idea but otherwise it's a young age when children should be learning at home rather than attending school.
- A full list of comments extracted from the responses is show in Appendix F.

3.2.2 The Statutory Proposal was published on 7 June 2018 and during the representation period between 7 June and 5 July 2018 any person could submit comments on and objections to the proposal to the Local Authority to be taken into account by the decision maker.
No responses have been received during the representation period.

3.3 Strong Close Nursery School

3.3.1 Informal consultation took places between 4 May and 25 May 2018, from a total of which 17 responses were received. 11 agreed with the proposal 6 were against, 5 of which were private providers.

Group	Agree	Disagree	Other
Parent or child attending the nursery			
Parent of other child under 3 years			
School Governor			
Staff member	1		
Councillor or MP			
Member of Local Community	2	3	
Other Childcare Provider	2	2	
Local School	4		
Other	2	1	
Total	11	6	0

Responses in support of the Proposal

- This would create places and give good opportunities to children in disadvantaged areas.
- The nursery school has a good reputation and this would extend their services to more children.
- There would otherwise be a shortage of provision due to the closure of the private Strong Close day nursery.

Responses against the Proposal

- 2 year olds are not used to the structure and rigour that schools seem to place around their attendance and the delivery of the EYFS.
- Plenty of nurseries and pre-schools in Keighley, there would be an impact on other providers and nurseries.
- Why should they, parents should look after 2 year olds.
- The Pre-School Learning Alliance (PSLA) has just recently been closed with minimal notice to all parents, which accommodated this age range, these have re-located.
Staff have just been made redundant. Tainted with previous actions/ behaviours.

A full list of comments extracted from the responses is show in Appendix G.

3.3.2 The Statutory Proposal was published on 7 June 2018 and during the representation period between 7 June and 5 July 2018 any person could submit comments on and objections to the proposal to the Local Authority to be taken into account by the decision maker.
No responses have been received during the representation period

3.4 Not every child is eligible for a funded 'Early Education for Two Year Olds'. The eligibility criteria have been set by the government, not the school. Funded places at our proposed two year old nursery would be available to the following children:

3.4.1 Whose parents are in receipt of an income-related benefit, which are:

- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit*
- Tax credits and you have an annual income of under £16,190 before tax
- The guaranteed element of State Pension Credit
- Support through part 6 of the Immigration and Asylum Act
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

3.4.2 A child can also get free early education and childcare if any of the following apply:

- they're looked after by a Local Authority
- they have a current statement of special education needs (SEN) or an Education, Health and Care (EHC) plan
- they get Disability Living Allowance
- they've left care under a special guardianship order, child arrangements order or adoption order

3.4.3 Early Education for two year olds seeks to redress some of that imbalance. Research has shown that access to quality early education improves children's outcomes and this provision forms the significant part of early education for two year olds.

3.4.4 There is strong evidence that early education makes a positive difference to young children. The 'Effective Provision of Pre-school Education' study found that high quality early education has particularly strong impacts on the cognitive and social development of disadvantaged children, and that these benefits last throughout primary school

4. FINANCIAL & RESOURCE APPRAISAL

4.1 Lowering the age range of Children attending the schools from 3-5 years to 2-5 years will provide opportunity for the school to offer places for 2 year olds

4.2 Eligible 2 year olds are entitled up to 15 hours of free early education and childcare place during term time which is funded via the Dedicated Schools Grant (DSG).

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

If there are no significant risks arising out of the implementation of the proposed recommendations.

6. LEGAL APPRAISAL

6.1 There is no longer a statutory pre-publication period for proposed significant changes to schools. However, statutory DfE guidance states that there is a strong expectation on schools and Local Authorities that they consult interested parties in developing their proposals prior to publication as part of their duty to act rationally and to take into account all relevant considerations. All responses received to such consultations must be considered in deciding whether to publish the necessary statutory proposals on the basis proposed.

6.2 For proposed changes that are expected to be in place for more than two years Local Authorities must follow a statutory process when they propose a change to the lower age range of 1 year or more for community schools including the adding of nursery provision

6.3 On 30 May 2018 the Strategic Director of Children's Services approved the publication of unrelated statutory proposals to alter the lower age range of Hirst Wood, Lilycroft and Strong Close Nursery Schools to include 2 year olds.

6.3.1 Statutory proposals were published on 7 June 2018 with a four week Representation Period during which any person or organisation could submit

comments on or objections to the proposals to the Council to be taken into account by the decision maker.

6.3.2 These will be considered by the Executive in its capacity as decision-maker when it determines the proposals at the end of the Representation Period.

6.3.3 Executive can decide to reject, approve, approve with modifications, or approve subject to certain conditions e.g. granting of planning permission

6.4 The following factors need to be considered in deciding whether or not to approve Statutory Proposals. The Executive should:-

6.4.1 Be satisfied that: appropriate consultation and representation period has been carried out.

6.4.2 All comments and objections received must be considered by the Executive consider the quality and diversity of schools in the relevant area consider the demand for new school places

6.4.3 In assessing demand consider proposal admission arrangements have regard to the Public Sector Equality Duty, consider impact on community cohesion; be satisfied that travel and accessibility has been properly taken in to account be satisfied that any land, premises or capital required to implement the proposal will be available; consider if the schools will be able to fulfil the legal requirement that suitable;outdoor space can be provided in order to enable physical education is provided to pupils in accordance with the school curriculum; and that pupils play outside.
The provision may be fulfilled by access to suitable facilities off-site

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The Councils admission policy and admission criteria must not discriminate directly or indirectly against any group or individual.

Equalities Impact Assessment was completed on 25 June 2018

7.2 SUSTAINABILITY IMPLICATIONS

None

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The proposals would not impact on gas emissions. If children are able to attend their local schools this could lead to a reduction in emissions.

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no direct Community Safety Implications arising from this report.

7.5 HUMAN RIGHTS ACT

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

7.6 TRADE UNION

Trade unions have been informed of the proposals.

The proposed increases in provision of the schools may lead to an increase in staffing levels.

7.7 WARD IMPLICATIONS

Ward Councillors have been consulted about the proposed changes to the schools in their wards.

7.8 IMPLICATIONS FOR CORPORATE PARENTING

There are no direct Corporate Parenting implications arising from this report.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Privacy Impact Assessments are not required arising from this report.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

Considering the results of the consultation the Executive can decide to:-

9.1 Hirst Wood Nursery School

a) Approve the proposal to change the lower age range from 3-5 years to 2-5 years at Hirst Wood Nursery School as from 1 September 2018.

or

b) Reject the proposal and retain the lower age range of the school as 3-5 years.

9.2 Lilycroft Nursery School

a) Approve the proposal to change the lower age range from 3-5 years to 2-5 years at Lilycroft Nursery School as from 1 September 2018.

or

b) Reject the proposal and retain the lower age range of the school as 3-5 years.

9.3 Strong Close Nursery School

a) Approve the proposal to change the lower age range from 3-5 years to 2-5 years at

Strong Close Nursery School as from 1 September 2018.

or

b) Reject the proposal and retain the lower age range of the school as 3-5 years.

10. RECOMMENDATIONS

10.1 That the Executive approve the proposal to change the lower age range at Hirst Wood Nursery School from 3-5 years to 2-5 years as from 1 September 2018.

10.2 That the Executive approve the proposal to change the lower age range at Lilycroft Nursery School from 3-5 years to 2-5 years as from 1 September 2018.

10.3 That the Executive approve the proposal to change the lower age range at Strong Close Nursery School from 3-5 years to 2-5 years as from 1 September 2018.

11. APPENDICES

Appendix A: Sample consultation letter for Hirst Wood Nursery School

Appendix B: Sample consultation letter for Lilycroft Nursery School

Appendix C: Sample consultation letter for Strong Close Nursery School

Appendix D: List of consultees

Appendix E: All responses received for the Hirst Wood Consultation

Appendix F: All responses received for the Lilycroft Consultation

Appendix G: All responses received for the Strong Close Nursery School consultation

Appendix H: Equalities Impact Assessment

12. BACKGROUND DOCUMENTS

None

Early Years' Service,
 City of Bradford Metropolitan District Council
 On behalf of:
 Hirst Wood Nursery School
 3, Carlton Avenue,
 Saltaire,
 Shipley,
 BD18 4NJ

Dear Parents/Carers

Consultation on lowering the age range of children at Hirst Wood Nursery School

We are consulting on lowering the age range of children who attend our school from 3-4 years old to 2-5 years old. This is because Piccolo's Day Nursery on the Saltaire Primary School site has closed and we have had demand from parents to offer 2 year old places. As a school we want to be able to offer parents 2 year old provision, so are proposing to lower the age range we can offer places from September 2018.

Not every child is eligible for a funded 'Early Education for Two Year Olds'. The eligibility criteria have been set by the government, not the school. Places at our proposed two year old nursery would be available to the following children:

Whose parents are in receipt of an income-related benefit, which are:

- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit*
- Tax credits and you have an annual income of under £16,190 before tax
- The guaranteed element of State Pension Credit
- Support through part 6 of the Immigration and Asylum Act
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

A child can also get free early education and childcare if any of the following apply:

- they're looked after by a Local Authority
- they have a current statement of special education needs (SEN) or an Education, Health and Care (EHC) plan
- they get Disability Living Allowance
- they've left care under a special guardianship order, child arrangements order or adoption order

This development will support the children and families within the local area with a focus on disadvantaged two year olds who are **Page 227** have experienced play and learning

opportunities outside the home, and might fail to achieve their full potential. We can anticipate a significant gap between their outcomes and those of their less disadvantaged peer groups.

Early Education for two year olds seeks to redress some of that imbalance. Research has shown that access to quality early education improves children's outcomes and this provision forms the significant part of early education for two year olds.

There is strong evidence that early education makes a positive difference to young children. The 'Effective Provision of Pre-school Education' study found that high quality early education has particularly strong impacts on the cognitive and social development of disadvantaged children, and that these benefits last throughout primary school.

We would also look at providing other flexible offers of care to children who may not be eligible for a funded place, in line with our business plan.

This letter is to gain your views and comments about this proposal as part of the overall consultation. We will also be informing the local community and other stakeholders in the area, and seeking their views.

The consultation process will begin on Monday 23rd April and continues until Friday 25th May after which a full analysis and report with recommendations will be made to the Director of Children's Services, who will decide if Statutory Notices will be published as part of the formal consultation.

Any comments or suggestions can be made on the attached form which can be sent or handed in to the school office. Or if you prefer you can answer the on-line consultation on the [Bradford Council website](#).

Yours sincerely

Jayne Taylor
Head of School

Consultation on lowering the age range of children at Hirst Wood Nursery School

We are consulting on lowering the age range of children who attend our school from 3-4 years old to 2-4 years old. This is because Piccolo's Day Nursery on the Saltaire Primary School site has closed and we have had demand from parents to offer 2 year old places.

As a school we want to be able to offer provision from 2 years old, so are asking your opinion on lowering the school age range

The consultation process will begin on Monday 23rd April and continue until Friday 25th May after which a full analysis and report with recommendations will be made to the Director of Children's Services, who will decide if Statutory Notices will be published as part of the formal consultation.

1. Please indicate which applies to you:

- Parent of a child in our school
- Parent of a child under three years old
- Governor at Hirst Wood Nursery School
- Staff member of Hirst Wood Nursery School
- Local resident
- Councillor or MP
- Day Nursery/ Pre-school provider/childminder
- Local school
- Other interest group (please describe)

2. Do you agree that the school lower their age range in order to accommodate 2 year old children?

- Yes
- No
- Neither agree or disagree
- Other

3. Please state the reason for your answer

4. Any Other Comments on the proposal?

Your name

Signed Date.....

Thank you of taking the time to comment. Please return by **25th May 2018** at the latest.
Please return to the office:

Hirst Wood Nursery School, 3, Carlton Avenue, Saltaire, Shipley, BD18 4NJ

Early Years' Service,
City of Bradford Metropolitan District Council
On behalf of:
Lilycroft Nursery School
Lilycroft Road,
Bradford,
BD9 5AD

Dear Parents/Carers

Consultation on lowering the age range of children at Lilycroft Nursery School

We are consulting on lowering the age range of children who attend our school from 3-5 years old to 2-5 years old.

Lilycroft Nursery Governing Body currently hold an Early Years Ofsted registration for 0-5 year olds at 56 Toller Lane Bradford BD8 8QH under which they provide 2 year old funded entitlement places and paid for childcare. We would like to reconfigure the service to offer 2-5s provision including paid for childcare to be delivered on by the school at Lilycroft Road, Bradford, BD9 5AD.

We propose to lower the age range of the school to offer places for 2 year olds from September 2018.

Not every child is eligible for a funded 'Early Education for Two Year Olds'. The eligibility criteria have been set by the government, not the school. Funded places at our proposed two year old nursery would be available to the following children:

Whose parents are in receipt of an income-related benefit, which are:

- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit*
- Tax credits and you have an annual income of under £16,190 before tax
- The guaranteed element of State Pension Credit
- Support through part 6 of the Immigration and Asylum Act
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

A child can also get free early education and childcare if any of the following apply:

- they're looked after by a Local Authority
- they have a current statement of special education needs (SEN) or an Education, Health and Care (EHC) plan
- they get Disability Living Allowance
- they've left care under a special guardianship order, child arrangements order or adoption order

This development will support the children and families within the local area with a focus on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential. We can anticipate a significant gap between their outcomes and those of their less disadvantaged peer groups.

Early Education for two year olds seeks to redress some of that imbalance. Research has shown that access to quality early education improves children's outcomes and this provision forms the significant part of early education for two year olds.

There is strong evidence that early education makes a positive difference to young children. The 'Effective Provision of Pre-school Education' study found that high quality early education has particularly strong impacts on the cognitive and social development of disadvantaged children, and that these benefits last throughout primary school.

This letter is to gain your views and comments about this proposal as part of the overall consultation. We will also be informing the local community and other stakeholders in the area, and seeking their views.

The consultation process will begin on Monday 23rd April and continues until Friday 25th May after which a full analysis and report with recommendations will be made to the Director of Children's Services, who will decide if Statutory Notices will be published as part of the formal consultation.

Any comments or suggestions can be made on the attached form which can be sent or handed in to the school office. Or if you prefer you can answer the on-line consultation on the [Bradford Council website](#).

Yours sincerely

Sian Young
Head of School
Lilycroft Nursery School

Consultation on lowering the age range of children at Lilycroft Nursery School

We are consulting on lowering the age range of children who attend our school from 3-5 years old to 2-5 years old.

The consultation process will begin on 23rd April and continue until Friday 25th May after which a full analysis and report with recommendations will be made to the Director of Children’s Services, who will decide if Statutory Notices will be published as part of the formal consultation.

5. Please indicate which applies to you:

- Parent of a child in our school
- Parent of a child under three years old
- Governor at Lilycroft Nursery School
- Staff member of Lilycroft Nursery School
- Local resident
- Councillor or MP
- Day Nursery/ Pre-school provider/childminder
- Local school
- Other interest group (please describe)

6. Do you agree that the school lower their age range in order to accommodate 2 year old children?

- Yes
- No
- Neither agree or disagree
- Other

7. Please state the reason for your answer

8. Any Other Comments on the proposal?

Your name

Signed Date.....

Thank you of taking the time to comment. Please return by **25th May 2018** at the latest.
Please return to:

Early Years' Service,
City of Bradford Metropolitan District Council
On behalf of:
Strong Close Nursery School
Airedale Road
Keighley
BD21 4LW

Dear Parents/Carers

Consultation on lowering the age range of children at Strong Close Nursery School

We are consulting on lowering the age range of children who attend our school from 3-5 years old to 2-5 years old. This is because Pre-school Learning Alliance who own Strong Close Day Nursery has closed the day nursery. As a school we want to be able to offer parents 2 year old provision, so are proposing to lower the age range we can offer places from September 2018.

Not every child is eligible for a funded 'Early Education for Two Year Olds'. The eligibility criteria have been set by the government, not the school. Places at our proposed two year old nursery would be available to the following children:

Whose parents are in receipt of an income-related benefit, which are:

- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit*
- Tax credits and you have an annual income of under £16,190 before tax
- The guaranteed element of State Pension Credit
- Support through part 6 of the Immigration and Asylum Act
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

A child can also get free early education and childcare if any of the following apply:

- they're looked after by a Local Authority
- they have a current statement of special education needs (SEN) or an Education, Health and Care (EHC) plan
- they get Disability Living Allowance
- they've left care under a special guardianship order, child arrangements order or adoption order

This development will support the children **Page 200** within the local area with a focus

on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential. We can anticipate a significant gap between their outcomes and those of their less disadvantaged peer groups.

Early Education for two year olds seeks to redress some of that imbalance. Research has shown that access to quality early education improves children's outcomes and this provision forms the significant part of early education for two year olds.

There is strong evidence that early education makes a positive difference to young children. The 'Effective Provision of Pre-school Education' study found that high quality early education has particularly strong impacts on the cognitive and social development of disadvantaged children, and that these benefits last throughout primary school.

We would also look at providing other flexible offers of care to children who may not be eligible for a funded place, in line with our business plan.

This letter is to gain your views and comments about this proposal as part of the overall consultation. We will also be informing the local community and other stakeholders in the area, and seeking their views.

The consultation process will begin on Monday 16th April and continues until Friday 25th May after which a full analysis and report with recommendations will be made to the Council's Executive Committee for a decision to be made.

Any comments or suggestions can be made on the attached form which can be sent or handed in to the school office. Or if you prefer you can answer the on-line consultation on the [Bradford Council website](#).

Yours sincerely

Sharon Hogan

Acting Executive Headteacher

Consultation on lowering the age range of children at Strong Close Nursery School

We are consulting on lowering the age range of children who attend our school from 3-5 years old to 2-5 years old. This is because Strong Close Day Nursery who is owned by Pre-school Learning Alliance have closed their day nursery that currently offers places for 2 year olds.

As a school we want to be able to offer provision from 2 year old, so are asking your opinion on lowering the school age range

The consultation process will begin on Friday 4 May and continue until Friday 25th May after which a full analysis and report with recommendations will be made to the Director of Children's Services, who will decide if Statutory Notices will be published as a part of formal consultation.

9. Please indicate which applies to you:

- Parent of a child in our school
- Parent of a child under three years old
- Governor at Strong Close Nursery School
- Staff member of Strong Close Nursery School
- Local resident
- Councillor or MP
- Day Nursery/ Pre-school provider/childminder
- Local school
- Other interest group (please describe)

10. Do you agree that the school lower their age range in order to accommodate 2 year old children?

- Yes
- No
- Neither agree or disagree
- Other

11. Please state the reason for your answer

12. Any Other Comments on the proposal?

Your name

Signed Date.....

Thank you of taking the time to comment. Please return by **25th May** 2018 at the latest.
Please return to:

List of Consultees

- Chairs of Governors
- Parents/Carers of children attending the nursery schools.
- School Staff
- Strategic Director and Assistant Directors Children's Services
- All Councillors
- Neighbourhood Forums
- Keighley Town Council
- All Schools
- Catholic Diocese
- Church of England Diocese
- Council for Mosques
- Muslim Association
- Children's Services Managers
- Members of Parliament
- Other Early Years providers and Playgroups
- Private/Independent Schools
- Strategic Relationship Manager (School Improvement)
- Unions
- Bradford Schools Online (BSO)
- Bradford Council website
- Media
- Twitter
- Facebook
- Education Client Services

Extracted Comments from responses to consultation to lower age range at Hirst Wood Nursery School

Agree:

Parental requests in the area

The case is made by the Head Teacher:

From personal experience I know how tricky it is to get a place at a good quality nursery locally. Good ones are either full or too far to combine with school drop off for my older child. Staying in the nursery for 2 years rather than 1 would help children settle and develop better

This nursery school provides excellent education for its current children so lowering the age can only be a benefit for more children.

It would be good to offer this so parents would have good quality education from an earlier age. Would like it to be from Birth.

Hirst Wood is a fantastic nursery with excellent facilities to care for not only older children but also for 2 year olds

If Hirstwood was to lower the age the children can attend the children will have a great start in life. Plus babies shouldn't be put into a nursery unless absolutely necessary. It is up to the school if they can manage and have the right trained people.

I agree entirely with the principle of providing access to quality early education to improve outcomes for children. My son attended here and the level of care and provision received contributed significantly to his development socially, emotionally and academically and to his school readiness for reception.

Early education has shown to have a positive impact in areas of disadvantage

With the increase of funded childcare the demand has increased for nursery places. Locally nurseries are full. Hirstwood nursery has very good facilities, devoted staff, lovely outside= happy children. I've no doubt the 2 year old will be a success

Because of the importance of early education & the fact places for pre-school children will always be taken up

Will be good for me as a mum

The 2 year old will make the HWN more attractive to parents and more financially stable for the future. The nursery would provide good quality provision for 2 year olds and exceptional outdoor space that could be used for them.

I have a 2 year old child I would like to attend the nursery and have not placed him elsewhere as I want him to attend Hirst Wood only as it is a nursery school. I think it would provide good quality

As a single parent I would have appreciated the choice. I do think it's a good idea however this arrangement could be difficult to allocate places and some parents may take advantage. It may be extremely popular and I think should be available to those in need (eg single parents, people in financial difficulties etc)

I feel it would be a positive step to include provision for 2 year olds who maybe more disadvantaged, supporting and encouraging their success throughout primary school. The whole local community would benefit from this in the long term. Also we have working families who may not be eligible for a funded place but may appreciate this provision.

Think it's a good idea to have different age groups interacting. As nursery setting is good for younger children and their development

The earlier we can take children into formal nurseries, the more impact we can have

It would offer convenience to be able to take both my children (2&4) to the nursery and offering a bigger age range could have the same benefit to siblings attending Saltaire primary school

It is a provision that is needed in the local area and would help parents of younger children to find quality childcare. Hirstwood nursery is a fantastic place and would provide a valuable addition

Hirst wood has excellent facilities to offer the local community and it would be good to maximise this. Will this affect the provision for 3-4 year olds? Will they mix or be separate? It is such a lovely school and if they have the space it would be good for more children to benefit from being here

If the school leadership believes this to be the right decision then it is
Given the impact early education has, we feel it's very important that those with the highest need for this provision here can access it asap

As the local nursery has closed it would be convenient for parents/ careers with kids aged 2 to have local nursery. It's a good proposal
I have a child who is only 11 weeks old and the nursery locally have a very long waiting list already. I send my child to a childminder and it would be great for her to come to Hirstwood at 2. Would need a bit more hands on and less like school

Lowering the age range would provide an additional option of high quality childcare for 2 year olds. HWNS is highly regarded in the local area and there is an assumption that they already provide this. Helps to ensure the long term sustainability of Nursery Schools in Bradford

Parents have been requesting that we provide a high quality provision for their children aged birth to 3 years for many years The impact of extending provision will not only improve educational outcome but will also support our financial future and sustainability

I think it would be advantageous for local families. However I do feel that the smaller ones should be segregated from the older ones who play differently so the free flow may not work so well.

I feel Hirstwood nursery school is a brilliant provision for 3&4 year olds and it would give 2 year olds good quality continues play based educational setting

Hirstwood provides excellent facilities for pre-school children and would endeavour to provider the same excellent care for younger children. They would be able to continue their education up to school. No other nurseries available within walking distance of Saltaire.

Disagree:

It is completely unfair for Nursery schools to take 2 year olds as well. It takes children away from private childcare businesses. They get the majority of 3/4 year olds already, so keep it that way. Nursery Schools approach parents when a child is turning 3 yrs, please leave 2 yrs in private C/Care

because there are enough nurseries in the local area so there isnt enough demand

Not good for small businesses. Siblings will be separated if places are only offered for over 2s and not babies

Neither agree nor disagree:

No comments

Extracted Comments from responses to consultation to lower age range at Lilycroft Nursery School

Agree:

The case is made by the Head Teacher - it's a necessity

Lilycroft Nursery school offers outstanding provision & it would be fantastically beneficial to widen the impact to include younger children. We wholeheartedly support this application to continue to share high quality early years across the district

Children accessing 2 year education will continue onto 3 year education which is better for them. They will already be familiar with not only the site but the staff too

all in one space

Disagree:

Will affect our small business heavily

Will have a major effect on my small setting. If lilycroft do this then small settings in area will begin to suffer

It will take away from childminders

The basis of our objection is that the reach area in question is already well served by 5 providers and that there is insufficient demand to warrant extending the number of providers of the two year old offer in the reach x 2

The basis of our objection is that the reach area in question is already well served by 5 providers and that there is insufficient demand to warrant extending the number of providers of the two year o Data from Early Years shows take up for Spring at 65% with 138 eligible and 93 taking up in Midland Road reach area.

Neither agree nor disagree:

Feel ok about this as long as it wouldn't limit parent choice

Although I am happy for this to move forward, I think consideration to the other school nurseries should be taken when places are allocated. The earlier we can take children into formal nurseries the more impact we can have.

It depends upon the situation. For working parent s it could be good idea but otherwise it's a little age when children should be learning at home rather than attending school

Extracted Comments from responses to consultation to lower age range at Strong Close Nursery School

Agree:

The importance of early years education

Creating opportunities for children who are from disadvantaged backgrounds is crucial for them and the wider society. Outreach in the community to engage with parents to gain their confidence about sending their children

Ms Hogan makes the case clearly.

Strong Close has a good reputation and this will extend their services

Shortage of two year old places for families in the area following PSLA decision to close their nursery

To ensure that disadvantaged 2 years old in the area have access to high quality care and education.

If there is a lack of provision for 2 year olds in the area then this change will be a definite benefit to local children

As stated in the cover letter 'Access to quality early education improves children's outcomes'. Two year olds who are less likely to have experienced play and learning opportunities might fail to achieve their full potential. Providing flexible offers of care to children who may not be eligible for a funded place should also be a priority.

Strong Close nursery school provides fantastic early years education that has positive benefits for all its children, it would be extremely beneficial for this to be available for younger children. Hirst Wood Nursery School fully supports the proposal.

Supplying need for most disadvantaged to close the gap

I think Strong Close should admit 2 year olds. We have the space and also the dedicated, experienced staff who can provide a quality environment which reflects the nursery school. Two year old provision would feed into the nursery school for 3&4 year olds, thus securing sustainability for the future of Strong Close. It would also be beneficial to families who have siblings who were hoping to access 2 year old provision before PSLA nursery closed.

Disagree:

2yr olds are not use to the structure or rigor that schools seem to place around their attendance and the delivery of the EYFS to them. What is the sufficiency of 2yr places in the Keighley area?

The Pre-School Learning Alliance has just recently been closed with minimal notice to all parents, which accommodated this age range, these have re-located. Staff have just been made redundant. Tainted with previous actions/behaviours. What effect will this have on other local provisions?

plenty of nurseries and preschools in Keighley
why should they?parents should look after 2 year olds.
Impact to other providers
Detrimental effect on 3-4 year olds in the setting

Neither agree nor disagree:

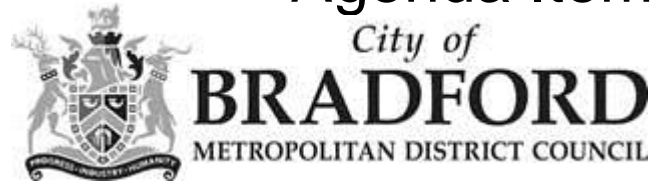
None

Initial Equalities Impact Assessment

Department: School Organisation and Place Planning, Children's Services	Completed by (lead): Nina Mewse	Date of initial assessment: 25.06.18
Area to be assessed: (i.e. name of policy, function, procedure, practice or a financial decision)	Report to the Executive for Lowering the Age Range at Hirst Wood, Lilycroft Nursery and Strong Close Nursery Schools.	
Is this existing or new function/policy, procedure, practice or decision?	Decision	
What evidence has been used to inform the assessment and policy? (please list only)		
Demand from parents for 2 year old nursery places, consultation analysis.		

1. Describe the aims, objectives or purpose of the function/policy, practice, procedure or decision and who is intended to benefit.	Hirst Wood, Lilycroft and Strong Close Nursery Schools wish to lower the age range at their schools from 3-5 year olds to 2-5 year olds to meet the demand for 2 year old places following the closure of current provision, as from September 2018. This would support the children and families within their local areas with a focus on disadvantaged two year olds who are less likely to have experienced play and learning opportunities outside the home, and might fail to achieve their full potential.			
The Public Sector Equality Duty requires the Council to have "due regard" to the need to:- (1) eliminate unlawful discrimination, harassment and victimisation; (2) advance equality of opportunity between different groups; and (3) foster good relations between different groups (see guidance notes)	2. What is the level of impact on each group/protected characteristics in terms of the three aims of the duty? Please indicate high (H) medium (M), low (L), no effect (N) for each.	3. Identify the risk or positive effect that could result for each of the group/protected characteristics?	4. If there is a disproportionately negative impact what mitigating factors have you considered?	
Protected characteristics	Age	L	n/a	n/a
	Disability	L	n/a	n/a
	Gender reassignment	L	n/a	n/a
	Race	L	n/a	n/a
	Religion/Belief	L	n/a	n/a
	Pregnancy and maternity	N	n/a	n/a
	Sexual Orientation	L	n/a	n/a
	Sex	L	n/a	n/a
	Any other area	n/a	n/a	n/a
5. Has there been any consultation/engagement with the appropriate protected characteristics?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
6. What action(s) will you take to reduce any disproportionately negative impact, if any?		None required		
7. Based on the information in sections 2 to 6, should this function/policy/procedure/practice or a decision proceed to Detailed Impact Assessment? (recommended if one or more H under section 2)		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
Assessor signature: Nina Mewse	Approved by:	Date approved:		

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Report of the Strategic Director (Place) to the meeting of Executive to be held on 10 July 2018

Subject: Local Development Scheme Update

Summary statement:

The Council is required to publish and keep up to date a Local Development Scheme (LDS) which sets out the content and timetable for the preparation of the Local Plan. The Current Local Development Scheme was approved in 2014. In light of recent changes to the planning system, changes in local circumstances, as well as progress to date on the Local Plan, the LDS has been reviewed and updated.

The revised LDS will provide an up to date position for the public and other interested parties. It is also a key background document which is considered when examining Local Plan Documents by an Inspector at Examination in Public.

The Executive is recommended to approve the Revised Local Development Scheme for the period 2018 to 2021.

Julian Jackson
Assistant Director (Planning,
Transportation & Highways)

Portfolio:

Regeneration, Planning & Transport

Report Contact: Andrew Marshall
Phone: (01274) 434050
E-mail: andrew.marshall@bradford.gov.uk

Overview & Scrutiny Area:

Regeneration & Environment

1. SUMMARY

- 1.1 The Council is required to publish and keep up to date a Local Development Scheme (LDS) which sets out the content and timetable for the preparation of the Local Plan. The Current Local Development Scheme was approved in 2014. In light of recent changes to the planning system, changes in local circumstances, as well as progress to date on the Local Plan, the LDS has been reviewed and updated.
- 1.2 The revised LDS will provide an up to date position for the public and other interested parties. It is also a key background document which is considered when examining Local Plan Documents by an Inspector at Examination in Public.
- 1.3 The Executive is recommended to approve the Revised Local Development Scheme for the period 2018 to 2021.

2. BACKGROUND

- 2.1 The Planning and Compulsory Purchase Act 2004, as amended by the Localism Act 2011, provides the legal basis for the preparation of the Local Plan for the District. A key requirement of the 2004 Act is the need for clear and transparent programme management through the preparation of a Local Development Scheme (LDS).
- 2.2 The LDS has three main purposes:
 - To describe the Development Plan Documents (DPD) which the Council intends to include as part of its Local Plan (both existing and proposed);
 - To explain the relationships between the separate DPDs within the Local Plan; and
 - To set out the timetables for producing DPDs.
- 2.3 The LDS should be kept up to date and published on the Council's web site.
- 2.4 The first LDS for the District was adopted in September 2005 and was subsequently revised in 2007 and more recently in 2014. The current LDS was revised to take account of the changes introduced through the Localism Act 2011 including Neighbourhood Plans and changes to National Policy with the publication in March 2012 of National Planning Policy Framework (NPPF) and associated web based National Planning Practice Guidance (NPPG).
- 2.5 The current LDS was approved by the Council on 22 July 2014. This committed the Council to the production of 5 Development Plan Documents between 2014 and 2017. They were:
 - Core Strategy (DPD)
 - Allocations (DPD)
 - Bradford City Centre Area Action Plan (DPD)
 - Shipley and Canal Road Corridor Area Action Plan (DPD)

- Bradford Waste Management Plan (DPD)
 - Policies Map (DPD)
- 2.6 Since the current LDS was adopted significant progress has been made against the agreed program. While there was slippage in the LDS milestones, four of the five DPDs were adopted following examination in 2017.
- 2.7 The Core Strategy provides the spatial vision and objectives for the District to 2030 and includes strategic policies to inform future development proposals, Development Plan Documents and investment decisions including the scale and distribution of development. This was adopted by the Council in July 2017.
- 2.8 The other Development Plan Documents will provide a more detailed approach in support of the Core Strategy and its spatial vision, including detailed site allocations. The more detailed documents are critical to ensure that the District has a supply of land to meet its needs and also put in place a 5 year supply of deliverable housing sites in line with NPPF. The two Area Action Plans which support two key regeneration priorities were adopted on the 12th December 2017. The Waste Management DPD which sets out detailed policies for waste facilities as well as allocating sites, was adopted in 17th October 2017.
- 2.9 The Allocations DPD will allocate land to meet housing needs as well as jobs in line with the scale and distribution set out in the Core Strategy, outside the two AAP areas. It will also set out the detailed approach to green infrastructure, such a recreation open space and playing pitches, amongst other things. Work has commenced on this DPD with Issues and Options in 2016 and work more recently to update land information, following adoption of the Core Strategy.
- 2.10 The Current LDS also committed the Council to the preparation of 3 SPDs.
- Hot Food Takeaways
 - Housing Design Guide
 - Management & Mitigation of impacts of development on South Pennine Moors SPA/SAC
- 2.11 The Hot Food Takeaway SPD was adopted in November 2014. The two other SPDs have not been progressed but are still considered essential. Given the scale of housing development it is important that development is of an appropriate quality and reflects local design considerations and policies in the Core Strategy, as well as NPPF. The work will be supported by recent Planning Delivery Fund award from Government to progress this SPD in 2018. This will be complemented by a Street Design Guide which will be prepared concurrently.
- 2.12 The review of the LDS has considered a number of issues:
- Local Plan progress
 - Changes in local circumstances
 - Emerging changes to the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG)

2.13 A number of options were developed and considered taking into account:

- The need to progress the plan as a matter of urgency
- Procedural requirements, current and emerging
- The proposed changes to NPPF and NPPG
- Legal and soundness tests for examination
- Resources and funding requirements
- Local situation and ambitions to support sustainable development and growth both for housing and jobs supported by infrastructure
- Emerging new evidence locally and nationally

2.14 The Options explored were:

1. Continue Allocations on basis of adopted Core Strategy but with partial review to introduce new optional housing standards
2. Partial review of the Core Strategy to revisit housing scale and distribution concurrently with Allocations DPD
3. Partial review of the Core Strategy to revisit housing and employment scale and distribution concurrently with Allocations DPD

2.15 The officer review of the options concluded that Option 3 was most appropriate taking account of the matters listed under paragraph 2.13 above. The detailed headline considerations that have informed that conclusion are set out below.

2.16 Since the adoption of the Core Strategy the government has recently reviewed the NPPF (published 2012) and consulted on proposed changes in May 2018. The NPPF sets out key national policy for the preparation and content of local plans and decision making on planning applications. Changes have primarily been driven by the need to increase housing delivery. It will come into force on adoption with very limited transition arrangements. Proposed changes to the NPPG which provides more detailed practice guidance have also been published. This includes changes to the range of evidence which Local Planning Authorities must produce when preparing their Local Plans and the methodologies and approaches which must be followed in producing that evidence.

2.17 Because the revisions to the NPPF have made significant changes to both policies and practice guidance relating to key aspects of strategic policy (principally relating to housing and green belt) it raises significant questions relating to how best to ensure that a full Local Plan including district wide allocations is put in place as quickly as possible and suggests significant risks in pursuing an Allocations DPD based on the currently adopted Core Strategy. Given the priority which the Council has placed in producing a Local Plan in support of its growth and regeneration goals and given the changes within the NPPF which introduce greater scrutiny in the performance of Local Planning Authorities in getting plans in place, officers have examined the Government's proposed changes in detail and used this to inform the proposed revised LDS.

2.18 The revised NPPF is a comprehensive rewrite but with a focus on boosting housing delivery through changes to Local plan preparation and in monitoring housing delivery. The key changes of strategic significance are:

- A completely revised national standardised method for calculating housing needs (based on ONS household projections plus a factoring of affordability). The guidance allows for alternative approaches in exceptional circumstances and in particular allows for Local Planning Authorities to go with a higher housing requirement than that indicated by the standard formula where it is linked to growth ambitions including economy and jobs, and;
- a set of new prescribed considerations to demonstrate exceptional circumstances to change green belt in a local plan.

2.19 In addition to consulting on the proposed new method for assessing housing need, the Government have published data to show the results of applying the new basic standard formula put forward by the Government for each Local Authority. The indicative figure for Bradford using the formula, suggest the minimum number of dwellings needed per year is 1663 compared to annual target of 2476 in the adopted Core Strategy. However, at the same time as the issuing of a proposed new approach to assessing housing needs, the Government, via the Office of National Statistics (ONS), has continued to issue on a 2 yearly cycle its trend based projections of population and household change. New population projections which superecede those and are lower than those used by the Government above were issued in May. An initial assessment of the implications of the new standard methodology for calculating housing need combined with updated population projections suggests a possible significant reduction on the District's housing need compared to that in the adopted Core Strategy. The expectations of a potentially new lower level of need reflect both:

- New Government projections which indicate lower levels of natural population change than their equivalents issued at the time of the Core Strategy's preparation, and;
- Changes to the Government's housing need methodology which have removed the consideration of a whole host of market signals including allowing for past under delivery of homes.

2.20 Because the core of the new standardised approach to establishing minimum levels of housing need is based on trend based population and household projections (which in turn reflect market and economic conditions of recent years), it has the effect of reinforcing past patterns and does not take account of future ambitions, growth potential or local circumstances. Some respondents to the proposed standardised methodology have observed that its application would see significant reductions in the assumed need and thus and planned for levels of housing in most northern Councils precisely where growth and a reversal of past patterns of relative economic underperformance is required, while southern areas would see increases in their housing targets. Concerns about this and the overly simplistic approach to assessing housing need have thus been raised as a concern by the Council and

others including the Local Government Association and the West Yorkshire Combined Authority in responses to previous consultations. Notwithstanding these concerns it is important to stress that the Government has signalled support for those Councils who wish to consider planning for higher levels of growth than that indicated by the standard formula to account for local ambitions, where those growth ambitions can be supported by evidence and investment programmes and strategies. This is reflected in the wording of the NPPF and NPPG. Therefore in applying the new approach to assessing housing need there will be an important decision for Councils such as Bradford to make in whether to plan for higher than the minimum levels of housing growth in order to reflect their local economic ambitions, how and where to set their targets and how this relates to known and expected programmes for development, regeneration, growth and infrastructure.

- 2.21 The NPPF also reaffirms and clarifies the approach to exceptional circumstances in order to support a Green Belt change in the Local Plan with new prescribed considerations which need to be established to demonstrate the need for Green Belt change. The need for Green Belt change including the scale of any potential change was also a key element of the Secretary of States letter withdrawing the Holding Direction placed on the Core Strategy.
- 2.22 Locally other background evidence and strategies have been updated. In particular, Council have recently reviewed and approved a new Economic Strategy for the District.
- 2.23 In light of these recent changes it is proposed that the Council undertake a partial review of the Core Strategy which revisits the housing requirement and distribution and any consequential changes. This would ensure an up to date and robust approach taking account of national changes as well as changes to local circumstances. It would also re-examine the economic development ambitions and land supply. This will ensure that there continues to be full and appropriate alignment between the policies relating to housing and economic growth, change and regeneration in the District which are clearly interlinked. This would provide an up to date check to ensure the right number of dwellings in the right places are being planned for. The proposed approach would also ensure that the Council has appropriately considered the need for any Green Belt change in light of up to date evidence. It is important to stress that there are large sections of the Core Strategy which remain sound and where there are no reasons at present for review. The scope of the proposed partial review of the Core Strategy has been limited to those elements which are clear and essential priorities for review and whose review would ensure full alignment with national planning policy over the period of the LDS and beyond. The partial review would run concurrently with the next stages of the Allocations DPD and align with and be tested at examination together the partial Review.
- 2.24 The approach seeks to respond appropriately to the new national guidance and changes in evidence and local circumstances and manage risks which may arise if the Local Plan continues to work to the current approach in the Core Strategy. The approach would result in a short term delay to the Allocations but this will manage a risk in longer term. The Approach seeks to move forward the Allocations

concurrently with the partial review of the Core Strategy with both being submitted and examined together.

2.25 To progress with the Option 1 approach, in light of the above considerations, presents significant risks which could delay or impede the progress of the Allocations, as it could fail an assessment at any examination. In this respect to move forward without a partial review could have serious implications and could result in an even longer delay in getting the Allocations in place, than that suggested by short term delay of incorporating a partial review into the LDS program.

2.26 It is proposed that the DPDs listed below are to be produced:

- Core Strategy (DPD) partial update
- Allocations (DPD)
- Policies Map (DPD)

2.27 It is proposed that the SPDs listed below are to be produced:

- Housing Design Guide
- Street Design Guide
- Management & Mitigation of impacts of development on South Pennine Moors SPA/SAC

2.28 The revised LDS is contained in Appendix 1. The document is made up of several sections.

2.29 Section 1 provides background as to the development plan system and the role and purpose of the LDS.

2.30 Section 2 sets out details of the current saved Replacement Unitary Development Plan and its current status.

2.31 Section 3 sets out the progress to date on Development Plan Documents against the 2014 LDS. It also provides an update on the introduction of Community Infrastructure Levy (CIL) and also the preparation of a limited number of Supplementary Planning Documents, as well as an outline of the emerging Neighbourhood plans.

2.32 Section 4 sets out the details of the different documents to be prepared a part of the Local Plan. Table 1 set's out the details of each of the DPDs. It provides a brief description of the content of each document as well as key linkages, and the key milestones for document preparation from early public consultation through to adoption.

2.33 The main stages of DPD preparation are:

Stage 1 Initial Evidence gathering and scoping

Stage 2 Initial Consultation on issues and options and preferred options linked to further evidence gathering and analysis (Reg18)

Stage 3 Publication and Submission for examination (Reg 17, 19 and 22)
Stage 4 Examination (Reg 23-24)
Stage 5 Adoption (Reg 26)

- 2.34 These key stages are illustrated Table 3. The timetable has considered the relationship between the different documents as well as the resources to progress them concurrently. The milestones are the current anticipated dates but maybe subject to change due to a range of factors (see risk assessment). It shows that it will take at least 4 years to complete the Local Plan and ensure the District has an up to date development plan in line with NPPF. This anticipates a 2 year process through stages 1-3 and a further 2 years at examination (assuming modifications would be required).
- 2.35 Table 4 illustrates the key stages for producing Supplementary Planning Documents. These go through a shorter process of preparation which does not include independent examination.
- 2.36 Section 6 outlines the relationship with the Annual Monitoring Report which provides regular updates on progress against the LDS.
- 2.37 Section 7 provides an outline of the reason for the chosen set of documents and their timing and linkages to other Council strategies. It also sets out the key considerations for the delivery of the LDS work program including resourcing (staffing and financial), governance arrangements both officer and democratic. It also considers the key risks and how they could be managed, including a risk log which is contained in Table 5 of the LDS.

3. OTHER CONSIDERATIONS

- 3.1 The NPPF makes clear the need for Local Planning Authorities to ensure they have an up to date Local Plan. Recent changes to national legislation and emerging changes to NPPF reaffirm this and introduce new powers for the Secretary to State to intervene where sufficient progress is not being made. In light of the recently adopted Core Strategy and progress in the AAPs the District is considered to have made adequate progress not at this stage to warrant government intervention. However, the government will closely monitor Local Plan progress in particular the allocation of sites to meet the development needs of the District and ensure it has a 5 year supply of land and meets the new Housing Delivery Test (See below).
- 3.2 The NPPF presumption of in favour of sustainable development, as currently drafted, makes clear that decisions should be made against the local plan. For planning decision it states that this means:
- *approving development proposals that accord with the development plan without delay; and*
 - *where the development plan is absent, silent or relevant policies are Out-of-date, granting permission unless:*

- *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
- *specific policies in this Framework indicate development should be restricted*

- 3.3 The RUDP was adopted in 2005 and the policies saved in 2008. The Plan period was only up to 2014 and had a significantly lower land supply in particular compared to the homes that are now required to be delivered. While many of the policies still comply with NPPF (see report and Assessment considered by the Regulatory and Appeals Committee of 5 June 2014) the housing land supply in particular is not up -to -date. The Core Strategy provides an up to date policy framework for plan making and determining planning applications but does not itself allocate sites. The two Adopted Area Action Plans do allocate land including sites to provide for 6,500 new dwellings. However the sites for the rest of the District are still to be determined through the Allocations DPD.
- 3.4 NPPF makes clear that the Local Planning Authority should identify and update annually a supply of specific deliverable sites, sufficient to provide five years worth of housing against their housing requirements, with an additional buffer of 20% (moved forward from later in the plan period) where there has been a record of persistent under delivery of homes, to ensure choice and competition in the market for land. Housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the Local Planning Authority cannot demonstrate a five-year supply of deliverable housing sites.
- 3.5 The latest Strategic Housing Land Availability Assessment (SHLAA) update demonstrates that the Council does not currently have a five year supply in line with NPPF suggesting that supply amounts to about 2.3 years. Given the scale of the housing requirement the only way the District can ensure a 5 year supply is to allocated more land though the new Local Plan.
- 3.6 In addition the Government is to introduce a Housing Delivery Test which monitors delivery in terms of net completions against the Districts housing requirement (either adopted Local Plan or Standard methodology – whichever is the lowest) over a 3 year period.
- 3.7 Given the above, it is imperative that the Council continues to proceed to put in place an up to date Local Plan as soon as practicable. Until a new up to date plan is in place decision making particularly on housing developments will be determined with reference to the presumption in NPPF and away from local control.
- 3.8 It is also important to communities, business and investors that an up to date plan is put in place in order to ensure certainty and confidence. It also will assist in supporting the attraction of much needed investment into infrastructure projects based on clearly articulated plans for delivering growth and supporting business case for supporting investment.
- 3.9 The Local Development Scheme sets out the programme for ensuring the Council has an up to date development plan as soon as it is able given the detailed

procedural requirements and the emerging changes to NPPF.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The preparation of the Local Plan is undertaken by the Local Plan Group, which is funded from within the Department's resources, supported by a one off corporate growth payments to cover abnormal costs of consultation and engagement, technical studies and examination costs. Section 7.2.1 of the LDS set out consideration of the resources required to complete the Local Plan.
- 4.2 The Local Plan is supported by a financial plan which profiles the anticipated spend required to support the non-staffing elements of the Local Plan. The current estimated minimum financial requirement for completion of the Local Plan, as set out in the LDS, is £1.23M.
- 4.3 The indicative spend profile is as follows:

Local Plan costs projections					
DPD	2018/2019	2019/2020	2020/2021	2021/2022	Total
Core Strategy	155,000	5,000	11,000	23,000	194,000
Allocations	500,000	280,000	105,000	151,500	885,000
Total	655,000	285,000	116,000	174,500	1,230,500

- 4.4 The Local Plan has benefited by non-recurring corporate financial support. The Council Budget provided £600,000 in 2018/19 with a further £250,000 in committed in 2019/2020. 7.2.3 The last two years of the program will require additional funding to be determined as part of future Budget Processes.
- 4.5 The Council is investing a significant proportion of the anticipated income from recent Government approved increase in Planning Fees, to ensure the Local Plan Team has the level and range of staff resource required to deliver the program in the LDS.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 There are significant risks to the Council as a result of not having an up to date Local Plan. Effective local decision making and the ability of the Council to guide development in the absence of an up to date Local Plan will increasingly become compromised. It will rely on compliance with NPPF and the lack of a 5 year supply of housing land, as noted above in section 3, will increasingly place pressure on currently protected sites such as green space, which will become increasingly hard to defend. This will result in uncertainty for communities and also development interests. It may also have implications for potential increased costs from successful appeals. There are also significant risks of intervention by Government.

- 5.2 Table 6 of the LDS contains an assessment of the main risks to the preparation of the Local Plan and scale of risk and impact as well as mitigation. Key risks relate to local decision making, resourcing, Soundness of process of preparation and robustness of supporting evidence, national planning changes, and Duty to Cooperate compliance.

6. LEGAL APPRAISAL

The LDS is prepared under the relevant statute and associate Regulations. The LDS details how the legal obligations under the Planning and Compulsory Purchase Act 2004 and Regulations are being met.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The consultation on the Local Plan is undertaken in line with the Statement of Community Involvement (SCI), which sets out how the Council will seek to engage the community in the preparation of development plan documents. In order to achieve this it seeks to set a framework to ensure representative and inclusive involvement and engagement at all stages of document preparation. In addition in line with the requirements of section 149 of the Equality Act 2010 the Local Plan documents preparation and content will be subject to an Equality Impact Assessment.

7.2 SUSTAINABILITY IMPLICATIONS

All Local Plan Development Plan Documents are required to be subject to Sustainability Appraisal (SA) including Strategic Environmental Appraisal (SEA) at all key stages. The SA seeks to assess the likely impacts of the policies and proposals of the relevant plan.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The Local Plan is subject to sustainability appraisal throughout its development, which identifies the likely impacts of the plan and where appropriate any mitigation to manage any negative impacts.

The consultation and engagement plan will seek to use sustainable means and locations as far as practicable.

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications

7.5 HUMAN RIGHTS ACT

The SCI sets out how all individuals can have their say on the development plan documents. Anyone who is aggrieved by a development plan document as submitted has a right to be heard at an independent examination.

7.6 TRADE UNION

There are no Trade Union implications

7.7 WARD IMPLICATIONS

The Local Plan relates to the whole District and affects all wards.

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

None

7.9 IMPLICATIONS FOR CORPORATE PARENTING

No Implications

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

The Local Plan process involves handing of personal data under relevant Planning Legislation in particular as part of consultation and engagement during preparation as well as examination of Local Plan. Personal data is held and used in only in connection with these statutory requirements.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

9.1 The Council has a duty under the Planning and Compulsory Purchase Act 2004 to prepare the Local Plan for the District and approve a Local Development Scheme to set out the 3 year program for its preparation and adoption. The Council can determine the nature, and make-up of the Local Plan it wants to put in place in order to meet its statutory duty, as well as the timetable for its preparation.

9.2 The process for the preparation of the Local Plan is prescribed by statute and regulation. In order to ensure a sound plan it is important that the Council ensures it follows the regulations, ensures effective and robust consultation, ensures it is founded upon up to date and robust evidence. All DPDs are submitted to the Secretary of State for independent examination to test whether they are sound with reference to the tests set out in legislation and regulations. Failure to ensure a robust approach could result in a DPD being found unsound by the Inspectorate. If

found unsound the Council would not be able to proceed to adopt it formally. This would normally result in delay to do further work as well as engagement to ensure the Local Plan is made sound and then resubmitted for examination.

9.3 Recent national planning reforms retain the need for local planning authorities to prepare a development plan for their district and in light of the National Planning Policy Framework and the provisions for neighbourhood planning, the government is seeking councils to progress as a matter of urgency.

9.4 The Executive have 3 options

Option 1

9.5 To approve the Local Development Scheme as proposed in Appendix 1 The document sets out a set of documents and program which will seek to put in place as soon as practical an up to date Local Plan given the statutory requirements and key stages, democratic processes, as well as resources.

Option 2

9.6 To not approve the Revised Local Development Scheme. This would mean that the Council would continue working to the current LDS approved in 2014 which is now significantly out of date. This would risk the ongoing progress to put in place an up to date development plan in line with NPPF as an approved and up to date LDS is a key consideration when examining Local Plan documents by an Inspector as part of the legal procedural tests. The lack of an up to date and robust LDS also can increase uncertainty and confidence in the District for both communities and investors. It is a requirement to review the LDS and publish on the Councils web site. The current LDS is already out of date in this respect.

Option 3

9.7 The third option is to approve the LDS as proposed but with further changes as proposed by members. The document in Appendix 1 has been produced to ensure a robust and up to date Local Plan. A change to the documents or the timetable may have implications for documents so far progressed if the range of documents is changed or additional documents added. It would also have implications for the overall timetable for delivery which would need careful consideration. The key milestones relate to required stages of work which must be met to ensure soundness at examination.

9.8 The Executive are recommended that the version in Appendix 1 is approved in line with Option 1. The other options would have significant implications for the timetable for putting in place an up to date Local Plan and also reputational risk with both investors and communities.

10. RECOMMENDATIONS

10.1 Recommended that the LDS contained in Appendix 1 be approved and published on the Councils web site.

11. APPENDICES

11.1 Local Development Scheme 2018 - 2020

12. BACKGROUND DOCUMENTS

NPPF (2012)

Revised NPPF (May 2018)

Revised NPPG (May 2018)



City of Bradford Metropolitan District Council

Local Development Scheme (Revised)

For the period 2018 to 2021

July 2018

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1. Glossary

1.0 INTRODUCTION

1.1 Background

- 1.1.1 The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011 provides the legal basis for the preparation of the Local Plan. A key requirement of the 2004 Act is the need for clear and transparent programme management through the preparation of a Local Development Scheme.
- 1.1.2 The purpose of the Local Development Scheme (LDS) is to set out the development plans documents to be produced and their programme for preparation for a three year period. Guidance requires the LDS to be reviewed on a regular basis (at least every 3 years) to take account of progress and slippage on any documents and new policy issues.
- 1.1.3 The current LDS was approved by the Council on 22nd July 2014. It set out the programme for the period 2014 to 2017
- 1.1.4 Since the LDS was approved, there has been significant progress to put in place the key Local Plan Documents but there has been slippage against the milestones in particular for the Allocations DPD, as well as significant further changes to national policy and some aspects of the Development Plan system introduced in the 2004 Act.
- 1.1.5 In light of the national planning reforms and also local circumstances and progress the Council have reviewed and updated the LDS. The revised LDS will cover the period 2018 to 2021.

1.2 The Development Plan System

Local Development Framework

- 1.2.1 The current Development Plan System was established in the Planning and Compulsory Purchase Act 2004 .The Act re affirmed the importance of the development plan.
- 1.2.2 The 2004 Act introduced the 3 elements which when produced would make up the Development Plan for the Bradford District:
- Planning Policy Statements (PPS) – setting out national planning policy, produced by Government.
 - Regional Spatial Strategy (RSS) for Yorkshire and the Humber – setting out the planning policy for the region, produced by the Regional Assembly for Yorkshire and the Humber (RAYH) and issued by the government.
 - Local Development Framework (LDF) – this sets out the core strategy, planning proposals and policies for the District, and is produced at a local level by Bradford Council.
- 1.2.3 The Local Development Framework (LDF) for Bradford District was to consist of a portfolio of Local Development Documents (LDDs), which would provide the framework

for delivering the spatial planning strategy for the area. There are two main types of Local Development Documents:

- 1.2.4 Development Plan Documents (DPD) – these are LDDs that will form part of the statutory development plan and will be the subject of a Public Examination by an independent Inspector. Development Plan Documents will form the statutory development plan for the Bradford District and will be the start point for the consideration of planning applications.
- 1.2.5 The LDF would progressively replace the current adopted Replacement Unitary Development Plan (October 2005), as saved.
- 1.2.6 Supplementary Planning Documents (SPD) – these are non-statutory documents that supplement policies and proposals contained in a Development Plan Document. For example, they may provide more detail to a DPD or may focus on developing a brief for a site. All SPDs will be the subject of public consultation but not a public Examination.

Local Plan

- 1.2.7 Since 2007 there have been significant reforms to the Planning system which have implications for the Development Plan system.
- 1.2.8 The Localism Act 2011 amended the 2004 Act. Two significant changes had an implication for what constitutes the development plan of the District.

Regional Spatial Strategy

- 1.2.9 The Regional Spatial Strategy (RSS) for Yorkshire and the Humber (May 2008) provided the strategic context for the preparation of LDFs in the region. The work thus far undertaken on the Core Strategy has been predicated on the need to both implement and align with the policies and strategies outlined in the RSS.
- 1.2.10 The Localism Act formally removed the RSS from the development plan system. The existing RSS however could only be revoked by order of parliament following a full Strategic Environmental Assessment which considered the impact of revocation.
- 1.2.11 The Government published the updated SEA of the proposed revocation of the Yorkshire and Humber Plan in September 2012
- 1.2.12 An order was laid before Parliament on 29 January 2013 to formally abolish the Yorkshire and Humber Plan from 22 February 2013. However, the Regional Strategy's green belt policies for York will be retained until York City Council adopts a local plan defining green belt boundaries.
- 1.2.13 The Leeds City Region Leaders Board approved an Interim statement on 21st April 2011 which agreed to continue to follow key elements of the RSS in their ongoing developments plans.
- 1.2.14 With the revocation of RSS, under the Localism Act local planning authorities as well as other prescribed bodies have a new 'Duty to Cooperate' on strategic matters which affect more than one local authority. Guidance on this is contained in the

NPPF. Leeds City Region Leaders agreed the approach to be adopted to facilitate this at their meeting on 6 December 2012.

Neighbourhood Planning Tools

- 1.2.15 The Localism Act introduced a number of new provisions which open the opportunity to local communities to take up new decentralised powers to take responsibility and accountability to shape their areas. A number of these related to the role of communities in shaping development and growth in their communities. A package of non mandatory neighbourhood planning tools are now available for use by local communities should they choose to use them. One of these is the preparation of Neighbourhood Plans.
- 1.2.16 Neighbourhood planning tools can only be used by relevant qualifying bodies. A “qualifying body” means a Parish or Town Council, or an organisation or body designated as a neighbourhood forum, authorised to act in relation to a neighbourhood area.
- 1.2.17 A Neighbourhood Plan can be anything from just setting out more detailed policies for their community over and above the Local Plan to starting to shape the choices over the use of land and the designation of land for housing, employment, community uses etc.
- 1.2.18 The process for preparation of a Neighbourhood Plan is set out in regulations. The qualifying body can then prepare a plan in consultation with their communities, business and to her interest groups.
- 1.2.19 Once a Neighbourhood Plan has been prepared by the qualifying body, it is submitted to the council who publish it for formal representations and appoint an independent examiner to check that it meets the right basic conditions including general compliance with the strategic policies within the Local Plan for the district.
- 1.2.20 If the plan is deemed acceptable following the examination by an independent person a referendum is held and a majority vote in favour, they become part of the development plan for the District.
- 1.2.21 Neighbourhood Plans cannot be used to stop development and should not promote less development than set out in the Development Plan or undermine its strategic policies. Neighbourhood Plans cannot deal with matters such as minerals and waste.
- 1.2.22 The Localism Act also amended the procedure for preparation of the Local Development Scheme and also Annual Monitoring Report.

National Planning Policy Framework

- 1.2.23 Guidance on the preparation of Development Plan Documents is contained in the National Planning Policy Framework (NPPF). The NPPF is supplemented by more detailed advice in the web based National Planning Practice Guidance (NPPG).

- 1.2.24 The NPPF reinforces the primacy of the development plan. The presumption in favour of sustainable development makes clear the need for an up to date and robust Local Plan in line with NPPF.
- 1.2.25 It makes clear that each local planning authority should produce a Local Plan for its area. Any additional development plan documents should only be used where clearly justified. Supplementary Planning Documents should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.

1.3 **The Purpose and Content of the Local Development Scheme**

- 1.3.1 The Planning and Compulsory Purchase Act (2004), the Planning Act (2008), the Localism Act (2011) and the National Planning Policy Framework (NPPF), supported by the Local Planning Regulations 2012 (As amended) set out the current requirements for plan making by local authorities and the key requirements by which the LDS will be prepared.
- 1.3.2 The LDS has three main purposes:
- To describe the Development Plan Documents (DPD) which the Council intends to include as part of its Local Plan (both existing and proposed);
 - To explain their relationship to other DPDs in the Local Plan; and
 - To set out the timetables for producing DPDs.
- 1.3.3 The Council's first LDS was brought into force in June 2005. It established the Council's work programme priorities for development plan preparation for the timeframe of January 2005 to January 2008. The revised LDS was been prepared in light of progress and additional work priorities highlighted in the Annual Monitoring Report 2006 and covered the period January 2007 to May 2011. The LDS provides summary details of the nature and content of each LDD, the geographic area to which each LDD relates, the interrelationship between documents and the timetable for document preparation. (More details are provided in sections 4 - 5 below.)
- 1.3.4 The progress in delivering the LDS programme is reviewed annually through the Annual Monitoring Report. This will identify progress against the key milestones and highlight any new issues. The information gathered will form part of the evidence base that is used to review whether any changes are required to the Local Development Scheme.
- 1.4 **Stakeholder and Community Involvement**
- 1.4.1 A key objective of the planning system is to strengthen community and stakeholder involvement in the preparation and revision of Local plans. The LDS programme therefore allocates time for community consultation. The aim of the LDS is to inform the public and interested parties in advance of when public consultation is likely to take place for individual documents.

- 1.4.2 Details of how the community and interested parties will be involved in Local Plan preparation is set out in a separate document that has been produced by the Council entitled 'Statement of Community Involvement' (SCI). The current SCI was adopted following examination on 29 July 2008. In light of changes to national policy and procedures including Neighbourhood Planning and increased use of electronic means of engagement the SCI is currently under review.
- 1.4.3 In addition to the LDS the Council issues regular editions of 'PLAN IT' an e newspaper which provides updates on progress on key DPDs and other related work in support of the Local Plan.

2.0 Current Development Plan

2.1 Current Policy Coverage

- 2.1.1 The recently adopted Core Strategy sets out a comprehensive set of policies which in the main replace those of the Replacement Unitary Development Plan (RUDP) adopted in October 2005 (as saved by the Secretary of State in 2008). However, some of the RUDP policies are saved linked to allocations and policy designations shown on the Policies Map, until the Allocations DPD refreshes these. The Council published a schedule setting out the status of the saved RUDP Policies following adoption of the Core Strategy which is available on the Council's web site. The exception is in the two adopted Area Action Plan Areas where these now provide comprehensive up to date allocations and designations as well as local policies. The detailed policies in relation to waste are in the adopted Waste management DPD which also includes site allocations.
- 2.1.2 The status of the adopted policies in the Local Plan will continue to be monitored against compliance with NPPF.
- 2.1.3 In terms of the housing allocations in the RUDP the Council received legal advice in November 2011 to the effect that with the lapsing of RUDP Policies H1 and H2 any unimplemented housing site is no longer allocated as part of the saved statutory development plan. This was never the intention of the approach to saving policies, as approved by the Council or that of the Secretary of State in their Direction. To this end Executive on 21 November 2011 resolved to clarify the status of these sites, in particular the need to give significant weight to any such unimplemented sites based upon the work undertaken in their original allocation as part of the RUDP. This situation has been resolved for the two AAP areas following their adoption. The Allocations DPD will resolve for the wider District the housing allocations.

3.0 Where Are We now

3.1 Progress Against The Revised LDS 2014

- 3.1.1 The regulations require the LDS to be reviewed on a regular basis to take account of progress and slippage on any documents and new policy issues. The review should be linked to the production of the Annual Monitoring Report (AMR) which considers

progress on meeting the programme set out in the LDS. The AMR for 2017 sets out the progress in developing the Bradford Local Plan against the timetable in the revised LDS.

3.1.2 While significant progress has been made to put in place the local plan documents, there has been slippage on the LDS milestones. There are several reasons for this;

- Delays in reaching adoption of the Core Strategy (see Para 3.2.6)
- Further significant national planning reforms
- Ensuring a robust and up to date evidence base;
- Reducing local government resources; and
- Additional work pressures (Neighbourhood Plans, Brownfield Register etc).

3.1.3 The issues highlighted above have informed the programme and timetable in this the revised LDS.

3.2 Progress on Development Plan Documents

Core Strategy

3.2.1 The adopted Core Strategy was subject to several stages of informal consultation including Issues and options (2007), Further issues and options (2008), and preferred option (2011 /2012). Each of these stages was supported by a range of evidence appropriate to the stage.

3.2.2 The Core Strategy was approved by Full Council on 10 December 2013 for submission to government for examination. Prior to submission the Core Strategy was issued for formal representations in February 2013. A range of new and updated key supporting evidence reports were published as background documents and are available to view and download on the Councils web site.

3.2.3 The Council submitted the Core Strategy to the government for examination in December 2014. Following the appointment of the Planning Inspector Mr Stephen Pratt initial hearings took place in March 2015.

3.2.4 The Council published Main Modifications and supporting material for representations between November 2015 and January 2016. Following consideration of the representations a limited set of further hearings were held in May 2016.

3.2.5 The Inspector completed their final report which was received by the Council on 22 August 2016. The inspector concluded that the Core Strategy could be adopted by the Council subject to the Main Modifications contained in the Appendix to his Report.

3.2.6 The Inspector's Report was due to be considered by the Councils Executive on 11 October 2016. However, Gavin Barwell Minister of State (Housing & Planning) on 10 October 2016 issued a temporary holding Direction under powers contained in Section 21A of the Planning and Compulsory Purchase Act 2004. This required the

Council not to take any steps in connection with the adoption of the Core Strategy until the Direction is withdrawn. The Direction was in response to issues raised by the Local MP and allowed the Minister to consider whether to give direction under section 21 of the Act which gives a number of powers to the Minister to intervene in the preparation of a Local Plan.

- 3.2.7 The Council worked with the DCLG Officers to consider the issues raised. Subsequently, the Secretary of State withdrew the Holding Direction in his letter dated 28th March 2017. This allowed the Council to consider the Inspector's Report and move towards adoption of the Core Strategy.
- 3.2.8 The Core Strategy was considered by Executive on 20 June 2017 and adopted with the Main Modifications (as recommended by the Inspector in Appendix 1 of his Report), by Full Council on 18 July 2017. The Adoption statement was subsequently published. No applications to the High Court were made seeking to legally challenge the adoption within the 6 week period ending on 29 August 2017. The Core Strategy as adopted was published on the Council's web site.

Allocations DPD

- 3.2.9 The progress on the DPD has been slower than anticipated as a result of the slower progress on the Core Strategy including the need for Main Modifications and subsequent Holding Direction. In line with previous guidance and good practice, the Allocations DPD has followed on behind the Core Strategy, which sets the top level strategy to which the DPD must conform.
- 3.2.10 The Council consulted on Issues and Options in May through to July 2016. The Council published documents which set out the key issues for each part of the District to be covered by the DPD. These documents contained lists of possible development sites and maps of employment areas and greenspaces currently protected from development. The purpose of the consultation was to hear public opinion on the future of these sites/areas: whether they should be developed and for what purpose, whether they should be retained in their current use and if any boundary changes were required.
- 3.2.11 At the same time the Council was interested in hearing from anyone who wanted to suggest any other sites. The Council also invited comments on how it proposed to assess which sites to allocate for future development and launched a "call for evidence". It also invited comments on the scope of the Plan i.e. the range of issues and topics it should cover.
- 3.2.12 The representations have been considered as work progresses towards a Preferred Options document.
- 3.2.13 Work has also progressed on updating the land supply evidence for the DPD including commencement of a third update to the Strategic Housing Land Availability Assessment (SHLAA) and the production of the Council's first Brownfield Register which was completed and made available in December well ahead of the Government deadline.

- 3.2.14 The Council produced a draft green belt review methodology, consultation on which commenced December 17 through to January 2018.

Bradford City Centre AAP

- 3.2.15 The Issues and Options for the AAP were published for consultation in August 2007 until mid November 2007. These drew upon the extensive work undertaken previously on the Masterplan and four Neighbourhood Development Frameworks and associated public consultation. Further work was then put on hold.
- 3.2.16 Work on the Bradford City Centre AAP actively began again in 2012, with the preparation of an updated Further Issues and Options Report. This considered both the previous public consultation responses but also changes to national policy as well as local circumstances.
- 3.2.17 The Further Issues and Options Paper was approved for consultation by Executive in January 2013 and was issued together with the supporting documents, for consultation from 15 March 2013 for 12 weeks.
- 3.2.18 Following consultation on the Further Issues and Options a Publication Draft version of the AAP was approved by Full Council on 20th October 2015, for submission to government for independent examination.
- 3.2.19 The Publication Draft was published for formal representations in December 2013. The Plan and the representations were submitted to the Secretary of State on 29th April, for public examination by an independent Planning Inspector.
- 3.2.20 The Secretary of State appointed Ms Louise Nurser BA (Hons) Dip UP MRTPI to undertake the examination. The Inspector's initial examination of the document has revealed a number of areas requiring additional public consultation. These were subject to a period of consultation, which ran for 6 weeks from Monday 15th August to Monday 26th September 2016.
- 3.2.21 Joint hearings with the Shipley and Canal Road Corridor AAP were held in October. Further short hearing was held in March 2017.
- 3.2.22 Subsequently a limited number of Main Modifications were published for representations between 5 July and 16 August 2017.
- 3.2.23 The Inspector's report were considered by Executive on 7 November 2017 and adopted with the Main Modifications (recommended by the Inspector in Appendix 1 of the Report), at Full Council on 12 December 2017. The Adoption statement was subsequently published. No applications to the High Court were made seeking to legally challenge the adoption within the 6 week period ending on 23 January 2018. The AAP as adopted was published on the Council's web site.

Shipley and Canal Road Corridor Area Action Plan

- 3.2.24 In August 2010, the Council commissioned consultants, BDP, to prepare the Shipley and Canal Road Corridor Masterplan to provide the sound basis for the AAP.
- 3.2.25 The purpose of the commission was not to prepare an AAP, but to produce a strategic masterplan in support of the AAP process. The Development Plan Team will be producing the AAP and will incorporate the baseline evidence and masterplan options into the statutory AAP process.
- 3.2.26 The Draft Masterplan Options Report and technical evidence base studies were published in early 2012. Public consultation comments on the Draft Masterplan Options Report informed the Strategic Development Framework which has informed the work on the AAP. The Strategic Development Framework is available to view on the Councils website.
- 3.2.27 A Shipley & Canal Road Corridor AAP Issues and Options report was prepared in 2012 and approved for consultation at Executive on 15 January 2013. It was issued together with the supporting documents, for consultation for 11 weeks starting on 15 March 2013.
- 3.2.28 Further technical evidence has been commissioned to inform the work towards a preferred option reports for both AAPs.
- 3.2.29 Following consultation on the Further Issues and Options between March and May in 2013, a Publication Draft version of the AAP was approved by Full council on 20th October 2015, for submission to government for independent examination.
- 3.2.30 The Publication Draft was published for public consultation over an 8 week period from Monday 14th December 2015 and ending Monday 8th February 2016. The Plan and the representations were submitted to the Secretary of State on 29th April, for public examination by an independent Planning Inspector.
- 3.2.31 The Secretary of State appointed Ms Louise Nurser BA (Hons) Dip UP MRTPI to undertake the examination. Joint hearings with the Bradford City Centre AAP were held in October. Further short hearing was held in March 2017.
- 3.2.32 Subsequently a limited number of main Modifications were published for representations between 5 July and 16 August 2017.
- 3.2.33 The Inspector's report were considered by Executive on 7 November 2017 and adopted with the Main Modifications (recommended by the Inspector in Appendix 1 of the Report), at Full Council on 12 December 2017. The Adoption statement was subsequently published. No applications to the High Court were made seeking to

legally challenge the adoption within the 6 week period ending on 23rd January 2018. The AAP as adopted was published on the Council's web site

Waste Management DPD

- 3.2.34 The Issues and Options report was the subject of public consultation from November 2009 through to January 2010.
- 3.2.35 The Council considered the formal representations in developing its Preferred Approach, which was approved for public consultation at Executive on 14 January 2011. The report was published for consultation between 21st January and 1 April 2011.
- 3.2.36 Following an update to the evidence base in 2014, a Publication Draft version of the Waste DPD was approved by Full council on 20th October 2015, for submission to government for independent examination.
- 3.2.37 The Publication Draft was published for public consultation between December 2015 and February 2016. The Council subsequently submitted the Plan and representations to the Secretary of State on Monday 16th May, for public examination by an independent Planning Inspector. The Secretary of State appointed Mr Stephen Pratt BA (Hons) MRTPI to undertake the examination into the Plan.
- 3.2.38 The Examination was conducted through written representations with no hearing being considered necessary by the Inspector. However a limited number of main Modifications were considered necessary and these were agreed with the Inspector in January 2017. The Proposed Modifications were then formally published for representation between 15 February 2017 and 29 March 2017.
- 3.2.39 The Inspector's Report was received by Bradford Council on 25 July 2017. It was considered by Executive on 12 September 2017 and adopted with the Main Modifications (recommended by the Inspector in Appendix 1 of the Report), at Full Council on 17 October 2017. The Adoption statement was subsequently published. No applications to the High Court were made seeking to legally challenge the adoption within the 6 week period ending on 28th November 2017. The DPD as adopted was published on the Council's web site

Community Infrastructure Levy (CIL)

- 3.2.40 Section 206 of the Planning Act 2008 confers the power on Local Authorities to introduce a new charge on most types of new development in their area, known as 'Community Infrastructure Levy' (CIL). The proceeds of this charge will be spent on local infrastructure to support the development of an area.

- 3.2.41 A report introducing Community Infrastructure Levy (CIL) was taken to Executive on 22nd July 2011 which gave authorisation to commence work on CIL. In late 2012 consultants DTZ were appointed to assist with preparation of the community infrastructure levy – economic viability assessment. This work demonstrated the ability to generate some CIL income in parts of the District which would assist in maximising contributions towards community infrastructure.
- 3.2.42 In May 2014, the Council re-appointed consultant DTZ to undertake further CIL viability assessment work set within the context of the amended regulations and recent case law. The Council is expecting the final draft findings of the viability assessment by early June 2015.
- 3.2.43 The Preliminary Draft Charging Schedule was published for comment July to September 2015. The consultation focused on the proposed charge rates in the Preliminary Draft Charging Schedule. A Background Report was prepared by way of further explanation.
- 3.2.44 Following consideration of the representations to the Preliminary Draft Charging Schedule the Draft Charging Schedule was approved by Full council on 20th October 2015, for submission to government for independent examination.
- 3.2.45 The Draft Charging Schedule was published for public consultation over an 8 week period from Monday 14th December and ending 1.00pm on Monday 8th February 2016. This was subsequently extended to Friday 22 April 2016. It was supported by an Economic Viability assessment addendum report, together with a installments policy, and Regulation 123 list.
- 3.2.46 The Plan and the representations were submitted to the Secretary of State on 12th May 2016, for public examination by an independent Planning Inspector.
- 3.2.47 The Secretary of State appointed Ms Louise Nurser BA (Hons) Dip UP MRTPI to undertake the examination. The Examiner considered a short series of hearings as part of the Examination process. The hearings took place on Tuesday 4 October.
- 3.2.48 The Examiner's Report was received on 12 January 2017. The Bradford District Community Infrastructure Levy Charging Schedule was formally approved by Full Council on 21 March 2017 in line with the Examiner's recommendations which included some changes to the version submitted. It took effect from 1 July 2017.

3.3 **Progress on Supplementary Planning Documents**

- 3.3.1 The 2014 LDS set out three Supplementary Planning Documents which were to be progressed. These were:

- Hot Food Takeaways
- Housing Design Guide
- Management & Mitigation of impacts of development on South Pennine Moors SPA/SAC

3.3.2 The Hot Food Takeaway SPD was adopted in November 2014. The two other SPDs have not been progressed but are still considered essential. Given the scale of housing development it is important that development is of an appropriate quality and reflects local design considerations and policies in the Core Strategy as well as NPPF. The work will be supported by recent Planning Delivery Fund award from Government to progress this SPD in 2018.

3.3.3 In addition the Council is progressing work on one further SPDs linked to the Housing Design Guide. Namely:

- Street Design Guide

3.4 **Progress on Neighbourhood Plans**

3.4.1 The Council has approved 12 applications for Neighbourhood Area designation. These relate to the following Parish/Town Councils:

- Addingham
- Baildon
- Bingley TC
- Burley In Wharfedale PC
- Cullingworth VC
- Harden PC
- Haworth, Cross Roads, and Stanbury PC
- Ilkley TC
- Menston PC
- Oxenhope PC
- Steeton-with-Eastburn PC and Silsden TC
- Wilsden PC

3.4.2 These neighbourhood plans are at various stages of development. The Burley Neighbourhood Plan is the most advanced and was made following an examination and passing a referendum in May 2018.

4.0 **SCHEDULE OF PROPOSED LOCAL DEVELOPMENT DOCUMENTS**

4.1 **Proposed Development Plan Documents and SPDS**

4.1.1 It is intended that the DPDs listed below are to be produced by Bradford Council in the next three years:

- Core Strategy (DPD) – Partial Review
- Allocations (DPD)
- Policies Map (DPD)

- 4.1.2 Details for each of the DPDs is set out in the Table 1. They provide a brief description of the content of each document, and the key milestones for document preparation from early public consultation through to adoption.
- 4.1.3 Table 2 sets out the details of the SPDs to be produced over the next 12 months. The need for further SPDs will be considered as the Local Plan develops.

TABLE 1 PROFILES OF DEVELOPMENT PLAN DOCUMENTS

Development Plan Document	Description, Geographical Area and Conformity	Current Stage and timetable
Core Strategy	<p>Description: Partial review to focus on the following:</p> <ul style="list-style-type: none"> • Housing requirement (Policy HO1) • Revised distribution (Policies HO3 and Sub Area policies) based on need and supply analysis. • Affordable housing and housing mix (Policies HO8 and HO11) informed by new Strategic Housing Market Assessment (SHMA) • Housing Standards - Revised Policy HO9 linked to housing standards • Consequential changes to those parts of other housing policies affected by the changes to Policies HO1 and Policy HO3 (e.g. sources of supply in Policy HO2, density targets within Policy HO6, housing trajectory in Appendix 6) • Green belt policy (SC7) and exceptional circumstances • Employment land requirement and distribution (Policies EC1 and EC3) • Consequential changes to those parts of other economy policies affected by the changes to Policy EC3 (e.g. jobs and land supply figures within Policy EC2) <p>Consequential changes to other policies in particular the</p>	<p>Issues & Options – November 2018</p> <p>Preferred Option – May 2019</p> <p>Publication Draft – January 2020</p> <p>Submission – July 2020</p> <p>Examination – October 2020</p> <p>Adoption – December 2021</p>

	<p>Spatial Vision and Objectives, Sub Area policies affected by changes to housing and employment requirements and distribution</p> <p>Geographical Area: District Wide</p> <p>Conformity: NPPF</p>	
<p>Allocations</p>	<p>Description: To identify sites proposed to be developed for housing and employment in order to meet the vision and objectives of the Core Strategy and Policies HO1, HO3, HO12 and EC3, including the related Green Belt Review. It will also designate a range of other elements in line with the Core Strategy including Green space and supporting infrastructure such as transport improvement lines</p> <p>Geographical Area: District Wide apart from the two Area Action Plan areas and dependent on any Neighbourhood Plans.</p> <p>Conformity: Core Strategy & NPPF</p>	<p>Issues & Options – 2016</p> <p>Preferred Option – May 2019</p> <p>Publication Draft – January 2020</p> <p>Submission – July 2020</p> <p>Examination – October 2020</p> <p>Adoption – December 2021</p>

TABLE 2 PROFILES OF SUPPLEMENTARY PLANNING DOCUMENTS

Supplementary Planning Document	Description, Geographical Area and Conformity	Current Stage and timetable
Housing Design Guide	<p>Description: Sets out principles to support good design of new housing development in support of Core Strategy policy SC9 and related design and housing policies.</p> <p>Geographical Area: District Wide</p> <p>Conformity: NPPF</p>	<p>Commencement – August 2018</p> <p>Public consultation – February 2019</p> <p>Adoption – June 2019</p>
Street Design Guide	<p>Description: Sets out principles and technical guidance to support good design of Highways and transport in support of Core Strategy policy SC9 and related design and Transport/Movement policies. It will complement the Housing Design Guide with the aim of creating excellent new places for people to live and work.</p> <p>Geographical Area: District Wide</p> <p>Conformity: NPPF/Core Strategy</p>	<p>Commencement – August 2018</p> <p>Public consultation – February 2019</p> <p>Adoption – June 2019</p>
Management & Mitigation of impacts of development on South Pennine Moors SPA/SAC	<p>Description: Sets out principles and detailed approach for management and mitigation required to ensure development proposals comply with Core Strategy policy SC8. In particular it will set out types of mitigation solutions and possible requirements to be made both onsite and off site.</p> <p>Geographical Area: District Wide</p> <p>Conformity: NPPF</p>	<p>Commencement – October 2018</p> <p>Public consultation – February 2019</p> <p>Adoption – June 2019</p>

5.0 PROGRAMME OF PROPOSED LOCAL DEVELOPMENT DOCUMENTS

5.1 The timetable for the production of Local Plan Documents is highlighted in two separate Gantt Charts illustrated in tables 3 and 4 below. Table 3 illustrates the key stages for producing Development Plan Documents, Table 4 illustrates the key stages for producing the Supplementary Planning Documents.

Table 3 Local Plan Development Plan Documents

	2018					2019					2020					2021					2022																					
Document Title	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J				
Allocations DPD																																										
Core Strategy																																										

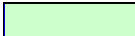






	Commencement	E - Executive
	Issues and Options	F – Full Council
	Preferred Options	S _ Submission
	Publication Draft	R – Inspectors Report
	Examination	
	Main Modifications	
	Adoption	

Table 4 Local Plan Supplementary Planning Documents

Document Title	2018												2019												2020												2021					
	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J				
Housing Design Guide																																										
Street Design Guide																																										
Management & Mitigation of impacts of development on South Pennine Moors																																										





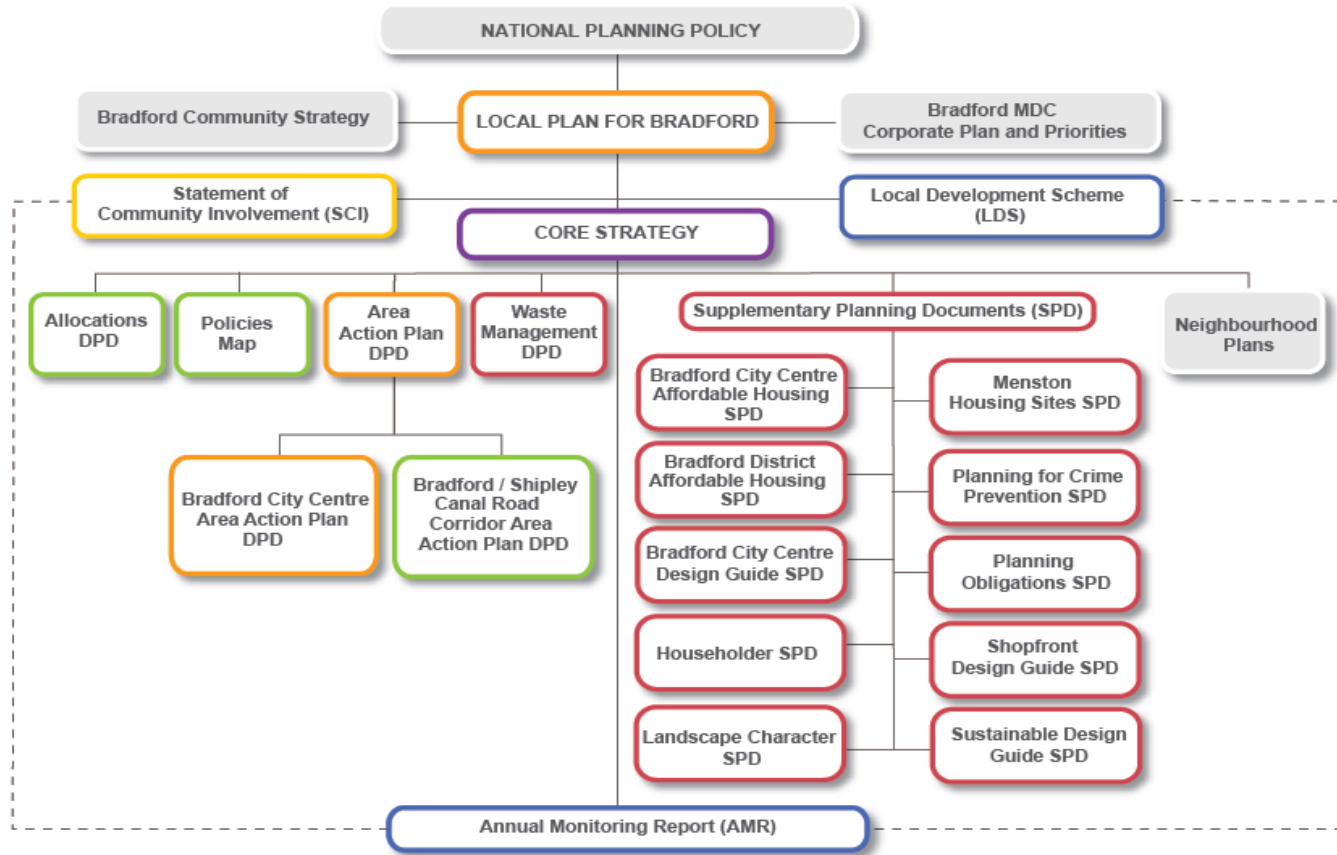
-  Commencement of Process - Evidence Gathering and Preparation of Draft SPD
-  Public Participation on Draft SPD and Sustainability Appraisal Report for Public Comment
-  Consideration of Representations and Finalise SPD
-  Adoption

Figure 1 Relationship between Local Plan Documents and related planning elements



6.0 MONITORING AND REVIEW

6.1.1 A key aspect of the planning system is the process for monitoring and review of the progress of preparing Local Plans, and the effectiveness of implementing policies and proposals contained within it. It is a requirement of the 2004 Act that the Council produces an Annual Monitoring Report (AMR). The AMR will cover the period 1st April – 31st March. The AMR assesses:

- How the Council is performing in meeting key milestones and targets for Local Plan preparation as set out in the Local Development Scheme;
- The extent to which policies in the Local Plan are being achieved, and where they are not, the reasons why;
- The impact Local Plan policies are having on local policy targets, and any other targets identified;
- Whether policies in the Local Plan need to be replaced/adjusted because they are not working as intended.

6.1.2 The AMR will therefore highlight any changes that need to be made to Local Plan, such changes, where necessary, will then be reflected in subsequent reviews of the LDS rolling work programme.

7.0 SUPPORTING STATEMENT

7.1 Explanation and Justification of the Approach Set Out in the LDS

Development Plan Documents

7.1.1 With the adoption of the Core Strategy, the Council has put in place the high level strategic development Strategy including scale and distribution of development and a range of thematic policies. This will inform the more detailed DPD's as well as be used for development management purposes in determining planning applications and also informing investment decisions. The Core Strategy also sets out clear policies to inform Neighbourhood Plans.

7.1.2 Progress in putting in place the detailed site allocations has been made with the adoption of the two Area Action Plans. However, the wider allocations is still at an early stage of development following adoption of the Core Strategy. The Council continues to use the flexibilities allowed in NPPF to determine the appropriate approach to ensuring an up to date local plan for the District.

7.1.3 However, the Government published a revised National Planning Policy Framework (NPPF) for comments by 10 May 2018. It contains substantial revisions compared to the version introduced in 2012. The Government has also published extensive changes to the more detailed National Planning Practice Guidance. The NPPF sets out key national policy for the preparation and content of local plans and decision making on planning applications and the

evidence which is required to underpin those Plans. Changes have primarily been driven by the need to increase housing delivery and speed up the preparation of Local Plans. It will come into force on adoption with very limited transition arrangements.

7.1.4 Because the changes to the NPPF have made significant changes to both policies and practice guidance relating to key aspects of strategic policy (principally relating to housing and Green Belt) it raises significant questions relating to how best to ensure that a full Local Plan including district wide allocations is put in place as quickly as possible and suggests significant risks in pursuing an Allocations DPD based on the currently adopted Core Strategy. Given the priority which the Council has placed in producing a Local Plan in support of its growth and regeneration goals and given the changes within the NPPF which introduce greater scrutiny in the performance of Local Planning Authorities in getting plans in place the Council has examined the Government's proposed changes in detail and used this to inform the revised LDS.

7.1.5 The revised NPPF is a comprehensive rewrite but with a focus on boosting housing delivery through changes to local plan preparation and in monitoring housing delivery. The key changes of strategic significance are:

- A completely revised national standardised method for calculating housing needs (based on ONS household projections plus a factoring of affordability). The guidance allows for alternative approaches in exceptional circumstances and in particular allows for Local Planning Authorities to go with a higher housing requirement than that indicated by the standard formula where it is linked to growth ambitions including economy and jobs, and;
- A new set of detailed considerations needed to demonstrate exceptional circumstances to change green belt in a local plan.

7.1.6 At the same time as the issuing of a proposed new approach to assessing housing needs the Government has continued to issue on a 2 yearly cycle its trend based projections of population and household change. An initial assessment of the implications of the new standard methodology for calculating housing need and updated projections suggests a possible significant reduction on the District's housing need compared to that in the adopted Core Strategy. The expectations of a potentially new lower level of need reflects both:

- New Government projections which indicate lower levels of natural population change than their equivalents issued by the Government at the time of the Core Strategy's preparation, and;
- Changes to the Government's housing need methodology which have removed the consideration of a whole host of market signals including allowing for past under delivery of homes.

- 7.1.7 The NPPF also reaffirms and clarifies the approach to exceptional circumstances in order to support a Green Belt change in the Local Plan which were also a key element of the Secretary of State's letter withdrawing the Holding Direction placed on the Core Strategy.
- 7.1.8 The Council have also more recently reviewed and approved a new Economic Strategy for the District.
- 7.1.9 In light of these recent changes the Council proposes to undertake a partial review of the Core Strategy which revisits the housing requirement and any consequential changes to scale and distribution and mix and type of housing. This would ensure an up to date and robust approach taking account of national changes as well as changes to local circumstances. It would also re-examine the economic development ambitions and land supply. This will ensure that there continues to be full and appropriate alignment between the policies relating to housing and economic growth, change and regeneration in the district which are clearly interlinked. It is important to stress that there are large sections of the Core Strategy which remain sound and where there are no reasons at present for review. The scope of the proposed partial review of the Core Strategy has been limited to those elements which are clear and essential priorities for review and whose review would ensure full alignment with national planning policy over the period of the LDS and beyond. The Partial Review will run concurrently with the next stages of the Allocations DPD and will align with and be tested at examination together.
- 7.1.10 The approach seeks to respond appropriately to the new national guidance and changes in evidence and local circumstances and manage and manage risks which may arise if the Local Plan continues to work to the current approach in the Core Strategy.

Supplementary Development Plans

- 7.1.11 Given the current focus on getting in place an up to date Local Plan and also guidance in NPPF, only a limited number of SPDs has been identified in this LDS which reflect major priority issues. The Housing Design guidance recognises that with a need to significantly increase the housing delivery to meet needs comes a need to ensure that development is of a good design quality in line with guidance in NPPF. This is complemented by the Street Design Guide. A third SPD relates to the management and mitigation in support of emerging Core Strategy Policy SC8 which seeks to ensure the protection of the South Pennine Moors Special Protection Area.

Linkages with the Community Strategy and Other Strategies

- 7.1.12 The District Plan (2016 – 2020) sets out our commitment as a council to achieve our priorities. It sets out six priorities:
- Better skills, more good jobs and a growing economy

City of Bradford Metropolitan District Council
Revised Local Development Scheme – July 2018

- Decent homes that people can afford to live in
- A great start and good schools for all our children
- Better health, better lives
- Safe, clean and active communities
- A well-run council, using all our resources to deliver our priorities

7.1.13 The Local Plan will provide the spatial strategy for the implementation and delivery of aspects of the District Plan that relate to the use and development of land.

7.1.14 The Local Plan will also have regard to other relevant policies, strategies and programmes. The Council has a number of strategies, which it has drawn up solely or with partners, which have land use implications. Where these are relevant they will be taken into account in drawn up the Local Plan.

Strategic Environmental Assessment (SEA) and Sustainability Appraisal (SA)

7.1.15 All new development plan documents must comply with the requirements of the EU Directive 2001/42/EC to undertake a Strategic Environmental Assessment. The Government has issued guidance on how to incorporate SEA into a single sustainability appraisal process.

7.1.16 The objectives of the SEA Directive are:

- High level of environmental protection
- Integration of environment into preparation and adoption of plans/programmes
- Promoting sustainable development

7.1.17 The emphasis of the process set out in the directive are on:

- Collecting and presenting baseline environmental information.
- Predicting the significant environmental effects of the plan and addressing them during its preparation.
- Identifying strategic alternatives and their effects.
- Consulting the public and 'authorities' with environmental responsibilities as part of the assessment process.
- Monitoring the actual effects of the plan during implementation.

7.1.18 The Directive relates to a range of plans and programmes. The main plans caught under the requirements will be those linked to spatial planning such as the Local Plan and the Local Transport Plan. However, a large number of other plans that the Council produces are potentially affected by the Directive e.g. Community Strategy and local regeneration plans/frameworks etc. Therefore the Council will seek to establish a corporate approach in terms of methodology, baseline information, and involving key stakeholders and the public.

- 7.1.19 The SEA/SA will be fully integrated into the production of all the DPDs from the start, inline with national good practice advice. Each document will be appraised to a level appropriate to the type of DPD and taking account of any previous SA of related documents. The SA/SEA for the Core Strategy will set the core approach for SA/SEA for all Local Plan documents.

Evidence Base

- 7.1.21 NPPF states that all Local Plans should be based upon up to date and relevant evidence to formulate the policies in the Plan. The evidence for the Core Strategy has been prepared, reviewed and updated over the lifetime of the plan preparation. The Evidence Library contains all the evidence which supports the Core Strategy: See following link:

http://www.bradford.gov.uk/bmdc/the_environment/planning_service/local_development_framework/evidence_base_introduction.htm

- 7.1.22 This evidence will be updated when necessary as part of the Core Strategy Partial Review as relevant to the scope and content and the requirements in NPPF/NNPG. The other DPDs will develop additional evidence as appropriate to underpin their soundness.

7.2 Managing the Process

7.2.1 Managing resources

- 7.2.2 The Planning and Transport Strategy Service will take the lead in producing the Local Plan. There are 2 dedicated teams working on the Local Plan comprised of 11.27 FTE. A further 3 (FTE) posts will be recruited to making use of the recent increase in Planning Fees. One of the dedicated team also includes Transport Strategy and policy resource.
- 7.2.3 Further resources are available within the Planning Service, including the Landscape, Conservation, highways and Design Group.
- 7.2.4 The Service will work collaboratively and also draw on the resources and expertise within wider Council services for example Development Services, Economic Development, and Housing. Other Council services will also contribute as appropriate depending on the nature of the nature of the DPD.
- 7.2.5 Where the Council does not have the technical expertise and/or capacity it has employed specialist consultants to provide support. These have normally taken form of self contained evidence reports e.g. Strategic Housing Market Assessment and Housing Requirement Study in support of the Core Strategy.
- 7.2.6 The Council has made agreed non-recurring funding of £600K towards the Local Plan in 2018/19 with a further commitment of £250k in 2019/20. This provides non staffing funding for the following types of activity in support of the Local Plan:

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- Preparation of technical evidence and appraisals
- Consultation and engagement
- Examination and adoption

7.2.7 The Local Plan is supported by a financial plan which profiles the anticipated spend required to support the non staffing elements of the Local Plan. The current estimated minimum financial requirement for completion of the Local Plan as set out in this LDS is £1.23M. :

7.2.8 The current funding is anticipated to cover non staffing costs for the first two years. The last two years will require additional funding to be determined as part of future Budget Processes.

7.2.8 Programme Management

7.2.9 The Strategic Director (SD) Place has the overall responsibility for preparing the Local Plan. Day to day management will normally be the Planning and Transport Strategy (PTS) Manager, reporting to the Assistant Director (AD) Planning Transportation and Highways.

7.2.10 A Local Plan Board chaired by the AD with a core membership of the SD and Portfolio holder and PTS manager provide strategic level oversight to the Local Plan programme management and alignment to and linkage to corporate priorities. Membership is supplements by others as required including:

- Planning
- Transport Planning
- Economic Development
- Housing
- Corporate support
- Culture, Tourism and Sport

7.2.11 Political Management

7.2.12 For all the DPDs the process for their approval will be as follows:

- Decisions on informal early consultation such as scoping and issues and options work will be approved by the Assistant Director Planning, Transportation and Highways in consultation with Executive Portfolio holder responsible for Planning.
- Preferred Options documents will be approved by the Assistant Director Planning, Transportation and Highways in consultation with Executive Portfolio holder responsible for Planning.
- Full Council resolution required for submission stages.
- Full Council resolution required for adoption stages.

7.2.13 For all SPDs the process for their approval will be as follows:

- Assistant Director PTH in consultation with Executive Portfolio holder responsible for Planning, to approve for consultation draft SPD.
- The Executive to approve for adoption by Regulatory and Appeals Committee

7.3.10 There will be progress reports to the Council's Executive on progress in preparing Local Plan and consideration of programme by the relevant Scrutiny Committee at appropriate stages.

7.2.14 Risk Assessment

7.2.15 There are several areas of risk in preparing the Local Plan as set out in the LDS. The key areas of risk are listed in Table 5 below. This identifies the risk factor, the impact of the risk if it occurs, the nature of that impact, the probability of the risk happening and the mitigation or contingency for dealing with the risk.

Table 5: RISK ASSESSMENT

Risk	Nature of Impact	Impact L/M/H	Probability L/M/H	Mitigation /Contingency
Change to national policy.	Additional work to comply with new policies causing slippage	H	M	Keep up to date with new guidance as published and anticipate new guidance based on MHCLG forward plan. Respond early to any significant changes. Integrate into LDS review process.
Failure to comply with Duty to Cooperate. Duty requires ongoing positive engagement with key bodies such as adjacent Councils on cross boundary issues in the Local Plan.	Slippage Soundness	M	M	Ongoing work through the Leeds City Region (LCR) officer and member arrangements in line with the LCR Statement of Cooperation and subsequent Statement of Common Ground. Early scoping of strategic issues and potential impacts and instigate arrangements for liaison and ongoing work with key bodies and ensure ongoing and positive engagement and collaborative and cooperative working arrangements on key issues.
Volume of work greater than anticipated e.g. submitted representations or work arising from sustainability appraisal.	Slippage in programme	M	M	Allow for a challenging but realistic timetable for Local Plan documents with a degree of flexibility built in. Develop robust project plans for each DPD using the Planning Advisory Service Tool Kit and Self Assessment and emerging good practice and experience. Monitor progress against LDS and review if necessary. Consider additional resources either from within the Council or bringing in outside resources where

Risk	Nature of Impact	Impact L/M/H	Probability L/M/H	Mitigation /Contingency
				appropriate through collaborative working and selective use of consultants on specialist areas.
Lack of in-house skills for specialised areas of policy work /sustainability appraisal /background studies.	Slows progress in programme Evidence base compromised	M	M	Undertake a competency audit for key programme areas and identify gaps linked to project plans for each DPD. Review other Council resources. Commission external support for one off projects
Local Plan Team required to undertake other unforeseen work.	Programme slippage	M	M	Ensure Local Plan given corporate recognition and priority for staff time and resources. Manage other priorities through programme management and Local Plan Board.
Staff retention and recruitment.	Slow progress leading to programme slippage	H	M	Seek to fill vacant positions with appropriately qualified staff quickly. Adopt flexible working arrangements. Call on wider corporate resources to fill temporary gaps. Use of external consultants
Local Plan programme too ambitious.	Key milestones not met	H	M	LDS prepared with emerging good practice and knowledge from other LPAs and Planning Advisory Service, which has informed an ambitious but realistic timetable than the first LDS.

Risk	Nature of Impact	Impact L/M/H	Probability L/M/H	Mitigation /Contingency
Planning Inspectorate unable to meet the timescale for examination and reporting.	Examination and/or report delayed Key milestones not met	H	M	The capacity of PINS is not something that the Council can directly influence. On-going liaison with MHCLG and PINS regarding the programme and key milestones.
DPD fails soundness test.	DPD not adopted	H	L	<p>Ensure DPDs are sound by ensuring robust evidence base, sustainability appraisal appropriate to the DPD, public involvement in line with SCI.</p> <p>Develop robust project plans for each DPD using the Planning Advisory Service Tool Kit and emerging good practice and experience. Use PAS self assessment at key stages to check 'soundness'. Access PAS support and training packages and other critical friend support as appropriate.</p> <p>Use of pre submission Inspectors visits.</p>
Legal Challenge.	Adopted DPD quashed in whole or in part	H	L	<p>Ensure the DPDs are 'sound', in that they are founded upon a robust evidence base, sustainability appraisal appropriate to the DPD, public involvement inline with SCI.</p> <p>Seek legal advice including from specialist Counsel on major areas of risk both in terms of content and process.</p>
Inability of key stakeholders, agencies and bodies to cope with demand and fail to deliver on time.	Weaken evidence to underpin DPDs at key stages Slippage of programme	M	M	Close liaison with all key stakeholders involving sending them a copy of the LDS and involve them in planning the key stages at the earliest opportunity so they can programme work. On-going communication with key stakeholders.

Risk	Nature of Impact	Impact L/M/H	Probability L/M/H	Mitigation /Contingency
				Develop robust project plans for each DPD using the Planning Advisory Service Tool Kit and emerging good practice and experience.
Political uncertainty.	Lack of commitment to programme Programme slippage	M	M	Make planning central to delivery of Corporate objectives. Briefing all members as to importance of Local Plan and Planning generally. Engagement with all members throughout the preparation process as appropriate to the stage to enable members to understand the approach and procedural issues.
Inability to recruit external contractors.	Programme slippage Weaken evidence base	H	M	Plan the programme of key activities involving the need for consultants at the earliest opportunity. Develop draft briefs and test the market in terms of capacity informally.

APPENDIX ONE

GLOSSARY OF TERMS

Area Action Plan (AAP) – These are Development Plan Documents that provide a planning framework for an area of the District where significant change or conservation is needed.

Annual Monitoring Report (AMR) – This is a Report that the Council is required to prepare as part of the Local Plan. The Report will annually assess the extent to which policies in Local Development Documents are being achieved and performance against the local plan key indicators.

Core Strategy – This is a Development Plan Document that provides the strategic planning framework for the District as well as more specific thematic policies. It sets out the long-term spatial vision and the strategic objectives and policies to deliver that vision. The strategy contains core policies, a monitoring and an implementation framework. All other Development Plan Documents that form the Local Plan must be in conformity with the Core Strategy. Adopted July 2017.

Development Plan Document (DPD) – These are Local Development Documents that are part of the Local Plan. They form the statutory development plan for the district and are subject of an independent examination. They include the following: Core Strategy, Site Allocations, Area Action Plans, and a Proposals Map.

Local Development Document (LDD) – These are the individual documents that make up the Local Plan. They comprise of Development Plan Documents, Supplementary Planning Documents and the Statement of Community Involvement.

Local Development Scheme (LDS) – This is a three-year rolling work programme setting out the Council's timetable for preparing each Local Development Document. The Scheme is revised regularly in light of outcomes from the Annual Monitoring Report.

Local Plan – title of statutory development plan which NPPF recommends to be a single document but can where justified comprise of several Development Plan Documents. Previously known as the Local Development Framework

National Planning Policy Framework (NPPF) – National Planning policy supported by web based National Planning Practice Guidance (NPPG)

Regional Spatial Strategy (RSS) – A document that was prepared by the Yorkshire and Humber Regional Assembly and approved by the First Secretary of State. The RSS provided a spatial planning framework for the region that informed the preparation of the LDFs. The RSS was formally revoked in February 2013.

Replacement Unitary Development Plan (RUDP) – Development plan for the District, adopted in the October 2005 and saved in 2008 by the Secretary of State. Superseded by

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the Core Strategy but with some policies retained until replacement allocations and designations are put in place.

Statement of Community Involvement (SCI) – This sets out the standards that the Council intends to achieve in involving the community and stakeholders in the preparation, alteration and review of all Local Development Documents and development control decisions. The Statement of Community Involvement is not a Development Plan Document, nor is it the subject of a sustainability appraisal.

Strategic Environmental Assessment (SEA) and Sustainability Appraisal (SA) – This is a generic term used internationally to describe the environmental assessment of policies, plans and programmes, and is required by European Directive (EU Directive 2001/42/EC). The directive will apply to all Local Development Documents (except the Statement of Community Involvement) as a means to ensure that they reflect sustainable development objectives/principles. An integrated approach to SEA and Sustainability Appraisal will be required to avoid duplication in the plan making process.

Supplementary Planning Document (SPD) – These are Local Development Documents that are part of the Local Plan. They provide supplementary guidance to policies and proposals contained in Development Plan Documents, however, they do not form part of the statutory plan, nor are they subject to an independent examination.

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Report of the Director of Place to the meeting of the Executive to be held on 10th July 2018

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Subject:

One City Park

Summary statement:

This report will update Members on progress on the One City Park scheme and make recommendations for the Council to procure a Development Partner for this project.

Steve Hartley
Director Place

Portfolio:

Cllr Alex Ross-Shaw

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Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- 1.1. This report will update Members on progress on the One City Park (OCP) scheme and make recommendations for the Council to proceed with the process to procure a Development Partner assist the delivery of this key project.

2. BACKGROUND

- 2.1 The Bradford Council Plan states that “We want a strong Bradford District economy so that everyone can earn a decent income throughout their lives. Working in better jobs, in productive industries”.
- 2.2 This stated priority is mirrored in a variety of adopted and published policy documents including the Local Plan Core Strategy, City Centre Area Action Plan, Economic Strategy and Leeds City Region/LEP Strategic Economic Strategy.
- 2.3 These fundamental objectives to drive economic growth, secure new investment, stimulate the creation and expansion of businesses and generate the provision of high quality jobs and skills opportunities will be partly facilitated through the delivery of new office accommodation in the City Centre.
- 2.4 Whilst it is acknowledged that there is an existing supply of secondary office accommodation in the City Centre, it is also recognised that the lack of top quality, grade ‘A’ accommodation at the right price, in the right location and most importantly available within a predictable timeframe is constraining Bradford’s ability to secure the relocation and investment of the type of high value businesses that will provide the “better jobs” desired and referred to in the City’s various economic and planning strategies.
- 2.5 By creating circa 100,000 sq ft of new commercial accommodation the One City Park scheme will make a major contribution to achieving these key strategic aims and put the City Centre in the optimum position to attract and secure new businesses to the area. In their turn WYCA has also recognised the significance of the scheme to the local and Regional economy by making significant grant funding available to enable the viable delivery of a preferred development scheme, subject to the satisfaction of specific conditions and an agreed time frame being met.
- 2.6 At its meeting of the 12th March 2013 the Executive considered a report on the future treatment of a number of assets owned by the Homes and Communities Agency (HCA) in Bradford City Centre and resolved that the transfer of the former Tyrls and Odeon sites from the HCA to the Council be agreed. The transfer of ownership of the former Tyrls building (as illustrated as edged red on the attached plan at Appendix 1) was completed in October 2013.
- 2.7 The Tyrls building (former West Yorkshire Police station) occupied a key site in the City Centre overlooking the award winning City Park. The upper floors of the building had been largely unoccupied since the police vacated the property in 2004 but the ground floor custody cells were still in use and leased to Her Majesty’s Court and Tribunal Service (HMCTS).
- 2.8 In order to create a satisfactory platform to facilitate the development of a new,

prestigious office led commercial development scheme to be known as “One City Park” (OCP) it was necessary to plan, procure and carry out the relocation of the HMCTS custody cells and these works were completed in May 2015.

2.9 Following the relocation of the custody suite the Council demolished the Tyrlls building and subsequently created a temporary garden on the site as a “meanwhile” use pending the delivery of a future redevelopment scheme.

2.10 Officers considered three approaches to delivering the OCP project:

- (i) undertaking enabling works to create a site suitable prepared to present to the Market.
- (ii) the Council acting as developer/contactor to carry out a direct development scheme, retaining and managing the completed development.
- (iii) Engaging with a preferred developer with secured end user(s) to develop the site on a joint venture basis, using the enabling works input as a means of structuring a viable development scheme.

2.11 A developer with a potential secured end user was interested in the project and extensive planning, feasibility and cost/funding appraisal work was carried out by the Developer with the end-user and the Council to explore the potential deliverability of this scheme.

2.12 Unfortunately, due to other considerations the end user decided not to progress with their involvement in the scheme and although the developer however remained committed to the scheme and produced proposals to undertake a new commercial development scheme on a joint venture partnership basis with the Council. However, following detailed and careful consideration of the proposals it was decided that an alternative approach to assess the appetite of the development/investment market’s interest and appetite in such a development opportunity on a wider, transparent and competitive basis would be a more beneficial approach to the Council.

2.13 A pre-tender market consultation exercise to introduce “One City Park” to the property market has been carried through the Council’s attendance at the MIPIM UK (November 2017) and MIPIM 2018 events and in the event that the market response was encouraging then the Council intended to carry out a formal procurement exercise to appoint a suitably qualified partner to deliver the scheme. The Public Contracts Regulations allow for such pre-tender market consultation, and accurate records of such activities have been collated and will be made available to all interested bidders when procurement commences. There is also a requirement to limit market consultation so that those consulted are not then excluded from participating in the competitive process.

2.14 The feedback from the exploratory market engagement was conclusive in confirming that there is significant appetite from commercial property development/investment sector in the OCP proposals and that there is a willingness to engage in a formal OJEU procurement process that will include a competitive dialogue with the Council to produce an innovative and mutually beneficial solution to deliver this opportunity.

3. THE PROPOSAL AND OTHER CONSIDERATIONS

- 3.1 One City Park is a priority site for the Council and is seen as being part of a comprehensive strategic approach to facilitate the development of a number of key city centre sites on a programmed basis. This will be undertaken in such a way as to ensure that individual projects complement rather than compete with each other whilst at the same time achieving a balanced mix, and flow of commercial accommodation that the market wants and the City needs.
- 3.2 The Council is aware however of the challenges that will have to be overcome in order to create the desired vibrant and commercially sustainable Centre the City needs, particularly in delivering viable property development schemes within the prevailing market conditions. The Council is therefore seeking a partner that is able to take an innovative and risk-sharing approach to deliver this project within the timescales of the WYCA funding requirements.
- 3.3 The City Centre commercial property market has underperformed in the recent past but with the benefit of new and emerging development schemes such as the Broadway shopping centre, the Light cinema, the redevelopment of the former Odeon building as an entertainment arena and the remodelling of the city centre railway stations it is considered that there is now an excellent opportunity to use this project to invigorate the commercial office market offer and redress the property investment market's negative view of the City Centre and its offer.
- 3.4 Although aware of the challenges that exist in making speculative office development viable in the City and being open minded as to the possibilities for public / private sector collaboration in delivering this and other similar projects, the Council should also be mindful to ensure that a preferred delivery and funding solution is finally identified in order to minimise public sector cost and risk exposure.
- 3.5 Although the LEP grant monies allocated will, on paper, assist the delivery of the OCP scheme on a strict construction cost viability basis it is also correct to recognise that the ultimate success of the project in terms of overall financial viability, will depend on the Developer's ability to secure tenants/end users on the right lease/rental terms that will ensure the provision of an acceptable development profit and yield for the Investor/Lender. These are real risks for the OCP proposals or any other similar office development scheme in the City Centre that have resulted in the current prevailing market state where no developer or property investor will support such a scheme either on a speculative basis or without the Council using its covenant to guarantee a revenue stream for a long term period, commonly of at least 35 years.
- 3.6 This predicament is not unique to Bradford and is one which is experienced to a higher or lesser degree by most Cities outside of London. A number of Authorities have tackled the problem by underpinning the risks involved in new office and other mixed-use development schemes through various means including entering into industry acceptable Head Lease arrangements and taking on the responsibility of securing sub-tenants/end users. In such cases whilst reducing the developer/investor risks by taking some of this burden on itself, there are also potential benefits to the Authority involved in terms of gaining significant income streams by subletting the new accommodation at a profit rent, accruing Business Rates payments and securing an increased capital

receipt from the development generated by the Funder being prepared to accept a lower yield than normal due to the term specific income stream being guaranteed by the Authority. Such revenues could theoretically be used to mitigate any risks from future voids being experienced post completion of the development scheme.

- 3.7 It is understood that a number of Local Authorities have been involved in delivering successful new commercial schemes using this or a similar type of mechanism e.g. St. Paul's place Sheffield, with Sheffield council underwriting an 80,000 sq ft office scheme by CTP via a purchase guarantee ('put option'); Stephenson Quarter Newcastle (Council took 20 year non occupational headlease to create value to pay for development costs and profit rent), Town Centre regeneration, Rochdale where again the Council entered into a 35 year Head Lease with borrowing payments covered by rents accrued and an option to purchase the built assets for £1 on expiry of the lease term.
- 3.8 Following the positive feedback received from the pre procurement "soft" marketing exercise the way has been prepared to procure a suitably qualified development partner (or consortium) by spring 2019 to deliver a minimum of 93,000sq.ft. of new commercial accommodation on the OCP site that may be made up of Grade A office space with or without ancillary ground floor A1-A4 uses or a mixture of office and other city centre commercial uses that the Council deems appropriate for the location.
- 3.9 As the value of the proposed works will be above the prescribed EU thresholds for the award of public contracts, the Council as a Contracting Authority that intends to enter into such a contract, is required to formally procure its development partner in accordance with the European Commission's public procurement regulations. Such regulations provide the following possible procedures that Council could use to select its partner:
- (i) "Open" procedure - is suitable for simple one-stage process for procurements where the requirement is straightforward. It is most commonly used in practice for the purchase of goods (e.g. stationary, vehicles etc.) where the requirement can be clearly defined and the buyer is seeking the least expensive supplier. As there is no "pre-qualification" of bidders, anyone can submit a tender and it is possible that a large number of suppliers will bid.
 - (ii) "Restricted" procedure - is a two-stage process:
 - Stage One (Selection) - Suppliers are alerted to express an interest to a contract opportunity by obtaining and submitting a Selection Questionnaire (SQ); this will be used to establish their capability, experience and suitability etc. The purpose of the SQ is to select a shortlist of 5 (or more) suppliers which are likely to meet the tender requirements.
 - Stage Two (Award) - Shortlisted suppliers which meet the selection criteria are then invited to tender. All tenders are evaluated in line with the methodology and award criteria set out in the tender documentation.

The Restricted procedure is best used where:

- It is anticipated that a large number of suppliers will respond to the advertised Contract Notice; or

- The requirements are typically complex, with a relatively detailed Selection and Award evaluation process.
- (iii) “Competitive Dialogue” procedure, a competitive procedure with negotiation for more strategic, complex or high value projects. The competitive dialogue procedure is best used where the contract is complex and cannot be purchased “off the shelf”. , for example, where the purchasing body has not fully prescribed the scheme and wishes to use the purchaser’s expertise and knowledge to innovate and find the optimum solution. Competitive Dialogue is often used in developer procurements where local authorities wish to exploit the expert knowledge of developers under competitive tension to determine the best solutions.
 - (iv) “Competitive Procedure with Negotiation” - similar to Competitive Dialogue however, the competitive with negotiation procedure allows the contracting authority flexibility around whether to negotiate - it is possible to reserve the right (by stating this in the OJEU advertisement) not to negotiate and to simply award the contract based on initial tenders submitted. This reservation is not possible in the competitive dialogue procedure.

That said, the competitive dialogue procedure contains more flexibility around negotiation with the winning bidder provided this does not modify the essential aspects of the contract or procurement or amount to a distortion of competition. It is not possible to negotiate following submission of final tenders if you are using the competitive procedure with negotiation process.

3.10 Having obtained and considered external professional project management and procurement advice on how to best bring the OCP scheme to the development/investment market, Economic Development officers have concluded that the Open and Restricted procedures are not appropriate in this instance as:

- (i) the Council's needs cannot be met without adaption of readily available solutions;
- (ii) the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial makeup of the service(s) required or because of the risks attached to them. Because, in this case the Council does not wish to prescribe the full and final detail of the scheme, it is considered that negotiation will be required in order to optimise the solutions that are arrived at and
- (iii) the Scheme’s technical and construction specifications cannot be established in advance with sufficient precision by the Council.

3.11 As the Council is hoping to invite innovative proposals from the market to propose bespoke solutions (financial, technical and legal) for the delivery of the Scheme the Council will want to negotiate with the bidders before selecting a final solution that is best capable of meeting its needs. The ‘Competitive Dialogue’ and ‘Competitive Procedure with Negotiation’ procedures provide this capability to negotiate with the shortlisted bidders but the latter option precludes the ability for the Council to continue negotiating with the preferred bidder following submission of the final tender. This means the loss of the capability to continue the negotiating dialogue to the point where

the best solution and terms of agreement for the delivery of the scheme may be obtained by the Council.

- 3.12 It is recognised that the suggested Competitive Dialogue procedure which, although potentially complicated and costly both to the Council (although budget resources are in place to cover the appointment process) and certainly to any developer interested in submitting a proposal, early feedback from interested parties indicates that there is an acceptance that such commitment would be acceptable on their part so long as this is reciprocated in terms of similar commitment by the Council. It is believed that there is no need at this stage for the Council to be explicit about what wrap around measures it is prepared to undertake to secure the delivery of the project and it would be sufficient for the OJEU notice to indicate that the Council will be open to such considerations. This would leave the way open for the bidders to put forward suggestions as to what these measures might be as part of their “innovative” approach to delivering the project and the Competitive Dialogue mechanism would provide the Council with the ability to continue negotiations on a preferred solution after receipt of Final submissions and before accepting and proceeding with delivery of the scheme.
- 3.13 It is therefore recommended that the Council adopts the Competitive Dialogue procedure as it:-
- (i) restricts the number of organisations invited to tender (making the tender evaluation more manageable),
 - (ii) allows for more market innovation
 - (iii) enables a best fit solution to be developed through detailed dialogue,
 - (iv) provides the flexibility to negotiate with the preferred bidder after final tenders (provided this does not change 'essential aspects' of the tender or the nature of the procurement) but in the acknowledgment that the procedure is not risk free. The CD Procedure does not provide room for the Council to change its requirements, the market can only be asked to develop the requirements set out in the tender documents, measuring these by using objective transparent evaluation criteria to assess the market's response, and ultimately make an award decision. It should also be acknowledged that the risk of challenge rises as the process develops as costs incurred by the remaining bidders are substantial. These risks can however be managed by the Council, if it chooses, obtaining appropriate additional professional advice.
- 3.14 In addition officers did consider the possibility that the Council may wish to deliver the site whilst avoiding the need for an OJEU process by simply offering the site for sale to a single developer or through a wider informal bidding process. However it was concluded that this was not appropriate given the Council's:
- (i) recognition of the wider development sector's expressed interest in the opportunity,
 - (ii) need to illustrate that a transparent process has been followed to appoint a preferred developer,

- (iii) need to control the quality and timescales of the development process.
 - (iv) wish to encourage the private sector to present innovative solutions that will deliver the desired scheme and regeneration outputs whilst also minimising the Council's risks and financial contribution
 - (v) preference to maintain the ability to continue competitive negotiations with the preferred development partner after the final tender stage in order to ensure that amendments and refinements to the preferred bid can be discussed and negotiated so that a collaborative and risk-sharing approach may be adopted to produce a final detailed scheme that meets both Parties needs and aspirations.
- 3.15 It must be recognised that without an end user prepared to lease the offices on a basis which reimburses any development costs and developer's profit, it is possible that some bidders will require Council support to deliver the development on a viable basis within the March 2021 timeframe to be specified. However, the scoring criteria and provision for competitive dialogue will ensure that solutions are identified and developed which minimise any Council support required.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 One City Park is a key site in Bradford City Centre, which is identified as a Leeds City Region "Urban Growth Centre" spatial priority area in the LEP's Strategic Economic Plan 2016/36. As such the West Yorkshire Combined Authority (WYCA) has approved in principle grant funding of £5.2 million to support the scheme. This funding is on the basis that the construction of the scheme will be completed by the end of March 2021.
- 4.2 £400,000 out of the £5.2m was allocated for spend in 2015/16 on enabling works to demolish the Tyrls building (former police station) and rehabilitate the OCP site for future development. The funding agreement for this initial £400,000 was completed in the form of a repayable loan with WYCA and the monies drawn down in March 2016. The amount repayable to WYCA will be settled from capital receipts from the sale of the site following completion of the development.
- 4.3 The remaining funding of £4.8 million is approved in principle subject to a funding agreement being agreed between the Council and WYCA.
- 4.4 As well as the WYCA funding the Council may, as a result of the exercise to procure a preferred development partner and the agreement of a suitable delivery solution, need to make available additional resources (as referred to at Paragraphs 3.4–3.6 above) to ensure the timely delivery of the OCP scheme on a financially viable basis. The competitive dialogue process will be managed in such a way as to minimise any such requirements with all proposals being subject to rigorous assessment and negotiation. Should any such additional resource requirements emerge through the competitive dialogue procedure and project development process, the Council would not be committed to accepting these. Such additional resource requirements will be presented through the appropriate corporate and committee bodies for consideration prior to entering into contract.

- 4.5 All costs incurred by the Council in carrying out the full procurement exercise will be covered by dedicated funds currently allocated within existing Department of Place, Economy and Development revenue budgets.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The Governance responsibilities for the project will rest with the Strategic Director Place and Project development and management activities will be led by the Assistant Director, Department of Place (Economy and Development).
- 5.2 The desired objective of appointing a Partner in April 2019 and completing the project by March 2021 is tight but achievable and needs to be maintained in line with WYCA's funding requirements.

6. LEGAL APPRAISAL

- 6.1 Legal Services have considered the recommendations made by external professional project management on the procurement route, and have confirmed that the proposed Competitive Dialogue procedure is an OJEU compliant process. It is recommended that:
- (i) following completion of the outlined process to appoint a preferred Development Partner, a Development Agreement and associated legal documents is negotiated between the Council and the preferred Developer in order to set out the parties' obligations, responsibilities and actions to deliver the OCP scheme. These will be produced under the direction of officers of EDS in collaboration with both Legal and Financial Services, and
 - (ii) appropriate steps be taken to ensure that any conditions attached to the WYCA grant will be satisfied by the preferred developer.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

At this stage there are no specific equality and diversity issues

7.2 SUSTAINABILITY IMPLICATIONS

The successful development of the site will promote the economic, physical and environmental sustainability of the city centre. Specific building performance issues will be addressed through the project development process.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Any potential impacts will be identified as part of the project development processes and will inform design and future management issues as required.

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications at this stage; however these will be monitored as work progresses.

7.5 HUMAN RIGHTS ACT

There are no Human Rights implications

7.6 TRADE UNION

There are no Trade Union issues.

7.7 WARD IMPLICATIONS

none.

7.9 IMPLICATIONS FOR CORPORATE PARENTING

None.

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

9.1 With the strategic need and objectives outlined in Section 3 above there are a number of options that the Council may now pursue:

9.1.1 Option One

To leave the OCP site undeveloped until such time as local business growth and the performance of the property market improves to an extent where the private development/investment sector undertakes such projects on a speculative basis, and without any intervention or assistance from the Public Sector. At such a time the option to simply put the subject site on the market for sale and development may be a practical and viable option albeit the Council would have limited control over the development process other than that provided by the planning system. Given market frailties there is a risk in this scenario of a prolonged and indefinite period in which the site will remain undeveloped and / or the possibility of an undesired use being promoted by the purchaser. This would also put in doubt the ability to utilise LGF funding earmarked for the site given uncertainties relating to the terms and eligibility of granting a private sector purchaser.

9.1.2 Option 2

To proceed with the procurement process, using the competitive dialogue procurement procedure, to appoint a Development Partner by April 2019 as suggested in Section 3 above. This approach would mean the Council being able to seek innovative solutions from potential development partners to address the current market challenges that have restricted the delivery of such schemes in the past. The Competitive Dialogue procedure would enable the Council to negotiate with the bidders throughout the procurement/appointment process and provide the ability to develop and refine the proposals over a period of time to ensure that the final preferred proposal provides a solution that meets the Council's strategic economic and regeneration objectives, mitigates the risks to a level and generates adequate returns to the satisfaction of both parties and delivers a scheme can be implemented within the WYCA/LEP grant funding timescale requirements.

- 9.2 The recommendation is that the Council proceeds with Option Two above, and because the Council is looking for market led solutions (financial, technical, legal) from a partner with an established track record in delivering similar projects who is able to take an innovative and risk-sharing approach in respect of the OCP scheme proceeds with work to appoint a such a partner by April 2019 using the competitive dialogue procedure. The competitive dialogue procedure allows the Council to enter into dialogue with potential bidders to develop one or more suitable solutions on which the chosen bidders submit a tender. The Council intends to use the competitive process to generate innovative solutions from the market that will bring investment into Bradford, reduce the public sector financial contribution and deliver successful regeneration.

10. RECOMMENDATIONS

10.1 That Members:

- (a) Approve the issue of the requisite OJEU notice to commence the process to procure a preferred Development Partner for the One City Park scheme using the Competitive Dialogue procurement process as outlined in this report and to be conducted by the Director of Place in consultation with the Finance, Procurement and Legal Services.
- (b) Instruct the Strategic Director Place to provide a future report to the Executive to outline the outcome of the approved procurement process and to seek approval for the appointment of a preferred Development Partner and development/delivery proposals for the OCP scheme.

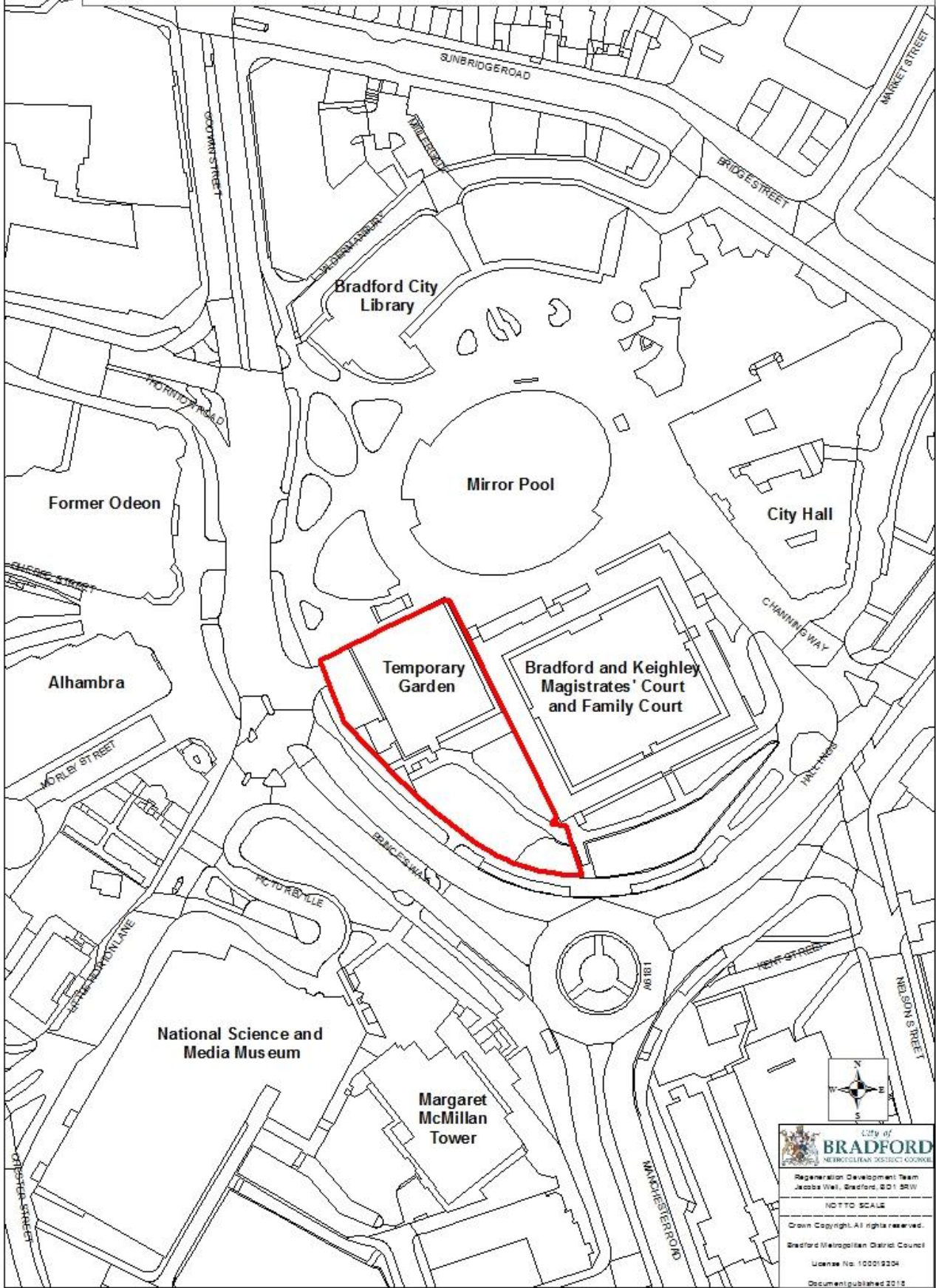
11. APPENDICES

Appendix 1 – Plan of the One City Park Development Site.

12. BACKGROUND DOCUMENTS

None

Appendix 1 - Plan of the One City Park Development Site





Report of the Director of Place to the meeting of Executive to be held on 10th July 2018

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Subject:

Redevelopment of the City Centre Markets

Summary statement:

The Oastler and Kirkgate Markets face significant challenges due to the changing nature of retail, the opening of the Broadway Centre and the closure of Morrisons supermarket on John Street.

The City Centre's retail and market footprints need to contract and relocate to fit current economic conditions and the new centre of retail gravity around the bottom of town.

Without intervention the profitability of these markets is likely to continue to decline.

The proposal is to build a new food-focused market on Darley Street and to develop a separate non-food market in the Kirkgate Centre.

Steve Hartley
Director of Place

**Portfolio: REGENERATION, PLANNING AND
TRANSPORT**

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**Overview & Scrutiny Area: REGENERATION
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1. SUMMARY

- 1.1 The Oastler and Kirkgate Markets face significant challenges due to the changing nature of retail, the opening of the Broadway Centre and the closure of Morrisons supermarket on John Street.
- 1.2 The City Centre's retail and market footprints need to contract and relocate to fit current economic conditions and the new centre of retail gravity around the bottom of town.
- 1.3 Without early intervention the profitability of these markets is likely to continue to decline.
- 1.4 The proposal is to build a new food-focused market on Darley Street and to develop a separate non-food market in the Kirkgate Centre.

2. BACKGROUND

- 2.1 Between 2013 and 2017 customer numbers fell at both city centre markets. The Oastler Centre attracted 2.9 million customers in 2013 which fell to 1.6 million by the end of 2017. Kirkgate Market attracted 1.6 million customers in 2013, which fell to 1.2 million at the end of 2017.
- 2.2 Between 2014 and March 2018 vacancy rates have increased significantly from 9% to 31% in the Oastler Centre and from 16% to 35% in the Kirkgate Centre.
- 2.3 Cushman & Wakefield (formally DTZ) were appointed in 2014 to examine the Council's strategic approach to its city centre markets provision, and to provide a commercial, technical, and financial appraisal of options for the future markets provision in the city.
- 2.4 Their report recommended that both markets should remain open until the impact of the Broadway Shopping Centre on the city's shopping patterns could be fully assessed. The report went on to advocate a phased investment programme for the Oastler Centre and adjacent public realm with the aim of creating a modern market facility. Outline plans were drawn up, however, in February 2016, Morrisons, the Oastler Centre's main anchor tenant, announced the closure of its Westgate Store from April 2016, which has had a major impact on the viability of the centre and resulted in the decision not to proceed with this scheme.
- 2.5 In July 2016, a review of the Cushman & Wakefield options appraisal report looked at ways to revitalise its market offer whilst at the same time exploring how best to assist in the regeneration of Darley Street.
- 2.6 In April 2017, the Council announced plans to create a new modern fresh food market on Darley Street and in tandem refurbish Kirkgate Market.
- 2.7 Consultations with market traders took place in April 2017, with 127 tenants being contacted and given the opportunity to comments on the Council's redevelopment proposals. 120 tenants completed the survey.

- 2.8 The results of the initial consultation exercise was that 78% of traders are in favour of the Council proposals to create a food-focused market on Darley Street and an enhanced non-food offer in a refurbished Kirkgate Market.

3.0 THE COUNCIL'S VISION FOR BRADFORD CITY CENTRE MARKETS

- 3.1 In July 2017 the Council created a vision for its city markets in order to revitalise and modernise its market offer and to assist with the regeneration of Darley Street.
- 3.2 Taking into account local and national trends in markets, the current vacancy rates in both markets and commercial advice provided to the Council, the optimal size of Bradford's City Centre market offer needs to reduce.
- 3.3 The fresh food and food related goods offer should focus on providing opportunities for a diverse international fresh and hot food offer that reflects the socio-demographic profile of the district.
- 3.4 The new market will seek to attract a wider customer base and to widen its appeal to a new demographic of shopper. It will be important that the market has the opportunity to trade throughout the day and early evening.
- 3.5 The market attracts a demographic of customers that have low disposable income. Whilst our aspirations will be to attract customers with higher disposable incomes there will, however, remain a core of traditional customers and this will be recognised when planning the product offer and design of both markets.
- 3.6 Many markets are increasingly 'edutaining' visitors to meet the growing interest in cooking shows. These shows encourage more people to visit specialist fresh food markets, seeking out ingredients to emulate their television food heroes.
- 3.7 The Markets Service since 2003 has its own dedicated reserve fund that delivers valuable and significant capital improvements to its market facilities. This funding was originally prioritised towards the successful £2.5m refurbishment of Keighley Market where essential and enhancement works were undertaken to provide a more modern shopping facility and St James's Wholesale Market where capital investment of around £1.2m has helped to transform this into an award winning market.

4.0 CITY CENTRE REGENERATION

- 4.1 The Economy and Development Team are in the process of creating a brief to appoint experienced consultants to prepare a Master Delivery Plan to revitalise part of the City Centre from Darley Street to the 'Top of Town'. The area has suffered from the establishment of a new retail core made up predominantly by the Westfield 'Broadway' Centre and Forster Square Retail Park. The proposed Master Delivery Plan will provide a strategic plan and methodology to enable the creation of a safe, attractive, resident friendly, healthy and sustainable environment with landscaped, traffic calmed street infrastructure, high quality Public Realm and community spaces.
- 4.2 The Economic Development Service is preparing to follow up the findings of last year's city centre retail survey, which involved 1,600 responses, with a further study into the city centre retail offer. This will be more wide-ranging, using those findings and the consultant's detailed awareness of the changing nature of city centres nationally and

their expected retail future.

5.0 FOOD FOCUSED MARKET DESIGN

- 5.1 In August 2017, the Council appointed Greig and Stephenson to lead a multi-disciplinary team of professionals with specialist market knowledge. The team undertook feasibility studies and prepared initial designs for the redevelopment of both city centre markets.
- 5.2 The design team has a wealth of retail experience particularly in markets having been involved in the redevelopment of London Borough Market, London Camden Market, Leicester Food Market, Leeds Kirkgate Market, Preston Market, Sheffield Moor Market as well as markets across Europe and the Far East.
- 5.3 The design team were asked to draw up plans for the building to be as light and transparent as possible, to open up the market and to strengthen links between Darley Street, Piccadilly and the Broadway Centre.
- 5.4 The design team have developed the project to RIBA stage 2. Outline designs and cost estimate for both markets were completed in January 2018. **Appendix 1** shows an artist's impression on how the exterior of the market may look.

6.0 KIRKGATE MARKET DESIGN

- 6.1 Following the completion of the Stage 2 report, the agents acting for the Landlord of the Kirkgate Centre were contacted to commence consultations on how the Kirkgate Centre owners could support the Council's ambitions for improving the Kirkgate Market.
- 6.2 Initial plans were drawn up by architects appointed by the Landlord, which were presented to the Council and a further feasibility study was received in May 2018.
- 6.3 Negotiations regarding lease arrangements and refurbishment options are on-going.

7.0 NEW TRADER ALLOCATION PROCESS

- 7.1 It is critical that the quality, vibrancy and theatre of both markets are lifted by the traders and their retail offer.
- 7.2 This and the necessary reduction in market footprint will require an application process with specified criteria to establish who will be offered space in the new markets.
- 7.3 Applications will be reviewed by a panel consisting of a Market Service representative, National Market Traders' Federation, an appointed business advisor and a representative from the Chamber of Trade will be invited to join the group.
- 7.4 It is anticipated that there will a number of existing traders that will not transfer to the new markets. Those traders that still wish to continue trading will be supported by identifying other retail options in Bradford city centre or across the district.

8.0 SITE ACQUISITION AND KIRKGATE LEASEHOLD

- 8.1 The current proposal is to purchase the required site on Darley Street for a new food focused market. Negotiations are on-going.
- 8.2 The current proposal is to develop a non-food market offer in the Kirkgate Centre. Leasehold and design discussions are on-going with the Centre's Landlord.

9.0 TIMETABLE

Key milestones leading up to completion	Estimate End Date
Executive Committee Meeting	July 2018
Planning Approval Expected	Feb 2019
Detailed Design Stage Complete	May 2019
Construction Works Begin	Jan 2020
Building Handover	Feb 2021
Launch/Opening	Easter 2021

10.0 MARKETING & BRANDING

- 10.1 To support the delivery of the overall city centre markets regeneration project the Council plans to appoint external media and branding consultants to create positive coverage and interest as the project progresses through to the opening of the new markets.
- 10.2 The consultants will be involved in organising various stakeholder events gathering their views on the proposals for our city markets which can be incorporated into the detailed design process.

11. OTHER CONSIDERATIONS

- 11.1 Initial consultation with Planning, Highways and the Council's Conservation Officer regarding development in the Conservation Area and vehicular access for deliveries was positive and there were no significant concerns.

12. FINANCIAL & RESOURCE APPRAISAL

- 12.1 The recommendations set out in paragraph 18 of this report have a number of financial, risk and resource implications. Further detailed financial analysis can be found in **Appendix 2** which is confidential for legal and commercial reasons as outlined in section 16 of this report.
- 12.2 The environment in which the Markets operate has become increasingly challenging for the reasons outlined in the report. This is reflected in budget performance. Future projected income for the existing sites is expected to decline further.
- 12.3 The financial model that underpins the proposed new Markets is projected to restore the operations back into balance within a year of opening, thus arresting decline and ensuring a neutral effect to the Council's bottom line. The modelling assumes other Markets operation such as St James's Wholesale Market and the Keighley Market maintain favourable budget performance throughout.

- 12.4 The Capital Programme agreed by Council in February 2018 set aside £15.225m towards the project funded corporately through capital financing. The current estimated total cost for the project is £21m and it is proposed that the shortfall is funded from markets earmarked reserves and additional borrowing by the Markets Service that will be paid from revenue funding which is budgeted from a central corporate revenue allocation.
- 12.5 The cost estimates contain a number of prudent high level assumptions and cost allowances, including the application of an industry standard 20% contingency for risk and uncertainty and property acquisition costs.
- 12.6 The defining feature in the financing for the scheme is that the capital cost of the development was appraised solely from income generated once all markets floor space is let to 95% occupancy. Future cash flow modelling over a 40 year term identifies that the scheme does not achieve full repayment of £21m. The objective however is to deliver a project that contributes to the vitality of the city centre as a key element of the Council strategy to revive Darley Street, whilst also releasing a major site at the 'top of town' for development.

13. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 13.1 A 'Top of Town Steering Group' chaired by the Strategic Director for Place was set up to take a strategic overview of city centre development. Members of this group include the Assistant Director for Estates and Property, Assistant Director, Economy and Development and Assistant Director, Planning, Transportation & Highways.
- 13.2 In addition a Market Relocation Project Board, chaired by the Assistant Director for Estates and Property, has been established to focus on market design, construction, media management and the legal work stream.
- 13.3 The project will be further reviewed for value for money when compared against wider financial duties. The scheme has been referred to the Council's taxation advisor in order for VAT and the council's VAT partial exemption risks to be accounted for. Estimated costs include stamp duty levy and associated ancillary costs are included in the baseline estimates.
- 13.4 The success of this programme will depend upon the Council's ability to let space in the new property. There also risks linked to the timing of property acquisition; the move from the Oastler Centre; sustainability of markets trading in current overall economic trading climate and there is the uncertainty over market trader's appetite for new rent and service charges.
- 13.5 Before the Council legally commits to the development of the scheme the Strategic Director of Place will provide a further report to PAG (Project Appraisal Group) including a full review of the cost modelling once the detailed design work has been completed and tenders received, for sign off and authority to proceed, this will include any implications under the current regime for State Aid.
- 13.6 The cost of progressing the Market design up to their current position is £150,000. The costs have been funded from the Markets Reserve but some fees have to date been

charged to capital. If the project does not progress the fees will potentially be abortive. In this event, they could be charged back to the Markets Reserve balance or funded from corporately retained revenue set aside for funding capital expenditure.

14. LEGAL APPRAISAL

- 14.1 The majority of the business tenancies at both the Oastler Centre and Kirkgate Market are protected by the Landlord and Tenant Act 1954 ("the 1954 Act").
- 14.2 The current proposal requires the acquisition of property on Darley Street with all the associated legal purchase documentation.
- 14.3 The current proposal may require termination of the existing lease and the creation of a new lease for the Kirkgate Market in the Kirkgate Centre.
- 14.4 Any construction activity required for the implementation of these proposals must be undertaken in accordance with the Council's Contract Standing Orders and in line with internal governance requirements.

15. OTHER IMPLICATIONS

15.1 EQUALITY & DIVERSITY

- The scheme aims to maximise public access by being, fully DDA compliant and dementia friendly, with plans to consult and engage all relevant stakeholder groups throughout the design process.

15.2 SUSTAINABILITY IMPLICATIONS

The design aspiration for the new food focussed market will be for:

- A naturally ventilated building to reduce as much as possible the Council's use of energy which in turn reduces tenant costs through their service charges.
- Maximum use of natural daylight to reduce the demand for electrical lighting, LED lighting and roof mounted solar panels to minimise Green House Gas (GHG) emissions.
- The creation of carefully designed spaces allowing for easier maintenance which significantly reduce Facilities Management and the Operational Maintenance of the market.

15.3 GREENHOUSE GAS (GHG) EMISSIONS IMPACTS

- It is expected that there will be a significant decrease in overall GHG emissions since the proposal is to create a smaller and more environmentally sustainable food market.
- The creation of well-designed space allows the provision of utilities and building services to be carried out in a more efficient manner saving energy in the longer term.

15.4 COMMUNITY SAFETY IMPLICATIONS

NA

15.5 HUMAN RIGHTS ACT

NA

15.6 TRADE UNION

- There will be some redesigning, repurposing, or restructuring of staff to meet the needs of the new markets.
- The cost of staffing the markets is ultimately paid for by traders. This needs to remain as cost effective as possible to reduce the financial burden on traders.
- All the relevant Trade Unions will be consulted as required under Council HR procedures and will be invited to engage in any necessary staffing changes.

15.7 WARD IMPLICATIONS

- A briefing note has been circulated to Ward members to make them aware of the proposals

15.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS

NA

15.9 IMPLICATIONS FOR CORPORATE PARENTING

NA

15.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

- The Council is registered with the information Commissioners Office (ICO). Information about how the Council uses information is referred to in the general 'Privacy Notice' on the Council's website.
- Individual trader's personal data will be managed in connection with this scheme. The legal basis for holding the data is contractual and relates to tenancy agreements. General Data Protection Regulation (GDPR) principles relating to individual's rights will be fully respected.
- The Markets Service will undertake a Privacy Impact Assessment to identify data protection and information security matters arising from the proposal.

16. NOT FOR PUBLICATION DOCUMENTS

- The Council and the Executive are satisfied that, in view of the financial and business content of **Appendix 2**, the public interest in maintaining the exemption outweighs the public interest in disclosing the report.
- The rationale behind this decision is based upon the fact that the report includes:
 - Details relating to the option to purchase the required site on Darley Street and the redevelopment of the vacated Oastler site, which could undermine the Council's ability to negotiate the best option and price for these sites. The Report contains details relating to the anticipated redevelopment plans and costs of the new market sites, which could undermine the Authority's ability to tender the works at the most reasonable price.
 - Further the Report also contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings in relation to legal advice provided relating to the leasehold interests on the Oastler Centre site and Kirkgate Market.
 - On this basis, this appendix is not for publication as its publication would prejudice the Council securing Best Value for purchase options, construction costs and assets disposal incomes.

17. OPTIONS

The following options have been reviewed:

17.1 Both markets continuing without any capital investment (do nothing):

- This would lead to a significant fall in income to the Markets Service and could ultimately lead to the closure of both markets.
- Loss of footfall could significantly impact on city centre businesses (currently estimated at around 3.4million per year for both markets).

17.2 Develop a food focused market on Darley Street and redevelop the existing Kirkgate Market within the Kirkgate Centre:

- Feasibility studies show that a market could be accommodated on Darley Street, however this is subject to purchasing a site within budget.
- Creation of a food focused market could help to regenerate Darley Street and improve access to Piccadilly.

17.3 Create a consolidated market to include food and non-food:

- A single market would enable traders to be located in one building and a focus for all city centre market activities.
- The cost of building a consolidated market could stretch the potential budget and could be unaffordable.
- The Kirkgate Market is one of the anchor businesses in the Kirkgate Centre.

Relocating the market could impact negatively on the Kirkgate Centre.

17.4 The Markets Relocation Project Board are currently following the second option subject to building acquisition and leasehold negotiations with owners of the relevant buildings.

18. RECOMMENDATIONS

18.1 This report seeks Executive acknowledgment of progress to date and permission to move to RIBA design stage 3.

18.2 The Executive is asked to approve the budget and to endorse the funding of the works from existing capital funding already set aside for markets, the markets revenue reserve, and prudential borrowing to be repaid from annual corporate revenue funding retained by markets for funding capital expenditure.

18.3 The Executive is asked to note the planned works and authorise the Portfolio Holder, Strategic Director of Place and the Strategic Director for Corporate Resources to approve variations within the agreed budget envelope.

18.4 As regards Not for Publication Appendix 2 the Executive is recommended to authorise the Assistant Director, Estates and Property to i) complete negotiations for the property interests referred to, ii) serve the statutory notices referred to and iii) enter into negotiations for the property interest referred to.

18.5 The Executive is recommended to approve the exercise of Compulsory Purchase powers as necessary to secure vacant possession of the freehold interest of the property referred to.

19. BACKGROUND DOCUMENTS

Appendix 1 - Market Design Visualisation

Appendix 2 – Detailed Financial Appraisal (Not for Publication)



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Joint Report of the Directors of Place and Corporate Resources to the meeting of the Executive to be held on 10 July 2018

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Subject:

The Bereavement Strategy

Summary statement:

A progress update on delivery of the adopted Bereavement Services Strategy together with an overview of other issues arising from the development of a corporate Bereavement Strategy to include the Forensic Science Centre and Coroner Services.

Appendices 2, 3 and 4 of this report are not for publication.

Steve Hartley – Director of Place
Parveen Akhtar – Interim Director
Corporate Resources

Portfolio:

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Overview & Scrutiny Area:

Regeneration and Environment

1 SUMMARY

A progress update on delivery of the adopted Bereavement Services Strategy together with an overview of other issues arising from the development of a corporate Bereavement Strategy to include the Forensic Science Centre and Coroner Services.

2 BACKGROUND

The Executive adopted a strategy for the Bereavement Service in November 2016 covering future development of the Council's cemeteries and crematoria with an indicative capital requirement of £17m. It is now recognised that a more extensive strategy is required to cover all Council services dealing with bereavement including both the Forensic Science Centre and Coroner services. This report offers an update on progress of the delivery plan for the Bereavement Service whilst introducing key issues within the wider services as part of the emerging Bereavement Strategy.

2.1 The Bereavement Service

2.1.1 Crematoria

Some 80% of the Bereavement Service's funeral activity relates to cremation (circa 3000 annually) through the 3 existing crematoria all of which are aged with all cremators beyond their recommended life span. The districts existing six cremators, three at Scholemoor, two at Nab Wood and one at Oakworth together with the ancillary equipment are almost 20 years old and are operating 4 years beyond the manufacturer's stated working life.

The cremators fail to comply with DEFRA's current air quality emission requirements as they are not fitted with mercury abatement equipment, requiring the Council to purchase 'credits' under the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) scheme.

The key recommendations within the bereavement strategy therefore relate to the provision of sustainable, modern, fit for purpose crematoria to enhance the service provision for the District's residents. The current footprint of Nab Wood crematorium cannot be significantly expanded and is insufficient to allow upgrade without a total rebuild. Scholemoor crematorium could be extended although costs would be higher due to its heritage listing. This location is also surrounded by an inadequate highway network with issues of immediate access and egress to the site which is a well-used cemetery and this has a significant impact on funeral parties using the crematorium.

The preferred delivery method is to build two new crematoria to replace Scholemoor and Nab Wood facilities, whilst Oakworth will be refurbished. Should any of the existing crematoria be decommissioned, appropriate uses will be identified for the buildings and the surrounding cemeteries will remain open and maintained to allow the public to continue to pay respects to loved ones.

Table top assessment has identified two potential sites for new provision in the south of Bradford and three possible sites in Shipley/Keighley, a total of five potential sites across the District. Options have been limited due to the Cremation

Act 1902 not allowing building of a crematorium within 200 yards of a dwelling house except with the consent of the landlord, tenant and occupier of the house or within 50 yards of any public highway.

Three of the 5 sites identified are located on privately owned land and, as detailed in section 8 below, are not for publication as their publication would prejudice the Council securing Best Value for purchase options and construction costs. However, in the public interest, the 2 Council owned sites are named.

The two potential southern sites are an area of privately owned land central to the target area and Littlemoor Park although both sites have a number of known issues which may render either as unsuitable during detailed design and planning processes. Both sites will require investment in local highway infrastructure.

Three sites are under consideration for the replacement of Nab Wood crematorium, all being within 2 miles of this busiest of all the existing facilities. Two of these sites are privately owned and the other is Northcliffe Park.

The preference is to pursue the purchase of private land for the development of the crematoriums and this will be progressed in the first instance. It should be noted that Littlemoor Park and Northcliffe Park are held in separate Charitable Trusts. The area of restricted land required for the Crematoria facilities on these two sites is estimated at 20% and 5% of the total areas of Littlemoor Park and Northcliffe Park respectively. Procurement of the necessary land would require both Charity Commission & Trustee approval.

Given that the Nab Wood replacement sites are all central to the District, there is a clear business case for retaining and refurbishing the existing facility at Oakworth.

2.1.2 Cemeteries

Sufficient space exists within the Council's cemeteries to cover existing levels of burial activity for some 30 years, with the exception of Muslim burials at Scholemoor for which there is currently 2 to 3 years of burial space available. The delivery plan proposes conversion of further land at Scholemoor to increase this provision to 8-10 years.

The need for new cemetery provision beyond 10 years is recognised for both Muslim burial and more generally within the Shipley/Keighley corridor.

2.1.3 Muslim Burial Ground Lease

The existing lease with the Council for Mosques originates from the mid-1980s and requires updating. Officers and members are keen to progress this matter to an early conclusion.

Future proofing Muslim Burial provision for 8-10 years will require investment at Scholemoor Cemetery to prepare additional land for burial use.

OTHER CONSIDERATIONS

3.1 The Bereavement Service

The delivery of improved and sustainable crematoria services is now business critical due to the condition and age of the existing facilities and cremators. However, the lack of ideal sites for new crematoria, particularly within the south of Bradford, is challenging and likely to exert significant pressure upon historic estimated costs.

There is a clear need to further improve the Burial Service provided to the Muslim Community through agreement of a more comprehensive, transparent and financially balanced land lease.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 The Bereavement Service

The adopted Strategy identified a compelling case for significant and immediate capital investment in the Council's Crematoria to ensure that the residents of Bradford District retain a service that is fit for purpose. A planned and phased approach to such investment is required to mitigate against the possibility of partial service failure causing further significant pressure on the quality of service delivered.

The Capital Programme agreed by Executive in November 2016 to deliver the Bereavement Services Strategy was estimated at £17m to cover the following service developments:-

- Extension of Muslim Burial Ground at Scholemoor Cemetery
- Refurbishment of Oakworth Crematory
- Two new crematoria to replace Scholemoor and Nab Wood

In seeking approval to proceed to the first stage of the crematoria design and build process, it has been necessary to set aside £250k to procure external specialists to complete the feasibility stage; this was provided for at 2017/18 year-end from reserves.

The programme is expected to be delivered in a number of stages over a 5 year period. The first phase of the programme involves the work to the Muslim burial ground and the refurbishment of the crematory at Oakworth crematorium. A business case is being prepared to identify the final cost of this initial stage for approval.

4.2 Coroner's Court and Office Accommodation

Appendix 3 contains a Not for Publication report concerning the Coroner's Court and Office Accommodation needs.

4.3 Forensic Science Centre

Appendix 4 contains a Not for Publication report concerning the Forensic Science Centre.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 The Bereavement Service

- 5.1.1 Any significant and lengthy failure in the provision of a cremation service would cause both reputational and also financial damage to the Council.
- 5.1.2 There is a reputational risk to the Council if a revised lease cannot be completed with the Council for Mosques
- 5.1.3 It is likely that the estimated project costs contained within the strategy will be inadequate given the discovered issues at all of the potential crematoria sites. Proposed specialist research and design activity will provide robust and reliable project costs to allow informed decisions to be made prior to build.
- 5.1.4 In addition to the feasibility study, a business case is required to test that the estimated capital investment of £17m is cost neutral over a 15-20 year period when set against the projected annual financial revenues.
- 5.1.5 The scheme has been referred to the Council's taxation advisor in order for VAT and the council's VAT partial exemption risks to be accounted for.
- 5.1.6 Before the Council legally commits to each stage of the project, a further report, including a full review of the cost modelling together with all risks and the actions proposed to mitigate these risks, will be brought to the Council's Project Appraisal Group (PAG) for consideration.

6. LEGAL APPRAISAL

- 6.1 Under the Local Government Act 1972 and the Local Authorities Cemeteries Order 1977 a local authority may provide and maintain cemeteries.
- 6.2 Section 4 of the Cremation Act 1902 provides that a Burial Authority's powers to provide and maintain burial grounds or cemeteries or anything ancillary or incidental to the provision of cemeteries shall be deemed to extend to the provision and maintenance of crematoria. This legislation provides for a local authority to own and operate cemeteries and crematoria and charge such fees as they see fit. In addition to this, the legislation extends to statutory requirements for keeping registers for burial and cremation together with site plans.
- 6.3 The Cremation (England & Wales) Regulations 2008 also requires that a cremation authority must ensure that a crematorium is maintained in good working order.
- 6.4 Further, the cremation of human remains is also governed by the Environmental Protection legislation with regard to emissions from cremator operation. The level of emissions must be recorded to allow annual certification by the local Environmental Health office. Crematoria across England & Wales have been required to abate emissions of Mercury by 50% (of 2003 levels) since 31 December 2012.
- 6.5 A full feasibility analysis including title and deed investigation, consultation with any interested parties and confirmation that planning and environmental health are satisfied in policy and regulatory terms is required before any new sites for the

crematoria can be recommended for approval. .

- 6.6 All procurement activity must be undertaken in accordance with Council's Contract Standing Orders and in line with internal governance requirements.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The Bereavement Services Strategy aims to deliver the objectives of the Council's Organisational Equalities Culture by ensuring services are well run, fit for purpose, and fair and inclusive in their approach.

The Strategy recognises and supports equality of opportunity between different groups, particularly religious in nature, through provision of relevant, accessible and in some cases bespoke services.

An Equality Impact Assessment is included at Appendix 1

7.2 SUSTAINABILITY IMPLICATIONS

The strategy seeks to deliver the most sustainable service achievable over a 15-20 year period and beyond through a programme of capital investment.

The proposed new crematoria will be designed to include energy reduction and recovery systems together with more efficient cremators to reduce both fuel use and carbon footprint.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The Council's 6 cremators currently fail to comply with DEFRA's air quality emission requirements as they are not fitted with mercury abatement equipment. The strategy, when implemented in full, will include filtration equipment to all cremators in line with these regulations which aim to abate emissions of Mercury by 50% (of 2003 levels).

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no known Community Safety Implications arising from this report.

7.5 HUMAN RIGHTS ACT

There are no known Human Rights Implications arising from this report.

7.6 TRADE UNION

There are no significant staffing implications arising from this report although the Trade Unions will be consulted as required through the Council's IR Framework.

7.7 IMPLICATIONS FOR CORPORATE PARENTING

There are no known corporate parenting implications arising from this report.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

Implementation of the Bereavement Service strategy will not affect the current and compliant processes in place to ensure privacy of personal data in accordance with the legislation in place.

8. NOT FOR PUBLICATION DOCUMENTS

8.1 Appendices 2, 3 and 4 of this Report are not for publication.

8.2 In view of the financial and business content of Appendices 2, 3 and 4, the public interest in maintaining the exemption outweighs the public interest in disclosing the details contained within those Appendices...

8.2 The rationale behind this decision is based upon the fact that the information contained within those Appendices includes:

- details relating to the option to acquire sites for new crematoria in the district, which could undermine the Council's ability to negotiate the best option and price for these sites.
- details relating to the anticipated development plans and costs for the Coroner's Service, which could undermine the Authority's ability to negotiate the best options at the most reasonable price.

8.3 On this basis, the stated Appendices are not for publication as their publication would prejudice the Council securing Best Value for purchase options, construction costs and could prejudice the Council's position with regard to future negotiations in relation to the Coroner's service..

9. OPTIONS

9.1 Bereavement Services Strategy

New Crematoria

Two of the five identified sites need to be progressed to deliver the new facilities and the following options are available to achieve this end:-

9.1.1 Select one site each for 'south' and 'central/north' new crematoria and procure external specialist resources to complete feasibility stage, deliver progress to RIBA stage 3 and, subject to further approval, design and build the facilities.

Given the current known issues with all 5 of the sites, selection of only two might not deliver best value and could cause further delay in new provision.

9.1.2 Take forward all 5 sites and procure external specialist resources to complete feasibility stage on all 5, and, subject to further approval, deliver progress to RIBA stage 3 for the design and build of the two selected new facilities.

Whilst more expensive in terms of detailed feasibility, will allow selection of the most advantageous schemes in terms of value and timescale.

Burial Ground Lease

- 9.1.3 Continue to negotiate a revised lease with CfM within a defined time period prior to providing in-house delivery if necessary.

Gives maximum opportunity for improvement to, and continuation of, an arrangement that has been proved to deliver a bespoke service to meet the cultural and religious needs of the Muslim community.

Oakworth Crematorium Upgrade

- 9.1.4 Upgrade the crematory at Oakworth Crematorium at the earliest opportunity

Early upgrade will not only demonstrate the Council's commitment to reduction of mercury emissions but also offer a level of service resilience should either of the other two facilities suffer significant failure prior to new build. A pre-planned upgrade during the quietest period of activity will lower the risk of failure at other facilities resulting from the increased workload.

- 9.1.5 Upgrade the crematory at Oakworth Crematorium after the proposed new facility replacement for Nab Wood is commissioned.

Delay in upgrade will increase the risk of lengthy closure of this facility due to a significant failure of its single cremator. The consequent additional levels of activity transferring to Nab Wood/Scholemoor will increase the risk of similar failure at one of these major facilities. The Council will continue to pay the maximum annual fee for failing to comply with mercury emission regulations until the first new build is commissioned.

10. RECOMMENDATIONS

It is recommended that the Executive:-

- 10.1 Approve the procurement of external specialist resources to complete the feasibility stage for all 5 identified sites and subject to further approval, deliver progress to RIBA stage 3 for the design and build of two new crematoria. (option 9.1.2)
- 10.2 Authorise the Director of Place to negotiate a revised lease with Bradford Council for Mosques by the end of 2018 (option 9.1.3)
- 10.3 Subject to the requirements of recommendation 10.1.2 being delivered, authorise the Director of Place to open negotiations with Bradford Council for Mosques to determine a lease/licence for the new burial space being developed at Scholemoor cemetery.
- 10.4 Delegate approval of spend to the Director of Place in consultation with the S151 officer for the extension of Scholemoor Cemetery to create additional burial space at the earliest opportunity.
- 10.5 Delegate approval of spend to the Director of Place in consultation with the S151 officer to upgrade the crematory at Oakworth Crematorium, to include mercury abatement, at the earliest opportunity (option 9.1.4)

- 10.6 As regards Not for Publication Appendix 3 approve the relocation of the Coroner's Service in accordance with the details outlined and authorise the Interim Strategic Director Corporate Resources in consultation with the Leader to take all necessary steps to implement the decision.
- 10.7 As regards Not for Publication Appendix 4 approve the recommended course of action with regard to the service outlined and authorise the Interim Strategic Director Corporate Resources in consultation with the Leader to take all necessary steps to implement the decision (that decision to be exempted from call-in owing to the prejudice caused by delay).

11. APPENDICES

- 1 Equality Impact Assessment – Bereavement Services
- 2 Appendix 2 Bereavement Service confidential Information not for publication concerning potential sites for new crematoria.
- 3 Appendix 3 Not for Publication report concerning the Coroner's Court and Office Accommodation needs.
- 4 Appendix 4 Not for Publication report concerning the Forensic Science Centre.

12. BACKGROUND DOCUMENTS

Bereavement Services Strategy 2016-2031

Appendix 1 – Bereavement Services Strategy EIA

Equality Impact Assessment Form

Reference –BerSerStrat

Department	Place	Version no	1.0
Assessed by	John Scholefield	Date created	May 2018
Approved by		Date approved	
Updated by		Date updated	
Final approval		Date signed off	

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.

The Bereavement Services Strategy

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

A strategy covering the future provision of burial and cremation services beyond 2030. The main elements of the proposed delivery plan cover improved crematoria facilities, infrastructure repairs to cemeteries, continuation of an improved Muslim burial service and changes to the council's memorial policy.

The level of capital expenditure required to improve crematoria provision may result in above inflation rises in the charge for cremations.

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.

Service improvements in the partnership agreement for Muslim Burial Grounds should enhance the existing high level of opportunity for this particular community to receive a burial in line with their faith and customs.

There will be new facilities as a result of the changes proposed which will benefit the whole community and provide for several faith groups, increasing community services for people with the protected characteristics.

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.

Not applicable

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

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	N
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N
Sex	N
Marriage and civil partnership	N
Additional Consideration:	
Low income/low wage	L

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

Bradford’s charges for cremation remain significantly lower than the West Yorkshire Council average and reflect, to an extent, the quality of the existing provision. Any potential future price increases will be determined with due consideration of those of neighbouring facilities to ensure they remain proportionate in terms of the quality of provision and also the comparative affordability of the service to the community.

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.

None

Section 4: What evidence you have used?

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

- Comparative local charges over 5 years
- Knowledge of rationale behind above inflation price changes in recent years

4.2 Do you need further evidence?

The current level of knowledge is regarded as sufficient to support this analysis

Section 5: Consultation Feedback

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

There are no known specific consultation results for the Bereavement Services Strategy although there has been corporate consultation over above inflation price rises over the past 4 years.

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

None required

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

Awaited

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.

N/A