

Public Document Pack



Department of Corporate Resources

Members of Council

Committee Secretariat

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Contact: Guy Close
Email: guy.close@bradford.gov.uk
Your Ref: GC/Council

Date: 15 February 2023

Dear Councillor,

MEETING OF COUNCIL – THURSDAY, 23 FEBRUARY 2023

You are requested to attend the meeting of the Council to be held in the Council Chamber - City Hall, Bradford, on Thursday, 23 February 2023 at 4.00 pm

The agenda for the meeting is set out overleaf.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. I. Ibrahim'. The signature is fluid and cursive, with a long horizontal flourish at the end.

Asif Ibrahim
Director of Legal and Governance

Notes:

- A webcast of the meeting will be available to view live on the Council's website at <https://bradford.public-i.tv/core/portal/home> and later as a recording.
- 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 at the meeting should be aware that they may be filmed or sound recorded.
- The Fire Bell and Evacuation Procedure requires people to leave the building in an orderly fashion by the nearest exit, should the fire alarm sound. No one will be allowed to stay or return until the building has been checked.

Members are reminded that under the Members' Code of Conduct, they must register within 28 days any changes to their financial and other interests and notify the Monitoring Officer of any gift or hospitality received.

AGENDA

A. PROCEDURAL ITEMS

1. DISCLOSURES OF INTEREST

1 - 24

(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 must consider their interests, and act according to the following:*

Type of Interest

You must:

Disclosable Pecuniary Interests

Disclose the interest; not participate in the discussion or vote; and leave the meeting unless you have a dispensation

Other Registrable Interests (Directly Related)

OR

Non-Registrable Interests (Directly Related)

Disclose the interest; speak on the item only if the public are also allowed to speak but otherwise not participate in the discussion or vote; and leave the meeting unless you have a dispensation

Other Registrable Interests (Affects)

OR

Non-Registrable Interests (Affects)

Disclose the interest; remain in the meeting, participate and vote unless the matter affects the financial interest or well-being

(a) to a greater extent than it affects the financial interests of a majority of inhabitants of the affected ward, and (b) a reasonable member of the public knowing all the facts would believe that would affect your view of the wider public interest;

in which case speak on the item only if the public are also allowed to speak but otherwise do not participate in the discussion or vote; and leave the meeting unless you have a dispensation

- (2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (3) 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.*
- (4) Officers must disclose interests in accordance with Council Standing Order 44.*

In addition, to receive and consider a report from the Council's Monitoring Officer, which requests the Council to grant a dispensation to all Members who have certain Disclosable Pecuniary Interests, as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, in the decision to approve the budget and to set the level of Council Tax and Business Rates for 2023/24 during the Budget Council meeting on 23 February 2023.

Recommended:

That Council:

- 1) **Grants a dispensation to the Members of the Authority who have requested one, to enable them to participate in full in the decision to approve the budgets for 2023/24 and to set the Council Tax and Business Rates for 2023/24.**
- 2) **Approves the dispensation for a period of 2 years until 23 February 2024.**
- 3) **Notes the Monitoring Officer's advice that personal interests that may give rise to a perception of a conflict of interest shall not prevent Members from speaking and voting at the Budget meetings.**

2. MINUTES

Recommended – That the minutes of the meeting held on 24 January 2023 be signed as a correct record (previously circulated).

(Guy Close – 07811 503906)

3. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

(Guy Close – 07811 503906)

**4. WRITTEN ANNOUNCEMENTS FROM THE LORD MAYOR
(Standing Order 4)**

(To be circulated before the meeting).

5. 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.

(Guy Close – 07811 503906)

B. BUSINESS ITEMS

6. **MEMBERSHIP OF COMMITTEES AND JOINT COMMITTEES
(Standing Order 4)**

To consider any further motions (i) to appoint members to a Committee or a Joint Committee; or (ii) to appoint Chairs or Deputy Chairs of Committees (excluding Area Committees).

7. **RECOMMENDATIONS FROM THE EXECUTIVE AND COMMITTEES
(Standing Order 15)**

To consider any recommendations arising from meetings of the Executive and Committees.

(Guy Close – 07811 503906)

8. **RECOMMENDATIONS FROM THE EXECUTIVE - BUDGET 2023/24** 25 - 260

The Executive at its meeting on 21 February 2023 will make recommendations to Council on the Budget for 2023/24.

The following reports are submitted:

- (i) 2023/24 Budget Update

The report of the Director of Finance (**Executive Document AP**) provides an update on the 2023/24 budget position following national announcements outlined in the Provisional Local Government Settlement (20 December 2022), and the impact following the setting of the Council Tax and Business rates bases for 2023/24.

(Andrew Cross – 07870 386523)

- (ii) The Council's Revenue Estimates for 2023-24

The report of the Director of Finance (**Executive Document AU**) provides details of the Council's Revenue Estimates for 2023/24.

(This report may need updating following the meeting of the Executive on Tuesday, 21 February 2023)

(Andrew Cross – 07870 386523)

- (iii) Allocation of the Schools' Budget 2023/24 Financial Year

The report of the Director of Finance (**Executive Document AV**) seeks approval of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant for 2023/24.

(This report may need updating following the meeting of the Executive on Tuesday, 21 February 2023)

(Andrew Redding – 01274 432678)

(iv) Capital Investment Plan 2023/24 to 2026/27

The report of the Director of Finance (**Executive Document AW**) proposes the Capital Investment Plan for 2023/24 to 2026/27 and an updated Capital Strategy for 2023/24.

(This report may need updating following the meeting of the Executive on Tuesday, 21 February 2023)

(Lynsey Simenton – 07582 102779)

(v) Housing Revenue Account

The report of the Director of Finance (**Executive Document AX**) presents Council with the recommendations agreed by Executive on 31 January 2023 in relation to the re-opening of the Housing Revenue Account (HRA) on 1 April 2023 and the budget proposals.

(This report may need updating following the meeting of the Executive on Tuesday, 21 February 2023)

(Arfat Lohn – 07866 887377)

(vi) 2023/24 Budget Proposals and Forecast Reserves – Section 151 Officer Assessment

The report of the Director of Finance (**Executive Document AY**) sets out the Section 151 Officer's assessment of the proposed budget for the financial year 2023/24, the adequacy of the forecast level of reserves and associated risks.

(The assessment of the Executive's recommendations to Council on the budget may require updating following the meeting of the Executive on Tuesday, 21 February 2023)

(Chris Kinsella – 07890 418367)

Note: In view of the short timescale between the Executive meeting on Tuesday, 21 February 2023 and the meeting of Council on Thursday, 23 February 2023, the budget recommendations from the Executive to Council will be e-mailed to all Members of Council following the Executive meeting on 21 February 2023 and will be published on the Council's website. The recommendations will also be circulated at the Council meeting.

REPORT OF THE MONITORING OFFICER

APPLICATIONS FOR DISPENSATION

SECTION 33 OF THE LOCALISM ACT 2011

THE RELEVANT AUTHORITIES (DISCLOSABLE PECUNIARY INTERESTS) REGULATIONS 2012

23 February 2023

1.0 Purpose of Report

1.1 To request the Council to grant a dispensation to all Members who have certain Disclosable Pecuniary Interests, as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, in the decision to approve the budget and to set the level of Council Tax and Business Rates for 2023/24 during the Budget Council meetings on 23 February 2023.

2.0 Background

2.1 Under the Localism Act 2011 and the Members' Code of Conduct adopted by Bradford Council, a Member is required to consider whether he/she has a Disclosable Pecuniary Interest (DPI) in a matter to be considered at a formal meeting of the Authority. Dependent upon whether the DPI is included within their Register of Interests, Members are then required to disclose the interest to the meeting. In either case they may then not speak or vote on the matter concerned.

2.2 In the decision to approve the budget and to set the level of Council Tax and Business Rates for 2023/24 there are a number of categories of interest which give rise to the need for a declaration of a DPI.

These include the following:

- Property Ownership/ Licences / Corporate Tenancies
- Employment or Business Interests
- Sponsorship/ Membership of Organisations
- Contracts

2.3 Guidance from the then DCLG ("Openness and Transparency on personal interests – a guide for councillors", September 2013) states that any payment of, or liability to pay Council Tax does not create a Disclosable Pecuniary Interest. Accordingly, Members who pay or are liable to pay Council Tax do not require a dispensation to take part in the business of setting the Council Tax or precept or local arrangements for Council Tax support.

2.4 The DCLG guidance does not extend to similar issues arising with National Non-Domestic Rates, however, the same arguments would apply, namely that a payment of business rates, or a liability to pay business rates relating to employment or business interests would not itself create a Disclosable Pecuniary Interest.

- 2.5. All Councillors have completed their Registers of Interests as required by the Localism Act 2011 and, as such, Councillors have declared Disclosable Pecuniary Interests. Those interests are a matter of public record and available for public inspection and on-line.
- 2.6 Council on 17 February 2022 approved dispensations for two years, including 2023/24. The matter is being reported again to Council to ensure all changes in the matter of Councillors' disclosable pecuniary interests are approved for the purposes of a dispensation.

3.0 Issues

3.1 Section 31 (4) of the Localism Act 2011 states that where a Member is present at a meeting of an Authority and has a Disclosable Pecuniary Interest in any matter to be considered, they may not:

- participate, or participate further, in any discussion of the matter at the meeting, or
- participate in any vote, or further vote, taken on the matter at the meeting.

If a Member fails to comply with these requirements, they would potentially commit a criminal offence.

3.2 Section 33 of the Act provides that on written request the Authority may grant a dispensation relieving the Member from either or both of the above restrictions.

3.3 The Act allows the Council to grant a dispensation in the following circumstances for a specified period of time not exceeding 4 years.

- (i) The number of Members having DPis in a matter is so great a proportion of the Council that it would impede the transaction of the business;
- (ii) That, without the dispensation, the representation of different political groups on the Council would be so upset as to alter the outcome of any vote on the matter;
- (iii) That the Authority considers that the dispensation is in the interests of persons living in the Authority's area;
- (iv) That the Authority considers that it is otherwise appropriate to grant a dispensation.

In the circumstances it is considered that the requests for dispensation fall into all four categories set out above.

3.4 Due to the number of Councillors who have a relevant Disclosable Pecuniary Interest there is a real risk that without a dispensation, a significant number of Councillors would be required to declare an interest and as such be prevented from participating in the decision making process. The lack of the ability for a significant number of Councillors to participate could have the impact of either making the

Council meeting inquorate or upsetting the political balance of the meeting at which the decision is to be made.

- 3.5 It is in the interests of the citizens of the Bradford District that they are represented by their democratically elected Councillors at the debate to approve the budget and to set the Council Tax. These are the most important decisions taken by Council and it is therefore imperative that constituents are not disenfranchised by the provisions of the Localism Act 2011 relating to Disclosable Pecuniary Interests.
- 3.6 The Council's Code of Conduct also requires that where a Member has another interest in a matter to be discussed which should be declared in the public interest, it should be declared at the meeting. In circumstances where the interest may give rise to a perception of a conflict of interest in the matter, the Member must consider whether continued participation in the matter would be reasonable.
- 3.7 On the same grounds as the case for dispensations in respect of DPis, I advise that Members who have personal interests where there is or may be a conflict of interest should also not be prevented from speaking and voting at Budget Council owing to the number of Councillors likely to be affected.
- 3.8 Attached as an appendix is a schedule of Members DPis (part A) and a schedule of personal interests (part B). Council is requested to grant dispensations under s33 of the Localism Act to permit Members to speak and vote at the Budget meetings. It is also recommended that the dispensations continue in force until 23 February 2024.

4.0 Legal Implications

- 4.1 The Localism Act enables the Council to consider applications for dispensations in the accordance with the grounds referred to above. In order to grant a dispensation, the Council needs to be satisfied that on the information available, the application meets one or more of the criteria for dispensations set out above.

5.0 Conclusions

- 5.1 In the circumstances, the Monitoring Officer is satisfied that the criteria are met and considers it appropriate for the Council to grant a dispensation to those Members of Council who have requested such dispensations for a period of two years so as to enable all Members to participate in the decision to approve the Council budget and the setting of the Council Tax and Business Rates for 2023/24.

6.0 Recommendation

That Council:

1. Grants a dispensation to the Members of the Authority who have requested one, to enable them to participate in full in the decision to approve the budgets for 2023/24 and to set the Council Tax and Business Rates for 2023/24.
2. Approves the dispensation for a period of 1 year until 23 February 2024.

3. Notes the Monitoring Officer's advice that personal interests that may give rise to a perception of a conflict of interest shall not prevent Members from speaking and voting at the Budget meetings.

Asif Ibrahim
Monitoring Officer

23 February 2023

**BUDGET COUNCIL MEETING
23 FEBRUARY 2023**

**Pecuniary
Interests**

Appendix "A"

List of Elected Members recommended to be granted dispensations under the Localism Act 2011 in relation to their declared Disclosable Pecuniary Interests relating to employment, sponsorship, contracts, land, tenancies and licences for the purposes of speaking and voting at the Budget Council meeting on 23 February 2023.

EMPLOYMENT

| <u>Labour</u> | <u>Con</u> | <u>Lib Dem</u> | <u>Green</u> | <u>Bfd Ind</u> | <u>Ilkley Ind</u> | <u>Bfd South Ind</u> |
|---------------|------------|----------------|--------------|----------------|-------------------|----------------------|
| Amran | Brown | Knox | Edwards | Elahi | | |
| Berry | K Green | | Hickson | Sajawal | | |
| Cunningham | Loy | | | | | |
| Dodds | | | | | | |
| T Hussain | | | | | | |
| Imran Khan | | | | | | |
| Lal | | | | | | |
| Salam | | | | | | |
| Shaheen | | | | | | |
| Tait | | | | | | |
| Thornton | | | | | | |
| Walsh | | | | | | |
| Wood | | | | | | |

SPONSORSHIP

| <u>Labour</u> | <u>Con</u> | <u>Lib Dem</u> | <u>Green</u> | <u>Bfd Ind</u> | <u>Ilkley Ind</u> | <u>Bfd South Ind</u> |
|---------------|------------|----------------|--------------|----------------|-------------------|----------------------|
| Azam | F Ahmed | Griffiths | Edwards | | | |
| Choudhry | Coates | Naylor | Love | | | |
| Cunningham | K Green | Stubbs | Watson | | | |
| Dodds | Herd | J Sunderland | Whitaker | | | |

SPONSORSHIP (CONT)

| <u>Labour</u> | <u>Con</u> | <u>Lib Dem</u> | <u>Green</u> | <u>Bfd Ind</u> | <u>Ilkley Ind</u> | <u>Bfd South Ind</u> |
|--|----------------|----------------|--------------|----------------|-------------------|----------------------|
| Engel Godwin Hayden Hinchcliffe I Hussain M Hussain Jabar Jamil Lintern Slater Walsh Wheatley Wood | Loy Poulsen | | | | | |

CONTRACTS

| <u>Labour</u> | <u>Con</u> | <u>Lib Dem</u> | <u>Green</u> | <u>Bfd Ind</u> | <u>Ilkley Ind</u> | <u>Bfd South Ind</u> |
|--|---------------------|----------------|--------------|----------------|-------------------|----------------------|
| Azam Green Salam Shaheen Walsh | Mohammed D Smith | | | | | |

BUDGET COUNCIL MEETING
23 FEBRUARY 2023

Pecuniary
Interests

Appendix "A"

LAND

| <u>Labour</u> | <u>Con</u> | <u>Lib Dem</u> | <u>Green</u> | <u>Bfd Ind</u> | <u>Ilkley Ind</u> | <u>Bfd South Ind</u> |
|---------------|------------|----------------|--------------|----------------|-------------------|----------------------|
| A Ahmed | F Ahmed | R Ahmed | Edwards | Elahi | Hawkesworth | Clarke |
| Alipoor | Ali | Griffiths | Hickson | Sajawal | | |
| Amran | Barker | Knox | Love | | | |
| Azam | Bibby | Naylor | Warnes | | | |
| Berry | Birch | Stubbs | Watson | | | |
| Choudhry | Brown | J Sunderland | Whitaker | | | |
| Cunningham | Clarke | | | | | |
| Dearden | Coates | | | | | |
| Dodds | Davies | | | | | |
| Duffy | Felstead | | | | | |
| Engel | Glentworth | | | | | |
| Ferriby | K Green | | | | | |
| Firth | Herd | | | | | |
| D Green | Pollard | | | | | |
| Godwin | Poulsen | | | | | |
| Hinchcliffe | D Smith | | | | | |
| Humphreys | Sullivan | | | | | |
| A Hussain | Winnard | | | | | |
| K Hussain | | | | | | |
| S Hussain | | | | | | |
| T Hussain | | | | | | |
| Iqbal | | | | | | |
| Jabar | | | | | | |
| Jamil | | | | | | |
| Johnson | | | | | | |
| I Khan | | | | | | |
| S Khan | | | | | | |
| Lal | | | | | | |

LAND (CONT)

Labour Con Lib Dem Green Bfd Ind Ilkley Ind Bfd South Ind

Lee
Lintern
Mohammed
Mukhtar
Mullaney
Nazir
Regan
Rowe
Ross-Shaw
Salam
Shafiq
Shaheen
Slater
Tait
Thirkill
Thornton
Walsh
Wheatley
Wood

LICENCES

Labour Con Lib Dem Green Bfd Ind Ilkley Ind Bfd South Ind

D Smith J Sunderland

CORPORATE TENANCIES

Labour Con Lib Dem Green Bfd Ind Ilkley Ind Bfd South Ind

Walsh

SECURITIES

Labour Con Lib Dem Green Bfd Ind Ilkley Ind Bfd South Ind

D Smith

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The following members have disclosed a personal interest in the item on the agenda relating to the Budget 2023 – 24 and of the nature and description indicated by each category:

1. Members with a spouse, partner or close relative in the employment of the Council

Labour

Cllr Ahmed
Cllr Amran
Cllr Dodds
Cllr Firth
Cllr Green
Cllr Kamran Hussain
Cllr Tariq Hussain
Cllr Jabar
Cllr Imran Khan
Cllr Lal
Cllr Nazir
Cllr Slater
Cllr Tait
Cllr Walsh

Conservative

Cllr Brown

Lib Dem

Cllr Stubbs

Green

Cllr Love

The Ilkley Independent

Cllr Hawkesworth

Bradford South Independents

Cllr Majkowski

2. Members employed by or who have a spouse, partner or close relative employed by a voluntary organisation/public body funded by the Council.

Labour

Cllr Cunningham
Cllr Dodds
Cllr Duffy
Cllr Imran Khan
Cllr Lal
Cllr Mullaney
Cllr Shaheen
Cllr Thirkill
Cllr Walsh

Conservative

Cllr Barker
Cllr Brown

Green

Hickson
Warnes

3. Members who occupied land or who had a spouse, partner or relative who did or who were directors of companies or sat on the management committee of an organisation that occupies land under a lease or licence granted by the Council.

Labour

Cllr Cunningham
Cllr Firth
Cllr Jamil
Cllr Imran Khan
Cllr Mullaney
Cllr Ross-Shaw
Cllr Slater
Cllr Walsh

Green

Cllr Edwards

Conservative

Cllr Brown
Cllr D Smith

4. Members of other public authorities.

Adoption Panel

Cllr Berry (Lab)
Cllr Falak Ahmed (Con)

Airedale Drainage Commissioners

Cllr Falak Naz Ahmed (Con)
Cllr Herd (Con)

Airedale Partnership

Cllr Ross-Shaw (Lab)
Cllr Davies (Con)

Airedale NHS Foundation Trust

Cllr Firth (Lab)

Association for Public Service Excellence (APSE)

Cllr Berry (Lab)

Arts Council North

Cllr Hinchcliffe (Lab)

Better Start Bradford

Cllr Jamil (Lab)

Bradford College

Cllr Kyle Green (Con)

Bradford Deaf Community Association

Cllr Akhtar (Lab)
Cllr Iqbal (Lab)

Bradford Economic Partnership

Cllr Hinchcliffe (Lab)
Cllr Ross-Shaw (Alt) (Lab)

Bradford District Care NHS Foundation Trust

Cllr Sabiya Khan (Lab)

Cllr Bibby (Con)

Bradford Partnership (Safeguarding)

Cllr Duffy (Lab)

Bradford Trident

Cllr Elahi (Bfd Ind)

Cllr Salam (Lab)

City Regions Board (LGA)

Cllr Hinchcliffe (VCh) (Lab)

Clayton Community Association

Cllr Thirkill (Lab)

Court of the University of Leeds

Cllr Jamil (Lab)

Drake and Tonson Foundation

Cllr Lintern (Lab)

Fostering Panel

Cllr Aneela Ahmed (Lab)

Cllr Sinead Engel (Lab)

Cllr Debbie Davies (Con)

Harehills Education Trust

Cllr Lintern (Lab)

Cllr Slater (Lab)

Cllr Brown (Con)

Haworth Exhibition Trust

Cllr Godwin (Lab)

Cllr Poulsen (Con)

Joseph Nutter's Foundation

Cllr Lee (Lab)

Cllr Thirkill (Lab)

Keighley Community Local Lead Development (LLD)

Cllr Ali (Con)

Cllr M Hussain (Lab)

Key Cities

Cllr Hinchcliffe (Lab)

Cllr I Khan (Lab)

Keighley College

Cllr Firth (Lab) - Board Member

Leeds Bradford International Airport – Consultative Committee

Cllr Cunningham (Lab)

Cllr Lal (Alt) (Lab)

Leeds City Region Local Enterprise Partnership

Cllr Hinchcliffe (Lab)

Nell Bank Charity

Cllr Ferriby (Lab) – Not appointed by the Council but in her own right.

Cllr Poulsen (Con) – Not appointed by the Council but in her own right.

Northern Acceleration Council

Cllr Hinchcliffe (Lab)

North Regional Association for Sensory Support (NRASS)

Cllr Shaheen (Lab)

Rail North

Cllr Hinchcliffe (Lab)

Rural Action Yorkshire

Cllr Hawkesworth (Ilkley Ind)

Salt Foundation

Cllr Love (Green)

Sir Titus Salt Trust

Cllr Amran (Lab)

Cllr Thirkill (Lab)

Cllr Love (Green)

Southern Pennine Rural Regeneration (Pennine Prospects)

Cllr Godwin (Lab)

Standing Advisory Council on Religious Education (SACRE)

Cllr Nussrat Mohammed (Lab)

Cllr Jabar (Lab)

Cllr Griffiths (Lib Dem)

Transport for the North

Cllr Hinchcliffe (Lab) – Deputy Rep for the West Yorkshire Mayor

University of Bradford – Court

Cllr Hinchcliffe (Lab)

West Yorkshire Combined Authority

Cllr Hinchcliffe (Lab) (Chair) – Lead Leader on Transport

Cllr Poulsen (Con)

Cllr I Khan (Alt) (Lab)

Cllr Davies (Alt) (Con)

West Yorkshire Combined Authority Inclusive Growth and Public Policy

Cllr Ross-Shaw (Lab)

West Yorkshire Combined Authority West Yorkshire & York Investment Panel

Cllr Ross-Shaw (Lab)

West Yorkshire Combined Authority Business Economy and Innovation Committee

Cllr Ross-Shaw (Lab)

West Yorkshire Combined Authority Overview and Scrutiny Committee - Economy

Cllr Ahmed (Lab)

Cllr Iqbal (Lab)

Cllr Felstead (Con)

West Yorkshire Combined Authority Business Investment Panel

Cllr Ross-Shaw (Lab)

West Yorkshire Combined Authority Culture, Arts, Creative Industries Committee

Cllr Ferriby (Lab)

West Yorkshire Combined Authority Employment and Skills Committee

Cllr Imran Khan (Lab)

West Yorkshire Combined Authority Climate, Energy and Environment Committee

Cllr Ferriby (Lab)

West Yorkshire Combined Authority Finance, Resources and Corporate Committee

Cllr Hinchcliffe (Lab)

Cllr Imran Khan (Alt) (Lab)

West Yorkshire Combined Authority Governance and Audit Committee

Cllr Hinchcliffe (Lab)

Cllr Imran Khan (Alt) (Lab)

West Yorkshire Combined Authority Leeds City Region Partnership Committee

Cllr Hinchcliffe (Lab)

Cllr Imran Khan (Alt) (Lab)

West Yorkshire Combined Authority Local Enterprise Board – LCR Enterprise Partnership Board

Cllr Hinchcliffe (Lab)

Cllr Imran Khan (Alt) (Lab)

West Yorkshire Combined Authority Overview & Scrutiny Committee - Corporate

Cllr Thirkill (Lab)

Cllr Winnard (Con)

Cllr Griffiths (Lib Dem)

Cllr Naylor (Alt) (Lib Dem)

West Yorkshire Combined Authority Place Regeneration and Housing Committee

Cllr Ross-Shaw (Lab)

West Yorkshire Combined Authority Overview and Scrutiny - Transport

Cllr Dodds (Lab)

Cllr Firth (Lab)

Cllr Watson (Green)

Cllr Whitaker (Alt) (Green)

West Yorkshire Combined Authority Transport Committee

Cllr Engel (Lab)

Cllr Hassan Khan (Lab)

Cllr Jamil (Lab)

Cllr Salam (Lab)

Cllr P Clarke (Con)

West Yorkshire Combined Authority – Vision Zero Board

Cllr Ross-Shaw (Lab)

West Yorkshire Employers Association

Cllr Duffy

West Yorkshire Fire and Rescue Authority

Cllr Mohammed (Lab)
Cllr Shaheen(Lab)
Cllr Wood (Lab)
Cllr Pollard (Con)
Cllr Riaz Ahmed (Lib Dem)

West Yorkshire Joint Services Committee

Cllr Duffy (Lab)
Cllr Jamil (Alt) (Lab)
Cllr Lal (Alt) (Lab)
Cllr Salam (Alt) (Lab)

West Yorkshire Pension Fund Investment Advisory Panel

Cllr Thornton (Lab)
Cllr Winnard (Con)

West Yorkshire Pension Fund Joint Advisory Group

Cllr Salam (Lab)
Cllr Thornton (Lab)
Cllr Winnard (Con)

West Yorkshire Pension Fund - The Pension Board

Cllr Lal (Lab)
Cllr Shaheen (Lab) – (Through the West Yorkshire Fire Authority)

West Yorkshire Police & Crime Panel

Cllr Engel (Lab)
Cllr Sarfraz Nazir (Lab)
Cllr Sullivan (Con)

Woodroyd Nursery

Cllr Talat Sajawal (Bfd Ind) on the Board as a Trustee for the charity

Yorkshire and Humber – Employers Association

Cllr Tariq Hussain (Lab)

Yorkshire Leaders Board

Cllr Hinchcliffe (Lab)

Yorkshire Libraries and Information

Cllr Ferriby (Lab)

Yorkshire Purchasing Organisation Holding Ltd

Cllr A Thornton (Lab)

Yorkshire Purchasing Organisation Management Committee

Cllr A Thornton (Lab)
Cllr Salam (Alt) (Lab)

Yorkshire Regional Flood & Coastal Committee

Cllr Cunningham (Lab)
Cllr Mohsin Hussain (Alt) (Lab)

Parish and Town Councillors.

Labour

Cllr Hinchcliffe
Cllr Ross-Shaw
Cllr Thirkill

Conservative

Cllr Falak Naz Ahmed
Cllr Peter Clarke
Cllr Felstead
Cllr Herd
Cllr Loy
Cllr Nazam
Cllr D Smith
Cllr Winnard

Green

Cllr Watson
Cllr Whitaker

5. Members who sit on the management committee/ trustee volunteer of a voluntary organisation in receipt of Council Funding.

Labour

Cllr Alipoor
Cllr Berry
Cllr Choudhry
Cllr Dodds
Cllr Ferriby
Cllr Firth
Cllr Hinchcliffe
Cllr Tariq Hussain
Cllr Jabar
Cllr Jamil
Cllr Imran Khan
Cllr Ross-Shaw
Cllr Salam
Cllr Slater
Cllr Tait
Cllr Thirkill
Cllr Walsh

6. Members who are members of a Council funded organisation.

Labour

Cllr Imran Khan
Cllr Thirkill
Cllr Ross-Shaw
Cllr Walsh

Lib Dem

Cllr Ahmed

Green

Cllr Edwards

Conservative

Cllr Brown
Cllr D Smith

The Ilkley Independent

Cllr Hawkesworth

7. Members appointed by the Council to a public body with an interest in the Council's budget

Cathedral Council

Cllr Dodds (Lab)

Community and Arts Umbrella

Cllr Warnes (Green)

Bradford Business Improvement District

Cllr Ross-Shaw (Lab)
Cllr Cunningham (Lab)

Ilkley Business Improvement District

Cllr Ross-Shaw (Lab)

Keighley Business Improvement District

Cllr Ross-Shaw (Lab)

CBMDC Top of the Town Grants Board

Cllr Cunningham (Lab)

8(i) Members who are appointed to external bodies

Abbeyfield The Dales and its associated companies

Cllr D Smith (Con)

Baildon in Bloom

Cllr Pollard (Con)

Baildon Imagination Library

Cllr Davies (Con) (Ch)

Bradford City Challenge Limited

Cllr Mukhtar (Lab) (Director)

Bradford City Challenge Foundation Limited

Cllr Imran Khan (Lab)

Cllr Jamil (Lab)

Bradford Teaching Hospital NHS Trust

Cllr Shaheen (Lab)

Bradford Twin Towns Association

Cllr Lee (Lab)

Cllr D Smith (Con)

Canal Road Urban Village

Cllr Ross -Shaw (Lab)

Canterbury Imagination Library

Cllr D Smith (Con)

City of Bradford – Top of Town Grants

Cllr Cunningham (Lab)

City of Film

Cllr Ferriby (Lab)

Cougarmania Foundation Charity

Cllr Lee (Lab) Committee Member

Exceed Academy Trust

Cllr D Smith (Con)

Friends of Brackenhill Park

Cllr Tariq Hussain (Lab)

Cllr Jabar (Lab)

Great Horton Partnership

Cllr Jabar (Lab)

Hainworth Wood Community Centre

Cllr Firth (Lab)

Cllr Slater (Lab)

Keighley Cougars Foundation Trust

Cllr Lee (Lab)

Keighley Imagination Library

Cllr Firth (Co- Founder) (Lab)

Keighley Place of Sanctuary

Cllr Firth (Lab)

Keighley Town Funds Board

Cllr Ross-Shaw (Lab)

Kirklands (Menston) Trust

Cllr D Smith (Con)

Long Lee Village Hall

Cllr Firth (Lab)

Cllr Slater (Lab)

Patrol Adjudication Joint Committee and BLASJC

Cllr Thirkill (Lab)

Cllr Mohsin Hussain (Alt) (Lab)

ROC Keighley

Cllr Firth (Lab)

Shipley Conservative Association

Cllr Coates (Con) (DCh)

Shipley Town Funds Board

Cllr Ross-Shaw (Lab)

Ummid/Himmat Management Board

Cllr Jabar (Lab)

8(ii) Other Interests

Addingham Environment Group

Cllr Whitaker (Green)

Association of Green Councillors

Cllr Edwards

Cllr Hickson

Cllr Love

Cllr Warnes

Cllr Watson

Cllr Whitaker

Association of Chartered Certified Accountants (Student)

Cllr P Clarke (Con)

Baby Milk Action
Cllr Whitaker (Green)

BMA/Royal College of Pathologists
Cllr Godwin (Lab)

Bradford Amateur Rowing Club
Cllr Hickson (Green)

Bradford Civic Society
Cllr Cunningham (Lab) (Ch)

Bradford Council for Mosques
Councillor Imran Khan (Lab) (President)

Cancer Support Yorkshire
Cllr Coates (Con) (Volunteer/Ambassador)

Charles Rennie Mackintosh Society
Cllr Whitaker (Green)

Chartered Institute of Housing
Cllr Tariq Hussain (Lab)

Chartered Institute of Public Relations
Cllr Firth (Lab)

Childsplay Neighbour Nursery (Ley Top Family Centre)
Cllr Mullaney (Lab)

Childsplay Residential Care
Cllr Mullaney (Lab)

Climate Action Ilkley
Cllr Whitaker (Green)

Climate Action Silsden
Cllr Whitaker (Green)

Compass
Cllr Whitaker (Green)

Dry Stone Walling Association
Cllr Love (Green)

Education and Skills Board of Northern Powerhouse Partnership
Cllr Hinchcliffe (Lab)

Friends of Bingley Pool
Cllr Wheatley (Lab)

Friends of Clayton Park
Cllr Alipoor (Lab) (Trustee)
Cllr Thirkill (Lab) (Ch)

Friends of the Earth
Cllr Whitaker (Green)

Friends of Littlemoor Park
Cllr Johnson (Lab) (Ch)

Friends of Myrtle Park
Cllr Wheatley (Lab)

Friends of Silsden Beck
Cllr Whitaker

Friends of Silsden Town Hall
Cllr Whitaker (Green)

Great Horton Church Cricket Club
Councillor Imran Khan (Lab) (President)

Greenpeace
Cllr Whitaker (Green)
Cllr Wheatley (Lab)

HENRY
Cllr Mukhtar (Lab)

Humanists UK
Cllr Hickson (Green)

Industrial Services Group
Cllr Davies (Con)
Cllr I Khan (Lab)

National Autistic Society
Cllr Whitaker (Green)

National Craft Butchers
Cllr Herd (Con)

New Choices
Cllr Ferriby (Lab)

NHS Trust
Cllr Tariq Hussain (Lab) (Governor)

Plastic Free Silsden
Cllr Whitaker

Rotary Club of Bradford West
Cllr Coates (Con)

Silsden Campaign for the Countryside
Cllr Whitaker (Green)

Silsden Emergency Planning Group
Cllr Whitaker (Green)

The Association of Lib Dem Campaigners and Councillors
Cllr Ahmed
Cllr Griffiths
Cllr Knox
Cllr Naylor

Cllr Stubbs
Cllr J Sunderland

The Green Party
Cllr Whitaker (Green)

Victorian Society
Cllr Whitaker (Green)

UNIONS

Acorn Union
Cllr Hayden (Lab)
Cllr Wheatley (Lab)

British Medical Association Union
Cllr Godwin (Lab)

Community
Cllr Dearden (Lab)
Cllr Hinchcliffe (Lab)
Cllr Jamil (Lab)

Co-operative Party
Cllr Berry (Lab)
Cllr Cunningham (Lab)
Cllr Dodds (Lab)
Cllr Duffy (Lab)
Cllr Engel (Lab)
Cllr Hayden (Lab)
Cllr Hinchcliffe (Lab)
Cllr Lal (Lab)
Cllr Ross- Shaw (Lab)
Cllr Thirkill (Lab)

Equality for Workers Union
Cllr Choudhry (Lab)

GMB

Labour
Cllr Akhtar
Cllr Amran
Cllr Engel
Cllr Green
Cllr Hayden
Cllr Hinchcliffe
Cllr Kamran Hussain
Cllr Shabir Hussain
Cllr Jamil
Cllr Hassan Khan
Cllr Imran Khan
Cllr Lintern
Cllr Rowe
Cllr Tait
Cllr Thornton
Cllr Walsh
Cllr Wheatley

National Education Union

CLlr Mukhtar (Lab)
CLlr Warnes (Green)

PCS Union

CLlr Hayden

Prospect

CLlr Duffy (Lab)

Unison

Labour

CLlr Ahmed
CLlr Azam
CLlr Berry
CLlr Cunningham
CLlr Dodds
CLlr Engel
CLlr Firth
CLlr Hinchcliffe
CLlr Tariq Hussain
CLlr Jabar
CLlr Lal
CLlr Lee
CLlr Mullaney
CLlr Ross-Shaw
CLlr Shafiq
CLlr Shaheen
CLlr Wood

Unite

Labour

CLlr Alipoor
CLlr Azam
CLlr Berry
CLlr Choudhry
CLlr Duffy
CLlr Ferriby
CLlr Hinchcliffe
CLlr Humphreys
CLlr Ibrar Hussain
CLlr Kamran Hussain
CLlr Mohsin Hussain
CLlr Iqbal
CLlr Jamil
CLlr Johnson
CLlr Sabiya Khan
CLlr Mohammed
CLlr Mullaney
CLlr Salam
CLlr Thirkill

University and College Union

CLlr Mukhtar (Lab)

9. Members who are school governors.

Labour

Cllr Duffy
Cllr Ferriby
Cllr Firth
Cllr Godwin
Cllr Jamil
Cllr Mukhtar
Cllr Shafiq
Cllr Tait
Cllr Walsh
Cllr Wood

Conservative

Cllr Zafar Ali
Cllr Brown
Cllr Pollard
Cllr D Smith

Cllr Poulsen – Member of Bronte
Academy Trust

Lib Dem

Cllr Naylor (Parent Governor)

Bradford Independent

Cllr Sajawal

The Bradford South Independents

Cllr Joan Clarke

10. Other Governors and Trustees

Airedale General Hospital
Cllr Firth (Lab) (Councillor
Governor)

Beacon Recovery
Cllr Walsh (Lab) (Trustee)

Bradford Amateur Rowing Club
Cllr Hickson (Green)

Bradford Teaching Hospital Trust
Cllr Ibrar Hussain (Lab) Public Governor

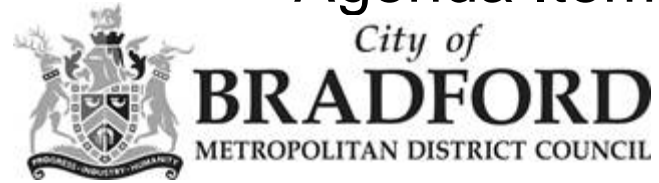
Mohvale College
Cllr Walsh (Lab) (Trustee)

Silsden Community Library
Cllr Whitaker (Green) (Trustee)

11. Members entitled to receive an allowance paid by the Council

All members of the Council in attendance.

- 12.** All members who are in receipt of a West Yorkshire Pension Fund pension.
All members who are in receipt of a West Yorkshire Police Pension.



Report of the Director of Finance to the meeting of Executive to be held on 31st January 2023

AP

Subject: 2023-24 BUDGET UPDATE

Summary statement:

On 14th December 2022 the Executive approved budget proposals for consultation as required with the public, interested parties, staff and the Trade Unions. This report provides the Executive with an update on the 2023-24 budget position following national announcements outlined in the Provisional Local Government Settlement (20th December 2022), and the impact following the setting of the Council Tax and Business rates bases for 2023-24.

The report also provides a revised estimate of inflationary pressures in 2023-24, and an update on estimated savings associated with changing the Minimum Revenue Provision Policy following further review.

It also identifies issues and uncertainties which could still have a bearing on the final size of the budget for 2023-24 and future financial years. This includes for example the agreement of the contract price for the new Bradford Children's and Families Trust.

The report also outlines responses that have been received to the consultation so far. Executive will need to have regard to this report when considering the recommendations to make to Council at their meeting on 21st February 2023 in advance of Budget Council on the 23rd February 2023

EQUALITY & DIVERSITY:

The report sets out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2023/24 budget is approved.

Christopher Kinsella
Director of Finance IT & Procurement

Report Contact: Andrew Cross
Phone: 07870386523
Email: andrew.cross@bradford.gov.uk

Portfolio:

Leader of the Council

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 This report provides an update to the 2023-24 Budget Proposals report approved by the Executive on the 14th December 2022, with additional information derived from;
- The Governments Provisional Local Government Settlement (20th December 2022).
 - The Council Tax Base setting report (3rd January 2023 Executive),
 - The NNDR1 form to Government to set the Business Rates Base (31st January 2023).
- 1.2 Further, given the volatility of energy prices and other inflation, a review of inflation assumptions has also been undertaken, and expected 2023-24 capital financing savings have also been updated following the completion of a review into the Minimum Revenue Provision policy.
- 1.3 The overall impact of the above is to add c£4.2m to the budget gap for 2023-24 in comparison to that outlined in the 14th December Budget Proposals report.
- 1.4 Unless otherwise mitigated, this would increase the call on reserves to balance the budget in comparison to the 14th December Budget Proposals report from c£30.5m to c£34.6m in 2023-24.
- 1.5 In line with approvals from 2021-22, £4.25m of reserves are also required in 2023-24 to fund City of Culture preparation and a Regeneration opportunity, and £6m is recommended to be added to an Energy Price volatility reserve to earmark funds to pay for energy costs should they persist at current levels as outlined in Section 3.
- 1.6 It should also be noted that regarding Children's Social Care, there have been further increases in Children Looked After numbers and Agency staff use since a £45m pressure was included in the MTFs and reflected in the 14th December budget proposals. Updated values are not provided in this update, as negotiations are ongoing about the contract price for the Children's Trust. These are however likely to add additional pressures, and the outcome will be provided in future updates.
- 1.7 Section 7 outlines the revised funding gap amounts that would have to be covered by reserves unless otherwise mitigated, and section 8 outlines the remaining balance of reserves. Given forecast overspends in 2022-23, and the budget gap for 2023-24, reserve levels are reducing to critical levels based on current trajectories.
- 1.8 It should also be noted that the Provisional Local Government Settlement is itself subject to the outcome of a nationwide consultation which ends on 16th January 2023, and this will be followed by a Final Settlement shortly after that. This report is based upon officers' assessment of the Provisional Local Government Settlement, informed by financial analysts.
- 1.9 Section 9 of the report also recommends the addition of a new Children's Residential Care home capital scheme to the reserve list of the Capital Investment plan, pending the completion of the business case, and negotiations with the Bradford Children's and Families Trust.

1.10 Appendix B also provides an update on the outcome of the Budget consultation so far.

Reconciliation of changes since the 14th December 2022 Budget Proposals report.

2.1 The table below outlines the key changes to the proposed 2023-24 budget following a number of events that have occurred since the 2023-24 Budget Proposals report was approved by the Executive on the 14th December 2022. The overall impact is to add £4.160m to the funding gap to 2023-24 as outlined.

| | Expected Change in 2023-24 per 14th Dec Budget Proposals | Expected Change in 23-24 at 31 st Jan 2023 (This report) | Difference |
|--|---|---|------------|
| £000s | | | |
| Inflation | 58,605 | 58,450 | -154 |
| Reduction in New Homes bonus | 1,476 | 1,424 | -52 |
| Reduction in Lower Tier Services Grant | 104 | 984 | 880 |
| Market Sustainability and Fair Cost of Care Fund | 0 | 1,551 | 1,551 |
| Cost of Reforms | 0 | -1,551 | -1,551 |
| ASC Market Sustainability and Improvement Fund | 0 | -5,379 | -5,379 |
| ASC Discharge Fund | 0 | -3,279 | -3,279 |
| Social Care Grant | -23,021 | -15,494 | 7,527 |
| Services Grant | 0 | 4,191 | 4,191 |
| Grants rolled into Core Spending Power | 0 | 2,669 | 2,669 |
| Business Rates Multiplier Cap Compensation | -15,422 | -8,031 | 7,391 |
| Funding Changes | | | 13,948 |
| MRP Change of Policy | -1,000 | -5,000 | -4,000 |
| Capital Financing and central budget adjustments | | | -4,000 |
| | Total Expected at 14 th Dec 22 | Total Expected at 31 st Jan 23 | |
| Resources | | | |
| Business Rates | -57,160 | -58,249 | -1,088 |
| BR S31 Retail and Hospitality | -6,741 | -7,944 | -1,202 |
| 2022/23 BR Collection Fund Deficit | 0 | 1,804 | 1,804 |
| Business Rates Top up grant | -69,259 | -74,971 | -5,712 |
| Revenue Support Grant | -36,792 | -40,304 | -3,512 |
| Assumed increase in RSG from NHB legacy | -3,939 | 0 | 3,939 |
| 2022/23 Council Tax Collection Fund Deficit | | | 138 |
| Total Resources | | | -5,633 |
| Total Change since 14 th December (- = Favourable, + = Adverse) | | | 4,160 |

- 2.2 The Department for Levelling Up, Housing and Communities (DLUHC) published the Provisional Local Government Settlement on 20th December 2022, this resulted in a number of changes to funding expectations.
- 2.3 Although overall, the amounts expected for Adult Social Care/Social Care grants, and Business Rates multiplier compensation/Top up grant and Revenue Support Grant were largely as in line with those estimated in the 14th December report, the 2023-24 Budget Proposals report had not assumed that those increases would be partly paid for by a significant reduction in other existing grants.
- 2.4 For example, the Services Grant will be reduced by £4.2m; the Lower Tier Services grant will end (£0.9m), and some existing grants will get rolled into Core Spending Power. This means that the Council will stop receiving £2.7m of specific grants, and instead it will be received via the Core Spending Power calculation/ Revenue Support Grant instead totalling £2.7m. This includes Independent Living Fund grant of c£1.9m.
- 2.5 Our current best estimate is that the amount of funding will be c£6.7m lower in 2023-24 than previously assumed in the 14th December Budget Proposals report.
- 2.6 Further, since the 14th December Budget Proposals report, the Executive also approved the Council Tax base report on the 3rd January which identified a c£138k expected Council Tax collection fund deficit in 2022-23 that must be repaid in 2023-24.
- 2.7 As outlined in that report, the Business Rates base would be set for 2023-24 when the NNDR1 form is submitted by the Director of Finance to Government by the 31st January 2023 using the Business Rates data at the 31st December 2022.
- 2.8 At the time of writing, our current best estimate is that the net impact on top of the impacts that appeared in the Settlement is that the Councils funding would be a further c£1.5m worse off in 2023-24. This is due mainly to a forecast Business Rates Collection Fund deficit in 2022-23 that must be repaid in 2023-24.
- 2.9 When combined, the impact of the Provisional Settlement and the Council Tax and Business Rates base setting will be that the Council will receive c£8.3m less funding than assumed as part of the 14th December Budget Proposals report..

Comparison to 2022-23 budgets

- 2.10 The table below outlines how much funding the Council now expects to receive in 2023-24 compared to the 2022-23 budget for those funding areas and grants that are included in the Provisional Settlement and the Council Tax and Business Rates base reports.
- 2.11 The table demonstrates that the amount of funding that the Council will receive as a result of the settlement and the setting of the Council Tax and Business rates base is significantly higher than in 2022-23, however it is less than previously anticipated in the 14th December Budget proposals report, and it falls a long way short of the pressures.

| £000s (- = income) | 2022-23 Budgeted Amount | Amount expected in 2023-24 following the Settlement | Difference |
|---|-------------------------------|--|------------|
| New Homes Bonus | -2,014 | -590 | 1,424 |
| Lower Tier Services Grant | -984 | 0 | 984 |
| Market Sustainability and Fair Cost of Care Fund | -1,551 | 0 | 1,551 |
| Cost of Reforms | 1,551 | 0 | -1,551 |
| ASC Market Sustainability and Improvement Fund | 0 | -5,379 | -5,379 |
| ASC Discharge Fund | 0 | -3,279 | -3,279 |
| Social Care Grant | -24,311 | -39,805 | -15,494 |
| Service Grant | -9,600 | -5,409 | 4,191 |
| Grants rolled into Core Spending Power | -2,669 | 0 | 2,669 |
| Multiplier Cap Compensation | -12,973 | -19,439 | -6,466 |
| Business Rates | -57,160 | -58,249 | -1,088 |
| S31 Retail & Hospitality Reliefs | -7,431 | -7,944 | -531 |
| Top up grant | -69,259 | -74,971 | -5,712 |
| Revenue Support Grant | -35,875 | -40,304 | -4,429 |
| Council Tax | -221,431 | -233,291 | -11,860 |
| Total Funding Changes per Settlement incl Council Tax | | | -44,970 |

2.12 The c£45m of additional funding (inclusive of c£11m of Council Tax increases) also falls well short of the c£113m of pressures included in the Budget Proposals report to fund inflation (c£58.6m), demographic growth (£2.7m) and additional demands as outlined (£51.6m), meaning that the gap must be filled by cuts and one-off reserves.

Inflation

3.1 Given the significant scale and volatility of inflationary pressures, a review of assumptions relating to inflation for 2023-24 has recently been completed. This has resulted in some changes to those assumed in the MTFs and 14th December Budget Proposals report as outlined below.

| Inflation Amounts included in MTFs and 14th Dec Budget proposals £m | 58.6 |
|--|-------------|
| Adjust for the saving from the National Insurance increase reversal | -1.7 |
| Take out the excess estimated for National Living Wage > inflation | -2.5 |
| Reduction due to lower estimated impact of 2022-23 pay award (c£13m overbudget vs prior estimate of £14.6m) | -1.7 |
| Review of Inflation on Contracts (Catch up CPI for 2022/23 + forecast CPI for 2023/24 (12.4% increase vs now 10.4% previously) | +5.8 |
| Inflation requirement following review (excl Energy Costs) £m | 58.4 |

3.2 The net impact of the above is for the inflation requirement (excluding energy costs) to be c£0.2m lower than the 14th December Budget Proposals report.

3.3 Further, a review of energy costs has also been undertaken. Energy prices are currently very volatile, and if energy spot market kWh prices before Christmas,

persisted throughout 2023-24, then energy costs would be c£6.0m higher than the amounts currently factored into the above table.

- 3.4 As energy prices continue to fluctuate and are falling currently, and the Government will be providing additional support via a discount scheme (which is not currently understood), it is not currently planned to provide for the potential excess cost through additional budget. Energy costs will however be a significant risk in 2023-24, and consequently it is recommended that £6m is earmarked to the Energy price volatility reserve.

Capital Finance - Minimum Revenue Provision policy review.

- 4.1 Since the 14th December Budget Proposals report, a review of the Minimum Revenue Provision policy has also concluded which has assessed the extent to which near term financial savings could result from amending the policy from a straight line method to an annuity method.
- 4.2 Specialist advisors have undertaken this review, and the outcome is that changing the policy would result in savings in comparison to the current method for the next 10 years, after which the costs would increase above those using the current method.
- 4.4 The savings in 2023-24 of c£5m compare favourably to the £1m that is currently factored into the 14th Budget Proposals report. Consequently, should the policy change be adopted, this would result in an additional saving to 2023-24 of c£4m.
- 4.5 It is important to note however changing the policy does not result in a capital financing saving overall, it merely, alters the shape of repayments meaning that less is paid in the first 10 years, and more is paid in later years.

Children’s Social Care/ Bradford Children’s and Families Trust Costs.

- 5.1 Contained within the 14th December Budget Proposals was c£45m for additional Children’s Social Care pressures; a share of budget to account for inflation, and funding for demographic growth. Additionally, the Children’s Services department proposed that c£6m of additional funding could be expected to be received from Health partners in 2023-24. This resulted in the following amounts that are included in the 14th December Budget Proposals report to pay for the contract price associated with the Bradford Children’s and Families Trust (BCFT) in 2023-24.

| | £m |
|---|--------------|
| Current Budget inc 2022-23 Pay Award | 110.0 |
| MTFS Children’s Social Care Growth per 22-23 overspend | 45.0 |
| Inflation Social Care – Share of Council Wide £58m Inflation | 8.0 |
| Demographic Growth | 0.6 |
| Assumed additional CHC Money (part of the Central budget adjustments) | -6.0 |
| Current Amount in Budget Proposal to fund BCFT £m | 157.8 |

- 5.2 Since the £45m pressure was included in the MTFS, and subsequently the 14th December Budget Proposals report, there has been continued growth in Children

Looked After numbers. Work has been undertaken by Children’s Services to model Children Looked After placements, including the full year effect of significant growth in 2022-23, into 2023-24 and beyond, and this is likely to add additional financial pressures.

- 5.3 Further, many additional Agency staff have been taken on contrary to plans, and despite best endeavours, the numbers of permanent social workers have continued to reduce.
- 5.4 The financial impact of additional Children Looked After numbers and Agency staff will be to place further pressure on the 2023-24 budget. The extent of this however is currently subject to negotiation with the Bradford Children’s and Families Trust. Additionally, discussions are underway with DLUHC and DfE officials around the anticipated funding needs.

Other Risks not factored in currently.

- 6.1 In addition to the above, there are also a number of other risks that could add further cost that are not currently factored in.
- 6.2 The new Social Care grants that have been provided as part of the Autumn Statement could have some new burdens. Any costs associated with new burdens are not currently included.
- 6.3 Energy costs – although an Energy Price volatility reserve is proposed, energy prices could exceed this.
- 6.4 Other costs deriving from negotiations with the Bradford Children’s and Families Trust.

Impact on Reserve use

- 7.1 The net financial impact of the Provisional Settlement, Council Tax and Business Rates base setting, Inflation review; and MRP policy review is to add c£4.2m to the budget gap for 2023-24.
- 7.2 Further, £6.0m is recommended to be added to the Energy Price volatility reserve to address the risk of high energy prices persisting in 2023-24.
- 7.3 This would take the total call on reserves in 2023-24 from £34.5m to £44.9m.

| | Reserve use per Budget Proposals report £m | Proposed Reserve use now £m | Difference £m |
|--|--|-----------------------------|---------------|
| Reserves for City of Culture & Regen Opportunity | 4.25 | 4.25 | 0 |

| | | | |
|---|-------------|-------------|-------------|
| Dept of Place reserves | 2 | 2 | 0 |
| Reserves required to balance the budget | 28.5 | 32.6 | 4.2 |
| Total Budgeted Reserve use | 34.7 | 38.9 | 4.2 |
| Energy Price Volatility reserve | | 6.0 | 6.0 |
| Total including Earmarking | 34.5 | 44.9 | 10.2 |

7.4 The above is exclusive of any additional costs in excess of the amounts already included in the 14th December Budget Proposals associated with the Bradford Children's and Families Trust which remains subject to negotiation.

Current Balance of Reserves

8.1 At 31st December 2022 reserves stand at £174.9m (Council £128.4m and Schools £46.5m).

| | Closing Balance 2020-21 £m | Closing Balance 2021-22 £m | Opening Balance 2022-23 £m | Net Movement | Balance at 31st December 2022 £m |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|--------------|--|
| Council reserves | 256.5 | 228.2 | 228.2 | -99.8 | 128.4 |
| Schools Delegated budget | 42.9 | 46.6 | 46.6 | -0.1 | 46.5 |
| Total | 299.4 | 274.8 | 274.8 | -99.9 | 174.9 |

8.2 The Council has £19.5m of General Fund reserves.

8.3 Overall, reserve levels have reduced significantly in 2022-23. £99.9m of reserves have already been drawn down in 2022-23.

8.4 The table below outlines the current Council reserve balance and then adjusts that for the current 2022-23 forecast overspend that will have to be bridged using reserves unless otherwise mitigated. This is then adjusted further to account for Grant Reserves that have specific purposes, and the General Fund balance which is the minimum amount recommended to be held each year.

| | £ms |
|--|-------------|
| Council Reserves at 31/12/2022 | 128.4 |
| Less Forecast 2022-23 Overspend before mitigations | -37.0 |
| Less General Fund Balance | -19.5 |
| Less Grant Reserves | -14.5 |
| Amount Remaining | 57.5 |

8.5 The amount remaining after adjustments equates to c£57m, however it should be noted that some of this will already be allocated to committed spend.

Capital Expenditure Budget Proposals

- 9.1 In addition to the proposed capital investments outlined in the 14th December Budget proposals report, there is also a proposal to invest in internally provided Children's Residential Care.
- 9.2 The investment would cover 'small group' homes, staying close provision for 17+ year olds, and emergency provision. The capital cost is expected to be c£5.2m and would be funded by savings that will result from the freeing up of capacity and reduced need for costly external residential provision. This is recommended to be added as a reserve scheme in the capital investment plan to be approved by Full Council on 23rd Feb 2023. In the meantime, the business case is in the process of being finalised and this will need to be approved by the Project Appraisal Group and the Bradford Children's & Families Trust prior to final approval by the Executive.

Consultation

- 10.1 Appendix B provides the outcome of the budget consultation which includes feedback received from the public, interested parties and key stakeholders.
- 10.2 In proposing the final budget the Executive will need to have due regard to the information contained within this report, the consultation feedback received, and the public sector equality duty as set out in section 149 Equality Act 2010.

11. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 11.1 The uncertainties regarding the funding that will be available to the Council are considered within this report.

12. LEGAL APPRAISAL

- 12.1 It is necessary to ensure that the Executive have comprehensive information when considering the recommendations to make to Council on a budget for 2023/24 at their meeting on 21 February 2023. It is a legal requirement that Members have regard to all relevant information and the information in this report is considered relevant in this context.

S149 of the Equality Act 2010 (the Public Sector Equality Duty) provides as follows:

- (1) A public authority must, in the exercise of its functions have due regard to the need to;
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to;

- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to;

- a) tackle prejudice, and
- b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

12.2 The Council must ensure that it has sufficient information to enable it to identify whether a proposal, if implemented, would disproportionately affect particular groups with relevant protected characteristics and if so whether any such adverse impact can be avoided or mitigated.

12.3 The courts have established a number of principles which the Council should take into account in making decisions:

- the duty means that the potential impact of a decision on people with different protected characteristics must always be taken into account as a mandatory relevant consideration
- where large numbers of vulnerable people, many of whom share a protected characteristic, are affected, consideration of the matters set out in the duty must be very high
- even if the number of people affected by a particular decision may be small, the seriousness or the extent of discrimination may be great. The weight given to the aims of the duty is not necessarily less when the number of people affected is small.

12.3 There is also a duty on all Best Value authorities to consult when making changes to services or ending service provision.

12.4 In addition to these specific legal duties, the Council has put out its proposals for public consultation and accordingly must have regard to the responses before making budget decisions.

12.5 In summary, it is necessary to ensure that Executive have comprehensive information when considering the recommendations to make to Council on a budget for 2023 -2024

Case law has confirmed that, in order to fulfil the duty under S149 Equality Act 2010, Elected Members need to read in full the EIA forms and consultation feedback as it is a legal requirement that Elected Members have regard to all the relevant information and accordingly Elected Members are referred to the

information at Appendix B and Annex 1 to Appendix B and to the equality assessments: <https://www.bradford.gov.uk/your-council/council-budgets-and-spending/budget-eias-2022-23/>

13. OTHER IMPLICATIONS

13.1 EQUALITY & DIVERSITY

The equality implications are considered in Appendix B of this report.

13.2 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications resulting from this report.

13.3 GREENHOUSE GAS EMISSIONS IMPACTS

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

13.4 COMMUNITY SAFETY IMPLICATIONS

There are no direct community safety implications resulting from this report

13.5 HUMAN RIGHTS ACT

There are no Human Rights implications resulting from this report

13.6 TRADE UNION

Trade Union feedback is outlined in Appendix B.

13.7 WARD IMPLICATIONS

There are no direct Ward or area implications resulting from this report.

13.8 IMPLICATIONS FOR CORPORATE PARENTING

None identified.

13.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None identified.

13.10. NOT FOR PUBLICATION DOCUMENTS

None

14. RECOMMENDATIONS

14.1 Executive are asked to:

14.1.1 note the contents of this report and to have regard to the information contained within this report when considering the recommendations to make to Council on a budget for 2023/24 at their meeting on 21 February 2023.

14.1.2 in accordance with Section 149 of the Equality Act 2010, to have regard to the information contained in Appendix B and the Annex to Appendix B together with the equality assessments when considering the recommendations to make to the Council on budget proposals for 2023-24.

15. BACKGROUND DOCUMENTS

2022-23 Qtr 3 Financial Position Statement Executive report 31 January 2023

Calculation of Bradford's Council Tax Base and Business Rates Base for 2023/24
Executive Report 1 January 2022

2023/24 Budget Proposals 14th December 2022 Executive

16. Appendices

Appendix A - SUMMARY OF FINANCIAL IMPLICATIONS

**Appendix B - CONSULTATION FEEDBACK AND EQUALITY ASSESSMENT
FOR THE 2023-24 COUNCIL BUDGET PROPOSALS**

Appendix A- Summary of Financial Implications – Revenue Budget 2023-24

1.1 The table below shows the 2023-24 budget requirement based on the updated information outlined within this report, and compares it to 2023-24 Budget Proposals report approved by the Executive on the 14th December 2022.

Table 1

| | 2023/24 Budget Proposals Dec 2022 £000s | Change since 14th December £000s | 2023/24 Budget Proposals 31st Jan 2023 £000s |
|--|--|--|--|
| <hr/> | | | |
| Cumulative gap £000s | | | |
| 2022/23 Base Budget | 388,456 | | 388,456 |
| Existing Pressures in Children's & Adults Care | 50,000 | | 50,000 |
| Investments previously approved | 500 | | 500 |
| New Investments for Consultation | 1,098 | | 1,098 |
| Inflation | 58,604 | (154) | 58,450 |
| Demographic Growth | 2,713 | | 2,713 |
| Funding Changes | (25,432) | 13,948 | (11,484) |
| Base Net Expenditure Requirement | 475,938 | 13,948 | 489,732 |
| Reversal of One-Off investments | (1,600) | | (1,600) |
| Existing approved savings | (350) | | (350) |
| New Savings for consultation | (13,692) | | (13,692) |
| Capital financing & central budget adjustments | (18,390) | (4,000) | (22,390) |
| Net Expenditure Requirement | 441,906 | 9,793 | 451,700 |
| <hr/> | | | |
| RESOURCES | | | |
| Localised Business Rates (BR) | (57,160) | (1,089) | (58,249) |
| S31 Grant to compensate for BR Retail reliefs | (6,742) | (1,202) | (7,944) |
| BR Collection Fund deficit from 2022-23 | | 1,804 | 1,804 |
| Top Up Business Rates Grant | (69,259) | (5,712) | (74,971) |
| Revenue Support Grant | (36,792) | (3,512) | (40,304) |
| Assumed additional RSG replacing New Homes Bonus | (3,939) | 3,939 | 0 |
| Council Tax Income | (233,290) | 0 | (233,290) |
| CT Collection Fund deficit from 2022-23 | 0 | 138 | 138 |
| Pre agreed Use of reserves | (4,250) | 0 | (4,250) |
| Dept of Place reserve use | (2,000) | 0 | (2,000) |
| Use of reserves to balance the budget | (28,473) | (4,160) | (32,633) |
| Total resources | (441,906) | (9,793) | (451,700) |

Appendix B

CONSULTATION FEEDBACK AND EQUALITY ASSESSMENT FOR THE COUNCIL BUDGET PROPOSALS FOR 2023-24

1. SUMMARY

On 14 December 2022 the Executive approved new budget proposals for consultation with the public, partners, local business, the voluntary and community sector, and other interested parties, staff and the Trade Unions. This appendix provides feedback from the public engagement and consultation programme. There is particular reference to the Council's responsibilities under equality legislation to enable the Executive to have due regard to the Public Sector Equality Duty when considering its recommendations to Council on proposals for the 2023-24 budget.

2. BACKGROUND

Best Value and the Equality Act 2010

- 2.1 Statutory guidance on Best Value introduced in September 2011 and reaffirmed in March 2015 reminds local authorities that they are under a duty to consult service users and potential service users, local voluntary and community organisations, and small businesses.
- 2.2 There should also be opportunities for organisations, service users and the wider community to put forward options on how to reshape the service or project. Local authorities should assist this engagement by making available all appropriate information in line with the Government's transparency agenda.
- 2.3 The Equality Act 2010 protects people from unlawful discrimination on the basis of 'protected characteristics'. The Equality Act 2010 defines protected characteristics as age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. As outlined in the recently approved Equality, Diversity and Inclusion Plan, the Council's approach to equalities goes beyond this, by looking at equality more broadly and taking into account the impact of our decisions on people on low income or with a low wage.
- 2.4 The 2010 Act also introduced a specific Public Sector Equality Duty which requires local authorities, in the exercise of their functions, including when making decisions, to have due regard to the need to:
 - Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - Foster good relations between people who share a protected characteristic and people who do not share it.
- 2.5 In discharging this duty, local authorities not only need to understand how different people will be affected by their activities, proposals and decisions, they also need to

demonstrate that they have given due regard by publishing information that shows they have consciously discharged their responsibilities as part of the decision-making process.

2.6 There is a range of guidance materials on the Public Sector Equality Duty from the Equality and Human Rights Commission (EHRC) to assist the bodies that are subject to the duty, to understand the duty and meet their responsibilities. This notes that a public body will only be able to comply with the general equality duty in relation to a decision, if the ultimate decision maker:

- Understands the body's obligations under the general equality duty.
- Has sufficient information.
- Demonstrably takes this information fully into account throughout the decision-making process.

2.7 The EHRC emphasises the importance of ensuring that the duty is complied with before a decision is taken, while options are being developed and appraised, as well as at the time of the actual decision. The duty cannot be used retrospectively to justify a decision.

3. OTHER CONSIDERATIONS

3.1 The engagement and consultation programme in relation to the budget proposals for 2023-24 was agreed by the Executive at its meeting on 14 December 2022. At the meeting the Executive reaffirmed its commitment to a public engagement and consultation programme designed to meet the legislative duties and to fulfil the following objectives:

- Support the 2023-24 budget setting process in as fair and as transparent a way as possible.
- Ensure that the Council meets its specific duties under equality legislation, in particular that the potential impact of the proposals on groups or individuals who share protected characteristics are considered, assessed and consulted upon. This also includes the locally agreed characteristic of low income/low wage.
- Ensure that Trade Unions and staff are consulted appropriately and in a timely manner.
- Meet Best Value Statutory Guidance regarding the way local authorities should work with Voluntary and Community Sector (VCS) organisations and small businesses when facing difficult funding decisions.
- Consult and engage with the VCS.
- Ensure the Council complies with all other legal duties to consult.

3.2 While the Council is not required under statute to produce or publish Equality Impact Assessment (EIA) forms specifically, it must still show it is meeting its General Duty which includes showing due regard. To do this, a local decision has previously been taken to continue to use EIA forms. Equality impacts are considered by officers and elected members as part of the development of the budget proposals, with assessments recorded through an EIA form. The forms can then assist members of the public and other interested parties to view potential equality impacts. This will show where a disproportionate impact has been identified, or where an impact affects a number of people or particularly vulnerable

groups. Mitigations will have also been considered, and where these have been possible, they have also been captured on the EIA forms.

- 3.3 Case law has confirmed that in order to fulfil the duty under S149 of the Equality Act 2010, elected members need to have considered equality impacts and given due regard to the three aims of the Equality Duty as part of their decision making processes.
- 3.4 EIA forms outlining identified equality impacts on the new budget proposals agreed by the Executive at their meeting on 14 December 2022 are available on the Council's web site at: [Budget EIAs - 2023-24](#) . A summary of these is also provided in Annex 1 to this document. Feedback from the consultation where respondents have identified a possible negative equality impact related to a proposal is also provided in Annex 1.
- 3.5 Following a review and assessment of the consultation feedback, EIA forms will be updated then republished at the same time as the papers for the Executive meeting to be held on 21 February 2023.

4 Cumulative Equality Impacts on the 2023-24 Budget Proposals

The proposals focus on protecting key frontline services, investment in services to support our most vulnerable children and adults, and sustaining the capacity to deliver the Council's ambitions for growth. Previously agreed savings must continue to be delivered and new savings must be achieved.

The proposals contribute to fulfilling our equality duties to:

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it

The cumulative equality impact assessment is based on the draft budget proposals presented to Executive on 14 December 2022. All EIA forms will be updated where required and republished on the Council's website at the same time as the papers for the Executive meeting to be held on 21 February 2023. This will include an overall assessment of equality impact of the final Budget proposals.

Table 1. Shows the total level of negative impacts across each protected characteristic group from proposals presented to Executive on 14 December 2022.

| Protected Characteristic | Negative impact Levels | | | |
|------------------------------|------------------------|--------|-----|-------|
| | High | Medium | Low | TOTAL |
| Age | 0 | 0 | 5 | 5 |
| Disability | 1 | 0 | 5 | 6 |
| Gender reassignment | 0 | 0 | 4 | 4 |
| Race | 1 | 0 | 4 | 5 |
| Religion/belief | 1 | 0 | 4 | 5 |
| Pregnancy/Maternity | 1 | 0 | 3 | 4 |
| Sexual Orientation | 0 | 0 | 4 | 4 |
| Sex | 1 | 0 | 3 | 4 |
| Marriage & Civil Partnership | 0 | 0 | 3 | 3 |
| Low Income/Low Wage | 0 | 3 | 5 | 8 |

Where disproportionate negative impacts have been identified in the proposals, consideration has been given to measures that would mitigate against them. Please see Annex 1 for details of these measures.

There are no significant cumulative high negative impacts identified through these proposals, but the cost of living crisis continues to impact the district's people, with a disproportionate impact on those on low income, and may result in more people needing to seek support from the Council and other services.

5 Consultation Process

- 5.1 The consultation provided the people, partners and businesses of the district along with Council staff and their Trades Unions, with opportunities to provide their views on the budget proposals, to help shape and inform final decisions. The budget consultation sought comments on proposals for the financial year 2023-24.
- 5.2 The consultation opened on the 14 December 2022 and ran to the 25 January 2023. The consultation comprised of a survey enabling individuals and organisations to comment on the proposals of their choosing. Online and face to face meetings to receive feedback were offered to partners and a number of face to face public consultation events were also offered. However, there was limited take-up of these events.
- 5.3 The public and others responding to the consultation could provide their responses online or by writing to the Council using a freepost address. The Council's website, press releases, social media (Twitter and Facebook), Stay Connected, direct email to partners and organisations and the Council's app were used to promote the consultation. The budget information was also provided in an easier read format and other accessible formats if requested.
- 5.4 The consultation has been promoted to:

- Strategic partnerships and partnerships
- Partner organisations from across the district
- Voluntary and Community Sector
- Faith Groups
- Business community – via the Chamber of Commerce and Industry
- Organisations that advocate or represent specific groups or communities

5.5 Annex 1 provides the consultation feedback on the budget proposals and feedback on their equality impacts for Executive to have regard to when considering their recommendations to Council on their budget proposals for 2023-24.

6 Consultation – Responses and feedback received

6.1 The number of comments received through responses to the survey, social media, and news releases for each of the proposals under consultation was as follows:

| Ref | Proposal | No comments | | Total |
|-------|---|---------------|-----------------------------------|-------|
| | | Online Survey | Social media posts/ news releases | |
| 4.8 | Increase in Council Tax 2.99% and Social Care Precept of 2% | 30 | 40 | 70 |
| 7.10 | Replacement of Vehicles - £3m | 0 | 0 | 0 |
| 7.10 | Property Programme - £4m. | 0 | 0 | 0 |
| 7.10 | General contingency for unforeseen capital expenditure - £1m. | 0 | 2 | 2 |
| 7.10 | IT Device Refresh Programme - £2m. | 0 | 0 | 0 |
| 7.11 | PCS1 City Centre Regeneration. | 0 | 1 | 1 |
| 7.11 | PCS2 Inflation Contingency. | 0 | 0 | 0 |
| App A | Children's social care pressures | 0 | 5 | 5 |
| App A | Adults Social Care Pressures – part reversal of a prior Demand Management Saving | 0 | 1 | 1 |
| App C | SEND Improvement Plan - Additional investment in SEND in line with improvement plan | 1 | 0 | 1 |
| App C | Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture | 0 | 27 | 27 |
| App C | Digital Autopsy Scanner - investment in the digital autopsy (non-invasive post mortem) service | 0 | 0 | 0 |
| App C | Share of Mortuary Staffing Costs - required to address a shortfall identified following inspection from HTA (Regulator). | 0 | 0 | 0 |
| CH6 | Aspiration Bradford – Cease Service | 0 | 0 | 0 |

| Ref | Proposal | No comments | | Total |
|--------------|--|---------------|-----------------------------------|------------|
| | | Online Survey | Social media posts/ news releases | |
| CH8 | Child Friendly City – Reduce non-staffing Costs. | 0 | 0 | 0 |
| CR25 | Digital Mailroom – Reduce outgoing mail and printing costs. | 0 | 0 | 0 |
| CR4 | Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer. | 0 | 0 | 0 |
| CR6 | Estates – The temporary closure of two city centre office buildings to reduce costs. | 5 | 1 | 6 |
| CR8 | IT Services – IT Strategy. | 0 | 0 | 0 |
| HW7 | Changes to Adult Social Care Non-Residential Charges– This is being separately consulted on. | 0 | 0 | 0 |
| R40 | Parking Permits and Charges Budget Proposal. | 2 | 3 | 5 |
| R41 | Waste Review. | 487 | 3 | 490 |
| R52 | PTH Improvement Plan implementation. | 0 | 0 | 0 |
| R53 | Opening of a Housing Revenue Account (HRA) for the start of the financial year 2023-24 | 0 | 0 | 0 |
| R54 | CCTV commercialisation. | 0 | 0 | 0 |
| R71 | Fleet Review. | 0 | 0 | 0 |
| Total | | 525 | 83 | 608 |

6.2 Consultation – Feedback on Proposals

To the 19 January 2023, The online survey has received feedback from 525 respondents against specific budget proposals and general feedback from 36 respondents against the budget proposals. The overwhelming majority of concerns raised are related to the proposal to review waste services, in particular the potential to close the Keighley Waste and Recycling Centre. This feedback is reflected in Annex 1.

Eighty-three comments have been made in response to Council social media posts and news releases about the proposals. This feedback is reflected in Annex 1.

A further six participants have provided feedback through the consultation events, all concerned about the potential closure of Keighley WRC along other concerns across a range of proposals. This feedback is reflected in Annex 1 and also provided more fully at the end of Annex 1.

Letters and emails have been received providing feedback on the proposals. Comments are reflected in the table in Annex 1, with the letter or email provided at the end of Annex 1.

Our voluntary and community partners have given feedback through both a virtual and a face to face consultation event hosted by CABAD. This feedback is reflected in Annex 1 and also provided more fully at the end of Annex 1.

Whilst there has been low interest shown in the consultation generally, this has not

been the case in regards to the proposal to potentially close the Keighley Waste and Recycling Centre.

Any further feedback received through the consultation up to the 25 January will be presented to Executive of the 31 January 2023 in an addendum report.

6.3 Trade Union feedback

The Trade Union budget consultation process commenced with the Chief Executive's and CMT's consultation meeting on 14 December 2022 with all the Trade Unions invited. Key budget proposals were presented by the Director of Finance. The Committee reports and summary consultation documents were circulated. The Budget was on the agenda of the Corporate OJC1 meeting held on 15 December and a Corporate Resources Level 2 meeting is scheduled for 24 January 2023.

Children's Services Level 2 consultation meeting took place on 15 December 2022 and 19 January 2023, Department of Place on 8 December 2022 with no further meeting scheduled as yet, Office of the Chief Executive's Level 2 meeting is scheduled for 15 February 2023 and Department of Health & Wellbeing's was held on 13 January 2023.

The Budget will also be on the agenda of the Corporate OJC1 on 26 January 2023 prior to the final submission of Trade Union feedback for the Executive meeting on 21 February 2023.

Initial feedback from the Trades Unions is as follows:

Unison and GMB's feedback: UNISON and GMB attended the initial consultation meeting alongside the other recognised TU's. At Corporate OJC1 GMB were thankful there are no compulsory redundancies, but were concerned that not filling vacancies adds pressure on staff left behind, and whether that drives more restructures. Unison raised a major concern about the proposed £10m saving deleting posts and the pressure it will put on community care and engaging agency staff, which would lead to a decrease in Council staff and increase in agency staff. They also raised concerns about the increased cost of absence rates on staff and the impact that not filling posts will have on employee wellbeing.

Any further feedback received from the Trades Unions will be presented to Executive at their meeting on the 21 February 2023.

6.4 Headlines from the feedback received

The following provides some headline feedback made on the specific budget proposals. These comments have been drawn from the online survey responses, social media, direct emails, and meetings.

| |
|--|
| R41 - Waste Services review |
| Drawing the most comments and feedback, both online and in meetings, not one respondent through whatever means was supportive of this proposal. Respondents and participants believed it contradicted the Council's policies for recycling and clean air, they |

felt it was a proposal made in Bradford for Keighley. Many stated if implemented it would impact the environment through increased fly tipping and impact low income families, those with disabilities and older people through the need to drive further to dispose of waste. Many suggestions were made to negate the need to close the household waste and recycling site. Those in the meetings were passionate about Keighley and maintaining vital services there.

Increase in Council Tax by 2.99% (and Social Care Precept 2%)

Respondents did not feel the rise was justified given the current cost of living crisis, that the increase was unaffordable for many and others felt the reduction in services didn't warrant the increase. More help was called for in supporting those on low income. One respondent suggested increasing it further so that long term solutions could be implemented.

AppC Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture

Only those responding to social media posts and news releases comment on this proposal, concerns were raised in relation to the:

- Clean Air Zone
- Land pressures, abandoned land and buildings
- District's environmental image is poor
- CO2 emissions.

A summary of all responses is contained in Annex 1 - Consultation feedback and suggestions against the budget proposals and equality impacts of those proposals to this appendix.

7 Background documents

Report to Executive on 14 December 2022: [Proposed Financial Plan and Budget Proposals 2023-24](#)

Equality Impacts for Budget Proposals 2023-24: [EIAs 2023-24](#)

Annex 1 – Consultation feedback and suggestions against the budget proposals and equality impacts of those proposals

All proposals that were open to consultation are included in the tables below. Where feedback has not been received for a proposal, this has been stated.

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|-------------------------------|--|--|--|---|
| | | Equalities Impact | Mitigation | | |
| 4.8 | Council Tax increase of 2.99% | Raising the amount of Council Tax payable on a property could have a disproportionate impact on people on low incomes. | <p>Council Tax Reduction Scheme Those applying for Bradford's Council Tax Reduction (CTR) scheme and who meet the scheme's criteria can receive:</p> <p>4. 100% reduction in Council Tax for pensioners or a partner of a pensioner</p> <p>5. Up to a maximum 70% reduction on a Band A property charge for those of working age (and not a partner of a pensioner).</p> <p>One of the criteria for securing the CTR is being on a low income; the scheme is means tested.</p> <p>Single Person Discount – is a 25% discount against the Council Tax payable on a property available to those who are the sole adult living in a property.</p> <p>Care Leavers - Young people who were being looked after by Bradford Council at the point they turned 18, and have now left care, are exempt from paying Council Tax up to the age of 25. Care leavers are disregarded for the</p> | <p>Thirty respondents commented through the online survey. All but one was against the proposals</p> <p>Forty comments were received in response to social media posts or news releases. All were against the proposals</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> ▪ 5% increase not affordable or justified during the cost of living crisis ▪ May not raise expected amount due to the District's demographics ▪ Tax goes up but services not improving/accountable (such as Children's) | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ Impact on low income households and those struggling due to the cost of living crisis <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ Focus on basic services such as waste, safer streets etc. ▪ Cancel new buildings ▪ Reduce costs by: not engaging consultants/agency staff, reducing number of councillors and removing refreshments from their meetings, cutting staff pay, improving efficiency, not spending on IT and vehicles, not spending on Darley Street, not spending on city of culture and events, ▪ Seek government help ▪ People on benefits shouldn't have to pay ▪ Reduce the proposed increase or freeze |
| 4.8 | Social Care Precept. | <p>Raising the amount of Council Tax payable on a property could have a disproportionate impact on people on low incomes.</p> <p>The funding generated from the Social Care Precept will enable the Adult Social Care Department to continue to provide and commission support and services to the</p> | <p>One of the criteria for securing the CTR is being on a low income; the scheme is means tested.</p> <p>Single Person Discount – is a 25% discount against the Council Tax payable on a property available to those who are the sole adult living in a property.</p> <p>Care Leavers - Young people who were being looked after by Bradford Council at the point they turned 18, and have now left care, are exempt from paying Council Tax up to the age of 25. Care leavers are disregarded for the</p> | <p>Forty comments were received in response to social media posts or news releases. All were against the proposals</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> ▪ 5% increase not affordable or justified during the cost of living crisis ▪ May not raise expected amount due to the District's demographics ▪ Tax goes up but services not improving/accountable (such as Children's) | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ Impact on low income households and those struggling due to the cost of living crisis <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ Focus on basic services such as waste, safer streets etc. ▪ Cancel new buildings ▪ Reduce costs by: not engaging consultants/agency staff, reducing number of councillors and removing refreshments from their meetings, cutting staff pay, improving efficiency, not spending on IT and vehicles, not spending on Darley Street, not spending on city of culture and events, ▪ Seek government help ▪ People on benefits shouldn't have to pay ▪ Reduce the proposed increase or freeze |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|---|--|--|--|
| | | Equalities Impact | Mitigation | | |
| | | <p>most vulnerable groups across the district, while ensuring the provision of support meets the person care needs and outcomes in line with the duties set out within the Care Act. These groups include older adults and adults with physical and/or learning disabilities.</p> <p>The provision of needs-based more cost-effective and sustainable services will facilitate the integration of people into the community and will enable them to gain greater access to community services and resources. It will enable them to</p> | <p>purpose of assessing the number of adult residents in a property for the calculation of Council Tax, so if they live with another person, a discount will apply.</p> <p>Other discounts are available based on a range of personal circumstances, such as reductions in the Council Tax payable on properties adapted to meet the needs of a disabled resident or for those who are severely mentally impaired. More information is available about this on the Council's website at: https://www.bradford.gov.uk/council-tax/apply-for-discounts-reductions-and-exemptions/other-council-tax-discounts/</p> <p>Local Welfare Assistance – the Council has a local welfare assistance scheme which helps low income households with food, fuel and essential household goods. Details of this support including Free School Meals, Discretionary Housing Payments and other support as set out here Benefits and welfare advice and help Bradford Council</p> <p>Discretionary Housing Payments are directed at low income households who need extra help with housing costs.</p> <p>Cost of living Bradford website and booklets. This details a wide ranging</p> | <ul style="list-style-type: none"> ▪ Stop the spend on IT and new vehicles and save £5m ▪ Raise by maximum allowed as need to support services | <ul style="list-style-type: none"> ▪ Increase Council Tax further to enable proper improvement etc. ▪ Stop being a City of Sanctuary and culture ▪ Close offices, increase working from home ▪ Sell assets ▪ Charge businesses more ▪ Better programme support to stop projects overspending ▪ Invest in renewables ▪ Incentivise prompt payment of council tax ▪ Drop the 1% for local initiatives |

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| | | <p>participate in the broader social networks outside their homes and so improve their opportunities to access services (including services that may lead to employment) and foster good relations between different groups of people and communities by ensuring equality and transparency of service access and with the local community.</p> <p>discrimination and harassment may include unintended exclusion from opportunities or isolation from family, friends, and the community. The additional funding will enable the service to provide and secure</p> | <p>offer ranging from advice about wellbeing and debt and also details where support with food and fuel can be accessed including the Warm Homes, Healthy People team, foodbank support, and Warm Spaces are situated across the District. Much of this support is aimed at those on low incomes which includes those in receipt of CTR.</p> <p>Debt advice Front line officers refer those struggling with debt to the Council's commissioned VCS Welfare and Debt advice providers and to national free, regulated and impartial support through the Money Advisor Network.</p> <p>The Household Support Grant. A wide range of support to residents is offered via the Government's Household Support Grant (HSG) scheme as set out here Household costs Bradford Council For example in December 2022, a payment of £65 per CTR household plus £20 per eligible child was made funded through the HSG scheme at an estimated cost of £3.5m. This payment is offered in line with the requirements of the scheme and to support with the cost of food and fuel. The Government has announced in the Autumn Statement that the HSG scheme will continue in 2023/24 and it is likely that this</p> | | |

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| | | <p>ongoing equally accessed support for vulnerable people who share a protected characteristic to retain their independence within their own home (or supported living) while enabling them to continue to actively engage in their wider community. The approach we are taking should help reduce the potential for such exclusion and isolation.</p> | <p>targeted support for CTR claimants will continue.</p> <p>Benefits/Pensions increase 2023/24 The Chancellor announced in the Autumn Statement that benefits will be increased in line with inflation, measured by September CPI which is 10.1 per cent in 2022. Around 19 million families will see their benefit payments increase from April 2023. This includes increasing the State Pension by inflation, in line with the commitment to the Triple Lock. The standard minimum income guarantee in Pension Credit will also increase in line with inflation from April 2023 (rather than in line with average earnings growth).</p> <p>Breathing Space, The Debt Respite Scheme (Breathing Space moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 enables a standard breathing space to anyone with problem debt. It gives them legal protections from creditor action for up to 60 days. The protections include pausing most enforcement action and contact from creditors and freezing most interest and charges on their debts. A mental health crisis breathing space is only available to someone who is receiving mental health crisis treatment and it has some stronger protections. It lasts</p> | | |

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| | | | as long as the person's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts). | | |
| 7.10 | Replacement of Vehicles - £3m. | No equalities impact(s) identified. | N/A | <p>Feedback was received via the online survey in relation to the proposal to increase Council Tax and the Social Care Precept 2% -</p> <ul style="list-style-type: none"> ▪ Don't spend on IT and vehicles | |
| 7.10 | Property Programme - £4m. | No equalities impact(s) identified. | N/A | <p>No feedback was received via the online survey.</p> <p>Two comments were received in response to social media posts or news releases. Both were against the proposals.</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> ▪ Considered it to be bad planning ▪ poor road infrastructure | |

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| 7.10 | General contingency for unforeseen capital expenditure - £1m. | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | |
| 7.10 | IT Device Refresh Programme - £2m. | No equalities impact(s) identified. | N/A | <p>Feedback was received via the online survey in relation to the proposal to increase Council Tax and the Social Care Precept 2% -</p> <ul style="list-style-type: none"> ▪ Don't spend on IT and vehicles | |
| 7.11 | PCS1 City Centre Regeneration. | No equalities impact(s) identified. | N/A | <p>Feedback was received via the online survey in relation to the proposal to increase Council Tax and the Social Care Precept 2% and through the general comments.</p> <p>In addition, one comment was made in response to social media posts or news releases. The comment was against the proposals.</p> <p>The VCS made a comment about this proposal</p> <p>A summary of the feedback and comment:</p> | <p>Equality impact feedback: None received</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ Involve people in discussions about projects |

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| | | | | <ul style="list-style-type: none"> ▪ Cancel new buildings ▪ Utilise existing premises rather than build new ones (1 City Park) ▪ Concerned about improvements to pedestrianisation ▪ Who decides which capital projects go forward? | |
| 7.11 | PCS2 Inflation Contingency. | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | |
| Appendix A | Children's Social Care Pressures. | No equalities impact(s) identified. | N/A | <p>No feedback was received via the online survey.</p> <p>Five comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>Summary of the comments:</p> <ul style="list-style-type: none"> ▪ Lack of support for: family and mental health ▪ Vulnerable children in the District | |

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| Appendix A | Adults Social Care Pressures – part reversal of a prior Demand Management Saving. | No equalities impact(s) identified. | N/A | <p>No feedback was received via the online survey.</p> <p>One comment was made in response to social media posts or news releases. The comment was against the proposals.</p> <p>A summary of the comment:</p> <ul style="list-style-type: none"> ▪ Concerned about the family and mental health support | |
| Appendix C | SEND Improvement Plan – Additional investment in SEND in line with improvement plan. | No equalities impact(s) identified. | N/A | <p>One respondent commented through the online survey</p> <p>The VCS commented</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> ▪ Much more needed for SEND to ensure children get what they need – this includes NHS services. | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> - Prioritise SEND over other spend – such as city of culture |

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| | | | | <ul style="list-style-type: none"> ▪ Assessments need to be completed in a timely way to support children ▪ More special school places are needed for children who don't 'tick a box on the criteria' | |
| Appendix C | Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generation through City of Culture. | No equalities impact(s) identified. | N/A | <p>No feedback was received via the online survey.</p> <p>Twenty-seven comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>Summary of the comments:</p> <p>Concerns were raised about:</p> <ul style="list-style-type: none"> - Clean Air Zone - Land pressures, abandoned land and buildings - District's environmental image is poor - CO2 emissions. | |

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| Appendix C | Digital Autopsy Scanner – investment in the digital autopsy (non-invasive post-mortem) service. | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | |
| Appendix C | Share of Mortuary Staffing Costs – required to address a shortfall identified following inspection from HTA (Regulator). | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | |
| CH6 | Aspiration Bradford – cease service. | The team consists of 3 female employees. The protected characteristics include Sex; Race; Religion; Disability and pregnancy. | Council managing workforce change procedure | <p>No feedback was received via the online survey</p> <p>The VCS made comments about this proposal</p> <p>Summary of feedback received:</p> <ul style="list-style-type: none"> - EIA solely about loss of jobs - Don't have the information on which to engage in consultation - You should be providing activities for young people | <p>Equality impact feedback:</p> <p>Unclear from the information provided</p> <p>Suggested changes from consultees to the proposals:</p> |
| CH8 | Child Friendly City – Reduce non-staffing Costs. | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | |

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| CR25 | Digital Mailroom – Reduce outgoing mail and printing costs. | No equalities impact(s) identified. | N/A | <p>Feedback was received via the online survey in general comments –</p> <p>- Not suitable for all residents due to disabilities, age, language and IT literacy</p> | <p>Equality impact feedback:</p> <p>Could impact people with disabilities, or who are older, or through language.</p> <p>Suggested changes from consultees to the proposals:</p> <p>None</p> |
| CR4 | Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer. | No equalities impact(s) identified. | N/A. | No feedback was received via the online survey | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> |
| CR6 | Estates – Closure of Argus and MMT 23-24. Closure of Britannia and additional sites 24-25. | No equalities impact(s) identified. | <p>It has been suggested that more staff may want to attend work in the winter because they will be unable to heat their homes. This may be the case for some staff, but it would have to be an extreme number to pressure the estate with 568 workstations free in Britannia House.</p> <p>Britannia House, City Hall, and Sir Henry Mitchell House are all accessible buildings, although wheelchair turning is limited near lifts and may be difficult for larger/extended wheelchairs due to restraints with the building space. Any specific needs in relation to access for those staff with a disability will be reviewed on an individual basis in by individual's line managers.</p> | <p>Five respondents commented through the online survey. None were wholly supportive nor against the proposal.</p> <p>One comment was received in response to social media posts or news releases. It was against the proposal.</p> <p>The VCS also made comments about this proposal</p> | <p>Equality impact feedback:</p> <p>None</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> - Consider supporting staff with additional costs incurred through home working - Rationalise the Council's depots such as Shearbridge, Harris Street etc. - Provide more information about the proposals such as the future of staff accommodation and provision of customer services |

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| | | | <p>Existing PEEP'S (Personal Emergency Evacuation Plan) of staff being relocated will be reviewed by FM's. The managers of staff who currently have one in place will be contacted to advise they need to update this for the new location and liaise with the relevant FM of that building to ensure they meet the individual's needs.</p> <p>Buildings are not currently Braille signed; however, this has not been identified as a need by any individuals with visual impairments. Highlighted nosing that highlights the edge of stairs is installed in Hall lngs stairwells.</p> <p>Accessible toilets are available on all floors and lower-level worktops/sinks are installed in kitchens in Britannia House on the Hall lngs side of the building.</p> <p>Disabled parking is available close to Britannia House/City Hall at Norfolk Gardens and Bank Street.</p> <p>Rise and Fall desks will be available for those who need them in Britannia House, SHMH and City Hall.</p> <p>Multi Faith rooms are available for use by all staff in Britannia House/City Hall/Sir Henry Mitchell House.</p> | <p>Comments were made about this proposal at the Shipley drop-in session</p> <p>A summary of the feedback and comment is as follows:</p> <ul style="list-style-type: none"> - Money spent in recent years improving the buildings to be closed, this needs to be justified - Hybrid working positive but incurs additional costs for staff - The building strategy is unclear from the information provided - Possible knock-on effect on city centre economy - Abandoned buildings - Is there a budget to access meeting rooms for face to face meetings with clients and is there access to large training rooms? - Staff can become isolated if not meeting, | <ul style="list-style-type: none"> - Revert MMT to a library when there is a break clause in the current library's lease (2026) |

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| | | | Few members of the public access MMT and those that do come to pick up forms. The reception function will transfer to Sir Henry Mitchell House which is accessible. There is no public access to Argus Chambers. Meetings which would have been held in Argus Chambers or MMT will transfer to other buildings. These buildings are all accessible. | need to put measures in | |
| CR8 | IT Programme – Implement IT strategy; initial savings identified. | No equalities impact(s) identified. | N/A | No feedback was received via the online survey | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> |
| HW7 | Charging Adult Social Care Self Funders full costs – This is being separately consulted on. | <p>Our initial assessment shows that the New Contributions policy is likely to have a disproportionate adverse impact on proposal HW7.</p> <p>We have assumed that there is a high probability that people receiving a social care service will have a disability under the Equality Act</p> | <p>The current charging policy ensures that individual service users, including those with limited income, are not required to contribute more than they can reasonably afford. That principle will not change under the new charging policy and all existing service users will have a new needs assessment / review, financial assessment with help to maximise benefits, review of DRE and affordability of any contribution. There is also appeals process if the service user cannot afford any newly assessed contribution.</p> <p>Where the assessment process under the new policy identifies a change in service provision, we will work with the service user and their family members, carers, and advocates to support the</p> | <p>Feedback was received via the online survey in relation to the proposal to review waste services.</p> <p>The VCS also made comments about this proposal</p> <p>Participants at Keighley and Shipley drop in sessions commented on this proposal</p> <p>A summary of the feedback and comment is as follows:</p> | <p>Equality impact feedback:</p> <p>Vulnerable, older and disabled people impacted</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> - Don't implement the proposal - Consult properly and withdraw the letter |

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| | | <p>2010, and that there is an unquantifiable negative correlation between possessing severe and life limiting disabilities and the ability to earn or acquire savings.</p> <p>Suggest we have a breakdown of the current users across the district and the impact e.g. There are currently over 504 social care service users across the district and the impact of the charging proposals is likely to have a greater impact on the savings and net disposable income of:</p> <ul style="list-style-type: none"> • Older people • Working age adults that have more | <p>implementation of the new charges. If we do agree to take a phased approach, then we will need to add this in here.</p> | <ul style="list-style-type: none"> - 25% increase in fees is wrong - Letters sent to people were misleading and caused distress - Where is the EIA? | |

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| | | <p>income and</p> <ul style="list-style-type: none"> • Young people under the age of 25. <p>The provision of more cost effective and sustainable non-residential care services will facilitate the integration of persons with disabilities into the community and will enable older persons to gain greater access to community services and resources.</p> <p>It will enable them to participate in the broader social milieu outside their homes and so improve their opportunities to access services (including services that may lead to employment) and</p> | | | |

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| | | <p>foster good relations between different groups of service users by ensuring equality and transparency of service access and with the local community.</p> <p>See section above. Discrimination and harassment may include unintended exclusion from opportunities or isolation from family, friends and the community. By securing on-going equal access to non-residential services the policy will reduce the potential for such exclusion and isolation.</p> | | | |
| R40 | Car Parking – Implement consistent parking regime. | No negative impact on protected characteristic groups as proposal does not | People could consider parking on street further out of towns and the city centre in areas where there are no restrictions and charging and adding a short walk to their journey rather than opting for convenience parking. | Two respondents commented through the online survey. Neither were supportive. | Equality impact feedback: Negative impact on older people as have more visitors and will incur more costs |

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| | | <p>adversely affect any group above another directly other than low wage/low income.</p> <p>No impact on protected characteristic groups as proposal does not adversely affect any group above another directly other than low wage/low income.</p> <p>No positive impact on protected characteristic groups as proposal does not adversely affect any group above another directly other than low wage/low income.</p> | <p>Use of public transport is encouraged, introduction of Clean Air Zone to discourage use of vehicles entering the City Centre on main gateways.</p> <p>Initiatives such as cycle to work schemes delivered by Council and local businesses.</p> <p>Plans to implement a park and ride scheme, therefore more parking may be available out of town.</p> <p>1st Visitor permit is free for residential permit schemes and people have never had the option to purchase a 2nd permit previously. Therefore, everyone should be already able to accommodate visitors without further costs to themselves.</p> | <p>Three comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>A summary of the feedback and comments is as follows:</p> <ul style="list-style-type: none"> - Town centre car parks should be free for one hour - Concern raised about charges at car parks - Issues with current permit scheme due to visitor limits and fines being imposed - Current scheme not suitable for Steeton - Limits people's social contact - Pressure on parking low in Steeton so unfair to impose this scheme - Concerned about bus lane fines, cycle lanes - There is potential for a park and ride scheme in the city centre | <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> - No charge for 2nd permit where low demand on parking - Change current policy to allow one hour free parking (in town centres) |
| R52 | PTH Improvement Plan implementation. | No equalities impact(s) identified. | N/A | Feedback was received via the online survey in general comments – | |

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| R54 | CCTV commercialisation – Opportunities for CCTV commercialisation. Historic business case to be reassessed to determine viability and options. | The implementation of the Business Investment Plan proposals in the CCTV function will allow the CCTV service to reflect the expectations of local citizens more accurately, thereby fostering good relations between them. CCTV is often seen as the very visible presence of the Council in addressing resident's 'fear of crime' and where residents come to rely on the service (because they have been a victim of criminal activity or a civil wrong) they are often disappointed that their particular issue either is not | N/A | No feedback was received via the online survey | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> |

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| | | detected through the CCTV network as it is happening, and help is arranged or that post-event evidence of the incident does not exist. | | | |
| R41 | Waste Review – Reviewing waste services to reduce costs and maximise efficiencies including the potential closure of Keighley Household Waste and Recycling site, one of the least used sites and reducing hours at all HWRC's. | <p>Implementation of proposal would impact all residents who currently use the site, and in particular, the ones close to Keighley HWRC. Approx. 281 visitors per day to the site, however this includes repeat visitors.</p> <p>Only car users can access the HWRCs and there are alternate HWRCs a short distance away.</p> <p>There may be a low disproportionate negative impact</p> | Proximity of other alternative sites is expected to alleviate any potential low negative disproportionate impacts on those who are disabled or on low income. Data on site visits will continue to be used to inform service development. | <p>The majority of respondents to the online survey, 487, commented on this proposal. All the comments were in relation to the potential closure of the Keighley Waste and Recycling Centre. None of those responding via the online survey were in favour of the potential closure of the site.</p> <p>Three comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>The VCS commented on this proposal.</p> <p>Keighley and Shipley drop-in session</p> | <p>Equality impact feedback:</p> <p>Large number of older people living in the area that the site serves</p> <p>Site provides easier access than alternative sites for people with mobility issues</p> <p>Impact on people who are incontinent as provides close and accessible site for disposal of personal soiled waste, such as adult diapers</p> <p>Impact those on low income as would need to pay more for fuel to travel to other sites</p> <p>Impact on carers who have limited time to spend away from those they care for</p> |

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| | | <p>on those people who are disabled and those people who are on a low wage/income due to need to travel by car to other sites that may not be as close as this site to where they live.</p> <p>We have eight HWRCs across the district. This proposal will result in having one less HWRC with alternative sites being up to a 20-minute drive.</p> | | <p>participants commented on the proposal</p> <p>Objection letters were submitted about the proposal from the Aire Valley River Trust and The River Worth Friends.</p> <p>Three people also lodged their objections via direct email or through our customer contact centre.</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> • The tip is well used by Keighley, Steeton & Eastburn and Silsden residents and is always busy but queuing is on a quiet road – the data is incorrect • Lots of new house builds in the area – so need the facility • Implementation risks: increasing fly tipping and costs to deal with it (more than needed to upgrade the tip) – | <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> • Don't close the site – make it more user friendly and promote • Close the council buildings sooner to save money • Relocate the site • Review planning restrictions with a view to increasing opening hours • If you must, shut somewhere else, such as somewhere in Bradford– keep this site open and promote it • Keep all HWRC sites open • Remove building at back of the site to make it bigger and capable of accommodating larger skips • Spend less on other things such as city of culture/city centre events – Keighley doesn't see this • Impose a small charge for use • Staff pay cut |

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| | | | | <p>blighting the landscape, increasing landfill and costs, traffic and safety issues at and around other sites especially Sugden End on Halifax Road (busy A629) – this site is also currently experiencing long queues, reduced rates of household recycling</p> <ul style="list-style-type: none"> • Keighley has 50k residents – largest town in the district, should have its own HWRC • Site provides good access for people, is central and causes minimal disruption traffic and residents • Requirement to travel further would increase air pollution (against Council clean air policy), not environmentally or wildlife friendly • Bradford making decisions that affect Keighley • Valued by and essential to Keighley | <ul style="list-style-type: none"> • Reduce/change hours, alter staffing at all sites rather than close • Alternative staffing arrangements • Reduce spend on city centre projects • Invest in the site • Reduce spend on bureaucracy • Invest in Keighley • Increase enforcement fines • Look long term at what support needed by all people • Buy Airedale Shopping centre, sell Kirkgate in Bradford to fund our services • Encourage more recycling • Provide a 'salvage' shop – selling on recycled goods • Save money, cut top management • Listen to people • Look for cuts elsewhere – management, funding for social and health organisations • Relook at criteria for determining which site to |

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| | | Equalities Impact | Mitigation | | |
| | | | | residents and businesses <ul style="list-style-type: none"> • Closure would mean only one site in district for plaster board waste • Feel unheard, excluded • Added costs for residents to dispose of their waste • Listen to residents about this and other initiatives • losing the tip would make it harder for residents to dispose of green waste • Fuel drive to leave the LA • Could increase vermin due to people retaining waste • No car so won't be able to use alternative sites • Need to consider the wider impacts of closure i.e. Health, environmental • Keighley people don't want the incinerator but do want the tip • Is there a financial incentive to the | close – road safety also important <ul style="list-style-type: none"> • Get volunteers to help reclaim and sell reusable items – proceeds to charity • Forward plan and invest in services and facilities in Keighley – tip, police station etc. • Cut councillors wages, reduce spend on non-essentials such as Christmas lights • If closes collect green and grey bins every week • Stop funding ineffective schemes like the cycle lanes • Use brownfield sites for new industrial units rather than close the tip • Save money by planting perineal in flower beds • Don't spend on IT and new vehicles • Reduce jobs in the council • Manage performance of staff – social work, education • Take Keighley residents views into account |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|----------------------------|------------|--|--|
| | | Equalities Impact | Mitigation | | |
| | | | | <p>closure – it's on prime industrial land</p> <ul style="list-style-type: none"> • Reducing opening hours at all tips will increase traffic queuing, congestion and air pollution • Keighley becoming rundown– this will add to the 'ghost town' feel. • What services are Keighley residents getting for the increase in Council Tax? • Proposal does not align with the 'sustainable district' or discharge the local development plan's Waste Management Development Plan • Feels like the Council don't want to have services in Keighley/Ilkley | <ul style="list-style-type: none"> • Let local town councils manage funding for services • Use enforcement on roads etc. to bring in funding • Change the skips to the larger, cheaper to run ones • Use incinerator site for new Keighley HWRC site • Look at provision in other LA areas • Not reasonable to remove service that Keighley people are paying for • More regular street clean-ups • Provide an alternative site if want to use for industrial units and jobs • Encourage people to use the tips with offers • Call on government for more funding – council tax higher in north east than elsewhere • Don't spend on Children's Trust – duplicating salaries • Treat Keighley fairly • Withdraw the proposal • Link up your policies |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---|---|------------|--|---|
| | | Equalities Impact | Mitigation | | |
| | | | | | <ul style="list-style-type: none"> • Take note of Keighley residents views • Close Sugden End instead |
| R71 | Fleet Review: Transformation programme Looking at Fleet efficiencies that includes reducing Grey Fleet, centralising budgets, reducing the use and costs of hire vehicles, value for money planned replacement plans. | Implementing the proposed changes is expected to save £0.5m per year, which may result in the Council being able to refocus its reduced resources on more public facing services. | N/A. | <p>No feedback was received via the online survey</p> <p>The VCS commented on this proposal.</p> <p>Summary of comments:</p> <ul style="list-style-type: none"> • Issues with how the passenger transport service runs • Allow VCS to use vehicles out of hours | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> |
| R53 | Opening of a Housing Revenue Account (HRA) for the start of the financial year 2023-24, (subject to viability and the rent standard being set at a minimum of 5% from 1st April 2023). | A key driver for many councils is about increasing the supply of social and low-cost housing for those in the greatest need. Opening a HRA is aligned to corporate priorities - the Council Plan identifies 'Decent | N/A | No feedback was received via the online survey | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|--|------------|--|---|
| | | Equalities Impact | Mitigation | | |
| | | <p>homes that people can afford to live in' and 'Ensuring the supply of homes is the right type and location to meet demand' as key priorities for the district as well as inclusive and sustainable growth ambitions.</p> <p>The provision of new and good quality affordable housing in the district has a positive impact on those groups and individuals who suffer multiple disadvantages associated with inadequate housing. The Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which provides for enhanced accessibility</p> | | | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|------|---|---|--|--|---|
| | | Equalities Impact | Mitigation | | |
| | | standards ensuring homes are suitable for people with a disability and more flexible and adaptable to meet the needs of current and future generations. Living in good quality housing and a safe, well-designed neighbourhood improves life chances in terms of health, employment and educational outcomes. | | | |
| PTH5 | Establish in-house delivery of private dropped crossing delivery. | The biggest impact of this proposal on protected characteristics will be financial in that the cost for the service being provided by the Council will increase to include construction costs of the crossing itself. | The disproportionate impacts can be mitigated somewhat by providing costs of the end-to-end process from the outset based on a 'standard' crossing specification with any variation to this being quoted separately (due to increased / decreased construction costs of larger/smaller crossings). | No feedback was received via the online survey | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|--|------------|--|---|
| | | Equalities Impact | Mitigation | | |
| | | <p>The proposed change itself will advise equality of opportunity and in terms of access to the service as the requirement for residents to be competent to appoint a reputable contractor to construct their dropped crossing will be transferred to the Council.</p> <p>As stated above, the removal of the need for residents to appoint their own reputable contractor for the construction of their dropped crossing will also eliminate discrimination and potential victimisation of residents who appoint disreputable contractors to provide this</p> | | | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|------|---|---|---|--|---|
| | | Equalities Impact | Mitigation | | |
| | | service. | | | |
| PTH6 | Establish events / street works management operation to support delivery of licensed events and filming activities in the district. | <p>The biggest impact of this proposal on protected characteristics will be financial in that the cost for the service being provided by the Council will increase to include event management costs in addition to the current licencing arrangement.</p> <p>The proposal will support the advancement of equality of opportunity amongst the protected characteristics by providing an end-to-end service which can support the full range of events from large parades to small residential street</p> | <p>The disproportionate impacts identified above consider the range of events currently operated on the highway across the district which are organised by groups from these protected characteristics. Whilst removing the need to appoint an independent third-party Traffic Management company by event organisers would result from this proposal the increased costs of this service being provided as a 'turn-key' solution will invariably raise concerns from organisers of smaller events. The fees and charges approach will therefore need to be carefully designed in terms of recognising the scale of event being organised and the proportionality of the traffic management being provided. However, some of this mitigation will also be down to event organisers recognising that hosting events of major highways will significantly increase costs to ensure the safety of participants. This may mean that arrangements for events need to be negotiated with organisers to reduce the overall costs involved.</p> | No feedback was received via the online survey | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|---|------------|--|---|
| | | Equalities Impact | Mitigation | | |
| | | <p>events. It will remove the need to event organisers to identify reputable traffic management companies capable of supporting their events in a way which is acceptable to the Council, and it will help foster good relations amongst these groups as there will be a 'balanced' playing field where irrespective of the size of the event to be managed there is a consistent approach provided by the Council.</p> <p>The establishment of an internal events management operation will remove the need to event</p> | | | |

| Ref | Proposal for change | As published December 2022 | | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|---|------------|--|---|
| | | Equalities Impact | Mitigation | | |
| | | organisers to identify reputable traffic management companies capable of supporting their events in a way which is acceptable to the Council, and it will help foster good relations amongst these groups as there will be a 'balanced' playing field where irrespective of the size of the event to be managed there is a consistent approach provided by the Council. | | | |

SUMMARY OF OTHER COMMENTS – NOT DIRECTLY RELATED TO SPECIFIC PROPOSALS

| Theme | Comments |
|---------------------------------------|--|
| Cost of living crisis | <ul style="list-style-type: none"> • Provide financial support VCS and local charities as energy bills and inflation increase • Everyone on benefits (means tested or contribution based) should receive cost of living support • Implement a four day working week to help staff with cost of living by reducing their childcare, travel costs etc. • Cancel the council tax rise • Provide help with school uniforms • People who are just above the threshold for benefits need help |
| Parking issues/gritting/roads | <p>3 Enforce parking restrictions on Basil Street</p> <p>4 Free car park would stop dangerous parking on Silsden main street</p> <p>5 Plea for the Council to grit the bottom of Victoria Road at Saltaire</p> <p>6 Speed bumps shouldn't be a priority, such as at Bolling Road</p> <p>7 Improve road safety at Wagon Lane, Bingley</p> <p>8 Bus and cycle lanes – inconvenient for car drivers, often empty meaning the road is under utilised</p> |
| Housing | <p>9 Stop building in Silsden</p> <p>10 Quicker decisions and action on rehousing needed</p> |
| Crime | 11 Charging for recycling bins leading to bins being stolen, people not recycling and litter issues |
| Impact of Council decisions on places | <p>ing as not getting the support it should from the Council, support going to Bradford city centre, council should lower business rents in encourage businesses to stay, need police station and Keighley people need to be listened to by Bradford Council</p> <p>te taken in Keighley to keep the green space</p> |
| Clean Air Zone | <p>ady pay road tax, may drive business out, the charge is causing hardship and should be scrapped, money making initiative disabled people</p> |
| Council move to online communications | <p>e for all residents due to disabilities, age, language and IT literacy</p> |
| Funding/investment | <p>8 Government should give the Council more funds to provide the necessary services</p> <p>9 Push government on the fair funding review and invest locally in people</p> <p>10 When will work start on Wyke's funded bandstand?</p> <p>11 Sell Council-owned artworks to release funds</p> <p>12 Save money by removing some leadership positions and stop internal promotions, reduce 90 councillors</p> <p>13 Save money by not investing in new vehicles</p> <p>14 Don't increase staff pay/pay frontline staff more</p> <p>15 Utilise existing premises rather than build new ones (1 City Park)</p> <p>16 Rebalance housing and land markets</p> <p>17 Provide performance indicators with the budget</p> <p>18 Why is council tax 20% higher than in London?</p> <p>19 Capital of culture should be stopped</p> |

SUMMARY OF OTHER COMMENTS – NOT DIRECTLY RELATED TO SPECIFIC PROPOSALS

| Theme | Comments |
|-----------|--|
| | <p>20 Children’s Trust – board members’ salaries too much</p> <p>21 Keighley feels forgotten by Council Executive</p> |
| Education | <ul style="list-style-type: none"> • Suggestions for improving education: Such as through better funding and use of libraries to support homework clubs • Put more money into children’s futures (schools) |

PARTNERS AND PUBLIC CONSULTATION EVENTS FEEDBACK

Voluntary and Community Sector hosted by Community Action Bradford and District – Virtual and Face to Face events

Zoom meeting on 11 January and Face to Face meeting at Perkin House on the 17 January 2023

PROPOSALS DISCUSSED:

Proposal - Council tax:

- With the increase in council tax, there needs to be something that will set out the whole picture e.g. income and expenditure (a way to see how income comes in and goes out). There is no equivalent of that to what has been proposed.

Proposal -Building closures: (Margaret McMillan Tower)

- Closing buildings is a big change. Keeping buildings open is better, as people working from home may become isolated. Health and wellbeing comes into question; i.e. what impact will buildings’ closures have on mental health two years down the line? Solely working from home only can be detrimental to mental health and social skills. Will the closure be over winter or permanently? - **Answer** – The closure is temporary at this stage
- Building closure has had an Impact on social work/Social workers. People aren’t able to use meeting spaces. Some people can’t use online platforms. Difficult to get face to face meetings. Need to have certain spaces to attend meetings.
- Moving services online can negatively impact people who have different language skills, are not IT literate or who don’t have digital access. Often find it hard to navigate services if not face to face. Could end up requiring higher more complex support if unable to access services earlier - thus cost more in the long run than keeping buildings open
- Margret McMillan Tower: is there other provision for training rooms? Training often can’t be done online. So need buildings and spaces to be available. Is there a budget to hire rooms needed for social workers to have face to face meetings with people? **Answer** – Sir Henry Mitchell House still open and also Customer Contact centre at Britannia House and Reception at City Hall. Will check and get back re if there’s a budget to rent venues/rooms
- **Need to consider:** Some staff may not have tech or have knowledge of tech. Disabilities also need to be taken into account as some people can’t work from home.

Proposal -Children and Adult social care: Self Funders – Paying full costs.

- Letter: No mention of consultation only change. Lack of consultation. Letter should say we are consulting not we are doing this. Letters informed addresses they would be reassessed and may have to pay more from April 2023
- Also, need easy read letter. Delivery and process for letters needs to change, as vulnerable people may not speak up.
- Different processes around consultation. Need more flexibility. Not much about protecting people
- Those receiving the letters were confused and upset, many left feeling they would lose services or need to cancel their support
- On ringing the number on the letter, nothing was mentioned about the consultation.
- The saving from the proposal is expected to be £1.25m. Not a huge amount compared to the impact on the vulnerable people it impacts. We would like to see this proposal dropped
- Where is the EIA for this proposal? It's not on the website. One should have been available as it obviously impacts vulnerable and disabled people. How can we engage properly on this proposal when the information hasn't been provided?

Proposal – Aspiration Bradford

- EIA solely about the loss of jobs and not about the loss of service and what this might mean
- Again, we don't have enough information in order to engage meaningfully.
- All local authorities have a legal responsibility to provide sufficient activities for recreation and wellbeing. Is this happening?

Proposal -City regeneration: Who decides which capital projects go ahead? Where is some money coming from? Feel like there has not been any consultation regarding this.

Proposal – SEND Improvement –

- EHCP: is way too long. 2 years behind. Waste of time and money. Can be trimmed and time and money can be used elsewhere.

Proposal - Council vehicles/Fleet review:

- Issues with how the fleet service runs, being on time, not turning up etc.
- Voluntary sector needs more minibuses and training facilities to lead groups. The Council's are unused in the evenings and at weekends. Could we look at how this resource might be made accessible to the VCS and community organisations?

Proposal – Waste Review: Concerned closure of Keighley WRC would result in more fly tipping. Could cost the Council more in the long run than expecting to save. Need to consider the impacts down the line. Council need to talk to communities before proposals are presented

GENERAL

Previous capital funding for disabled facilities: All money went on venues and not activities or how to get to the venues. Not talked about afterwards.

Impact of the cost of living (energy price increases and inflation) on contracted providers. The consultation recognises the impact of rising costs and salary increases on Council services. However, there is no clear recognition of the impacted on services delivered by other providers via a contract or grant (whether to VCS, other statutory organisations or private sector). This could lead to inadvertent cuts where the organisations have to either reduce the service they offer or give up contracts entirely as they won't be able to afford to operate. At Place Lead Executive partners have committed to addressing these challenges, but it is not explored in the budget, nor the budgetary or service delivery implications of these commitments. There needs to be clear assessments of the financial viability of contracting and grant arrangements and a clear decision making process which explores options of increasing budget to preserve services or reducing service to enable delivery to be sustained. In the latter case mitigations would need to be carefully considered, to limit the effects on the most vulnerable.

Equality Impact Assessments and information provided

The quality of most of the EIAs provided is dreadful and many we expected to see are missing – we would have expected a full EIA against the £45m going into Children's Services, on the SEND Improvements, on the closure of buildings that are used by people to access services and partners to run/access training. WE are unable to properly engage and contribute when the relevant information is not available.

Evidence of impact of input?

How will we know what impact our input has had? **Answer** – Public report and published minutes in the Council's website. Executive will receive the consultation feedback report and a financial budget update report on the 31 January. They will consider these, then meet again on the 21 February to determine their budget recommendations to Full Council of the 23 February. The budget for 2023-24 will be set at by all Councillors at the meeting on the 23 February 2023.

Public face to face drop in events in each constituency

Manningham Library, Bradford West – 16 January, 6-7pm

No public participants

Helen Johnston, Senior Policy Officer and Amani Ali, Graduate Trainee

Public face to face drop in events in each constituency

Central Hall, Keighley – 17 January, 6-7pm

Seven members of the public participated

Council officers in attendance – Alan Lunt, Interim Strategic Director Place, Helen Johnston, Senior Policy Officer and Amani Ali, Graduate Trainee

Note of participants issues, questions, comments and feedback and any responses by Council officers

All public participants were Keighley residents and all were mainly concerned about the potential closure of the Keighley Household waste recycling centre.

Alan explained the Council's situation in relation to reductions in funding since 2010 of over £300m, and that the continuing need to find savings year on year whilst delivering essential services.

The first question related to **the rational of making people redundant and then bringing in agency staff and consultants?**

Alan responded by stating there was a skills shortage for particular work. Out of 40 vacancies in his area, 5/6 needed filling urgently as are vital to continue services. Recruitment processes had failed to attract people with the skills to take the work on permanently, therefore he, like managers in similar positions, had no choice but to contract agency staff.

In relation to consultants, they are used when it would be difficult for incumbent staff to remain objective.

If the proposal in the budget to freeze vacancies is agreed, there will be less recruitment next year with some under understanding that existing staff will have to shoulder more work.

Question – Why has KHWRC been chosen to for closure?

Alan responded – a study the Council commissioned stated we need six sites. Council needs to use circa £30m of reserves this year to balance books. Can only use once so really need to look at where we can reduce costs.

Criteria for selecting a site to potentially close was based on tonnage and the number of public visits to the sites, along with proximity to other sites. There are issues with Keighley HWRC as need to use smaller skips and compactors which cost more to maintain, with more often removal of waste from the site than others due to its size.

No decision has been taken yet. This is open to consultation and alternatives are being looked at.

Alan agreed to forward the study to the participants

Public face to face drop in events in each constituency

Question – How much does fly tipping cost?

Alan responded – haven't got the figures but there is no expectation that fly tipping will increase as this is mainly unlicensed businesses. Expectation was that responsible residents would take their waste to an alternate site

Participants disagreed, stating that more unlicensed businesses would likely get paid to take waste away and fly tip it as the other sites suggested to residents were further away. It was also raised that closure would impact air quality. One would like to know the cost to the Council of dealing with fly tipping.

Question – how much will be saved by closing this site?

Alan responded there were three elements to the proposal: efficiencies, closure of a site and reductions in opening hours. But would get the figure for the potential closure and forward.

Question – Have the police been informed because if closed, and people use other sites, this will cause road traffic issues? There will be queuing on Halifax Road if Sugden End used.

A participant told the officers they felt the Council wants to take services from Keighley, and this is a vital service, that there is nothing left in Keighley, feel at the bottom of the pile, another 'nail in the coffin' as money spent on Bradford.

Question/comment – Expect to go to Sugden End or Dowley Gap. Ice on the roads last night. If you close the site, gritters will have to come from Shipley and will be empty when they arrive. Where's the plan for the gritters?

Alan responded - the site will have a salt dome on it and the gritters will remain. He mentioned that £30m of Town's funding was coming to Keighley.

Participant said Keighley people had not been involved in deciding to use and it would be wasted, the BID had seen businesses close down. Funding Council gets doesn't improve things here.

Question - Keighley needs Council and Government help. Saving the site would be a big victory for people – it's united people. Is the saving expected £150k?

Alan responded that he would forward the figure to participants, believes it is circa £260k

A participant disputed the figure but was informed this was due to use of compactors, their maintenance and extra movement of waste from the site due to its size.

Participants felt that the criteria used to put closure forward was flawed as it was also based on the site being open less than others. However, as plan was to reduce opening hours at all sites, this was negated (even now it's a three-hour difference only).

Question was asked as to why the plastic recycling facility had been removed, especially given the Council are trying to encourage more recycling? It looked to the participant as if things were being 'run down'.

Public face to face drop in events in each constituency

Officers agreed we wanted more recycling as costly to send waste to landfill and not good for the environment.

A participant said they'd expected the run down site to be improved not closed, if it was closed, would that be permanent? And they would expect to see a report detailing costs and impacts. Who came up with Keighley? Haven't spoken to people here.

Alan responded that we have staff working and living in Keighley and their local knowledge is used.

One participant found it hard to understand how anyone with local knowledge would put the site forward.

Alan responded that we are in dire circumstances, have to balance the budget or government will send commissioners in who won't be concerned about what gets shut locally

The issue of Keighley being chosen as a site for an incinerator was raised – wasn't in the running then out of 99 possible, it's selected!

Question – What's going on wages? Hard to see from the reports

Alan responded that wages are set nationally between the national employers and unions. We have to implement national wage agreements or qualified people would leave for more pay.

Most participants agreed or accepted this

Question – How do you get on the Children's Trust Board to get paid £600 per hour?

Alan responded - The Council were unable to improve children's services at the pace needed so decided to hand responsibility to a Trust. Have to have a Director of Children's Services by law. There are costs associated with the Trust which the Council will need to meet.

A participant mentioned that Keighley is the largest town in the district it shouldn't be disregarded. People were still in opposition to the incinerator. Feels like decisions made for us, without us, and that aren't needed like the health and wellbeing hub. A need to breathe life back into the town. We need to be asked what we need and not have things done to us.

Another participant stated that more suitable services would take pressure off other services. The Towns fund needs to work for Keighley. Costs £250k to keep children in care, could use that money on prevention. We need activities for young people.

A further comment was made that services have gone through austerity, with some participants blaming the Council for this and poor management, and being countered by other participants that this was due to government cuts.

A further issue was raised re not repairing pot holes properly. The need for lorry wagons to get checked in Bradford six-weekly due to removal of staff who could do this in Keighley

Alan stated this was happening everywhere (in the UK)

Public face to face drop in events in each constituency

A participant raised that the proposal to close the KWRC went against the Council's own Waste Management Development Plan 2017 that states the Council will safeguard waste recycling sites.

Alan explained that the document was about land use and not about waste management and how the Council delivered that.

The participant felt that the Council wasn't being transparent, the basis for selection of the Keighley site was flawed. It says it's based on site visits and not on a study that states six sites needed. Feels like it's being worked back from the conclusion. We need the information,

Alan said an officer would have the information forwarded,

Another participant said the library staff were unaware of the budget consultation and couldn't find it on the Council's website.

Officers said they would follow this up and make sure information was made available.

A final suggestion was made by a participant that the site for closure should be swapped to Sugden End.

Residents were thanked for their participation and comments.

Thornbury Centre, Leeds Old Road, Bradford East – 18 January, 6-7pm

No public participants

Helen Johnston, Senior Policy Officer

Shipley Library, Shipley – 19 January, 6-7pm

One member of the public participated

Council officers in attendance - Helen Johnston, Senior Policy Officer and Amani Ali, Graduate Trainee

The member of the public hadn't been able to attend the Keighley meeting but a resident there and wanted to be heard on a number of the proposals.

1. They'd like more information about the council/developer arrangements for 1 City Park
2. **Closure of the waste site at Keighley** will incur more travel for residents, likely increase fly tipping, need to keep it open as would put tourists/visitors off Bradford if there's more fly tipping, Clean Air Zone welcomed but policy not joined up across the District, should stay as is, bin lorries offload there, can dispose of rubble
3. **Building closures and working arrangements:** Need to look at officers working from home and make sure they're productive – what measure is used to ensure value for money? Good for work and mental health to get staff in once weekly at least. Since staff working from home hard to get through to services.

Public face to face drop in events in each constituency

Return Central Library to Margaret McMillan Tower when there's a break clause in the lease at the current site (in 2026). We should have been able to show the King our culture and library when he came, not Morrisons.

Personal gratitude to have had such a wonderful library that sparked my interest in many areas. Would like children and young people to have the same opportunity to learn as I did. Online isn't always best and good to touch paper

4. Reduce costs by reducing number of councillors to 60.
5. Keighley people should decide what to do with the greenspace created by the demolition of the college

The participant was warmly thanked for sharing their comments and feedback on the proposals. (they had picked up information about the consultation from the library)

Salvation Army, Wibsey, Bradford South – 24 January, 6-7pm

Not taken place yet

LETTERS AND EMAIL

Aire Rivers Trust
Albion Mills Business Centre,
Albion Road,
Greengates,
Bradford BD10 9TQ

Dear Cllr Hinchcliffe,

I am writing to express our concern at the Council's proposal to close Keighley Household Waste Centre. We are a local charity who care for the River Worth (and River Aire) in Keighley alongside volunteers from the local community and the grassroots group Friends of the River Worth.

The River Worth and its tributaries are home to a huge range of wildlife from dippers to brown trout as it weaves its way through the centre of Keighley. It is an incredibly valuable green space within walking distance of some of the most deprived communities in Bradford.

However, it's hidden route through dense urban areas and small industry makes it vulnerable to fly tipping and the closure of Keighley's Household Waste Centre will only increase this. In 2020, the Aire Rivers Trust cleared one of the district's worst spots for fly tipping from an area of unadopted land along North Beck in Keighley1. Over five tons of refuse was cleared using funding raised by the Trust and a fence erected to protect the land. This site was an isolated section of stream banking that had been habitually used by fly tippers and illegal waste traders for many years. A mixture of residential and trade waste had accumulated that harmed water quality and deterred visitors. Projects like this do not mean that the problem has been solved. We have recently helped the Council clear van loads of waste from opposite Becks Mill on Becks Road, next to Postman's Walk, and can see it accumulating on inaccessible banking upstream on Mohair Street. In 2021, local volunteers from Friends of the River Worth removed more than 1000 bags of litter and debris from the River Worth, North Beck, Gingerbread Clough and Hogs Hole Beck with similar amounts predicted for 2022.

We are currently launching a River Worth Restoration project together with River Worth Friends with support from the Keighley Towns Fund and Keighley Big Local (and additional funds raised from Enforcement Undertakings against polluters of the river) that will see the river returned to the heart of the town with improved pedestrian access and habitat improvements. We are grateful for Bradford City Council recently confirmed financial support for our ongoing River Aire Care riverside conservation and clean-up programme across the whole district. All this is good work in line with the Councils "Respecting Our Rivers" motion. It would be a great shame to see the work of our charity and its volunteers undermined by an increase in fly tipping. This will surely be the result of the closure of

Keighley Household Waste Centre.

Our volunteers remove fly tipping because we know that it is a significant source of pollution into our rivers from micro plastics to waste cooking oils that harms our wildlife. Larger items , or accumulations, of fly tipping pose flood risks where they are washed downstream into culverts and archways.

We realise that the Council faces considerable financial challenges and is having to make tough decisions but feel this is a choice with wide reaching consequences. I would be grateful if you could confirm how the impacts of fly tipping in the Keighley area are being considered should the closure of the Keighley Household Waste Centre go ahead and whether additional resources will be put into enforcement and cleansing to mitigate this. Our objections are based on the firmly held belief that the proposed closure will have a detrimental effect on Keighley's river, environment, and communities.

Yours sincerely,

Operations Manager

Sent: 13 December 2022 12:15

To: Cllr Susan Hinchcliffe <susan.hinchcliffe@bradford.gov.uk>

Subject: River Worth Friends - Objection to Closure of Keighley HWRC

Dear Ms Hinchcliffe

River Worth Friends understand that a proposal to close the Household Waste Facility in Keighley is to be discussed at a forthcoming council executive committee meeting. We strongly object to this proposal.

As an organisation working to improve the River Worth and its environs we constantly battle against litter and fly tipping, spending many hours removing debris from the river in and around Keighley. Earlier this year we worked with CBMBC community wardens and workers to remove a build up of fly tipped was on Becks Road near Becks Mill, many truck loads of debris were carted away. We are currently aware of a build up of fly tipped waste on steep banking further upstream on North Beck. The closure of the waste facility will inevitably lead to a massive increase in these issues.

We are currently working with the Aire Rivers Trust and Keighley Big Local, using funding from Keighley Towns Fund and the Environment Agency, to bring improvements to the river and the river corridor. These improvements will enhance the river for wildlife and also improve leisure access for the people of Keighley. At a time when this investment is being put into the river it seems perverse to take steps that will inevitably be detrimental to these aims.

Additionally if the facility is closed the council will have to considerably increase its provision for removal of fly tipped rubbish, I trust this has been factored into your considerations.

We realise that the current budget issues are a problem not of the councils making but would urge you to consider other ways to amend the budget rather than closing the Keighley HWRC.

Yours sincerely



From:
Sent: 13 December 2022 20:26
To: Cllr Susan Hinchcliffe <susan.hinchcliffe@bradford.gov.uk>
Subject:

CAUTION: This email has originated from outside Bradford Council.
Do not click links or open attachments unless you recognise the sender and know the content is safe.

Good evening,

I am just writing to express my concerns regarding the proposed closure of Hard Ings Road tip in Keighley. As a gardener who uses the tip on a regular basis and relies on it to run my business, I think that it is an absurd idea, one which will affect many many businesses.

With the growing problem of fly tipping in our area I feel that Bradford council should be making it easier for businesses to dispose of their waste, not making it more difficult.

With the recent introduction of the clean air zone in Bradford would it not be irresponsible to bring more traffic, including many lorries into the city?

I hope that this is something which you will carefully consider before making a decision which could ultimately affect people's livelihoods.

Regards

From:
Sent: 22 December 2022 11:38
To:
Subject: feedback re proposal 2023/24 Keighley tip closure

Cust doesn't have internet so cannot via log online form

Feed back re closure of kly tip
Cust says what about this clean air act as well as the cost in time and fuel for crews going to have to go to bowling back lane which is often very busy with cars queuing which will slow the refuse rounds doing the rounds as well. Asks if we will be charging each wagon going £50 clean air levi ?

regards
Customer Service Advisor
Council Contact Centre

3rd Floor Britannia House
Hall Ings
BRADFORD
BD1 1HX
City of Bradford Metropolitan District Council
Department of Place

From: WebSiteAutoResponder <auto-responder@bradford.gov.uk>
To: Council Contact 2 <CouncilContact2@bradford.gov.uk>
Date: 17/12/2022 13:49:17
Subject: Online Form Submission - Complaint

What is your complaint about?: Keighley refuse tip

Please provide details of your complaint:

The proposal to close the tip in Keighley would create many problems for all the residents of Keighley in our case being into our eighties we would find it difficult to have to travel to other tips and get used to thier systems etc. Why don't you try using the larger skips before using it as an excuse I am sure your staff would be only to happy to help. The obvious problem that already exists with fly tipping would certainly increase. It will also give another huge argument to the lobby for leaving Bradford Met.

What would you like to see as an outcome to your complaint?:

The tip as is.

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**Addendum to the Report of the Director of Finance to
the meeting of Executive to be held on 31st January
2022 (Document AP)**

Addendum 1

**Subject: 2023-24 BUDGET UPDATE – Addendum to Appendix B – Consultation
Feedback and Equality Assessments for the Council Budget Proposals for 2023-24**

Addendum to Appendix B

CONSULTATION FEEDBACK AND EQUALITY ASSESSMENT FOR THE COUNCIL BUDGET PROPOSALS FOR 2023-24

1. SUMMARY

The report (Document AP) of the Director of Finance, IT and Procurement was published on the 23 January 2023 to be presented to the Executive at the meeting to be held on the 31 January 2023.

This addendum reflects feedback received from the public consultation in relation to the budget proposals 2023-24 since the report was prepared and should be considered alongside Appendix B to Document AP

The public consultation concluded on the 25 January 2023.

2. UPDATES TO THE LEVELS OF FEEDBACK RECEIVED THROUGH THE CONSULTATION

- 2.1 At the conclusion of the consultation, the Council had received comments from 873 people or groups through the online questionnaire. It had received two postal questionnaires and 14 representations had been made through emails or letters.
- 2.2 Monitoring of the corporate social media accounts and Stay Connected newsletters on the budget consultation had shown 83 opinions from residents which have been included in the overall consultation feedback.
- 2.3 The level of response is significantly increased compared to recent years' budget proposals consultations. The majority of the response is in relation to the proposal R41 – Waste Review, but in particular the potential to close the Keighley Household Waste and Recycling Centre.
- 2.4 In addition, a public petition opposing the potential closure of the Keighley Household Waste and Recycling Centre was presented at Full Council on the 24 January 2023.
- 2.5 The proposals generating most comments are:

| |
|---|
| R41 - Waste Services review |
| Drawing the most comments and feedback, both online and in meetings, not one respondent, through whatever means, was supportive of this proposal. Respondents and participants believed it contradicted the Council's policies for recycling and clean air, they felt it was a proposal made in Bradford for Keighley. Many stated if implemented it would impact the environment through increased fly tipping and impact low income families, those with disabilities and older people through the need to drive further to dispose of waste. Many suggestions were made to negate the need to close the household waste and recycling site. Those in the meetings were passionate about Keighley and maintaining vital services there. |
| Increase in Council Tax by 2.99% (and Social Care Precept 2%) |

| |
|---|
| <p>Respondents did not feel the rise was justified given the current cost of living crisis, that the increase was unaffordable for many and others felt the reduction in services didn't warrant the increase. More help was called for in supporting those on low income. One respondent suggested increasing it further so that long term solutions could be implemented.</p> |
| <p>AppC Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture</p> |
| <p>Along with those responding to social media posts and news releases, one comment was made through the online survey about this proposal, concerns were raised in relation to the:</p> <ul style="list-style-type: none"> • Clean Air Zone • Land pressures, abandoned land and buildings • District's environmental image is poor • CO2 emissions • City of Culture paying for it |

3 Consultation – Responses and feedback received

3.1 The number of comments received through responses to the survey, social media, and news releases for each of the proposals under consultation was as follows:

| Ref | Proposal | Number of comments | | Total |
|-------|---|--------------------|-----------------------------------|-------|
| | | Online Survey | Social media posts/ news releases | |
| 4.8 | Increase in Council Tax 2.99% and Social Care Precept of 2% | 36 | 40 | 76 |
| 7.10 | Replacement of Vehicles - £3m | 0 | 0 | 0 |
| 7.10 | Property Programme - £4m. | 0 | 0 | 0 |
| 7.10 | General contingency for unforeseen capital expenditure - £1m. | 0 | 2 | 2 |
| 7.10 | IT Device Refresh Programme - £2m. | 0 | 0 | 0 |
| 7.11 | PCS1 City Centre Regeneration. | 1 | 1 | 2 |
| 7.11 | PCS2 Inflation Contingency. | 0 | 0 | 0 |
| App A | Children's social care pressures | 0 | 5 | 5 |
| App A | Adults Social Care Pressures – part reversal of a prior Demand Management Saving | 2 | 1 | 3 |
| App C | SEND Improvement Plan - Additional investment in SEND in line with improvement plan | 1 | 0 | 1 |
| App C | Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture | 1 | 27 | 28 |
| App C | Digital Autopsy Scanner - investment in the digital autopsy (non-invasive post mortem) service | 1 | 0 | 1 |
| App C | Share of Mortuary Staffing Costs - required to address a shortfall identified following inspection from HTA (Regulator). | 0 | 0 | 0 |

| Ref | Proposal | Number of comments | | Total |
|------|--|--------------------|-----------------------------------|------------|
| | | Online Survey | Social media posts/ news releases | |
| | | | | |
| CH6 | Aspiration Bradford – Cease Service | 0 | 0 | 0 |
| CH8 | Child Friendly City – Reduce non-staffing Costs. | 0 | 0 | 0 |
| CR25 | Digital Mailroom – Reduce outgoing mail and printing costs. | 0 | 0 | 0 |
| CR4 | Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer. | 3 | 0 | 3 |
| CR6 | Estates – The temporary closure of two city centre office buildings to reduce costs. | 5 | 1 | 6 |
| CR8 | IT Services – IT Strategy. | 0 | 0 | 0 |
| HW7 | Changes to Adult Social Care Non-Residential Charges– This is being separately consulted on. | 0 | 0 | 0 |
| R40 | Parking Permits and Charges Budget Proposal. | 3 | 3 | 6 |
| R41 | Waste Review. | 820 | 3 | 823 |
| R52 | PTH Improvement Plan implementation. | 0 | 0 | 0 |
| R53 | Opening of a Housing Revenue Account (HRA) for the start of the financial year 2023-24 | 0 | 0 | 0 |
| R54 | CCTV commercialisation. | 0 | 0 | 0 |
| R71 | Fleet Review. | 1 | 0 | 1 |
| | Total | 873 | 83 | 956 |

3.2 Annex 1 below provides additional comments against those proposals where survey responses have been received since the initial report (Document AP) was prepared and published.

Annex 1 – Consultation feedback and suggestions against specific budget proposals and equality impacts of those proposals received since the initial report was prepared and published (Document AP to Executive 31 January 2023).

Proposals that were open to consultation and that received further comments since the initial report was prepared and published are provided below. New comments, equality impacts and suggested changes are in **bold**. are included in the tables below.

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|-------------------------------|---|---|---|
| | | Equalities Impact/ Mitigations | | |
| 4.8 | Council Tax increase of 2.99% | Council Tax EIA | <p>Thirty-six respondents commented through the online survey. All but one was against the proposals</p> <p>Forty comments were received in response to social media posts or news releases. All were against the proposals</p> | <p>Equality impact feedback:</p> <ul style="list-style-type: none"> ▪ Impact on low income households, carers, older people and those struggling due to the cost of living crisis ▪ <p>Suggested changes from consultees to the proposals:</p> |
| 4.8 | Social Care Precept. | Social Care Precept EIA | <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> ▪ 5% increase not affordable or justified during the cost of living crisis ▪ May not raise expected amount due to the District’s demographics ▪ Tax goes up but services not improving/accountable (such as Children’s) ▪ Stop the spend on IT and new vehicles and save £5m ▪ Raise by maximum allowed as need to support services ▪ 5% will put people into fuel and general poverty ▪ All subsidising use of social care services ▪ Raise is negatively impacting mental health | <ul style="list-style-type: none"> ▪ Focus on basic services such as waste, safer streets etc. ▪ Cancel new buildings ▪ Reduce costs by: not engaging consultants/agency staff, reducing number of councillors and removing refreshments from their meetings, cutting staff pay, improving efficiency, not spending on IT and vehicles, not spending on Darley Street, not spending on city of culture and events, ▪ Seek government help ▪ People on benefits shouldn’t have to pay ▪ Reduce the proposed increase or freeze ▪ Increase Council Tax further to enable proper improvement etc. ▪ Stop being a City of Sanctuary and culture ▪ Close offices, increase working from home ▪ Sell assets ▪ Charge businesses more ▪ Better programme support to stop projects overspending ▪ Invest in renewables ▪ Incentivise prompt payment of council tax ▪ Drop the 1% for local initiatives |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|------------|--|--------------------------------------|--|--|
| | | Equalities Impact/ Mitigations | | |
| | | | | <ul style="list-style-type: none"> ▪ Make all the information available and tell people what has already been decided ▪ Invest in towns and not just the city centre ▪ Half the proposed increase ▪ Exempt carers, low income households, and the vulnerable from paying at the moment ▪ Stop putting this up |
| 7.11 | PCS1 City Centre Regeneration. | No equalities impact(s) identified. | <p>One direct comment was received and other feedback was received via the online survey in relation to the proposal to increase Council Tax and the Social Care Precept 2% and through the general comments.</p> <p>In addition, one comment was made in response to social media posts or news releases. The comment was against the proposals.</p> <p>The VCS made a comment about this proposal</p> <p>A summary of the feedback and comment:</p> <ul style="list-style-type: none"> ▪ Cancel new buildings ▪ Utilise existing premises rather than build new ones (1 City Park) ▪ Concerned about improvements to pedestrianisation ▪ Who decides which capital projects go forward? ▪ Need detail of what this is to be spent on | <p>Equality impact feedback: None received</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ Involve people in discussions about projects ▪ Support existing services. Borrowing costs are high currently |
| Appendix A | Adults Social Care Pressures – part reversal of a prior Demand | No equalities impact(s) identified. | One comment was received via the online survey. | <p>Equality impact feedback: None received</p> <p>Suggested changes from consultees to the proposals:</p> |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|------------|---|--------------------------------------|--|--|
| | | Equalities Impact/ Mitigations | | |
| | Management Saving. | | <p>One comment was made in response to social media posts or news releases. The comment was against the proposals.</p> <p>A summary of the comment:</p> <ul style="list-style-type: none"> ▪ Concerned about the family and mental health support ▪ How has the pandemic caused costs to rise? | <p>▪ Provide more detail to enable people to comment</p> |
| Appendix C | Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generation through City of Culture. | No equalities impact(s) identified. | <p>No feedback was received via the online survey. One comment was made through the online survey</p> <p>Twenty-seven comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>Summary of the comments:</p> <p>Concerns were raised about:</p> <ul style="list-style-type: none"> - Clean Air Zone - Land pressures, abandoned land and buildings - District's environmental image is poor - CO2 emissions - General funds should not be supporting this | <p>Equality impact feedback: None received</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ City of Culture should be providing the funding |
| Appendix C | Digital Autopsy Scanner – investment in the digital autopsy (non-invasive post-mortem) service. | No equalities impact(s) identified. | <p>One comment was received via the online survey</p> <p>Consider this to be a luxury</p> | <p>Equality impact feedback: None</p> <p>Suggested changes from consultees to the proposals:</p> <p>Use existing or charge people for the digital service</p> |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|--|--------------------------------------|--|---|
| | | Equalities Impact/ Mitigations | | |
| CR4 | Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer. | No equalities impact(s) identified. | <p>One comment was received via the online survey</p> <p>Summary of the comment:</p> <p>If unfilled, are the jobs needed?</p> | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> ▪ Review all posts ▪ Scrap unnecessary posts to make permanent savings |
| R40 | Car Parking – Implement consistent parking regime. | Car Parking EIA | <ul style="list-style-type: none"> • Three respondents commented through the online survey. Neither were supportive. • Three comments were received in response to social media posts or news releases. All were against the proposal. • A summary of the feedback and comments is as follows: • Town centre car parks should be free for one hour • Concern raised about charges at car parks • Issues with current permit scheme due to visitor limits and fines being imposed • Current scheme not suitable for Steeton • Limits people's social contact • Pressure on parking low in Steeton so unfair to impose this scheme • Concerned about bus lane fines, cycle lanes • There is potential for a park and ride scheme in the city centre • Wrong to charge people to park outside their council taxed homes • Business permits introduced without consultation. It's affecting footfall. | <p>Equality impact feedback:</p> <p>Negative impact on older people as have more visitors and will incur more costs</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> • No charge for 2nd permit where low demand on parking • Change current policy to allow one hour free parking (in town centres) • Fine people for littering • Relocate council staff in fewer buildings • Reduce agency staff costs |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|--|--------------------------------------|---|---|
| | | Equalities Impact/ Mitigations | | |
| R41 | Waste Review – Reviewing waste services to reduce costs and maximise efficiencies including the potential closure of Keighley Household Waste and Recycling site, one of the least used sites and reducing hours at all HWRCs. | Waste Review EIA | <p>The majority of respondents to the online survey, 820, commented on this proposal along with 2 postal surveys. All the comments were in relation to the potential closure of the Keighley Waste and Recycling Centre. None of those responding via the online survey were in favour of the potential closure of the site.</p> <p>Three comments were received in response to social media posts or news releases. All were against the proposal.</p> <p>The VCS commented on this proposal.</p> <p>Keighley and Shipley drop-in session participants commented on this proposal</p> <p>Objection letters were submitted about the proposal from the Aire Valley River Trust and The River Worth Friends. Twelve people also lodged their objections via mail, email or through our customer contact centre.</p> <p>A summary of the feedback is as follows:</p> <ul style="list-style-type: none"> • The tip is well used by Keighley, Steeton & Eastburn and Silsden residents and is always busy but queuing is on a quiet road – the data is incorrect • Lots of new house builds in the area – so need the facility • Implementation risks: increasing fly tipping and costs to deal with it (more than needed to upgrade the tip) – blighting the landscape, | <p>Equality impact feedback:</p> <p>Large number of older people living in the area that the site serves</p> <p>Site provides easier access than alternative sites for people with mobility issues</p> <p>Impact on people who are incontinent as provides close and accessible site for disposal of personal soiled waste, such as adult diapers</p> <p>Impact those on low income as would need to pay more for fuel to travel to other sites</p> <p>Impact on carers/parents who have limited time to spend away from those they care for</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> • Don't close the site – make it more user friendly and promote • Close the council buildings sooner to save money • Relocate the site • Review planning restrictions with a view to increasing opening hours • If you must, shut somewhere else, such as somewhere in Bradford– keep this site open and promote it • Keep all HWRC sites open • Remove building at back of the site to make it bigger and capable of accommodating larger skips |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|--------------------------------------|--|---|
| | | Equalities Impact/ Mitigations | | |
| | | | <p>increasing landfill and costs, traffic and safety issues at and around other sites especially Sugden End on Halifax Road (busy A629) – this site is also currently experiencing long queues, reduced rates of household recycling</p> <ul style="list-style-type: none"> • Keighley has 50k residents – largest town in the district, should have its own HWRC • Site provides good access for people, is central and causes minimal disruption traffic and residents • Requirement to travel further would increase air pollution (against Council clean air policy), not environmentally or wildlife friendly • Bradford making decisions that affect Keighley • Valued by and essential to Keighley residents and businesses • Closure would mean only one site in district for plaster board waste • Feel unheard, excluded • Added costs for residents to dispose of their waste • Listen to residents about this and other initiatives • losing the tip would make it harder for residents to dispose of green waste • Fuel drive to leave the LA • Could increase vermin due to people retaining waste • No car so won't be able to use alternative sites • Need to consider the wider impacts of closure i.e. Health, environmental • Keighley people don't want the incinerator but do want the tip | <ul style="list-style-type: none"> • Spend less on other things such as city of culture/city centre events – Keighley doesn't see this • Impose a small charge for use • Staff pay cut • Reduce/change hours, alter staffing at all sites rather than close • Alternative staffing arrangements • Reduce spend on city centre projects • Invest in the site • Reduce spend on bureaucracy • Invest in Keighley • Increase enforcement fines • Look long term at what support needed by all people • Buy Airedale Shopping centre, sell Kirkgate in Bradford to fund our services • Encourage more recycling • Provide a 'salvage' shop – selling on recycled goods • Save money, cut top management • Listen to people • Look for cuts elsewhere – management, funding for social and health organisations • Relook at criteria for determining which site to close – road safety also important • Get volunteers to help reclaim and sell reusable items – proceeds to charity • Forward plan and invest in services and facilities in Keighley – tip, police station etc. • Cut councillors wages, reduce spend on non-essentials such as Christmas lights • If closes collect green and grey bins every week • Stop funding ineffective schemes like the cycle lanes • Use brownfield sites for new industrial units rather than close the tip • Save money by planting perineal in flower beds |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|--------------------------------------|--|--|
| | | Equalities Impact/ Mitigations | | |
| | | | <ul style="list-style-type: none"> • Is there a financial incentive to the closure – it's on prime industrial land • Reducing opening hours at all tips will increase traffic queuing, congestion and air pollution • Keighley becoming rundown– this will add to the 'ghost town' feel. • What services are Keighley residents getting for the increase in Council Tax? • Proposal does not align with the 'sustainable district' or discharge the local development plan's Waste Management Development Plan • Feels like the Council don't want to have services in Keighley/Ilkley • Planning restrictions could be lifted as other local circumstances have changed negating the need • Waste will still come into Keighley TLS • More skip movements will take place at other sites • Closing would cost more in the long run • Put it to a public vote • Site is good for road safety unlike alternatives suggested • Risk of harm to wildlife and humans due to fly tipping of toxic substances • Proposal due to Keighley not being 'Labour' • Area's natural beauty will be impacted by more fly tipping, leading to a reduction in tourists • Relocation of site staff (considered friendly and efficient) unfair • Will lead to build up of waste in gardens • Need to prioritise Keighley's needs | <ul style="list-style-type: none"> • Don't spend on IT and new vehicles • Reduce jobs in the council • Manage performance of staff – social work, education • Take Keighley residents views into account • Let local town councils manage funding for services • Use enforcement on roads etc. to bring in funding • Change the skips to the larger, cheaper to run ones • Use incinerator site for new Keighley HWRC site • Look at provision in other LA areas • Not reasonable to remove service that Keighley people are paying for • More regular street clean-ups • Provide an alternative site if want to use for industrial units and jobs • Encourage people to use the tips with offers • Call on government for more funding – council tax higher in north east than elsewhere • Don't spend on Children's Trust – duplicating salaries • Treat Keighley fairly • Withdraw the proposal • Link up your policies • Take note of Keighley residents views • Close Sugden End instead • Audit of council spend before deciding to close this service • Separate Keighley from Bradford • Reduce opening times of HWRC sites • Increase car park charges • Charge to enter Council museums etc. e.g. Cliffe Castle • Reduce the number of hours of street lighting • Use Council Tax from Keighley to support Keighley • Promote waste services and sites |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---------------------|--------------------------------------|--|--|
| | | Equalities Impact/ Mitigations | | |
| | | | <ul style="list-style-type: none"> • Increase landfill as more recyclables will end up in general waste • Poses a major inconvenience to Keighley residents • Likely increase in litter in Keighley • Also required to accommodate needs of new housing • The closure would increase calls for Keighley's independence • Not enough evidence provided to support this proposal – each element of savings should have been broken down • Opening hours cited, but only 3 less than other sites – which would all reduce if the proposal is accepted, also against the principles in the Council's Waste Management Plan in the Local Development Plan 2017 | <ul style="list-style-type: none"> • Give discounts to use Council facilities, i.e., leisure centres, to get more people using them to increase income • Collect the bins weekly or keep the tip open • Improve KHWRC efficiency to get more cars through • Increase sites hours • Improve KHWRC access and egress • Offer free bulky waste collections • Give Keighley own funding/separate from Bradford • Stop funding vanity projects • Big clean up once a year – Council take all waste from kerbside • Make it easier for 'fly tipplers' to use sites than fly tip • Generate income with traffic fines • More cleaning of drainage and road debris • Add 'soft plastic' to what can be recycled at the KHWRC site • Treat staff respectfully – tell them before proposals published • Resell recycled items, offer workshops in upcycling and create jobs/apprenticeships around the initiative • More patrols in Keighley • Use what heard to decide and not as a tick box exercise • Improve access for vans and separate of cars/vans at the site to improve efficiency • Revert to opening at 8am to avoid school traffic • Fund essential services only • Take fly tipping more seriously and let people know the outcomes from their reporting it |
| | | | Several comments made about R41 Waste Review related to the closure of the Keighley 'business waste site'.. Others were concerned that gritters would be located in Bradford. Waste Services have confirmed this is not part of the proposal. Waste Services has responded these are not part of the proposal | |

| Ref | Proposal for change | As published December 2022 | Consultation feedback about the proposal | Consultation feedback about equality impacts / Suggested changes from consultees to the proposals |
|-----|---|--------------------------------------|---|---|
| | | Equalities Impact/ Mitigations | | |
| R71 | Fleet Review: Transformation programme Looking at Fleet efficiencies that includes reducing Grey Fleet, centralising budgets, reducing the use and costs of hire vehicles, value for money planned replacement plans. | Fleet Review EIA | <p>One comment was received via the online survey</p> <p>The VCS commented on this proposal.</p> <p>Summary of comments:</p> <ul style="list-style-type: none"> • Issues with how the passenger transport service runs • Allow VCS to use vehicles out of hours | <p>Equality impact feedback:</p> <p>Suggested changes from consultees to the proposals:</p> <ul style="list-style-type: none"> • Only replace vehicles when need to • Defer buying electric until price reduces • Cut down on the number of vehicles used by the Council |

SUMMARY OF OTHER COMMENTS received following preparation and publication and of Document AP and NOT DIRECTLY RELATED TO SPECIFIC PROPOSALS

| Theme | Comments |
|----------------------|--|
| Road Safety/Highways | <ul style="list-style-type: none"> • Bingley – suggests improvement to student road safety at Wagon Lane and Beckfoot • Roads around Keighley need improving |
| Crime | <ul style="list-style-type: none"> • More CCTV and police presence needed in Keighley |
| Clean Air Zone | <ul style="list-style-type: none"> • Repurpose and green existing buildings rather than build new • Stop the CAZ, reducing visitor numbers damaging businesses and impeding post pandemic recovery |
| Funding/investment | <ul style="list-style-type: none"> • Budget for increase in jobs and more opportunities for youth • Review the cost of the Aire Valley trunk road footbridge - £11m is too much • Funds need to be used evenly across the District • Cut senior officers wages, not services • Help homeless • Invest in Keighley Town and services • Lower business rates for Keighley shops to encourage them to stay |
| Health and childcare | <ul style="list-style-type: none"> • Don't reduce budgets in these areas |
| Bin collections | <ul style="list-style-type: none"> • Improve the service, collections are not often enough |

Public face to face drop in events following preparation and publication of Document AP

Salvation Army, Wibsey, Bradford South – 24 January, 6-7pm

No public participants

Addendum 2 to Budget Update Report 31st January 2023 Executive.

- 1.1 Since the publication of the Budget Update Report for the 31st January 2023 Executive on 23rd January 2023, Financial Services have continued to work on the NNDR1 form that sets the Business Rates base for 2022-23. The form uses Business Rates data at 31st December 2022, and the S151 Officer (the Director of Finance) must submit a completed form to Government by 31st January 2023.
- 1.2 Completing this form requires input from officers in Financial Services and Revenues and Benefits and given the significant policy changes that impact in 2023-24, the form has also been reviewed by independent specialists to ensure that the impacts have been correctly interpreted.
- 1.3 Following the completion, review and submission of the NNDR1 form, revised levels of Section 31 grants have been estimated, and the Council now expects to receive c£2.246m more than previously estimated for Multiplier compensation on the Council's Top Up Grant, and it is also forecast to have a £263k higher Business Rates deficit for 2022-23 at £2.067m.
- 1.4 Lastly, there is also a required presentation change in relation to S31 grants for Hospitality & Retail Business Rates reliefs. S31 grants are received when the Government makes policy choices that impact on the amount of Business Rates that the Council should budget to collect and keep, but they are paid as a grant to the General fund, and do not form part of the Resources calculation.
- 1.5 Consequently, the presentation of S31 grants have been moved out of the Resources section in the table below and moved into the Funding changes area. This has a £0 impact overall but is required to ensure that net budget funding presentation remains comparable with other Councils.
- 1.6 The overall impact of the above changes is to reduce the use of reserves to balance the budget by £2.223m to £30.410m all else being equal.
- 1.7 The table below has been updated to reflect the changes.

Summary of Financial Implications – Revenue Budget 2023-24

2.1 The table below shows the 2023-24 budget requirement based on the updated information outlined within this report and addendum, and compares it to 2023-24 Budget Proposals report approved by the Executive on the 14th December 2022.

Table 1

| | 2023/24 Budget Proposals Dec 2022 £000s | Change since 14th Decemb er £000s | 2023/24 Budget Proposals 31st Jan 2023 £000s | Change outlined in this Addend um £000s | 2023/24 Budget Proposals 31st Jan 2023 £000s |
|--|--|---|--|--|--|
| Cumulative gap £000s | | | | | |
| 2022/23 Base Budget | 388,456 | | 388,456 | | 388,456 |
| Existing Pressures in Children's & Adults Care | 50,000 | | 50,000 | | 50,000 |
| Investments previously approved | 500 | | 500 | | 500 |
| New Investments for Consultation | 1,098 | | 1,098 | | 1,098 |
| Inflation | 58,604 | (154) | 58,450 | | 58,450 |
| Demographic Growth | 2,713 | | 2,713 | | 2,713 |
| Funding Changes | (25,432) | 13,948 | (11,484) | (2,486) | (13,970) |
| Funding Changes - S31Grant to compensate for BR Retail reliefs | | | | (7,944) | (7,944) |
| Base Net Expenditure Requirement | 475,938 | 13,948 | 489,732 | (10,430) | 479,302 |
| Reversal of One-Off investments | (1,600) | | (1,600) | | (1,600) |
| Existing approved savings | (350) | | (350) | | (350) |
| New Savings for consultation | (13,692) | | (13,692) | | (13,692) |
| Capital financing & central budget adjustments | (18,390) | (4,000) | (22,390) | | (22,390) |
| Net Expenditure Requirement | 441,906 | 9,793 | 451,700 | (10,430) | 441,270 |
| RESOURCES | | | | | |
| Localised Business Rates (BR) | (57,160) | (1,089) | (58,249) | | (58,249) |
| S31Grant to comp for BR Retail reliefs | (6,742) | (1,202) | (7,944) | 7,944 | 0 |
| BR Coll Fund deficit from 2022-23 | | 1,804 | 1,804 | 263 | 2,067 |
| Top Up Business Rates Grant | (69,259) | (5,712) | (74,971) | | (74,971) |
| Revenue Support Grant | (36,792) | (3,512) | (40,304) | | (40,304) |
| Est. RSG replacing New Home Bonus | (3,939) | 3,939 | 0 | | 0 |
| Council Tax Income | (233,290) | 0 | (233,290) | | (233,290) |
| CT Coll Fund deficit from 2022-23 | 0 | 138 | 138 | | 138 |
| Pre agreed Use of reserves | (4,250) | 0 | (4,250) | | (4,250) |
| Dept of Place reserve use | (2,000) | 0 | (2,000) | | (2,000) |
| Use of reserves to balance the budget | (28,473) | (4,160) | (32,633) | 2,223 | (30,410) |
| Total resources | (441,906) | (9,793) | (451,700) | 10,430 | (441,270) |

Report of the Director of Finance to the meeting of Executive to be held on 21 February 2023 and Council to be held on 23 February 2023

AU

Subject:

The Council's Revenue Estimates for 2023-24

Summary Statement:

The report provides Members with details of the Council's Revenue Estimates for 2023/24

EQUALITY & DIVERSITY:

The report sets out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2023/24 budget is approved.

The Revenue budget supports the delivery of Council priorities including significant action to address inequalities in health, income, opportunity and environmental quality.

Christopher Kinsella
Director of Finance

Portfolio:

Leader

Report Contact:

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Overview & Scrutiny Area:

Corporate

THE COUNCIL'S REVENUE ESTIMATES FOR 2023/24

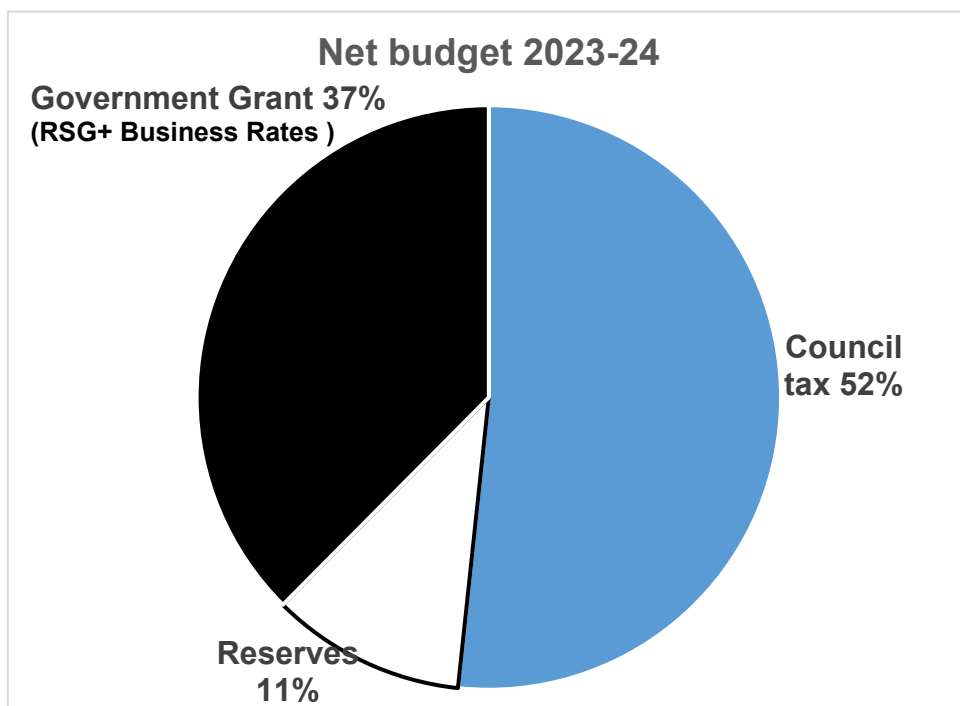
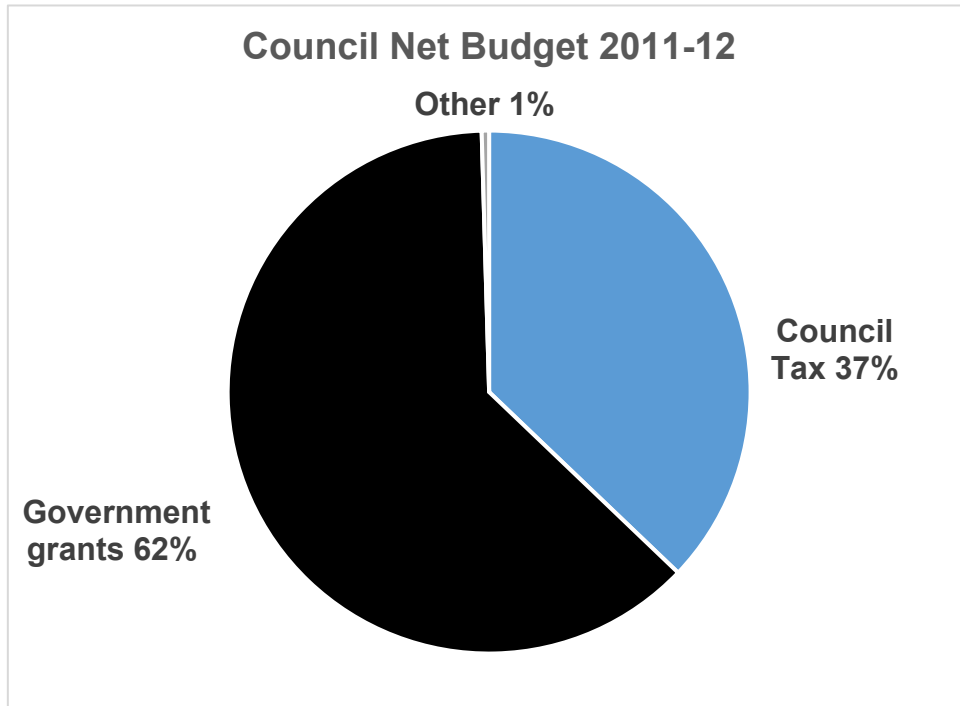
1. PURPOSE

- 1.1 This report proposes the estimates of net revenue expenditure be recommended to Council for approval as the Council's balanced revenue budget for 2023/24.
- 1.2 The revenue estimates are part of the overall budget proposal for the Council which also includes:
 - the recommended Capital Investment Plan, including changes to the Minimum Revenue Provision policy and the adoption of Flexible use of capital receipts.
 - the recommendations associated with the new Housing Revenue Account.
 - the allocation of the Schools Budget 2023/24
 - Section 151 Officer's Assessment of the proposed budgets
- 1.3 The overall budget proposal allocates available resources to support the delivery of Council priorities:
 - A great start and a good school for all our children
 - Better health, better lives
 - Safe, strong and active communities
 - Skills, jobs and a growing economy
 - A Sustainable District
 - Decent homes
 - Enabling Council
- 1.4 This report is submitted to enable the Executive to make recommendations to Budget Council on the setting of the 2023/24 budget and the Council Tax for 2023/24, as required by Part 3C of the Council's Constitution.

2 Context

- 2.1 The 2023-24 Budget proposals published in December 2022, were developed amidst unprecedented levels of uncertainty and financial pressure resulting from extraordinary levels of inflation, rising demand for services particularly children's and adults social care, the increasing cost and complexity of those services, the need to deliver improvements and the impact of austerity which has already required the Council to find £310m savings.
- 2.2 The interim period since publication has seen those pressures continue to grow both in Bradford and across local government as a whole and the proposals set out in this report allocate £58.4m – almost 13% of the proposed net budget – just to meet the costs of inflation and before any demand pressures are taken into account.
- 2.3 While the Government's Financial Settlement for Local Authorities has increased the core spending power of Councils this includes the assumption that all Councils will raise Council tax and the Adult Social Care precept to the maximum allowed without a local referendum. In line with that assumption the budget proposes an increase of 4.99% in Council tax. This would add the equivalent of £1.48 per week to Band D council tax. Council tax would continue to be among the lowest in West Yorkshire.

2.4 Over recent years the proportion of the Council's budget funded by Council Tax payers has increased significantly and now accounts for more than half of the Council's net resources. Conversely, the proportion of the budget funded by central government has shrunk. Authorities such as Bradford, which have below average levels of Council Tax and high numbers of properties in lower Council Tax bands, are unable to raise as much funding locally as other often far wealthier areas with lower levels of need. Bradford is therefore less able to raise sufficient funding to keep pace with inflation and demand for services. While the proposed increase in Council Tax will raise £11m to support local services this sum is dwarfed by the scale of the current financial pressures.



- 2.5 National Government has been clear that it expects Councils to deploy reserves to mitigate against the impact of inflation and demand. The revenue estimates set out in this report propose the use of £44.299m of Council reserves. This represents an unprecedented use of reserves that cannot be sustained beyond the short-term. Our reserves can only be used once, and resources set aside for investment in the District's priorities and its future must now be used to meet the immediate funding challenges.
- 2.6 Since 2011-12 the Council has had to find £310m in savings as a result of austerity, rising demand and increasing costs. The revenue estimates propose a further £36m of savings for 2023-24 including significant savings to be made through the management of vacant posts which will inevitably impact on council capacity.
- 2.7 A number of financial adjustments are reported that are in train; ostensibly these do not impact directly on frontline service delivery however many of them will have an effect on financial resilience and organisational capacity.
- 2.8 The proposed budget invests in vitally important services to our most vulnerable residents, protects frontline services and retains the capacity to deliver key regeneration projects.
- 2.9 Most of the Council's services are relatively low cost and high performance compared to similar councils and delivery of the Council's transformation programme will be key to securing and sustaining services and outcomes must be prioritised over the next twelve months. There is however a limit to what more can be saved without reducing services; reserves are finite and rapidly diminishing; Council Tax cannot meet cost and demand pressures.
- 2.10 For the fifth consecutive year, local authorities have been provided with only a one-year funding settlement from Government and one which lags behind inflation making financial planning difficult and uncertain. Reforms to the funding system which would benefit Bradford by £32m a year have been repeatedly delayed and put on hold. To date public health grants for 2023-24 have not yet been announced.
- 2.11 Responses to the national challenges in Adult Social Care have been based on short-term annual funding announcements when what is needed is sustained investment and reform to meet increasing demand and challenges in recruitment and retention as competitive wages for care workers are increasingly unaffordable for cash strapped Councils.
- 2.12 Likewise, while the Government's recognition of the demand pressures facing children's social care nationally, the dysfunctional nature of the residential care market and the need for wide ranging reforms are welcome, its response both in terms of the investment on offer and the pace of reform needs to go further and faster if we are to sustain good local services and financial viability.
- 2.13 In order for the District is to achieve its full productive potential then Government must also signal an ongoing commitment to its levelling up agenda, to work with the Council to secure the infrastructure investment that the District needs and to shift from the competitive funding regime for regeneration funds to one based on needs and local circumstances.
- 2.14 However, a sustainable future for Council services and investment in our District's future

requires certainty, fairness and reform in funding, national solutions to the crises in adults and children's social care and a renewed and re-shaped commitment to levelling up. The Council's submission to the Chancellor's Spring Budget has made the case for these policy shifts.

3 PROPOSED REVENUE BUDGET 2023/24

3.1 The balanced 2023/24 revenue budget is predicated on total available general resources (Council Tax income, Business Rates income, Top up Grant, Revenue Support Grant and use of reserves) of £453.270m in 2023/24.

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

- £58.4m to meet cost pressures arising from inflation including increases in pay, the National, energy price inflation and general inflation. Given the volatility of energy prices £6m is also recommended to be added to an earmarked reserve to cover risk of energy price volatility.
- Significant new investment in support for Children's Social Care of £57m.
- Additional support for Adult Social Care of £5m.
- £2.7m to meet the cost of demographic growth in Adults, Children's Social Care and Waste Services.
- £36m of budgeted savings; making greater use of financing flexibilities, additional income, and partner contributions as outlined in Appendix E and F.
- 4.99% increase in Council tax and Social Care Precept as outlined in the Chancellor's Autumn statement, raising an additional £11m for vital local services.
- £44.3m of reserve use to balance the budget (Appendix I), and a further £4.25m for City of Culture and a Regeneration opportunity that have been previously approved as outlined in Appendix (H).
- £6m of reserves will also be earmarked to the Energy Price volatility reserve, and £3.1m of reserves will be added to the £19.5m General Fund reserve to ensure that 5% is held as a General Fund balance in line with recommended practice as outlined in Appendix J
- The proposals would potentially result in 3 redundancies, and every effort would be made to ensure that staff affected will be redeployed in line with Council policy.
- The intent to continue to focus on the delivery of efficiencies and cost-effective service delivery whilst improving outcomes.
- Proposals for a number of new investments to be added to the Capital Investment Plan (see accompanying Capital Investment Budget report) including Vehicle replacements (£3m), Property Programme improvements including investments to help move the Councils estate to net zero (£4m) - this will help supplement other energy efficiency schemes already in the CIP, IT equipment upgrades (£2m), Additional contingency to help mitigate additional construction inflation (£10m), and City Centre Regeneration (£18m). £5.2m is also recommended to be added to the Reserve list of the Capital investment plan for Children's Residential Care pending agreement with the Bradford Children's and Families Trust.

3.3 Key changes since the approval of the 2023/24 Budget Update Report & Addendum (Executive 31st January 2023) are:

- Negotiations have been on going about the contract price for the Bradford Children’s and Families Trust. As a result of continued growth in Children Looked After numbers in high-cost placements, and continued increases in Agency staff numbers, the costs of Children’s Social Care have continued to increase throughout 2022-23, and this will impact on the costs in 2023-24. This has added £12m of additional costs for Children’s Social Care.
- The Local Government Final Settlement was also published by the Government on 7th February 2023. This resulted in some small-scale changes in the Final Settlement the Council will receive £223k more than had been estimated at the Provisional Settlement.
- The Waste Services saving of £500k has also been amended to £388k in 2023-24, following public consultation and the identification of alternative proposals, the closure of the Keighley Household Waste and Recycling centre will no longer happen.
- The overall impact of the above is an increased call on reserves to balance the budget of £11.889m to £44.299m
- Further, as a result of the increase in the size of the Council’s net revenue budget, the General fund reserve will also need to be increased pro rata, so that the Council continues to hold 5% as a contingency. This will result in a £3.163m increase in the General Fund reserve, with funding to derive from other existing reserves.

3.4 The additional £11.889m of reserves that are proposed to be used to fund the budget gap in 2023-24 have derived from mitigating actions that will reduce the Councils forecast overspend in 2022-23, meaning that more reserves will be carried forward to 2023-24 than would otherwise be the case. The mitigations include applying the Minimum Revenue Provision policy change to 2022-23 (c£5m); including redistributed National Levy Account surplus from Government (c£1.1m) (notified by government on 6th February 2023), and additional Health related funding including recently announced discharge to assess grants and planned for contributions from Local health partners.

3.5 Negotiations continue with the Bradford Children’s and Families Trust.

3.6 The overall budget summary position is shown at Appendix A, with further detail contained in Appendices B to J.

4 COUNCIL TAX IMPLICATIONS

4.1 In setting the Council Tax for 2023/24, Council will have regard to the Council Tax base approved by the Executive on 3 January 2023. The Council will also wish to note the precepts of the parish and town councils.

5 MATTERS RELATING TO 2022/23 FINANCIAL POSITION

5.1 The 2023/24 financial position is contingent upon the 2022/23 audited out-turn. The Executive is therefore asked to give the s151 Officer authority to secure the best position for the Council in respect of 2023/24 in preparing the Final Accounts for 2022/23.

MATTERS RELATING TO FUTURE EXTERNAL AUDIT

5.2 The External Audit contract was renewed in 2022-23, for 5 years from April 2023

through a procurement coordinated by Public Sector Audit Appointments.

6 RISK MANAGEMENT AND GOVERNANCE ISSUES

- 6.1 The uncertainties regarding the funding that will be available to the Council are considered within the Section 151 Officer's Report. Existing governance arrangements around the Council's financial monitoring will continue.

7 LEGAL APPRAISAL

- 7.1 It is necessary to ensure that Executive have comprehensive information when considering the recommendations to make to Council on the budget for 2023/24 at their meeting on 21 February 2023. It is a legal requirement that Members have regard to all relevant information. The information in this report and any updated information produced to Executive on 21 February 2023 following their consideration on 31st January 2023 of the feedback received to date from the consultation processes and their consideration of equality issues are considered important in this context. It will also be necessary to consider any further information produced to the 21st February 2023 Executive meeting.

8 OTHER IMPLICATIONS

8.1 EQUALITY & DIVERSITY

- 8.1.1 The equality implications of the new budget proposals and the proposed amendments to previous budget decisions were highlighted in an appendix in Budget Update report presented to the meeting of Executive on 31st January 2023. The equality implications of the 2023/23 proposals previously approved by Budget Council in February 2022 were fully considered by Council at that time.
- 8.1.2 Equality impact assessments are undertaken on all budget proposals. Where impacts are identified on particular protected characteristic groups, the assessments are published, consulted on and then further updated reflecting on feedback received. These assessments for the 2023/24 proposals are accessible via this link:

[Budget EIAs - 2023-24 | Bradford Council](#)

The EIAs have been updated and republished for this meeting.

Elected Members should consider the Equality Impact Assessments in full. The consultation provides the opportunity for the Council to better understand:

- The consequences for individuals with protected characteristics affected by changes, particularly related to proposals relating to social care;
- Any cumulative impact on groups with protected characteristics.

8.2 SUSTAINABILITY IMPLICATIONS

- 8.2.1 There are no direct sustainability implications resulting from this report.

8.3 GREENHOUSE GAS EMISSIONS IMPACTS

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

8.4 COMMUNITY SAFETY IMPLICATIONS

8.4.1 There are no direct community safety implications of new budget proposals.

7.5 HUMAN RIGHTS ACT

8.5.1 Any human rights implications resulting from this report are referred to in the Equality Impact Assessments.

8.6 TRADE UNION

8.6.1 The feedback from the consultation programme on the Council's new budget proposals and the proposed amendments to previous budget decisions were detailed in an appendix to a report presented to the meeting of Executive on 31st January 2023. The consultation feedback on the proposals previously approved by Budget Council was fully considered by Council at that time.

8.7 WARD IMPLICATIONS

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

7.8 IMPLICATIONS FOR CORPORATE PARENTING

8.8.1 Any implications for corporate parenting are addressed in the detailed budget proposals

8.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

9 RECOMMENDATIONS TO COUNCIL

Executive is asked to approve the following recommendations to Council:

9.1 REVENUE ESTIMATES 2023/24

- (a) That the Base Revenue Forecast of £453.159m for 2023/24 be approved as set out in this report.
- (b) That the Existing pressures of £62.0m in 2023/24 as set out in Appendix B be approved.
- (c) That the Investments previously approved of £0.5m in 2023/24 as set out in Appendix C be noted.
- (d) That the Recurring investment proposals of £1.098m in 2023/24 as set out in

Appendix D be approved.

- (e) That the prior agreed savings in Appendix E be noted.
- (f) That New savings of £13.580m in 2023/24 as set out in Appendix F be approved.
- (g) That the Capital Financing and Central budget adjustments of £22.390m in 2023/24 as set out in Appendix G be approved.
- (h) That it be noted that within the revenue budget there is a net use of £44.299m in revenue reserves in 2023/24 to balance the budget as outlined in Appendix A
- (i) That it is noted that £4.250m of pre-approved reserve use is required for City of Culture and a Regeneration opportunity.
- (j) That £6m of reserves are earmarked to the Energy Price Volatility reserve.
- (k) That £3.163m is earmarked to the General Fund Reserve balance so that it remains at 5% of the net revenue budget in line with recommended practice.

That the comments of the Director of Finance set out in the Section 151 Officer's Assessment of the proposed budgets on the robustness of the estimates and the adequacy of reserves taking account of the recommendations made at 8.1(a) to (k) above be noted

9.2 PROPOSED COUNCIL TAX 2023/24

- 9.2.1 That it be noted that the projected council tax base and expenditure forecasts outlined in this report together with the 2023/24 resources and the budget variations approved in 8.1 produce a proposed Band D council tax of £1,620.98 for 2023/24.

9.3 PAYMENT DATES FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

- 9.3.1 That the first instalment date for payment of National Non-Domestic Rates and Council Tax shall be specified by the s151 Officer.

9.4 DELEGATION TO OFFICERS

- 8.4.1 That for the avoidance of doubt and without prejudice to any of the powers contained in Article 14 of Part 2 of the Council's Constitution on the Function of Officers, the s151 Officer shall have full delegated powers to act on behalf of the Council on all matters relating to the Council Tax, Non-Domestic Rates and Accounts Receivable Debtors including (without prejudice to the generality of the delegation) entry into any business rate pilot, assessments, determinations, recovery, enforcement and, in accordance with the statutory scheme, full delegated powers to act on behalf of the Council with regard to all aspects of the granting of Discretionary and Hardship Rate Relief to qualifying ratepayers.

9.5 PREPARATION OF ACCOUNTS

- (a) That in preparing the Final Accounts for 2022/23, the s151 Officer be empowered to take appropriate steps to secure the best advantage for the Council's financial position.
- (b) That the s151 Officer be empowered to deal with items which involve the transfer of net spending between the financial years 2022/23 and 2023/24 in a manner which secures the best advantage for the Council's financial position.
- (c) That the s151 Officer report any action taken in pursuance of 8.5(a) and 8.5 (b) above when reporting on the Final Accounts for 2022/23.

9.6 COUNCIL TAX REQUIREMENT 2023/24

- (a) That the council tax base figures for 2023/24 calculated by the Council at its meeting on 3rd January 2023 in respect of the whole of the Council's area and individual parish and town council areas be noted.
- (b) That the only special items for 2023/24 under Section 35 of the Local Government Finance Act 1992 are local parish and town council precepts and no expenses are to be treated as special expenses under Section 35(1) (b) of that Act.
- (c) That the Council Tax Requirement, excluding parish and town council precepts, be calculated as follows:

| | |
|--|-----------------------|
| Gross expenditure | £1,280,230,616 |
| Income | £1,043,866,646 |
| Council Tax requirement | £236,363,970 |
| Council tax base | 143,920 |
| Basic amount of council tax | £1,642.33 |
| Adjustment in respect of parish and town council precepts | £21.35 |
| Basic amount excluding parish and town councils | £1,620.98 |

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

| <u>Parish or Town Council Area</u> | <u>Local Precept</u> £ | <u>Council Tax Base</u> | <u>Parish/Town Council Tax</u> £ | <u>Whole Area Council Tax</u> £ | <u>Basic Council Tax Amount</u> £ |
|------------------------------------|---------------------------|-------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| Addingham | 99,749 | 1,773 | 56.26 | 1,620.98 | 1,677.24 |
| Baildon | 306,990 | 6,287 | 48.83 | 1,620.98 | 1,669.81 |
| Bingley | 238,242 | 8,589 | 27.74 | 1,620.98 | 1,648.72 |
| Burley | 264,440 | 3,005 | 88.00 | 1,620.98 | 1,708.98 |
| Clayton | 68,427 | 2,505 | 27.32 | 1,620.98 | 1,648.30 |
| Cullingworth | 45,470 | 1,322 | 34.39 | 1,620.98 | 1,655.37 |
| Denholme | 52,155 | 1,159 | 45.00 | 1,620.98 | 1,665.98 |
| Harden | 48,952 | 844 | 58.00 | 1,620.98 | 1,678.98 |
| Haworth, Crossroads and Stanbury | 106,140 | 2,384 | 44.52 | 1,620.98 | 1,665.50 |
| Ilkley | 392,902 | 7,232 | 54.33 | 1,620.98 | 1,675.31 |
| Keighley | 798,793 | 15,214 | 52.50 | 1,620.98 | 1,673.48 |
| Menston | 122,796 | 2,274 | 54.00 | 1,620.98 | 1,674.98 |
| Oxenhope | 41,960 | 1,049 | 40.00 | 1,620.98 | 1,660.98 |
| Sandy Lane | 16,100 | 875 | 18.40 | 1,620.98 | 1,639.38 |
| Shipley | 164,255 | 4,693 | 35.00 | 1,620.98 | 1,655.98 |
| Silsden | 90,250 | 3,145 | 28.70 | 1,620.98 | 1,649.68 |
| Steeton with Eastburn | 86,504 | 1,785 | 48.46 | 1,620.98 | 1,669.44 |
| Wilsden | 95,000 | 1,759 | 54.01 | 1,620.98 | 1,674.99 |
| Wrose | 33,945 | 2,190 | 15.50 | 1,620.98 | 1,636.48 |
| Total of all local precepts | 3,073,070 | 68,084 | | | |

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

| | Council Tax Amount for Each Valuation Band | | | | | | | |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
| All parts of the Council's area other than those below | 1,080.65 | 1,260.76 | 1,440.87 | 1,620.98 | 1,981.20 | 2,341.42 | 2,701.63 | 3,241.96 |
| The parish and town council areas of: | | | | | | | | |
| Addingham | 1,118.16 | 1,304.52 | 1,490.88 | 1,677.24 | 2,049.96 | 2,422.68 | 2,795.40 | 3,354.48 |
| Baildon | 1,113.21 | 1,298.74 | 1,484.28 | 1,669.81 | 2,040.88 | 2,411.95 | 2,783.02 | 3,339.62 |
| Bingley | 1,099.15 | 1,282.34 | 1,465.53 | 1,648.72 | 2,015.10 | 2,381.48 | 2,747.87 | 3,297.44 |
| Burley | 1,139.32 | 1,329.21 | 1,519.09 | 1,708.98 | 2,088.75 | 2,468.53 | 2,848.30 | 3,417.96 |
| Clayton | 1,098.87 | 1,282.01 | 1,465.16 | 1,648.30 | 2,014.59 | 2,380.88 | 2,747.17 | 3,296.60 |
| Cullingworth | 1,103.58 | 1,287.51 | 1,471.44 | 1,655.37 | 2,023.23 | 2,391.09 | 2,758.95 | 3,310.74 |
| Denholme | 1,110.65 | 1,295.76 | 1,480.87 | 1,665.98 | 2,036.20 | 2,406.42 | 2,776.63 | 3,331.96 |
| Harden | 1,119.32 | 1,305.87 | 1,492.43 | 1,678.98 | 2,052.09 | 2,425.19 | 2,798.30 | 3,357.96 |
| Haworth, Crossroads and Stanbury | 1,110.33 | 1,295.39 | 1,480.44 | 1,665.50 | 2,035.61 | 2,405.72 | 2,775.83 | 3,331.00 |
| Ilkley | 1,116.87 | 1,303.02 | 1,489.16 | 1,675.31 | 2,047.60 | 2,419.89 | 2,792.18 | 3,350.62 |
| Keighley | 1,115.65 | 1,301.60 | 1,487.54 | 1,673.48 | 2,045.36 | 2,417.25 | 2,789.13 | 3,346.96 |
| Menston | 1,116.65 | 1,302.76 | 1,488.87 | 1,674.98 | 2,047.20 | 2,419.42 | 2,791.63 | 3,349.96 |
| Oxenhope | 1,107.32 | 1,291.87 | 1,476.43 | 1,660.98 | 2,030.09 | 2,399.19 | 2,768.30 | 3,321.96 |
| Sandy Lane | 1,092.92 | 1,275.07 | 1,457.23 | 1,639.38 | 2,003.69 | 2,367.99 | 2,732.30 | 3,278.76 |
| Shipley | 1,103.99 | 1,287.98 | 1,471.98 | 1,655.98 | 2,023.98 | 2,391.97 | 2,759.97 | 3,311.96 |
| Silsden | 1,099.79 | 1,283.08 | 1,466.38 | 1,649.68 | 2,016.28 | 2,382.87 | 2,749.47 | 3,299.36 |
| Steeton with Eastburn | 1,112.96 | 1,298.45 | 1,483.95 | 1,669.44 | 2,040.43 | 2,411.41 | 2,782.40 | 3,338.88 |
| Wilsden | 1,116.66 | 1,302.77 | 1,488.88 | 1,674.99 | 2,047.21 | 2,419.43 | 2,791.65 | 3,349.98 |
| Wrose | 1,090.99 | 1,272.82 | 1,454.65 | 1,636.48 | 2,000.14 | 2,363.80 | 2,727.47 | 3,272.96 |

- (f) That it be noted that for the year 2023-24 the Police and Crime Commissioner & the West Yorkshire Fire and Rescue Authority (WYFRA) have indicated the precepts as below while awaiting approval by the precepting authority.

| <u>Precept Amount</u> £ | <u>Council Tax Amount for Each Valuation Band</u> | | | | | | | |
|--|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
| <u>West Yorkshire Fire and Rescue Authority*</u> | | | | | | | | |
| 11,107,746 | 51.45 | 60.03 | 68.60 | 77.18 | 94.33 | 111.48 | 128.63 | 154.36 |
| <u>Police and Crime Commissioner for West Yorkshire*</u> | | | | | | | | |
| 34,005,418 | 157.52 | 183.77 | 210.03 | 236.28 | 288.79 | 341.29 | 393.80 | 472.56 |

- (g) That having calculated the aggregate in each case of the amounts at (e) and (f) above, the Council set the following amounts of council tax for 2023-24 in each of the categories of dwellings shown below:

| | <u>Band A</u> £ | <u>Band B</u> £ | <u>Band C</u> £ | <u>Band D</u> £ | <u>Band E</u> £ | <u>Band F</u> £ | <u>Band G</u> £ | <u>Band H</u> £ |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| All parts of the Council's area other than those below | 1,289.62 | 1,504.56 | 1,719.50 | 1,934.44 | 2,364.32 | 2,794.19 | 3,224.06 | 3,868.88 |
| The parish and town council areas of: | | | | | | | | |
| Addingham | 1,327.13 | 1,548.32 | 1,769.51 | 1,990.70 | 2,433.08 | 2,875.45 | 3,317.83 | 3,981.40 |
| Baildon | 1,322.18 | 1,542.54 | 1,762.91 | 1,983.27 | 2,424.00 | 2,864.72 | 3,305.45 | 3,966.54 |
| Bingley | 1,308.12 | 1,526.14 | 1,744.16 | 1,962.18 | 2,398.22 | 2,834.25 | 3,270.30 | 3,924.36 |
| Burley | 1,348.29 | 1,573.01 | 1,797.72 | 2,022.44 | 2,471.87 | 2,921.30 | 3,370.73 | 4,044.88 |
| Clayton | 1,307.84 | 1,525.81 | 1,743.79 | 1,961.76 | 2,397.71 | 2,833.65 | 3,269.60 | 3,923.52 |
| Cullingworth | 1,312.55 | 1,531.31 | 1,750.07 | 1,968.83 | 2,406.35 | 2,843.86 | 3,281.38 | 3,937.66 |
| Denholme | 1,319.62 | 1,539.56 | 1,759.50 | 1,979.44 | 2,419.32 | 2,859.19 | 3,299.06 | 3,958.88 |
| Harden | 1,328.29 | 1,549.67 | 1,771.06 | 1,992.44 | 2,435.21 | 2,877.96 | 3,320.73 | 3,984.88 |
| Haworth, Crossroads and Stanbury | 1,319.30 | 1,539.19 | 1,759.07 | 1,978.96 | 2,418.73 | 2,858.49 | 3,298.26 | 3,957.92 |
| Ilkley | 1,325.84 | 1,546.82 | 1,767.79 | 1,988.77 | 2,430.72 | 2,872.66 | 3,314.61 | 3,977.54 |
| Keighley | 1,324.62 | 1,545.40 | 1,766.17 | 1,986.94 | 2,428.48 | 2,870.02 | 3,311.56 | 3,973.88 |
| Menston | 1,325.62 | 1,546.56 | 1,767.50 | 1,988.44 | 2,430.32 | 2,872.19 | 3,314.06 | 3,976.88 |
| Oxenhope | 1,316.29 | 1,535.67 | 1,755.06 | 1,974.44 | 2,413.21 | 2,851.96 | 3,290.73 | 3,948.88 |
| Sandy Lane | 1,301.89 | 1,518.87 | 1,735.86 | 1,952.84 | 2,386.81 | 2,820.76 | 3,254.73 | 3,905.68 |
| Shipley | 1,312.96 | 1,531.78 | 1,750.61 | 1,969.44 | 2,407.10 | 2,844.74 | 3,282.40 | 3,938.88 |
| Silsden | 1,308.76 | 1,526.88 | 1,745.01 | 1,963.14 | 2,399.40 | 2,835.64 | 3,271.90 | 3,926.28 |
| Steeton with Eastburn | 1,321.93 | 1,542.25 | 1,762.58 | 1,982.90 | 2,423.55 | 2,864.18 | 3,304.83 | 3,965.80 |
| Wilsden | 1,325.63 | 1,546.57 | 1,767.51 | 1,988.45 | 2,430.33 | 2,872.20 | 3,314.08 | 3,976.90 |
| Wrose | 1,299.96 | 1,516.62 | 1,733.28 | 1,949.94 | 2,383.26 | 2,816.57 | 3,249.90 | 3,899.88 |

- (h) That Council notes the movement in Band D equivalent charges for 2023-24 over 2022-23 as set out in the table below.

| | Council Tax 2023-24 Band D Equivalent | Council Tax 2022-23 Band D Equivalent | Percentage change |
|---|--|--|----------------------|
| Bradford Metropolitan District Council | 1,620.98 | 1,543.93 | 4.99% |
| West Yorkshire Fire and Rescue Authority * | 77.18 | 72.18 | 6.93% |
| West Yorkshire Police Authority * | 236.28 | 221.28 | 6.78% |
| Local (Parish Council) Precepts: | | | |
| Addingham | 56.26 | 56.26 | 0.0% |
| Baildon | 48.83 | 48.83 | 0.0% |
| Bingley | 27.74 | 27.79 | -0.2% |
| Burley | 88.00 | 85.00 | 3.5% |
| Clayton | 27.32 | 27.59 | -1.0% |
| Cullingworth | 34.39 | 34.62 | -0.7% |
| Denholme | 45.00 | 52.00 | -13.5% |
| Harden | 58.00 | 46.00 | 26.1% |
| Haworth etc | 44.52 | 45.03 | -1.1% |
| Ilkley | 54.33 | 47.11 | 15.3% |
| Keighley | 52.50 | 48.11 | 9.1% |
| Menston | 54.00 | 54.00 | 0.0% |
| Oxenhope | 40.00 | 35.00 | 14.3% |
| Sandy Lane | 18.40 | 18.00 | 2.2% |
| Shipley | 35.00 | 31.68 | 10.5% |
| Silsden | 28.70 | 21.07 | 36.2% |
| Steeton/ Eastburn | 48.46 | 45.70 | 6.0% |
| Wilsden | 54.01 | 51.25 | 5.4% |
| Wrose | 15.50 | 14.50 | 6.9% |
| *Provisional figures | | | |

BACKGROUND DOCUMENTS

Executive reports

- 21st February 2023: 2023-24 Budget Proposals and Forecast Reserves – S151 Officer Assessment
- 31st January 2023: 2023-24 Budget Update Report and Addendum
- 31st January 2023: Qtr 3 Finance Position Statement 2022-23
- 3rd January 2023: Calculation of Bradford's Council Tax Base and Business Rates Base for 2023-24
- 14th December 2022 Proposed Financial Plan and Budget proposals for 2023-24

10 APPENDICES

- 10.1 Appendix A: Council Cumulative Budget 2023/24
- 10.2 Appendix B – Existing pressures for consultation until 25th January 2023
- 10.3 Appendix C: Schedule of agreed recurring investments previously consulted on (for reference only)
- 10.4 Appendix D: Recurring investment proposals which are open for consultation until 25th January 2023
- 10.5 Appendix E: Schedule of agreed savings previously consulted on (for reference only)
- 10.6 Appendix F: Schedule of proposed savings open for Consultation until 25 January 2023
- 10.7 Appendix G: Financing and central budget adjustments (for reference only)
- 10.8 Appendix H: Time limited investments previously approved by Full Council (For reference only)
- 10.9 Appendix I: Proposed Used of Reserves
- 10.10 Appendix J: Proposed Earmarking of Reserves

COUNCIL CUMULATIVE BUDGET 2023/24

SUMMARY OF FINANCIAL IMPLICATIONS

| | 2023/24 Budget Proposals Addendum 31 st Jan 2023 £000s | Difference £000s | 2023/24 Revenue Estimates 21 st Feb 2023 £000s |
|--|---|---------------------|--|
| <hr/> | | | |
| Cumulative gap £000s | | | |
| 2022/23 Base Budget | 388,456 | | 388,456 |
| Existing Pressures in Children's & Adults Care (App B) | 50,000 | 12,000 | 62,000 |
| Investments previously approved (App C) | 500 | | 500 |
| Recurring Investments (App D) | 1,098 | | 1,098 |
| Inflation | 58,450 | | 58,450 |
| Demographic Growth | 2,713 | | 2,713 |
| Funding Changes | (21,914) | (223) | (22,137) |
| Base Net Expenditure Requirement | 479,302 | 11,777 | 491,079 |
| Reversal of One-Off investments | (1,600) | | (1,600) |
| Existing approved savings (App E) | (350) | | (350) |
| New Savings for consultation (App F) | (13,692) | 112 | (13,580) |
| Capital financing & central budget adjustments (App G) | (22,390) | | (22,390) |
| Net Expenditure Requirement | 441,270 | 11,889 | 453,159 |
| <hr/> | | | |
| RESOURCES | | | |
| Localised Business Rates (BR) | (58,249) | | (58,249) |
| BR Coll Fund deficit from 2022-23 | 2,067 | | 2,067 |
| Top Up Business Rates Grant | (74,971) | | (74,971) |
| Revenue Support Grant | (40,304) | | (40,304) |
| Council Tax Income | (233,290) | | (233,290) |
| CT Coll Fund deficit from 2022-23 | 138 | | 138 |
| Pre agreed Use of reserves (App H) | (4,250) | | (4,250) |
| Dept of Place reserve use (App I) | (2,000) | | (2,000) |
| Use of reserves to balance the budget (App I) | (30,410) | (11,889) | (42,299) |
| Total resources | (441,270) | | (453,159) |

Appendix B – Existing pressures for consultation until 25th January 2023

Appendix Costs and Savings are shown for both 2023-24 and 2024-25 in comparison to the 2022-23 Budget

| Existing Pressures for consultation | | 2023-24 |
|-------------------------------------|--|---------------|
| | | £'000 |
| | Children's Social Care Pressures | 57,000 |
| | Adults Social Care Pressures – part reversal of prior Demand Management Saving | 5,000 |
| | Total | 62,000 |

Appendix C - Schedule of agreed recurring investments previously consulted on (for reference only)

| Recurring Investments for 2023-24 previously consulted on (For reference only) | | 2023-24 | 2024-25 |
|--|--|------------|------------|
| | | £'000 | £'000 |
| HWR8.1 | Adults Commissioning Team expansion (£500k increase in each year for 3 years from 2021-22 as previously planned) | 500 | 500 |
| | Total | 500 | 500 |

Appendix D - Recurring investment proposals which are open for consultation until 25th January 2023

| Proposed Recurring Investments for 2023-24 - for consultation | | 2023-24 | 2024-25 |
|---|---|--------------|--------------|
| | | £'000 | £'000 |
| | SEND Improvement Plan - Additional investment in SEND in line with improvement plan | 700 | 700 |
| | Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture | 268 | 268 |
| | Digital Autopsy Scanner - investment in the digital autopsy (non-invasive post mortem) service | 72 | 72 |
| | Share of Mortuary Staffing Costs - required to address a shortfall identified following inspection from HTA (Regulator). | 58 | 58 |
| | Total | 1,098 | 1,098 |

Appendix E - Schedule of agreed savings previously consulted on (for reference only)

| Recurring Savings for 2022-23 previously consulted on (For reference only) | | 2023-24 | 2024-25 |
|--|--|--------------|--------------|
| | | £'000 | £'000 |
| 6X1 | Welfare Advice & Customer Service - Fundamental change to the way the Council and its partners deliver customer facing Services, focussed on customers getting the 'right support at the right time'. | (350) | (350) |
| | Total | (350) | (350) |

Appendix F- Schedule of proposed savings open for Consultation until 25 January 2023

| Savings proposals | | 2023-24 | 2024-25 |
|-------------------|--|---------|---------|
| | | £'000 | £'000 |
| CH6 | Aspiration Bradford – cease service | (140) | (140) |
| CH8 | Child Friendly City – Reduce Costs | (35) | (35) |
| CR25 | Digital Mailroom - Reduce outgoing mail and printing costs | (75) | (75) |

| | | | |
|-----|--|-----------------|-----------------|
| CR4 | Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer. | (10,000) | (10,000) |
| CR6 | Estates - Closure of Argus and MMT 23-24. Closure of Britannia and additional sites 24-25. | (279) | (840) |
| CR8 | IT Programme – Implement IT strategy; initial savings identified | (350) | (350) |
| HW7 | Charging Adult Social Care Self Funders full costs – This is being separately consulted on. | (1,250) | (1,250) |
| R40 | Car Parking - Implement consistent parking regime | (218) | (308) |
| R52 | PTH Improvement Plan implementation | (320) | (420) |
| R54 | CCTV commercialisation - Opportunities for CCTV commercialisation. Historic business case to be reassessed to determine viability and options. | (25) | (25) |
| R71 | Fleet Review: Transformation programme Looking at Fleet efficiencies that includes reducing Grey Fleet, centralising budgets, reducing the use and costs of hire vehicles, value for money planned vehicle replacement plans. | (500) | (700) |
| R41 | Waste Review - Development of Mechanical Recycling Facility (pending government consultation), review of food waste, recycling processing, consistent collections, fuel, re-routing of rounds and some reduced weekend opening hours at all HWRCs. | (388) | (776) |
| | Total | (13,580) | (14,919) |

Appendix G – Financing and central budget adjustments (for reference only)

| Financing and Central budget adjustments (For reference only) | | 2023-24 | 2024-25 |
|---|--|-----------------|-----------------|
| | | £'000 | £'000 |
| CR10 | Capitalisation: Impact of recent Executive decision to fund Directly Financed Capital Expenditure through borrowing instead. | (900) | (900) |
| CR12 | Flexible use of capital receipts – apply to use Capital receipts flexibilities to fund transformation and other qualifying revenue expenditure. | (2,000) | (2,000) |
| CR13 | MRP (Minimal Revenue Position) review - Change policy to annuity method from straight line. | (5,000) | (1,000) |
| CR5 | Capitalisation: capitalise project manager and other support service costs currently funded by revenue budgets in line with Executive approval in 2022-23 | (1,000) | (1,000) |
| R56 | Clean Air Zone Funding – Opportunities for reinvestment in activities supporting clean transport, improved air and environmental quality | (3,000) | (3,000) |
| R59 | Maximise funding from devolution. | (640) | (640) |
| CH9 | Increase Dedicated Schools Grant Early Years Block contribution | (350) | (350) |
| CH1 | Health Investment – Seek contributions for CHC and shared funding commitments for Children's Social Care. | (6,000) | (6,000) |
| R78 | UK Shared Prosperity Fund - Management Fee to be used to cover existing staff costs | (100) | (100) |
| R53 | Housing Revenue Account Implementation in line with prior Executive approval – Saving on General Fund Minimum Revenue Provision for prior Housing related capital expenditure. | (500) | (500) |
| CR28 | Pension Pre Payment - pay annual pension contributions to West Yorkshire Pension Fund on day 1 of financial year rather than in monthly instalments. | (500) | (500) |
| CR30 | Reduce employers pension contribution rate in line with WYPF requirements. | (400) | (852) |
| CR31 | Reduce Corporate Contingency revenue budget from £3.0m to £1.0m. | (2,000) | (2,000) |
| | Total | (22,390) | (18,842) |

Appendix H – Time limited investments previously approved by Full Council (For reference only)

| Time limited Investments (for reference only) | | 2023-24 | 2024-25 |
|---|--|---------|---------|
| | | £'000 | £'000 |
| | City of Culture – previously approved by Full Council | 3,000 | 3,000 |
| | Regeneration Opportunity – previously approved by Full Council | 1,250 | 0 |

Appendix I Proposed Use of Reserves

The reserves that are proposed to be used to fund the remaining budget gap pending are outlined below

| Reserve drawdown | | 2023-24 |
|------------------|------------------------|---------|
| | | £'000 |
| | Financing Reserve | 42,299 |
| | Dept of Place Reserves | 2,000 |

Appendix J Proposed Earmarking of Reserves

In addition to the reserves used to balance the budget, it is also recommended to earmark £6m into the Energy Price Volatility Reserve to cover the risk of energy prices remaining high.

Further, as a result of the increase in the Net budget, the General fund reserve will also need to be increased pro rata by £3.163m, so that the Council remains in line with recommended practice of holding 5% of the net budget as General Fund reserves.

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Report of the Director of Finance to the meeting of the Executive to be held on 21 February 2023 and Council to be held on 23 February 2023.

AV

Subject:

Allocation of the Schools Budget 2023/24 Financial Year

Summary statement:

The report seeks Executive approval of the recommendations of Bradford's Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2023/24 and subsequent recommendation to Full Council.

EQUALITY & DIVERSITY:

The Schools Budget proposed for 2023/24 is put forward to retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology. In addition to the summarised equalities impact assessment, which is presented at Appendix 1, a fuller assessment of our formula funding proposals was included in each of the consultation documents that were published in the autumn (please see the links to these in the background documents section of this report).

Chris Kinsella
Director of Finance

Portfolio: Leader of Council

Report Contact: Andrew Redding
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E-mail: andrew.redding@bradford.gov.uk

Overview & Scrutiny Area: Corporate

1. SUMMARY

- 1.1 This report informs the Executive of the allocation of the Dedicated Schools Grant (DSG) and the proposed Schools Budget for the 2023/24 financial year. The proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 11 January 2023.
- 1.2 The Schools Budget is part of the overall budget proposal for the Council, which includes:
- The recommended Capital Investment Plan (Document AW)
 - The Revenue Estimates (Document AU)
- 1.3 This report is submitted to enable the Executive to make recommendations to Council, on the setting of the budget and the Council Tax for 2023/24, as required by Article 4 of the Council's Constitution.

2. BACKGROUND

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The Schools Forum is a decision making and consultative body dealing with the Dedicated Schools Grant and the Schools Budget. The Forum acts as a consultative body on some issues and a decision making body on others.

The Forum acts in a consultative role for:

- Changes to the local funding formula for maintained schools and academies.
- Changes to the operation of the Minimum Funding Guarantee.
- Arrangements for the funding of the early years entitlements.
- Financial arrangements for pupils with special educational needs and disabilities, and for pupils in pupil referral units, including arrangement for paying top-up funding for pupils with Education Health and Care Plans.
- Changes to or new contracts that are funded from the Schools Budget.

The Forum's decision making powers include:

- How much funding is centrally retained within the Dedicated Schools Grant.
- Growth Funding and Falling Rolls Funding within the Schools Block.
- The movement of Schools Block funding to other DSG Blocks.
- Proposals to de-delegate funding from maintained schools within the Schools Block.
- Changes to the Scheme of financial management that governs maintained schools.

One of the primary functions of the Schools Forum is to recommend to the Local Authority how the funding, which the Government provides for maintained schools and academies and for individual pupils through the Dedicated Schools Grant (DSG), is managed.

- 2.2 Following the Government's 'National Funding Formula' reforms, which began at April 2018, the Dedicated Schools Grant (DSG) in 2023/24 continues to be constructed in four blocks – Schools Block, High Needs Block, Early Years Block, and Central Schools Services Block - with each block having a 'National Formula' basis. The movement to National Funding Formula is accompanied by transitional arrangements, and all four DSG blocks continue to include protections. However, as in 2022/23, these arrangements have been adjusted by the Government's 2023/24 settlement, which was confirmed on 16 December 2023.

As a result of the additional £2bn for the national schools budget, that was announced by the Chancellor within the 17 November 2022 Autumn statement:

- a) A new grant has been introduced for the 2023/24 financial year for primary and secondary mainstream schools and academies, known as the 'Mainstream Schools Additional Grant (MSAG)'. The MSAG is non-ring-fenced funding, additional to the Dedicated Schools Grant, that is allocated directly to schools and academies to support costs, including energy costs. The Government's energy costs protection scheme, that has been in place for schools and academies during 2022/23, will reduce in scale from the end of March 2023. It is estimated that Bradford will receive £17m through the MSAG in 2023/24, and, on average (nationally), MSAG is worth an additional 3.4% in funding per pupil.
 - b) An additional £400m of High Needs Block funding has been allocated to local authorities. Bradford's share is £4.76m. This is allocated into our High Needs Block, mostly for us to use according to local circumstances and pressures. An additional Condition of Grant however, has been established, the purpose of which is to require authorities to pass through to Special Schools, Special School Academies, PRUs and Alternative Provision Academies an additional 3.4% in funding per place. Incorporating the additional £4.76m, Bradford's High Needs Block has increased by £11.70m (11.1%) in cash budget terms on 2022/23. As a consequence of this, as well as of the surplus balance that is forecasted to be retained within the High Needs Block at 31 March 2023, it is not proposed to transfer monies out of the Schools Block in support of high needs pressures in 2023/24.
- 2.3 Regarding the High Needs Block, the proposed 2023/24 budget that is set out in this report continues to incorporate our responses to the growth in the needs of children and young people. Bradford District has experienced a significant increase in demand for Special Educational Needs and Disabilities (SEND) provision. For example, the total number of Education, Health and Care Plans (EHCPs) for 0-25 year olds across the Bradford District was recorded as 5,452 in November 2022. This has increased from 4,915 in November 2021 (+11%). Requests for EHCP assessments have risen from 813, between October 2019 and October 2020, to 1,322, between September 2021 and September 2022. Despite these increases, our

overall proportion of children and young people with EHCPs (3.6%), recorded at January 2022, remains lower than the national average (4.0%). This is suggestive that there is still more growth in our EHCPs to come, and with the potential for our future annual growth rate to be higher than national averages.

The Local Authority has created a significant number of additional specialist places across the District in response to the continuing growth in the numbers of children and young people requiring specialist provision. The planned budget for 2023/24 incorporates revenue funding for the continued development of specialist SEND places. Our forecast indicates that we need to develop an additional 100 to 120 specialist places in both the 2022/23 and 2023/24 academic years. Going forward, the Authority has also applied to the DfE for a special school free school, and is currently waiting to hear whether we have been successful.

2.4 We propose to allocate £6.998m of the £35.665m DSG reserves to the 2023/24 planned budget. £4.200m of this within the High Needs Block. Bradford's Dedicated Schools Grant account is not forecasted to be cumulatively in deficit at either 31 March 2023 or 31 March 2024. Our forecast does currently identify however, that there is clear risk of a cumulative deficit building within our High Needs Block by the end of the 2025/26 financial year, as a result of recurrent structural in-year over spending. The risk of cumulative deficit by the end of the 2026/27 financial year is then high. Continued substantial growth in spending in four areas – specialist places, independent and non-maintained placements, children and young people with EHCPs in mainstream schools and academies, students with EHCPs in post-16 provision – mostly explains the downturn in our forecasted High Needs Block position. Whilst our forecast contains many estimates, and uncertainties, it identifies at this time that mitigating action will be needed in order to prevent the accrual of a deficit balance. This will be a piece of work that the Authority will discuss with the Schools Forum during 2023. In forecasting future year spending, we are conscious of four uncertainties, in particular, that may substantially alter (increase, as well as decrease) the pressure on our High Needs Block. These require close monitoring:

- a) Whether we are successful in our bid for a Special School Free School.
- b) The outcomes of the current national reviews on SEND, EHCP and Alternative Provision systems and funding (the SEND Green Paper that was published in March 2022). It is likely that national changes will alter the cost base that our High Needs Block will need to manage.
- c) The rate of continuing growth in the number of children and young people with EHCPs in Bradford, including the number that will require specialist provisions, as well as high cost independent provisions, in the context of wider demographic changes. We are currently experiencing significant growth in these numbers, but for how long will growth (at this rate) continue?
- d) Whether the annual increases in High Needs Block funding allocated by the DfE will keep pace with increasing costs.

2.5 Regarding the Schools Block, the Government has re-affirmed its intention to implement a 'hard' National Funding Formula for mainstream primary and secondary maintained schools and academies. Further transition has been directed for 2023/24.

The DfE's stated aim is for the National Funding Formula to be fully implemented by 2027/28, at the latest. Although local responsibility is expected to be retained for the High Needs Block, Early Years Block and Central Schools Services Block, at the point the National Funding Formula is implemented, mainstream Schools Block primary and secondary funding formula is expected to be calculated nationally and only 'pass ported' by the Authority to schools. However, the Authority continues in 2023/24 to have responsibility for deciding all formula funding arrangements locally, within tight regulations.

- 2.6 Given this direction of travel, a key decision for all authorities recently has been whether to adopt locally the Government's National Funding Formula for the allocation of the Schools Block to mainstream primary and secondary maintained schools and academies. Council took this decision at April 2018 and the Schools Block recommendations for 2023/24 are put forward to ensure that we continue to fully mirror the Government's National Funding Formula as this annually incrementally develops.

The Government's 2023/24 Schools Block primary and secondary mainstream National Funding Formula (NFF) provides for a 'headline' increase in funding per pupil nationally of 1.9%, before the new Mainstream Schools Additional Grant is allocated directly to schools / academies. By comparison, the headline per pupil increase in the NFF in 2022/23 was 3.0%, before the allocation of the Schools Supplementary Grant. The 1.9% in 2023/24 is not allocated equally across factors, and is weighted towards additional educational needs. For example, the base funding per pupil factor for all schools / academies has increased by 2.4%, whereas the deprivation factors have increased by 4.3%. This weights the 2023/24 settlement towards local authorities, and towards schools and academies, with higher levels of deprivation. The primary-phase mean average change in formula funding per pupil in Bradford in 2023/24 is positive 2.1%. The secondary-phase mean average change is positive 2.3%. The all-through academy mean average change is positive 3.0%. These averages are higher than the 'headline' of 1.9%.

As in previous years however, maintained primary and secondary schools and academies will not uniformly receive the same percentage increases in per pupil funding. Increases will depend on levels of deprivation, but also on changes in pupil circumstances data, in pupil numbers, and significantly on the school's / academy's relationships to both the Minimum Funding Guarantee (MFG) and to the Government's mandatory minimum per pupil funding levels (MFL):

- a) The Minimum Funding Guarantee (MFG) for primary and secondary maintained schools and academies is proposed to be set at positive 0.5% in 2023/24, meaning all schools / academies will receive a minimum 0.5% increase in per pupil funding, using the DfE's prescribed methodology. 0.5% is the maximum MFG that is permitted by the Regulations.
- b) A significant element of the Government's National Funding Formula for mainstream primary and secondary maintained schools and academies is the requirement that all primary maintained schools and academies receive a minimum of £4,405, and all secondary maintained schools and academies a minimum of £5,715, per pupil. These minimums (MFL) for both phases have been increased by 0.5% on the equivalent minimums that were in place in 2022/23.

- c) 41% of Bradford's schools and academies will be funded on either the MFG or the MFL; 45% of the primary-phase and 16% of the secondary-phase.

Increases in cash allocations (rather than in per pupil values) of formula funding, for individual maintained schools and academies, will be affected by changes in the numbers of pupils recorded on roll at October 2022, compared with October 2021. The number of pupils recorded in mainstream secondary-phase maintained schools and academies continues to increase, with 436 (+1.2%) more pupils recorded at October 2022. This is the continuation of the school population bulge, which began some time ago in the primary-phase. As a result of more recent demographic trends, the number of pupils recorded in mainstream primary-phase maintained schools and academies continues to reduce, with 465 (-0.9%) fewer pupils recorded at October 2022. This reduction is forecasted to continue in the medium term and, as a result, formula funding levels in the primary-phase are also forecasted to continue to reduce. Pupil numbers in the secondary-phase are forecasted to flatten, before then beginning to reduce in future years.

- 2.7 In recent years, the increases that have been allocated to the Early Years Block by the Government's national settlements have generally been low, and lower than the settlements received for primary and secondary maintained schools and academies. The most recent 2022/23 settlement however, was improved - Bradford's rate of funding from Government for the 3&4-year-old entitlements was increased by + 3.62% and our rate of funding for the 2-year-old entitlement was increased by + 3.92%.

However, Bradford's Early Years Block settlement for the 2023/24 financial year is again low. Bradford's rate of funding for the 3&4-year-old entitlements is increased from £4.86 to £5.05 per hour. Although this represents an increase of + 3.91% (+ £0.19), £0.14 of this increase relates purely to the transfer of the school-led Teacher Pay and Pensions Grants into the Early Years Block, which is not 'new money' into the District. Adjusting for this, our equivalent funding rate has increased by only 1.03%. Bradford's rate of funding from the DfE for the 2-year-old entitlement is increased from £5.57 to £5.63 per hour, which represents an increase of only + 1.08%. This 1% settlement comes at a time when costs for providers – especially pay and energy costs - have significantly increased. This 1% settlement immediately restricts the flexibility that the Authority has to increase our provider funding rates to respond to cost pressures. As such, we anticipate that the 2023/24 settlement will produce a very challenging financial environment for early years' providers in Bradford.

The financial issues for our Early Years Block, that were created by the 2017 national reforms, are also still present. In addition, the DfE published a consultation in July 2022, which principally focused on the national distribution of Early Years Block funding. The DfE explained that the underlying data that forms the basis of the current distribution between local authorities has not been updated for some time. The DfE proposed, and has subsequently agreed, to correct this. Updating the data produces swings in funding levels. The DfE is managing this by using 'floors and ceilings'; with a floor of 1% (meaning that no local authority's funding rates, both for the 2-year-old entitlement as well as for the 3&4-year-old entitlement, will increase by lower than 1% in 2023/24). Bradford's settlement is on this 1% floor.

A matter of uncertainty for the Early Years Block has been the settlement for maintained nursery schools. Bradford receives a discrete sum (a 'supplement'), which is used to protect our seven nursery schools at 'historic' funding levels. Without this supplement, these schools would each lose in the region of a third of their funding, meaning that they are unlikely to remain viable in their current forms. The DfE has confirmed the continuation of this supplement for the 2023/24 and 2024/25 financial years, which is a positive step. The DfE has also stated that it remains committed to supporting nursery schools going forward.

For important wider context, in relation to overall sector financial pressures, as outlined in paragraph 2.6 for the primary-phase, demographic trends are reducing the numbers of early years children across the District. As a result, the total value of funding that will be allocated to early years entitlement providers is expected to continue to reduce in 2023/24.

- 2.8 Reports to Council on the Schools Budget, that were presented prior to the 2020/21 financial year, recurrently highlighted the extent to which increases in DSG funding were assessed to be insufficient to match growth in costs, especially in salaries, leading to maintained schools, academies and other providers being required to deliver structural budget savings. The increases in DSG funding that were provided by the 2020/21, 2021/22 and 2022/23 settlements however, were substantially improved, and the messages that we highlighted in the Schools Budget reports to Council over this period changed to reflect this.

There is consolidated, as well as further, improvement in the 2023/24 DSG school funding settlement, as amended by the 17 November 2022 Autumn Statement. To summarise the main features of this improvement for Bradford:

- Whilst only increasing by 0.5% in 2023/24, mainstream primary and secondary maintained schools and academies, that are now funded on the DfE's mandatory minimums (MFL), have seen significant growth in their funding levels since 2019/20, which has now been consolidated.
- The vast majority of mainstream secondary schools and academies, and more than 70% of mainstream primary schools and academies, are funded in 2023/24 above the Minimum Funding Guarantee. The Schools Block National Funding Formula in 2023/24 has been weighted towards additional educational needs factors, and the Bradford District overall has benefited from this. The increases in per pupil funding for our primary-phase range between the MFG / MFL and 6.2% and, for our secondary-phase, between the MFG / MFL and 4.2%. Following the collection of updated pupil circumstances data, funding for individual schools and academies has responded again to increases in Free Schools Meals numbers, meaning that more funding is allocated in 2023/24 in support of this pupil-led need. Pupil Premium Grant allocations will also increase in response to this, and the DfE is increasing Pupil Premium Grant factor values by 5.0%.
- The additional funding from the Schools Supplementary Grant, which was allocated in 2022/23, has been added as a permanent on-going funding stream within the Schools Block National Funding Formula and within the High Needs Block. This is despite the cessation of the National Insurance Social Care / NHS

Levy, which the Supplementary Grant was introduced in part to support. Mainstream primary and secondary maintained schools and academies will also now receive the Mainstream Schools Additional Grant (MSAG), which on average will be worth an extra 3.4% per pupil in 2023/24. The Government's energy cost protection scheme, though reducing in scale and scope, is continuing, and some schools will continue to benefit from this.

- The COVID-19 pandemic grants – the Recovery Premium and the National Tutoring Programme – continue for the 2022/23 and 2023/24 academic years (though the subsidy of the cost of tutoring provided by the grants is reduced).
- Bradford has received in 2023/24 a fourth year of significant High Needs Block cash budget increase. Through our Banded Model, we are proposing to continue to increase the value of top-up funding that is allocated to schools, academies and providers in support of Education Health and Care Plans (EHCPs). Under our proposals, the funding received by special schools and special school academies will exceed the requirements of the DfE's 3% Minimum Funding Guarantee. The uplifts in 2023/24 should be viewed in the context of the very significant increases that have been applied in 2020/21, 2021/22 and in 2022/23. The uplifts should also be viewed in the context of the Authority's prioritisation of the expansion of specialist places capacity (securing appropriate provision for high needs pupils) and of meeting the cost of the growth in the numbers of children and young people in Bradford with EHCPs. As a result of the DfE's new Condition of Grant, Special Schools, Special School Academies, PRUs and Alternative Provision Academies will receive + 3.4% in funding per place from the High Needs Block in 2023/24, in addition to place-element and top-up funding increases.
- The historic higher funding levels of maintained nursery schools are secured for 2023/24 via the DfE's continuation of the Maintained Nursery School Supplement within the Early Years Block. Our proposals for the Early Years Single Funding Formula mean that the former school-led Teacher Pension Grant continues to be allocated to schools and academies.

However, the scale of the growth in costs that schools, academies and other providers, including early years providers, in Bradford are absorbing – from inflation and from pay – has created a very challenging financial environment, which is expected to continue in 2023/24. The health of the budgets of individual schools, academies, and other providers will be additionally affected by variable factors. In terms of general, as well as specific variable, pressure points for Bradford in 2023/24, we highlight that:

- The Government's Early Years Block settlement for Bradford, at 1% in 2023/24, will mean that our Early Years Single Funding Formula will not keep pace on a like-for-like basis with the salaries increases, and increases in the prices of goods and services, that early years providers will need to continue to meet in 2023/24. In particular, the National Living Wage is increasing by 9.7% at April 2023. A further specific point to highlight is that early years providers will not receive the Government's Mainstream Schools Additional Grant.
- Mainstream primary and secondary schools and academies, that are funded on either the Minimum Funding Guarantee or the Minimum Funding Level, will see

only a 0.5% increase in their core formula funding per pupil, prior to the addition of the Mainstream Schools Additional Grant. This level of increase is very unlikely to keep pace with the salaries, and other inflationary cost, increases that these schools and academies will need to meet in 2023/24.

- Locally, all education budgets will still be required to fully absorb the impact of pay awards, incorporating the teacher pay award, the officer (NJC) pay award, the increase in the National Living Wage and employer contributions to staff pension costs. Salaries increases in 2023/24 will need to be met, in addition to education budgets having already absorbed a higher than planned for, and higher than DfE initially recommended (as affordable), teacher pay award at September 2022, and a substantial officer (NJC) pay award at April 2022. National decisions on pay awards to come will have a direct impact on the health of education budgets in 2023/24.
- Whilst mainstream primary and secondary schools and academies will receive the Mainstream Schools Additional Grant, this Grant is allocated at the same time that the Government's energy costs protection scheme will reduce in scale and scope. It is likely therefore, for many schools, that the MSAG may simply replace existing energy cost support, rather than the MSAG representing new funding to support growing pressures within school and academy budgets.
- Demographic trends are reducing the numbers of early years children and primary-phase pupils across the District. The cash funding that some primary schools, primary academies and early years providers receive will reduce, which will require structural spending adjustments, at the same time as increased costs are absorbed.
- The COVID-19 pandemic continues to have implications for the budgets of schools, academies and other providers, especially because of additional expenditure that is being incurred, including in support of education recovery as well as absence cover. Feedback to the Authority has indicated that early years providers generally now hold lower levels of business reserves than they did pre-pandemic. The reserves that are held by maintained schools, on current forecasts, are also expected to have substantially reduced during 2022/23, in particular as a result of the 2022 pay awards.
- Schools, academies and other providers, in their management of their delegated funds, continue to need to take prudent decisions understanding that there is uncertainty for the near-future. This includes uncertainty regarding funding increases from April 2024, pay awards in 2023/24, and the financial implications of the major national SEND and Alternative Provision reviews.

2.9 In summary, Bradford has received in 2023/24, compared against 2022/23:

- An additional £25.01m within the Schools Block (+ 5.2%). Of this increase, £13.90m relates to the transfer of the Schools Supplementary Grant into the Schools Block, leaving £11.11m, which is actually new funding. The majority of this growth comes from the increase provided by the National Funding Formula-led settlement. £0.89m comes from the increase (RPIX) in PFI (Building Schools for the Future) funding.

- An additional £11.70m within the High Needs Block (+ 11.1%). £6.94m comes from the Government's uplift of its National Funding Formula. £4.76m comes from the additional funding that has been allocated following the 17 November Autumn Statement.
- An additional £1.63m within the Early Years Block (+ 3.90%). Of this increase however, £1.11m relates to the transfer of the former Teacher Pay and Pensions Grants into the Early Years Block, which is not new funding. This leaves £0.52m, which is actually new. This growth in funding is estimated on the entitlement numbers that are used by the DfE in 2022/23. Actual cash growth will be affected by changes in our entitlement delivery that will be recorded during 2023/24. Our estimate of the Early Years Block includes the continuation of the Maintained Nursery School Supplement, at £1.23m.
- An additional £0.03m within the Central Schools Services Block (+ 0.8%). This increase comes from the Government's uplift of its National Funding Formula, which is partially offset by the reduction in funding for our historic commitments.

2.10 The total estimated value of Dedicated Schools Grant (DSG) available for distribution in 2023/24 is £708.868m, which includes a forecasted cumulative value of underspend (one off carry forward balance / reserve) up to 31 March 2023 of £35.665m (5%). The recommended distribution of this Schools Budget is summarised in this table:

| Description | Early Years Block £m | Schools Block £m | High Needs Block £m | Central Schools Services Block £m | Total DSG £m |
|---|----------------------|------------------|---------------------|-----------------------------------|-----------------|
| Estimated DSG available 2023/24 | £43.371 | £509.390 | £116.884 | £3.559 | £673.203 |
| Estimated DSG B'fwd from 2022/23 | £4.211 | £5.343 | £25.830 | £0.281 | £35.665 |
| Total Estimated DSG (Schools Budget) 2023/24 | £47.582 | £514.732 | £142.714 | £3.840 | £708.868 |
| Delegated to Schools / Providers | £42.103 | £507.842 | £108.163 | £0.000 | £658.108 |
| Non-Delegated Items | £1.268 | £1.547 | £8.721 | £3.559 | £15.095 |
| Allocation of One Off | £0.957 | £1.787 | £4.200 | £0.054 | £6.998 |
| Total Funding Allocated | £44.328 | £511.177 | £121.084 | £3.612 | £680.202 |
| Difference (C'Fwd) | £3.254 | £3.556 | £21.630 | £0.227 | £28.667 |

Please note due to the rounding of figures in this display, the total may not add up exactly

- 2.11 Elected Members are asked to consider and to approve the 2023/24 Schools Budget, as proposed in this report. This proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 11 January 2023. Should Elected Members wish to propose amendments to this Schools Budget then representation must be made back to the Schools Forum.

3. SCHOOLS FORUM DECISIONS & RECOMMENDATIONS ON THE ALLOCATION OF THE SCHOOLS BUDGET 2023/24

(£000)

Total Estimated DSG (Schools Budget) Available 2023/24 **£673,203**

3.1 The Schools Block **£509,390**

This Block funds formula-based delegated allocations for mainstream primary and secondary maintained schools and academies, services funded by de-delegation from maintained school budgets, a Growth Fund for primary and secondary schools and academies and a Falling Rolls Fund for primary schools and primary academies.

For 2023/24, the Schools Block is calculated on National Funding Formula-based primary and secondary per pupil values x October 2022 census pupil numbers, plus additional defined cash allocations. Bradford's primary phase amount per pupil (£app) is £4,929 (+4.80% on 2022/23); our secondary phase £app is £6,551 (+5.49% on 2022/23). These values have been derived by the DfE through the amalgamation of the allocations that individual maintained schools and academies in Bradford would receive via the National Funding Formula and following the application of minimum floors. The 2023/24 values include the transfer of the Schools Supplementary Grant into the Schools Block. Additional cash allocations total £13.70m, for Business Rates (£3.74m), Split Sites (£0.43m), PFI (£7.71m) and Pupil Numbers Growth (£1.82m).

Please note that the funding associated with the delegated budgets of academies is 'top sliced' from this Block so that academies can be funded directly by the Education & Skills Funding Agency.

3.2 The High Needs Block **£116,884**

This Block funds resources for pupils in mainstream schools and academies with Special Educational Needs & Disabilities (with Education Health and Care Plans), delegated budgets for Special Schools and Special School Academies, Pupil Referral Units and Alternative Provision Academies, and resourced provisions within mainstream maintained schools and academies. These budgets are calculated under the national 'Place-Plus' framework. Other DSG provision relating to high needs pupils, both centrally managed and devolved, is also funded from this Block. This includes SEND mainstream school teaching support services, Education in Hospital provision and home tuition (medical needs). It also includes the placement of Bradford children in out of authority and non-maintained / independent provisions.

High Needs Block allocations are calculated via National Funding Formula under transitional arrangements. Bradford receives £4,661 for pupils in special schools and special school academies (including independent special schools), plus 50% of the value of our High Needs Block actual spending as it was in 2017/18, plus an allocation using the National Funding Formula, which is based on population, deprivation and other needs-led data. The Authority then also receives an allocation of £2.19m for Education in Hospital and home tuition (medical needs) provision and £0.25m in respect of the former Teacher Pension Grant that is allocated to alternative provisions. Finally, an adjustment is made to recognise the cross border movement of children between authority areas.

In addition to the High Needs Block settlement, which was previously announced in summer 2022, the DfE has uplifted Bradford's 2023/24 High Needs Block allocation by a further £4.76m, following the Chancellor's 17 November 2022 Autumn Statement. Incorporating this £4.76m, Bradford's High Needs Block has increased by £11.70m (11.1%) in cash budget terms on 2022/23.

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

(£000)

3.3 The Early Years Block £43,371

This Block funds delegated allocations, and a smaller value of funds held centrally, relating to the delivery of the entitlements to early years education for eligible 2, 3 and 4 year olds in maintained nursery schools, primary maintained schools and academies with nursery classes, and Private, Voluntary and Independent (PVI) settings. The value of this Block is estimated and will be finalised on the number of eligible children that are recorded in the January 2023 and January 2024 censuses x £4,798 per FTE (£5.05 per hour; + 3.91% on 2022/23) for children aged 3 & 4 and £5,349 per FTE (£5.63 per hour; + 1.08% on 2022/23) for children aged 2. The figure of £4,798 for children aged 3 & 4 includes the transferred Teacher Pay and Pensions Grant monies, which were previously allocated via separate grant arrangements.

Estimated figures of £0.437m and £0.288m are included for the Early Years Pupil Premium and for the Disability Access Fund. In addition, an estimated £1.232m is currently included for the DfE's Maintained Nursery School Supplement.

3.4 The Central Schools Services Block £3,559

The Central Schools Services Block was established at April 2018, when a number of items previously funded via 'top-slice' within the Schools Block were transferred to this Block and given a formula basis. These included Pupil Admissions and Local Authority statutory duties that are held in respect of all state funded schools and academies and that were previously funded through the now ceased Education Services Grant.

The 2023/24 allocation is calculated on a National Funding Formula. Bradford receives £38.03 per pupil (+2.23% on 2022/23) x October 2022 census numbers recorded in primary and secondary maintained schools and academies, plus a lump sum of £0.180m relating to the value of 'historic commitments' spend we recorded in 2017/18. This additional £0.180m has been reduced from the £0.225m funded in 2022/23 and is set to be fully phased out by the DfE over time.

3.5 Estimated DSG Balance Brought Forward from 2021/22 £35,665

Final DSG allocations are not confirmed by the DfE until later in the financial year and the Authority's proposals are based on estimates of expenditure, especially within the High Needs and Early Years Blocks. These estimates are reconciled at the end of each year and differences are added to the DSG in the next year's planned budget. Decisions taken in previous years have already committed a proportion of the sum estimated to be carried forward from 2022/23.

The table in paragraph 2.10 separates the total estimated carry forward balance into the four DSG blocks. This follows our local informal 'block earmarking' approach to the management of DSG balances, which has been agreed with the Schools Forum. For formal (external) purposes however, a single DSG carry forward figure is recorded. DSG balances are not ring-fenced by the Regulations and can be used cross-block.

4. ALLOCATION TO DELEGATED BUDGETS (£000)

Total Allocated to School / Provider Delegated Budgets £658,108

Broken down as follows:

4.1 Early Years Providers via Single Funding Formula £42,103

This is funding delegated to maintained nursery schools, nursery classes in maintained primary schools and primary academies, and Private, Voluntary and Independent (PVI) providers, to support the delivery of the entitlements to early years education:

- Maintained Nursery Schools 3 / 4 year old universal and extended entitlements, incorporating the estimated Maintained Nursery School supplement £3.559m.
- Nursery Classes in Maintained Primary Provisions 3 / 4 year old universal and extended entitlements £5.662m.
- PVI Providers (including academies) 3 / 4 year old universal and extended entitlements £25.122m.
- The entitlement for the 40% most deprived 2 year olds £7.510m.
- Early Years SEND Inclusion for 2 Year Olds £0.100m.
- Early Years SEND Inclusion for 3&4 Year Olds £0.550m.
- Early Years Pupil Premium £0.437m.
- Disability Access Fund £0.120m.
- Adjustment for the planned spending of balance brought forward (minus) £0.957m.

Due to the timing of the DfE's announcements on early years funding for 2023/24, which did not take place until 16 December, the Authority completed on 6 February a consultation on our Early Years Single Funding Formula (EYSFF) proposals. At its meeting on 11 January, the Schools Forum gave its full formal support to the Authority's proposals, subject to the wider outcomes of our consultation. 2 responses to this consultation were received; both these supported the Authority's proposals (either strongly or 'on balance'), whilst making some comments about the insufficiency of the increase in provider funding rates in 2023/24 in relation to the scale of the increasing costs faced by providers.

The Authority therefore, following the School Forum's support, recommends that the Early Years Single Funding Formula (EYSFF) that was set out in the Authority's consultation is used to calculate budget shares for all providers delivering entitlement provision for 2 and 3 & 4 year olds in 2023/24. A summary of Bradford's recommended EYSFF is attached at Appendix 4. In headline:

- For the delivery of the 2-year-old entitlement, providers will continue to be funded on a single flat rate per child per hour with no additional supplements. This rate was £5.55 in 2022/23. Bradford's rate of funding for 2-year-olds in 2023/24, from the DfE at Early Years Block level, has been uplifted by £0.06 to £5.63 per hour. We will set our rate of funding for providers at £5.61 per child per hour. This fully passes the DfE's £0.06 uplift onto providers.
- Regarding the 3 & 4-year-old entitlement:

The Universal Base Rate (UBR) for providers in 2023/24 will be £4.46 per child per hour. This is an uplift of £0.07 on the £4.39 that was funded in 2022/23. This uplift fully passes through to providers, via the Universal Base Rate, the DfE's uplift at Early Years Block level (the £0.05 out of the £0.19 uplift, excluding the £0.14 transfer of the school-led Teacher Pay and Pensions Grants), plus a further £0.02 per hour uplift, which is taken from the element of the grants transfer that relates to the school-led Teacher Pay Grant (not the Teacher Pensions Grant).

We will take the previously identified and planned second step, of the three steps in total, to reduce our spending on our Deprivation & SEND Supplement. The first step was taken in 2020/21, reducing our spending from 9.50% to 8.00%. The second step in 2023/24 will reduce spending from 8.00% to 7.00%. The third step will be further reviewed and discussed for 2024/25 arrangements. We previously indicated that we are minded to propose a reduction from 7.00% to 6.00%, to bring us in line with the average of our statistical neighbour local authorities, and we are very likely to propose this in our 2024/25 EYSFF arrangements. We set out the rationale and impact of this change in our consultation document, that was published in autumn 2019. The 'second step' was proposed at this time, in outline, to be enacted in 2021/22, but was postponed over the COVID-19 pandemic period. We now propose to enact this in 2023/24. In the context of our benchmarking, showing our significantly higher spending level, the primary purpose of the reduction in % spending is to enable us to sustain Universal Base Rate (UBR) funding. If we do not reduce Deprivation & SEND Supplement spending, we will not be able to afford the UBRs (for both the 2-year-old and the 3&4-year-old entitlements) that we propose. The proposal is put forward to be

progressed at this time also because we already calculate that we will need to earmark a substantial value of Early Years Block reserve, in order to secure the 2023/24 EYSFF. This proposal does not affect the funding of maintained nursery schools. These schools will continue to have their 'historic' Deprivation & SEND Supplement rates protected, as expected by the DfE and using the specific Maintained Nursery School Supplement.

We will introduce a new Supplement, for the primary immediate purpose of replicating as closely, but as simply, as possible the Teacher Pension Grant funding stream, that has previously been received by maintained primary schools and primary academies that deliver the 3&4-year-old entitlement, and that has now been transferred into the EYSFF. This is a proposal for 2023/24 only at this time, pending further review for 2024/25.

- Regarding the funding of the 3&4 year old entitlements in Maintained Nursery Schools, the protected setting base rate will be £6.08 per hour. This is the 2022/23 protected £5.98, uplifted by 1.60% in line with the uplift that is applied to the 3&4 year old Universal Base Rate for other providers. The Deprivation and SEND supplement rates for each maintained nursery school are protected at their 2022/23 values, plus 1.60%. The existing elements of the lump sum sustainability supplement will continue to be calculated using the 2022/23 methodology, but with the values of the protection factors uplifted by 1.60%. We then propose that an additional new fixed value lump sum is added into the Maintained Nursery School Sustainability Lump Sum Factor for each nursery school, to continue to allocate (to protect and to closely, but simply, replicate) their former Teacher Pay and Pensions Grants allocations.
- Our existing SEND Inclusion Fund will continue to be used to allocate additional monies to early years providers to support their meeting the needs of eligible children identified with low level emerging SEND.
- We will continue to allocate Disability Access Fund (DAF), at an enhanced value of £1,200 per child, (above the DfE's prescribed £828 minimum), using a proportion of balance brought forward in support of the cost of this enhancement, if this is required.

96.7% of our 2022/23 3&4 year old entitlement funding will be passed-through to providers. Our Early Years Block planned budget complies with the DfE's statutory restrictions for the funding of 3&4 year old hours delivery concerning a) the minimum 95% pass-through and b) the maximum 12% spend on supplements. Our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School supplement is allocated to protect maintained nursery school funding at pre-national reform levels.

(£000)

4.2 Primary and Secondary Schools and Academies

£507.842

Primary Phase £263.932m.

Secondary Phase £243.910m.

The Schools Forum has recommended to:

- Use the formula outlined in Appendix 2 to calculate delegated budget shares for mainstream primary and secondary maintained schools and academies. This formula has been agreed following consultation with schools and academies in autumn 2022. We submitted the final version of the required Pro-forma on 20 January 2023, and this is subject to final validation by the Education & Skills Funding Agency.

- Continue to fully mirror the Government's National Funding Formula, meaning that we:

Amend our minimum levels of per pupil funding to match the mandatory values of £4,405 primary and £5,715 secondary. These minimums have increased on 2022/23 by 0.50%, prior to the transfer in of the Schools Supplementary Grant).

Amend our local formula to mirror the Government's 2023/24 National Funding Formula values for existing factors. The values of these factors have broadly increased between 2.1% and 4.7% on 2022/23, prior to the transfer of the Schools Supplementary Grant.

- Set the Minimum Funding Guarantee at the maximum permitted + 0.50%.
- Continue to use our existing local formula for the funding of maintained schools and academies that operate across split sites, as this will not be covered by the DfE's National Funding Formula until 2024/25. Continue to pass through the specific PFI (Building Schools for the Future) DSG affordability gap values, using our current method. Continue to fund business rates at actual cost, with this cost currently estimated.
- Amend our definition of Notional SEND budgets for mainstream schools and academies, to bring this definition more in line with the national picture and to improve fairness.
- Retain, with their existing criteria and methodologies, the additional funds that are initially managed centrally within the Schools Block (with some then released to eligible schools / academies during the year) – Growth Fund, Falling Rolls Fund (primary phase only), De-delegated Funds (maintained schools only).

Please note that the funding for the delegated budgets of academies is 'top sliced' so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

4.3 Special Schools and Special School Academies £39,814

The national high needs funding approach is based on the financial definition of a 'High Needs' child or young person being one whose education, incorporating all additional support, costs more than £10,000 per annum. This threshold lays the foundation of the national 'Place Plus' framework and the basis of the definition of

the responsibility that maintained schools, academies and other providers have for meeting the needs of children and young people from their delegated budgets.

Delegated high needs funding has two parts a) core (or place) funding and b) top-up (or plus) funding. At its simplest level, the basic “Place” element has been set nationally at £10,000 for both SEND and Alternative Provision settings. The “Plus” element is the top-up above the “Place” funding and is based on an assessment of the additional needs of an individual pupil. Local authorities are permitted to establish bands for the top-up element of funding.

The 2023/24 planned budget of £39.814m is calculated on 1,540 places on a full year 2023/24 academic year basis across 8 special schools / academies.

The Council introduced at April 2020 a new Banded Model for the funding of top-up for Education Health and Care Plans (EHCPs). This Banded Model, uplifted as set out in Appendix 3 for 2023/24, is proposed to continue to be used to allocate top-up funding for pupils with EHCPs placed in special schools and in special academies.

The 2023/24 planned budget includes a sum of £0.240m, which is planned to be allocated to special schools / special school academies to enable them to support inclusion in mainstream settings.

The 2023/24 planned budget also includes a sum of £1.392m, which is to be allocated specifically in response to the new DSG Condition, which require local authorities to pass through to Special Schools, Special School Academies, PRUs and Alternative Provision Academies an additional + 3.4% in funding per place.

Please note that the place funding for academy special schools is ‘top sliced’ from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

4.4 Pupil Referral Units (PRUs) & Alternative Providers

£4,067

The Authority retains responsibility for funding from the High Needs Block provision for pupils that have been permanently excluded. Maintained schools and academies continue to be responsible for paying, from their delegated budgets, the cost of placements they commission (for pupils that are not permanently excluded).

The 2023/24 planned budget makes provision in total for 160 places on a full year basis to be available for turn-around provision for pupils permanently excluded. We propose to continue to calculate top-up for this provision using the Day Rate Model, which was first introduced at April 2020. The rate of funding allocated by the Day Rate Model is proposed to increase in 2023/24 by 1.73%.

Please note that the place funding for Alternative Provision Academies is ‘top sliced’ from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

4.5 School-Led SEND Resourced Provisions (Primary & Secondary) £6,097

School-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary maintained schools / academies where the school / academy, under Service Level Agreement, manages this provision and employs its staffing. Place and top-up funding is fully delegated.

The planned budget of £6.097m is calculated on 361 places across 23 provisions for the 2023/24 academic year.

School-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 3.

Please note that the place funding for resourced provisions in academies is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

4.6 Authority-Led SEND Resourced Provisions (Primary & Secondary) £6,274

Authority-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary maintained schools / academies where the Authority, rather than the school / academy, manages this provision and employs its staffing. Funding is partly delegated and partly retained. The top-up is retained and managed by the Authority. The host school / academy retains the first element of place funding (broadly £4,000) to cover its basic curriculum and site costs.

The planned budget for Authority-Led SEND Resourced Provisions incorporates both the budget for the long-established sensory provisions, as well as the growing budget for the SEND resourced provisions that began to be established from 2019 as part of the Authority's strategy to deliver additional specialist SEND places.

The planned budget of £6.274m is calculated on 272 places in total for the 2023/24 academic year, with 100 places attached to the 4 established sensory provisions and 172 places attached to 9 recently developed / newly developing SEND provisions.

Authority-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 3.

Please note that a proportion of the planned budget is centrally retained. However, recognising that this budget is spent directly on provision within schools / academies, and in the interests of simplicity, the full budget is recorded here as delegated.

4.7 Pupils with EHCPs in Mainstream Schools, Academies and PVI £18,754

Top-up funding is delegated to mainstream maintained schools / academies and early years PVI providers for pupils with Education Health and Care Plans (EHCPs). The Banded Model, as set out in Appendix 3, is proposed to apply to the calculation of this top-up for 2023/24. The planned budget of £18.754m incorporates a forecasted net 15% increase in cost as a result of the continued growth in the

numbers of EHCPs that are anticipated to be placed in mainstream maintained schools / academies and PVI providers during 2023/24.

The national high need funding system works on the basis that mainstream schools / academies have sufficient funding already within their delegated allocations to enable them to meet the additional costs of the SEND of their pupils, up to the threshold of £6,000 per pupil. Local authorities are required to define for each primary and secondary maintained school and academy the value of their formula funding that is 'notionally' allocated for SEND to be used in meeting costs up to the £6,000 threshold.

The planned budget of £18.754m incorporates the SEND Funding Floor, which is a factor that ensures a minimum level of funding for SEND provision in primary and secondary maintained schools and academies. The Floor is aimed at ensuring that no mainstream primary or secondary school / academy will have to manage from their own formula funding an above phase-average cost pressure in respect of their commitment to fund the first £6,000 of cost for their pupils with EHCPs. As well as supporting provision for pupils with EHCPs, the Floor is aimed at protecting the funding used by schools / academies to support their wider AEN (Additional Educational Needs), SEND and AP (Alternative Provision) activities. It directly financially supports schools / academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools / academies that may have lower levels of AEN formula funding and that may be smaller in size. It also supports schools / academies that may have some turbulence in formula funding as a result of in year pupil numbers changes.

We introduced our SEND Funding Floor in 2021/22. At that time, the Floor was put forward as a trial, for one year only, and being subject to further review, including in the light of the outcomes of the DfE's national SEND Review. We now propose to continue this Floor arrangement for the 2023/24 financial year, April 2023 to March 2024, but again pending review for 2024/25. However, as we proposed in our autumn 2022 consultation, we have adjusted (increased – from median plus + 1% to median + 3%) the thresholds that are used to calculate this Floor.

(£000)

4.8 Post-16 Further Education / Special Post 16 Institutions (SPIs) £9,008

Places for high needs students at post-16 are funded at £6,000. For top-up funding, Further Education providers and SPIs are funded for the vast majority of their Post-16 high needs students at 60% of the values prescribed by the Banded Model, as set out in Appendix 3. The main exception is students with the primary need of sensory impairment, where funding is calculated on an actual cost basis.

The planned budget of £9.008m is calculated on 488 places commissioned by the Authority in the 3 main Bradford-located Further Education Colleges for the 2023/24 academic year, plus provision for the estimated cost of top-up allocations to all Post 16 provisions and for the cost of potential growth in places during the year.

Please note that the place funding for the 3 FE colleges is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills

Funding Agency.

4.9 Early Years Resourced Provisions **£1,650**

Early years resourced provisions are attached to 6 maintained nursery schools and will continue to be funded via the Place-Plus framework. The Banded Model set out in Appendix 3 applies to the calculation of top-up from April 2023.

These provisions operate as school-led SEND resourced provisions, where the schools, under Service Level Agreement, manage the provision and employ the staffing. Place and top-up funding is fully delegated.

The planned budget of £1.650m is calculated on an allocation of 78 FTE places for the 2023/24 academic year.

(£000)

4.10 Placements in Out of Authority & Independent Settings **£21,750**

The cost of placements of pupils with EHCPs in out of authority and in independent settings is calculated on an actuals basis, with this total cost appropriately shared between the DSG (education), health and social care. The funding of independent providers currently sits outside the national Place-Plus framework. The number and cost of placements commissioned by the Authority has continued to increase due to demand and pupil population growth. The planned budget of £21,750m is calculated estimating that the cost in 2023/24 will continue to grow at current rates.

4.11 Provision for the Creation of Additional SEND Places **£3,409**

The planned budget includes £3.409m, which is revenue provision to support the creation of a further specialist SEND places. Given the projected continued growth in demand, the Authority will continue to seek to create SEND places on an on-going basis and will make revenue budget provision for this from the High Needs Block.

4.12 Former Teacher Pay and Pensions Grants **£1,540**

We were required in 2021/22 to add into our formula funding arrangements for specialist settings the allocation of the Teacher Pay Grant (TPG) and the Teacher Pension Grant (TPECG), in response to these grants being transferred into the High Needs Block. Prior to this, these grants were allocated to providers separately and in addition to place-plus funding.

We propose to continue to allocate these monies in 2023/24, as we have done in 2022/23, on a place-led basis. Unlike main place-element funding however, the Authority will continue to allocate these monies to academies as well as to maintained schools and to PRUs.

4.13 Allocation of High Needs Block balance to Overspend - £4,200

The 2023/24 High Needs Block planned budget, as proposed, overspends the 2023/24 High Needs Block income by £4.200m. It is not possible to apportion this overspending to the individual delegated expenditure lines that are listed in paragraphs 4.3 to 4.12, and so is shown here as a single sum.

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

Total Allocated to non-delegated Budgets £15,095

Broken down as follows:

The School and Early Years Finance (England) Regulations (as amended) have, over time and in preparation for National Funding Formula, altered the treatment of non-delegated items and contingencies. These Regulations require a greater proportion of the DSG to be delegated to schools, academies and to other providers and also require that the Schools Forum makes recommendations (and some decisions) for permitted centrally managed items, individually and, in some cases, on a phase-specific basis.

5.1 Schools Block non-delegated budgets £1,547

A total of £1.547m is recommended to be held within the Schools Block for the following purposes. Please note that some of the monies below that are initially retained will actually be delegated to schools and academies during 2023/24.

- £0.947m for items de-delegated from maintained mainstream primary and secondary schools. De-delegated funds continue in line with 2022/23.
- £0.600m of provision for new growth (pupil numbers expansions in secondary maintained schools and academies) at September 2023. The cost of growth, in both the primary and secondary phases, will be supported by the balance that will be brought forward from 2022/23. Please see section 7.
- £0.000m for the Falling Rolls Fund for the primary phase, to support eligible primary schools and primary academies, rated Good or Outstanding by Ofsted, that are managing 'blips' in pupil numbers, where their surplus capacity is forecasted to be filled within 3 years. Any cost of the Falling Rolls Fund in 2023/24 will be met from the balance that will be brought forward from 2022/23, rather than by taking new budget from the 2023/24 Schools Block. Please see section 7.

5.2 High Needs Block non-delegated budgets £8,721

A total of £8.271m is recommended to be held centrally within the High Needs Block for the following purposes:

- £5.715m for Local Authority centrally managed SEND teaching support services.

- £1.583m for the Authority's statutory home tuition and education in hospital alternative provision for children and young people not able to access school for medical reasons.
- £0.917m for the DSG's contribution to the Affordability Gap for Building Schools for the Future for special schools.
- £0.506m of smaller budgets, including copyright licences for special schools and PRUs, speech and language therapy services and specialist equipment.

(£000)

5.3 Early Years Block non-delegated budgets £1,268

A total of £1.268m is recommended to be held centrally within the Early Years Block for the following purposes:

- £0.582m for the Early Years Block's contribution to early years high needs support services, including the Area SENCOs function that is managed by the Local Authority in respect of Private, Voluntary and Independent early years providers.
- £0.530m to support the cost of the Local Authority's capacity that is available to support the delivery of the Authority's early years function and entitlement arrangements, focusing, in particular, on communication, provider sustainability, quality, compliance and on the processes that are required for the effective delivery of the Early Years Single Funding Formula, in support of parents and providers.
- £0.119m to continue maintained nursery school access to relevant agreed 'de-delegated' funds.
- £0.037m continuing charge for copyright licences.

96.7% of our 2023/24 3&4 year old entitlement funding will be passed-through to providers in 2023/24, based on current estimates of entitlement delivery.

5.4 Central Schools Services Block £3,559

The £3.559m is recommended to be allocated as follows:

- £0.012m Schools Forum costs.
- £0.987m Pupil Admissions.
- £1.506m Statutory Duties delivered by the Authority on behalf of all state funded schools, including academies.
- £0.406m Copyright Licences Schools Block, on behalf of primary and secondary maintained schools and academies.

- £0.500m Education Access Officers.
- £0.148m to support the Local Authority's statutory education services planning (places planning) and consultation function.

6. ALLOCATION OF BALANCES BROUGHT FORWARD (ONE OFF) (£000)

Total allocated on a one off basis in 2023/24 £6,998

The £6.998m is made up of the following 4 recommended allocations:

- High Needs Block: £4.200m, which is to be allocated into the 2023/24 High Needs Block planned budget in order to fully afford the expenditure that we estimate we will incur in supporting high needs children and young people, including the cost of our proposed delegated funding models, placements and the creation of new specialist places. £0.920m of balance is allocated specifically to the Authority's 'inclusion investment plan', which was discussed with the Schools Forum in July 2022 and the impact of which will be reviewed in summer 2023, prior to further commitments being made.
- Schools Block: £1.787m, which is to be allocated into the 2023/24 Schools Block planned budget in order to afford our proposed mainstream primary and secondary funding formula, as set out in Appendix 2.
- Early Years Block: £0.957m, which is earmarked to support the estimated cost of our Early Years Single Funding Formula (EYSFF) in 2023/24, as set out in Appendix 4.
- Central Schools Services Block (CSSB): £0.054m, which is allocated to support the full cost of CSSB expenditure, including retaining the allocation to the Local Authority, in support of the statutory duties that the Authority delivers on behalf of all state funded schools, at the 2022/23 value of £1.559m.

7. AMOUNT NOT ALLOCATED IN 2023/24 (£000)

Total amount not allocated in 2023/24 £28,667

The £28.667m of balance forecasted to be retained at the planned budget stage / carried forward into 2023/24 is made up of the following sums.

Schools Block £3.556m:

- £1.320m of Growth Fund balance, which is ring-fenced to support additional costs of pupil numbers growth in 2023/24 and on-going. The Authority also recognises that new flexibilities (for the management of growth, falling rolls and 'surplus places') are expected to be brought into Schools Block arrangements in 2024/25, following the most recent DfE National Funding Formula consultation. Retaining a surplus balance into 2024/25 will help therefore, given that there are uncertainties currently about how growth will be funded. Falling rolls is also a significant issue for the primary phase, in particular, and we take the view that we

would wish to see how the expected new flexibilities could be used before committing the Growth Fund balance (as well as the Falling Rolls Fund Balance – see below) elsewhere to more general formula spending.

- £0.500m retained as the ring-fenced balance for the primary-phase Falling Rolls Fund. Whilst a report on the position of this fund (on allocations to schools and academies in 2022/23) will be presented to the Schools Forum in March 2023, we anticipate that there won't be any allocations. The £0.500m balance therefore, is expected to be held in support of the cost of potential allocations to be agreed in 2023/24, as no new budget for this fund has been taken from the 2023/24 Schools Block.
- £0.797m of balance ring-fenced to de-delegated funds for maintained schools. An amount of this balance (estimated £0.100m) is earmarked to be released in 2023/24 to support the cost of contribution to the maternity / paternity insurance scheme. A further £0.122m is earmarked to support the cost of the school improvement fund. On this basis, it is estimated that the balance of de-delegated funds held within the Schools Block at the end of the 2023/24 financial will reduce to £0.575m.
- £0.939m resilience reserve. This sum is effectively the remaining unallocated balance within the Schools Block.

Early Years Block £3.254m:

- £0.072m of balance ring-fenced to de-delegated funds for maintained nursery schools.
- £0.621m retained and earmarked for the Disability Access Fund (DAF). The Authority proposes to continue to enhance the value of the DAF allocation paid per child in 2023/24, paid at £1,200, which is above the £828 minimum that is set by the DfE. A proportion of the balance will be used in support of the cost of this enhancement, if this is required.
- £2.561m retained to be used in support of the cost, including any unexpected or higher than expected cost, of the Early Years Funding Formula (EYSFF) in 2023/24 and going forward.

High Needs Block £21.630m:

- Our updated DSG Management Plan, which was presented to the Schools Forum on 11 January (in Document PP – please see background documents), included a future year estimate of the High Needs Block. This estimate currently clearly indicates the continuation (and acceleration) of a substantial overspending in our High Needs Block, which will require significant mitigating actions, discussion on which will need to form part of our 2024/25 DSG budget setting cycle. We are moving into a period where the risk of cumulative deficit in our DSG account is high. In this context, the Authority at this time does not plan any other significant use of the High Needs Block surplus.

- A first call on the £21.630m will be meeting in year the cost of change, as well as supporting any unexpected costs that may arise across 2022 and 2023 after the planned budget for 2023/24 has been agreed.
- The second, perhaps more important, call on the £21.630m balance will be supporting the avoidance of cumulative deficit in the High Needs Block over the medium term. We are also conscious of three significant uncertainties, that are likely to have financial implications for our High Needs Block going forward, a) the outcomes of the DfE's national reviews on SEND, EHCP and Alternative Provision systems and funding - it is likely that changes that come from these reviews will alter the cost base that our High Needs Block will need to manage, b) whether we are successful in our bid for a new special school free school, and c) whether the annual increase in High Needs Block funding allocated by the DfE keeps pace with increasing costs, linked with the rate of continued growth in our costs, especially from the continued growth in the number of EHCPs and the number of specialist places created, which is uncertain. On current information, we would assume that funding will not keep pace with costs growth, and so reserves will be essential in this context.

Central Schools Services Block £0.227m:

- £0.227m is retained in support of Central Schools Services Block expenditure in future years.

8. FINANCIAL & RESOURCE APPRAISAL

This appraisal is given throughout this report. The table provided in paragraph 2.10 demonstrates that a balanced Schools Budget for 2023/24, with the strategic use of DSG reserves, is put forward for the Council's approval.

9. RISK MANAGEMENT AND GOVERNANCE ISSUES

If the allocations set out in this report are not fully agreed by Elected Members, then representations must be made to the Schools Forum. In the event that agreement cannot be reached with the Schools Forum, for certain items, the Council must refer the matter to the Department for Education (DfE).

10. LEGAL APPRAISAL

The School Standards and Framework Act 1998 deals with the financing of maintained schools. Section 47(A) of the Act requires that every local authority must, in accordance with regulations, establish for their area a body to be known as a schools forum. The purpose of a schools forum is to advise the local authority on such matters relating to the authority's schools budget as may be prescribed by regulations. Local authorities must have regard to advice given by schools forum and or consult them on certain matters before taking prescribed decisions.

Schools Forums generally have a consultative role and some decision making powers in relation to school budget functions. The role of the Local Authority is to make proposals to the Schools Forum on those matters, which the Schools Forum can decide, and to consult the Schools Forum annually in connection with various schools budget functions. Where the Schools Forum and the Local Authority are in disagreement about proposals made by the Authority, the Secretary of State for Education will adjudicate in certain circumstances.

The School and Early Years Finance (England) Regulations 2023 are made under Chapter 4 of Part 2 of the School Standards and Framework Act 1998. These Regulations provide instruction on how local authorities are to set their education budgets in the 2023/24 financial year. They set the parameters that local authorities must abide by in determining schools' budgets, and the budgets, which are allowed to be retained centrally. They also set out how local authorities are to allocate funding to maintained schools and private, voluntary and independent providers of free early years provision through locally determined funding formulae. The Department for Education makes these Regulations annually; the 2023 Regulations will apply only to budgets for the 2023/24 financial year.

The Accounts and Audit (England) Regulations 2015 incorporate a requirement for a note to the statement of accounts confirming the deployment of the Dedicated Schools Grant in support of the schools budget..

The National Funding Formulae ("NFF") determine local authority Dedicated Schools Grant (DSG) allocations. These were introduced in 2018/19 for schools, high needs and central school services; and in 2017/18 for early years. The schools NFF calculates notional school-level allocations, which are aggregated to form local authorities' school funding within the DSG. The introduction of the NFF is in line with reforms by the Department for Education to make the funding system simpler, fairer and more transparent.

The core basic structure of the schools national funding formula has not changed for 2023/2024. The National Funding Formula for schools and high needs 2023/24 contains some formula and technical changes, which are highlighted in the body of the Report. The Government has announced the intention to implement a direct schools NFF in the future (by the 2027/28 financial year at the latest), whereby mainstream primary and secondary schools will receive what they attract through the national formula, rather than through different local authority funding formulae. Local authorities will be required to bring their own formulae closer to schools NFF from 2023 to 2024 . However, for 2023/24, local authorities will continue to determine schools' budget share allocations at a local level through a local funding formula.

11. OTHER IMPLICATIONS

11.1 SUSTAINABILITY IMPLICATIONS

There are no direct implications resulting from this report.

11.2 GREENHOUSE GAS EMISSIONS IMPACTS

There are no direct implications resulting from this report.

11.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct implications resulting from this report.

11.4 HUMAN RIGHTS ACT

There are no direct implications resulting from this report.

11.5 TRADE UNION

There are no direct implications resulting from this report.

11.6 WARD IMPLICATIONS

There are no direct implications resulting from this report.

11.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

This appraisal is given in the equalities impact assessment at Appendix 1 and throughout the report.

11.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

There are no issues resulting from this report.

12. NOT FOR PUBLICATION DOCUMENTS

None.

13. OPTIONS

Please see the recommendations below.

14. RECOMMENDATIONS

14.1 It is recommended that the Executive asks Council to:

- a) Accept and approve the proposals for the allocation of the 2023/24 Dedicated Schools Grant, as set out in this report.**
- b) Approve the total amount of £708.868m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2023/24.**

15. APPENDICES

- Appendix 1 – Equalities Impact Assessment.
- Appendix 2 – Local Authority Funding Reform Pro-Forma 2023/24 (Schools Block).
- Appendix 3 – Banded Model for EHCP Top-Up Funding (High Needs Block).
- Appendix 4 – Early Years Single Funding Formula 2023/24 (Early Years Block).

16. BACKGROUND DOCUMENTS

- [Decisions List of the Schools Forum meeting 11 January 2023](#) (link to webpage)
- [Consultation on the High Needs Funding Model 2023/24](#) (link to webpage)
- [Consultation on the Early Years Single Funding Formula 2023/24](#) (link to webpage)
- [Consultation on Schools Block Funding Arrangements 2023/24](#) (link to webpage)
- [SEND Places Sufficiency Report](#) (Document PH within 7 December Schools Forum reports)
- [High Needs Block DSG Management Plan](#) (Document PP within the 11 January Schools Forum reports)
- Section 151 Officer's Report – Executive 21 February 2023

Appendix 1 – Equalities Impact Assessment

In addition to this summarised equalities impact assessment, a fuller assessment of our formula funding proposals was included in each of the consultation documents that were published in the autumn (please see the links to these in the background documents section of this report).

Schools Block

We assess that our proposals for 2023/24 will have a positive impact on equalities. The arrangements proposed for 2023/24 financial year retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology. At its centre, the Local Authority has previously determined, and continues to propose, to exactly mirror the DfE's National Funding Formula (NFF) for the calculation of mainstream primary and secondary maintained school and academy delegated allocations in Bradford. As such, our equalities impact assessment of our guiding Schools Block formula funding policy for 2023/24 is neutral (representing no change on current positive practice) and continues to align with the DfE's in respect of its [National Formula Funding policy](#) and its already identified positive impact on the funding of children and young people that share protected characteristics. Behind the guiding NFF mirroring policy, the values of all formula funding factors are proposed to be uplifted in 2023/24. These uplifts are assessed to have a positive impact on the funding of all pupils. These uplifts will have a positive impact on the funding of children and young people that share protected characteristics related to disability (SEND) and race (ethnicity), for which schools and academies receive additional funding through the Additional Educational Needs (AEN) formula factors that use measures that correlate with these protected characteristics. Funding allocated through the AEN formula factors, based on the October 2022 data, is increased. This includes an additional £0.62m allocated through the Free School Meals (FSM) factors as a result of the increase in FSM numbers compared with the numbers recorded at October 2021.

In setting the School's Budget for 2023/24, Council is asked to approve that the Minimum Funding Guarantee (MFG) for primary and secondary maintained schools and academies is set at positive 0.5%, which is the maximum permitted by the Regulations. The purpose and consequence of this proposal is to uplift the funding of maintained schools and academies that remain on the MFG. 25% of schools / academies are on this in 2023/24. This is to ensure that funding is available to these schools / academies to use in support of all pupils, including those that share protected characteristics. 75% of schools / academies remain funded above the MFG.

The Minimum Levels of Per Pupil Funding (MFLs) are also increasing by 0.5%. This is a mandatory uplift, not for local determination. The DfE has assessed that this uplift will have a positive impact on equalities.

We assess that incrementally amending our definition of Notional SEND budgets within mainstream primary and secondary formula funding allocations, as encouraged by the DfE and to bring us more in line with the common national picture in the lead up to the hard National Funding Formula, continues to support schools and academies to make effective provision for pupils with additional educational needs and with Special Educational Needs and Disabilities. It is important to stress however, that the adjustment of the Notional SEND definition does not materially change the value of formula funding that an individual school or academy receives.

High Needs Block

We assess that our high needs funding proposals for 2023/24 will have a positive impact on equalities. The arrangements proposed for the 2023/24 financial year retain a significant amount of continuity on current practice, Dedicated Schools Grant High Needs Block distribution and formula funding policy and methodology. As such, our equalities impact assessment of our guiding High Needs Block formula funding policy for 2023/24 is neutral (representing no change on current positive practice).

Council is asked to approve the continued application of the EHCP Banded Model, which was first introduced at April 2020. The impact of this model, on the funding of schools, academies and on other providers for all children and young people with EHCPs, is assessed to continue to be entirely positive. The Banded Model continues to improve the way schools and providers in Bradford are funded for children and young people with SEND with EHCPs. Although it cannot be evidenced at this stage that our change in funding model at April 2020 has directly advanced equality of opportunity for children and young people that share a protected characteristic, it is expected that this model will support this. Council is asked to approve further uplift in 2023/24 of the values of top-up funding allocated by the EHCP Banded Model, as well as by the Day Rate Model for PRUs / Alternative Provision Academies. This means that the funding of all high needs children and young people, who are supported by these models, will increase on current values. A minimum 1% increase in all top-up funding rates (when place-element / Element 2 funding is included) is higher than the floor increase of 0.5% that the DfE has funded for mainstream schools and academies through the Schools Block settlement. Under our proposals, the funding received by special schools and special school academies will exceed (by 2.25%) the requirements of the DfE's 3% Minimum Funding Guarantee. The proposed uplifts in 2023/24 should be viewed in the context of the very significant increases that have been applied to these models in 2020/21, 2021/22 and in 2022/23. The uplifts should also be viewed in the context of the Authority's prioritisation of the increase in High Needs Block funding in 2023/24, towards the further expansion of specialist places capacity (securing appropriate provision for high needs pupils) and of meeting the cost of the growth in the numbers of children and young people in Bradford with EHCPs via the allocation of additional top-up funding.

Council is asked to approve the continuation of the SEND Funding Floor, which was first introduced for 2021/22. As well as continuing to support provision for pupils with EHCPs, this approach will continue to protect the funding used by mainstream schools and academies to support their wider Additional Educational Needs (AEN), SEND and Alternative Provision (AP) activities. The Floor financially supports mainstream schools and academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools and academies that may have lower levels of AEN formula funding and that may be smaller in size. It supports schools and academies that may have some turbulence in formula funding as a result of in year pupil numbers changes. The impact of the Floor is assessed to continue to be entirely positive. Whilst we are proposing an amendment to the Floor in 2023/24, to increase the thresholds, the level of funding that the Floor will allocate in 2023/24 will continue to be substantially higher than was allocated prior to the amendment of our Floor at April 2021. It will still represent a substantial SEND funding support mechanism for the mainstream sector.

Early Years Block

We assess that our proposals for 2023/24 will have a neutral to positive impact on equalities. This is because the arrangements proposed for the 2023/24 financial year retain a significant amount of continuity on current positive practice.

We propose to fully pass through to providers delivering the 2, 3&4-year-old entitlements, via the respective Universal Base Rates, the 1% uplift in Early Years Block funding that the Authority has been allocated by the DfE for 2023/24. These uplifts continue to support all providers in their delivery of the entitlements. Maximising the uplifts of the Universal Base Rates annually for all providers supports universal good quality provision for all children.

We propose, via a Teacher Pensions Employers' Contribution Supplement, to replicate the substantial Teacher Pensions Grant monies that have been allocated to maintained primary schools and academies with nursery classes, following the DfE's transfer of this Grant into the Early Years Block. This will help ensure that funding for schools and academies remains stable, in support of their provisions, whilst also enabling other providers, who may already (or may choose) to employ a qualified teacher in their direct delivery of the 3&4-year-old early years entitlement, to access additional funding to support this cost.

We propose to continue the protection of maintained nursery schools, with this protection being funded using the specific supplement within the Early Years Block. We propose to add to this protection in 2023/24 the former Teacher Pay and Pensions Grant funding streams for maintained nursery schools, via a new fixed lump sum approach within the Maintained Nursery School Lump Sum Sustainability Factor. As the numbers of children with SEND and from more deprived backgrounds is typically higher in the maintained nursery schools sector, this protection continues to support provision for these children.

The Early Years Pupil Premium (EYPP), as well as the Disability Access Fund (DAF) and Early Years Inclusion Funds (EYIF), will continue to complement the Early Years Single Funding Formula and will provide additional funds to support children with SEND, as these have done in 2022/23. The proposal to increase Disability Access Funding, from £1,000 to £1,200 for eligible children, is put forward with the aim of continuing to support providers in Bradford to meet the needs of eligible children with SEND.

We do now propose to take the previously identified and planned 'second step' (of three steps in total) to reduce our spending on our Deprivation & SEND Supplement down to the average spending level of our statistical neighbours. The first step was taken in 2020/21, reducing our spending from 9.50% to 8.00%. The proposed second step in 2023/24 will reduce spending from 8.00% to 7.00%. This 'second step' was initially proposed in outline to be enacted in 2021/22, but was postponed over the COVID-19 pandemic period. Our current spending position is 'out of line', when we look at benchmarking, and we assess that we are not able to sustain this position within the finite resources of the Early Years Block. In this context, the primary purpose of the proposed reduction in % spending is to enable us to sustain Universal Base Rate (UBR) funding for all providers. If we do not reduce Deprivation & SEND Supplement spending, to come more in line with the average of spending in other authorities, we will not be able to afford the UBRs (for both the 2-year-old and the 3&4-year-old entitlements) that we propose in 2023/24. This would impact on the funding that all providers receive, including those in receipt of the Deprivation & SEND Supplement. This proposal does not affect the funding of maintained nursery schools. These schools will continue to have their 'historic' Deprivation & SEND Supplement rates protected

(and uplifted), as expected by the DfE and using the specific Maintained Nursery School Supplement.

LA Name:

| |
|----------|
| Bradford |
|----------|

LA Number:

| |
|-----|
| 380 |
|-----|

| Primary minimum per pupil funding level | Secondary (KS3 only) minimum per pupil funding level | Secondary (KS4 only) minimum per pupil funding level | Secondary minimum per pupil funding level |
|---|--|--|---|
| £4,405.00 | £5,503.00 | £6,033.00 | £5,715.00 |

| Disappication number where alternative MPPF values are used |
|---|
| |

Pupil Led Factors

| 1) Basic Entitlement Age Weighted Pupil Unit (AWPU) | Reception uplift | No | Pupil Units | | 0.00 | Sub Total | Total | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
|--|--|--------------------------|--|------------------------------------|---|--------------|---------------------|---|--------------------------|----------------------------|
| | Description | Amount per pupil | | Pupil Units | | | | | | |
| | Primary (Years R-6) | £3,394.54 | | 53,215.00 | | £180,640,608 | £360,564,492 | 35.51% | 6.50% | |
| | Key Stage 3 (Years 7-9) | £4,785.77 | | 21,771.00 | | £104,190,903 | | 20.48% | 4.00% | |
| | Key Stage 4 (Years 10-11) | £5,393.86 | | 14,040.58 | | £75,732,981 | | 14.89% | 4.00% | |
| | Description | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| 2) Deprivation | FSM | £480.08 | £480.08 | 15,130.00 | 11,074.89 | £12,580,359 | £64,934,715 | 12.77% | 25.00% | 25.00% |
| | FSM6 | £705.11 | £1,030.16 | 15,646.00 | 12,607.74 | £24,020,246 | | | 25.00% | 25.00% |
| | IDACI Band F | £230.04 | £335.05 | 7,094.54 | 5,104.16 | £3,342,175 | | | 25.00% | 25.00% |
| | IDACI Band E | £280.04 | £445.07 | 9,593.05 | 6,786.60 | £5,707,005 | | | 25.00% | 25.00% |
| | IDACI Band D | £440.07 | £620.10 | 5,869.22 | 4,149.69 | £5,156,090 | | | 25.00% | 25.00% |
| | IDACI Band C | £480.08 | £680.11 | 6,002.73 | 4,035.52 | £5,626,368 | | | 25.00% | 25.00% |
| | IDACI Band B | £510.08 | £730.12 | 5,618.00 | 3,806.92 | £5,645,133 | | | 25.00% | 25.00% |
| | IDACI Band A | £670.11 | £930.15 | 2,232.95 | 1,463.23 | £2,857,339 | | | 25.00% | 25.00% |
| | Description | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| 4) English as an Additional Language (EAL) | EAL 3 Primary | £580.09 | | 10,141.74 | | £5,883,151 | £7,906,644 | 1.45% | | |
| | EAL 3 Secondary | | £1,565.25 | | 939.93 | £1,471,222 | | | | |
| 5) Mobility | Pupils starting school outside of normal entry dates | £945.15 | £1,360.22 | 494.48 | 62.42 | £552,271 | | 0.11% | | |
| | Description | Weighting | Amount per pupil (primary or secondary respectively) | Percentage of eligible pupils | Eligible proportion of primary and secondary NOR respectively | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| 6) Low prior attainment | Primary low prior attainment | | £1,155.18 | 32.97% | 17,547.31 | £20,270,383 | £35,813,299 | 7.04% | 100.00% | |
| | Secondary low prior attainment (year 7) | 54.47% | | 24.53% | | | | | | |
| | Secondary low prior attainment (year 8) | 64.53% | | 24.62% | | | | | | |
| | Secondary low prior attainment (year 9) | 64.53% | £1,750.28 | 24.56% | 8,880.25 | £15,542,916 | | | | |
| | Secondary low prior attainment (year 10) | 64.53% | | 24.64% | | | | | | |
| | Secondary low prior attainment (year 11) | 63.59% | | 25.67% | | | | | | 100.00% |

Other Factors

| Factor | Lump Sum per Primary School (£) | Lump Sum per Secondary School (£) | Lump Sum per Middle School (£) | Lump Sum per All-through School (£) | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) |
|--------------------|---------------------------------|-----------------------------------|--------------------------------|-------------------------------------|--------------------|---|------------------|
| 7) Lump Sum | £128,020.48 | £128,020.48 | | | £24,451,912 | 4.81% | |
| 8) Sparsity factor | £56,309.01 | £81,913.10 | | | £0 | 0.00% | |

Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.

| | | | | | | | |
|--|------|---|--------|------------------------------------|-------------------|--|-----|
| Primary distance threshold (miles) | 2.00 | Primary pupil number average year group threshold | 21.40 | Apply primary distance taper | Yes | NFF, tapered or fixed sparsity primary lump sum? | NFF |
| Secondary distance threshold (miles) | 3.00 | Secondary pupil number average year group threshold | 120.00 | Apply secondary distance taper | Yes | NFF, tapered or fixed sparsity secondary lump sum? | NFF |
| Middle schools distance threshold (miles) | 2.00 | Middle school pupil number average year group threshold | 69.20 | Apply middle school distance taper | Yes | NFF, tapered or fixed sparsity middle school lump sum? | NFF |
| All-through schools distance threshold (miles) | 2.00 | All-through pupil number average year group threshold | 62.50 | Apply all-through distance taper | Yes | NFF, tapered or fixed sparsity all through lump sum? | NFF |
| 9) Fringe Payments | | | | | £0 | 0.00% | |
| 10) Split Sites | | | | | £439,760 | 0.09% | |
| 11) Rates | | | | | £4,135,811 | 0.81% | |
| 12) PFI funding | | | | | £8,002,943 | 1.57% | |

13) Exceptional circumstances (can only be used with prior agreement of ESFA)

| Circumstance | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
|--|-----------|---|------------------|-------|
| Additional lump sum for schools amalgamated during FY22-23 | £0 | 0.00% | 0.00% | 0.00% |
| Additional sparsity lump sum for small schools | £0 | 0.00% | | |
| Exceptional Circumstance3 | £0 | 0.00% | | |
| Exceptional Circumstance4 | £0 | 0.00% | | |
| Exceptional Circumstance5 | £0 | 0.00% | | |
| Exceptional Circumstance6 | £0 | 0.00% | | |

| | | | |
|---|---------------------|--------------------------------|--------------------|
| Exceptional Circumstance7 | £0 | 0.00% | |
| Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total) | £506,249,575 | 99.53% | |
| 14) Additional funding to meet minimum per pupil funding level | £2,386,741 | 0.47% | 48.00% |
| Total Funding for Schools Block Formula (excluding MFG Funding Total) | £508,636,317 | 100.00% | |
| 15) Minimum Funding Guarantee | 0.50% | £1,733,007 | |
| Where a value less than 0% or greater than 0.5% has been entered please provide the disapplication reference number authorising the value | | | |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled) | | No | |
| Capping Factor (%) | | Scaling Factor (%) | |
| Total deduction if capping and scaling factors are applied | | £0 | |
| | Total (£) | Proportion of Total funding(%) | Notional SEN (%) |
| MFG Net Total Funding (MFG + deduction from capping and scaling) | £1,733,007 | 0.34% | |
| Total Funding for Schools Block Formula | £510,369,324 | | £72,131,209 |
| High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved) | | | |
| Additional funding from the high needs budget | | £2,650,000.00 | |
| Growth fund (if applicable) | | £796,883.50 | |
| Falling rolls fund (if applicable) | | £0.00 | |
| Other Adjustment to 22-23 Budget Shares | | £10,517 | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) | | £511,176,725 | |
| % Distributed through Basic Entitlement | | 70.89% | |
| % Pupil Led Funding | | 92.25% | |
| Primary: Secondary Ratio | 1 : | 1.37 | |
| 23-24 NFF NNDR allocation | | £3,738,985 | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 23-24 NFF NNDR allocation | | £507,437,740 | |

Appendix 3 - The EHCP Banded Model for Funding Pupil-Led Need Top-up 2023/24

Introduction

1.1 Top-up funding (also known as Element 3 or 'Plus' funding) is the funding required by an institution, over and above place funding, to enable a child or young person with high needs to participate in education and learning. Top-up funding is expected to reflect the cost of additional support an institution incurs related to the individual needs of the child or young person.

1.2 As with many authorities, Bradford allocates top-up funding using a band model. This model is used to assign Education Health and Care Plans (EHCPs) into bands of need for funding purposes. Each band has an applicable level of funding and every EHCP assigned to a band is allocated a set value of funding.

1.3 At April 2020, for the 2020/21 financial year, we introduced a new Banded Model. This model replaced our previous 'Ranges Model' and quite significantly uplifted the funding of EHCPs in all settings. This model includes protections, which have ensured, and will continue to ensure, that no EHCP in place on 1 April 2020 reduces in value as a result of funding model change. We substantially uplifted the values allocated by the Banded Model in 2021/22, and again in 2022/23.

1.4 A band system is more responsive to the needs of an individual child or young person than a blanket lump sum style approach but is not quite as sensitive as an approach where the cost of the needs of a child or young person is calculated on an exact basis. Blanket, band, and individually-costed systems all have pros and cons. The main positive features of band models, and of our Banded Model, are that these help promote consistency and transparency, reduce complication, support the quick assessment and release of funds, whilst also enabling the SEND Panel to find a 'close fit' for funding the needs of an individual child or young person with an EHCP.

1.5 In continuing to use our Banded Model in 2023/24, the Council's intention is still to retain a uniform framework for calculating top-up funding for EHCPs. The Council's expectation continues to be that this framework will enable a close fit to be found for the funding of the vast majority of EHCPs and will ensure consistency of approach in the funding of high needs across mainstream and specialist settings both pre and post 16. It is accepted that there will be a small number of children or young people that will sit outside this banded framework, most of whom will be placed in specialist independent provisions.

1.6 There are no technical changes to our Banded Model in 2023/24. However, the rates of top-up funding that this model allocates have been uplifted.

The Banded Model 2023/24

2.1 The Banded Model uses at its base the [Bradford Matrix of Need](#), which outlines waves of intervention:

- Band 1 (Quality First Teaching)
- Band 2 (SEND Support)
- Band 3 (EHCP) – typically mainstream - this is the band at which Element 3 EHCP funding begins
- Band 4 (EHCP Plus) – typically specialist provision

This Matrix identifies the responsibilities of schools and providers in their use of already delegated funds in meeting the cost of support up to Band 3. It then identifies the point at which top-up funding will begin in our model, which is EHCP Band 3.

2.2 The Banded Model has 6 bands and 6 funding steps, with values for 1 April 2023 as set out in the table below. This table shows the value of top-up by band and the value of Element 2 contributions, which schools and providers will add to the top-up from their budgets to produce the total value of funding available for supporting the costs of an EHCP.

In all steps within the model the school / provider, with the exception of EHCPs for 2, 3 and 4 year olds (in pre-reception) in mainstream not specialist provision, is expected to contribute Element 2 funding, currently at a value of £6,000 per 1 FTE, to the cost of the additional needs set out in the EHCP. For EHCPs for 2, 3 and 4 year olds (in pre-reception) in mainstream not specialist provision, that are only funded through the Early Years Single Funding Formula (EYSFF), because the EYSFF does not allocate Element 2 funding, Element 2 is allocated on an FTE basis in addition to the top-up value for these EHCPs until these children enter reception year. This addition does not apply to early years children that are placed in special schools or in resourced provisions as these provisions are funded on a place-led basis, which includes Element 2.

| | Top-up Value at April 2023 | Element 2 Value FTE the school / provider adds | Total Value of Funding to support the EHCP |
|---------------------------|-----------------------------------|---|---|
| Band 3 Low (3L) | £2,318 | £6,000 | £8,318 |
| Band 3 Medium (3M) | £4,136 | £6,000 | £10,136 |
| Band 3 High (3H) | £5,900 | £6,000 | £11,900 |
| Band 4 Low (4L) | £9,411 | £6,000 | £15,411 |
| Band 4 Medium (4M) | £13,524 | £6,000 | £19,524 |
| Band 4 High (4H) | £17,678 | £6,000 | £23,678 |
| Protected 7 | £29,048 | £6,000 | £35,048 |

The model is calculated on a provision-mapping approach. The additional educational needs of a child with an EHCP typically will be met through additional adult contact time. Typically, this will be delivered in a combination of individual time and time in smaller groups. The overall volume of time will increase as needs increase and the proportion of this time that is delivered on a more bespoke basis will also increase as needs increase. The values of the bands have been built up on assumptions about the proportion of additional support given to an EHCP, with this support split between bespoke time and time in smaller groups. This is a model for the SEND Panel to use to determine the volume and type of support required to then closely meet the needs of an individual EHCP.

2.3 Band 3 (EHCP) typically will support the cost of EHCPs placed in mainstream provisions. Band 4 (EHCP plus) typically will support the cost of EHCPs placed in specialist provisions. However, this is not an absolute position and the SEND Panel will use the model flexibly to closely meet need.

The Band 3 values are calculated on assumptions on additional 'support assistant' time (where bespoke means 1:1 and group time is in groups of 1:3). The cost per hour assumption within the 2023/24 financial year model, on a term time only basis and incorporating assumptions about on-costs, is £16.95. This represents a 1.00% increase on the £16.78 that was used in the 2022/23 model.

The Band 4 values are calculated on assumptions on both support assistant time (where bespoke means 1:1 and group time is in groups of 1:2) and teacher time in group sizes of 1:12, 1:8 and 1:6. The cost per hour assumption for support assistant time within the 2023/24 financial year model is £16.95 as in Band 3. The cost

per hour assumption for teacher time in the model is £49.42. This represents a 1.8% increase on the £48.56 that was used in the 2022/23 model.

2.4 Each EHCP will be funded at the band value that provides the closest fit for meeting the cost of the needs of the child or young person. In the model, the closest fit may also be found by combining ('stacking') more than one band value. The facility to combine values means that the SEND Panel can use the model in a flexible way to find a very close fit for the funding especially of children and young people with significant secondary needs as well as those that require additional functional support both within and outside of the standard taught school day where this is not already funded within a single band value.

2.5 It is helpful to continue to highlight the main differences between our current Banded Model and our previous Ranges Model that was used up to 31 March 2020:

- The Banded Model does not have a 7th step (the equivalent of the previous Range 7). It is expected that stacking will deliver a level of support higher than the single band 4H, where this is necessary. Specific transition arrangements are in place for Range 7 EHCPs that existed at 1 April 2020.
- The Panel can 'stack' values (meaning an EHCP can be allocated more than one value) in order to find a close fit.
- The Banded Model does not use primary need as a marker for the placement of an EHCP into a band. Placement is based on assessed level of need.
- Whereas the previous Ranges Model defined need in terms of 1:1 hours of support, the Banded Model uses a provision mapping approach and a combination of bespoke time and time in smaller groups.
- The values allocated by the Banded Model are significantly increased on those allocated by the Ranges Model. These increases are the result of two main adjustments between 2020 and 2023; a) refreshing the assumptions about the salaries of support assistants and teachers; b) allowing the top-up model to compensate for the fixed £6,000 Element 2.
- The Banded Model works alongside a clarified / amended approach to the sharing of the cost of specialist equipment.

2.6 To highlight how the Banded Model continues to be the same or similar to the previous Ranges Model:

- Decisions on the application of the Banded Model – which of the 6 bands an EHCP is placed in and whether an EHCP is given more than one band value - continue to be taken by Bradford Council's SEND Panel with reference to the evidence submitted through the EHCP assessment process. Appeals and disputes also continue to be resolved through the Panel process.
- In all steps within the model, the school / provider, with the exception of EHCPs for 2, 3 and 4 years olds (pre-reception) in mainstream not specialist provision, is expected to contribute Element 2 funding currently at a value of £6,000 to the cost of additional needs.
- The bottom 'threshold' for the 1st step of Band 3 (3 Low) is the same as the Ranges Model. The Banded Model itself has not changed the threshold at which EHCP funding can initiate nor has it changed the points of access to an EHCP. It simply has changed the options that are available to the SEND Panel to use to ensure that an EHCP is appropriately and accurately funded.
- For the top-up funding of post 16 high needs students with EHCPs in the Further Education sector, it has been agreed previously with the relevant providers that, as, on average, colleges deliver around 60% of the hours delivered by schools, colleges are funded for the vast majority of students at 60% of the Banded

Model value for the primary need of the student. The exceptions are students with the primary need of sensory impairment (Hearing / Visual), where funding continues to be allocated on an actual cost basis. Due to the specific support needs of these students in Further Education, and the diverse nature of their curriculum choices, it is not possible to formularise this funding element. This approach is continued in the application Banded Model in 2023/24, adjusted for funding, as appropriate, for the delivery of the additional 40 post-16 study hours, which is part of the 2022/23 post-16 financial settlement and part of the Government’s COVID-19 pandemic support response.

- The ‘technical framework’ is the same for the operation of the Banded Model during the year e.g. the monthly re-calculation of EHCP funding from the census of EHCPs on roll on 10th of each month.
- An assessment place (which was Range 4D) has become Band 4L. This funds EHCPs placed in specialist provisions until a final determination of band from the Panel is received. Funding is changed at this point if this is different from 4L. Band 4L also continues to be used to more permanently fund placements in the Early Years ESPs that are attached to maintained nursery schools.

A reminder of the transition from the previous Ranges Model

3.1 It is helpful to remind providers of how we moved from the Ranges Model to the now established Banded Model and what protections continue to be in place. All EHCPs in place at 1 April 2020 were automatically transferred on to the new Banded Model system at 1 April 2020 as follows:

| Range | | Band |
|----------|--------|-------------|
| Range 4A | became | Band 3L |
| Range 4B | became | Band 3M |
| Range 4C | became | Band 3H |
| Range 4D | became | Band 4L |
| Range 5 | became | Band 4M |
| Range 6 | became | Band 4H |
| Range 7 | became | Protected 7 |

3.2 Most existing EHCPs on an on-going basis will remain within the band they were transferred to. The SEND Panel will continue to review, through the annual review process, individual EHCPs where the banding may be disputed, where there are obvious existing inaccuracies or where the needs of the child or young person have changed.

3.3 The Banded Model operates under the guarantee that, for EHCPs in place at 1 April 2020, the EHCP will not ever drop to a lower valued band unless the SEND Panel agrees that the needs of the child or young person are reduced when compared against the needs presented to the Panel in the original EHCP determination. This guarantee remains until the pupil reaches the end of year 11. This guarantee does not extend to assessment places that were funded at 1 April 2020 (as these pupils did not yet have EHCPs).

3.4 The Banded Model retains a transitional ‘Protected 7’ band, which will continue to fund EHCPs that we graded at Range 7 under the old model. These Range 7 pupils will stay funded by the Protected 7 band unless an annual review gives them a higher level of funding using the new model (via stacking), when the pupil would be transferred onto the new model at this point, or where the pupil’s needs are agreed to have reduced when compared against the needs presented to the Panel in the original EHCP Range 7 determination. This guarantee remains in place until the pupil reaches the end of year 11. The value of Protected 7 will be uplifted each year by the same % that is applied to Band 4H.

High level Summary of Place-Plus and how this works for different providers in Bradford

| | Pre-16 | Pre-16 | Post-16 | Post-16 | | |
|--|---|--|--|--|---------------------------------|---|
| Type of Provision | Place (Core) Funding | Top-Up Funding (Pupil-Led Need) | Place Funding | Top-Up Funding (Pupil-Led Need) | Setting-Led Need Factors | Additional Support Measures |
| Mainstream primary & secondary (maintained schools, academies and free schools) | <p>Element 1 is included within the per-pupil funding allocated through the local school funding formula (NFF-based).</p> <p>Element 2 - the first £6,000 of additional support cost – is also already delegated with the school's formula funding allocation.</p> <p>Notional SEND defines the value of funding already allocated.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | None. | SEND Funding Floor supports Element 2 cost in pre-16 provisions |
| Mainstream early years (nursery schools, classes and PVI providers) | <p>Element 1 is included within the per-pupil funding allocated through the local EYSFF.</p> <p>Early Years SEND Inclusion Grant allocates Element 2 (£6,000) for eligible low level emerging</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> | n/a | n/a | None. | <p>Early Years SEND Inclusion Grant (EYIF).</p> <p>DAF Grant.</p> |

| | | | | | | |
|--|--|---|--|---|---|--|
| | SEND (non-EHCP) as agreed by Panel. Element 2 is allocated to early years EHCPs in addition to top-up. | Uses the Banded Model. The top-up funding is allocated to and retained by the school or provider. | | | | |
| School-led Resourced Provisions (mainstream primary & secondary) | Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £6,000 per place for places occupied by pupils on roll in October in the previous year and £10,000 per place for the remainder of places agreed to be commissioned. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year. | Agreed per-pupil top-up paid by the commissioning local authority. Allocated in 'real time' during the year. Changes for starters and leavers. Uses the Banded Model. The top-up funding is allocated to and retained by the school. | Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned. Both Elements 1 and 2 are retained by the school. | Agreed per-pupil top-up paid by the commissioning local authority. Allocated in 'real time' during the year. Changes for starters and leavers. Uses the Banded Model. The top-up funding is allocated to and retained by the school. | Small Setting Protection. 3% Cash Budget Protection. | Former Teacher Pay and Teacher Pensions Grants |

| | | | | | | |
|---|---|---|---|---|--|---|
| | <p>Both Elements 1 and 2 are retained by the school.</p> <p>Element 1 is set at a minimum of £4,000 per agreed place.</p> | | | | | |
| <p>Local Authority-led Sensory Need Resourced Provisions (mainstream primary & secondary).</p> | <p>Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £6,000 per place for those occupied by pupils on roll in October in the previous year and £10,000 per place for the remainder of places agreed to be commissioned.</p> <p>The host school retains Element 1, set at a minimum of £4,000 per agreed place.</p> <p>Element 2 funding is retained by Bradford Council. This currently requires host schools to repay Element 2 back to the Council.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> <p>The host school retains Element 1.</p> <p>Element 2 funding is retained by Bradford Council. This currently requires host schools to repay Element 2 back to the Council.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Small Setting Protection.</p> <p>New Services Delegation.</p> | <p>Former Teacher Pay and Teacher Pensions Grants</p> |

| | | | | | | |
|--|---|---|--|---|--|---|
| | Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year. | | | | | |
| Local Authority-led Resourced Provisions (mainstream primary & secondary). | <p>Element 1 is allocated through a combination of per-pupil funding allocated through the local school's funding formula plus £4,000 (or the higher MFL value) for places agreed to be commissioned but not occupied by pupils on roll in October in the previous year.</p> <p>The host school retains Element 1, set at a minimum of £4,000 (or the higher MFL value) per agreed place.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number of places to be commissioned.</p> <p>The host school retains Element 1.</p> <p>Element 2 funding is retained by Bradford Council.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is retained by Bradford Council.</p> | <p>Small Setting Protection.</p> <p>New Services Delegation.</p> | <p>Former Teacher Pay and Teacher Pensions Grants</p> |

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|---|---|--|-----|-----|---------------------------|--|
| | Element 2 funding is calculated at £6,000 per commissioned place and is retained by Bradford Council. | | | | | |
| Early Years Enhanced Specialist Provisions (maintained nursery schools) | <p>Elements 1 & 2 are allocated through a combination of per-pupil funding allocated through the local EYSFF plus £6,000 per FTE commissioned place.</p> <p>Both Elements 1 and 2 are retained by the school.</p> <p>Additional Element 1 funding is paid using EYSFF rates for any FTE places not occupied in the EYSFF termly censuses.</p> <p>Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model. All EYESP places funded at a minimum Band 4L (assessment places).</p> <p>The top-up funding is allocated to and retained by the school.</p> | n/a | n/a | Small Setting Protection. | Former Teacher Pay and Teacher Pensions Grants |

| | | | | | | |
|---|---|--|---|------------------------|--|---|
| | composite occupancy across the year. | | | | | |
| Maintained Special Schools & Special School Academies | <p>Elements 1 and 2 are combined in a fixed £10,000 per place, based on an agreed number of places to be commissioned. Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year.</p> <p>Retained by the school.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>The top-up funding is allocated to and retained by the school.</p> | <p>£10,000 per place based on an agreed number of places.</p> <p>Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for actual total composite occupancy across the year.</p> <p>Retained by the school.</p> | Uses the Banded Model. | <p>Split Sites.</p> <p>Post 16 Element 1 enhancement.</p> <p>New Services Delegation.</p> <p>Small Setting Protection.</p> <p>3% Cash Budget Protection.</p> | <p>Former Teacher Pay and Teacher Pensions Grants.</p> <p>Additional Grant Funding required by DfE (December 2022 Settlement Conditions).</p> |
| PRUs & AP Academies (funding provision for pupils permanently excluded). | <p>Elements 1 and 2 are combined in a fixed £10,000 per place, based on an agreed number of places to be commissioned.</p> <p>Retained by the PRU / AP Academy.</p> | <p>Agreed per-pupil top-up paid by the commissioning local authority.</p> <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> | n/a | n/a | No specific additional factors – setting-led need costs are to be covered within the calculation of the Day Rate. | <p>Former Teacher Pay and Teacher Pensions Grants.</p> <p>Additional Grant Funding required by DfE (December 2022 Settlement Conditions).</p> |

| | | | | | | |
|--|---|--|---|--|-------|--|
| | Additional place-funding is allocated in real time where occupancy is exceeded, with an end of year reconciliation to ensure no overall overpayment of additional place-led funding for the actual total composite occupancy across the year. | Uses the Day Rate Model. The top-up funding is allocated to and retained by the PRU / AP Academy. | | | | |
| Hospital Education, Tracks and Medical Home Tuition. | The funding of the centrally managed services operates outside the Place-Plus mechanism, working within the discrete allocation provided for this service within our HNB. This will be subject to annual review to incorporate any changes in the DfE's funding methodology and requirements. | n/a | n/a | n/a | None. | Former Teacher Pay and Teacher Pensions Grants |
| Further Education Institutions, special institutions and ILPs (post 16) | n/a | n/a | Element 1 (based on the 16-19 national funding formula) plus Element 2 (£6,000) based on the number | Agreed per-pupil top-up paid by the commissioning local authority. | None. | None. |

| | | | | | | |
|----------------------------|--|--|--|--|-------|---|
| | | | <p>of places to be funded.</p> <p>Additional place-funding (element 2 only) can be allocated in year where occupancy exceeds agreed places, with an end of year reconciliation to ensure no overall overpayment.</p> <p>Both Elements 1 and 2 are retained by the institution.</p> | <p>Allocated in 'real time' during the year. Changes for starters and leavers.</p> <p>Uses the Banded Model.</p> <p>Typically, values are funded at 60% for most placements (adjusted for the additional 40 hours). Higher cost placements (low incidence high need) are typically funded on an actual cost basis.</p> | | |
| Independent Schools | The place funding system doesn't operate in independent schools. | Agreed per-pupil top-up paid by the commissioning local authority. | The place funding system doesn't operate in independent schools. | Agreed per-pupil top-up paid by the commissioning local authority. | None. | Former Teacher Pensions Grant (for EHCPs) |

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| | | | | | | | | | | | | | | % budget pass-through 3&4 year old EYSFF (excluding one off monies); Must be greater than 95%: | | | 96.7% |
|--|--|--|----------------|-----------------------|-----------------------|---|----------------|-----------------------|----------------------------|----------------|-----------------------|------------------------|--------------------|--|-------------|--|-------|
| | | | | | | | | | | | | | | % spend 3&4 year old EYSFF on supplements - Cannot exceed 12%: | | | 8.8% |
| 1. EYSFF (3 & 4 year olds): Base rate | Description | Unit Value (£) | | | Unit Applied | Number of Units (Universal) | | | Number of Units (Extended) | | | Anticipated Budget (£) | | | | | |
| | | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | |
| Universal Base Rate Applicable to all Providers | | £4.46 | £4.46 | £4.46 | per hour | 3,842,234 | 351,777 | 904,508 | 1,330,305 | 75,607 | 217,449 | £23,069,521 | £1,906,135 | £5,003,928 | £29,979,584 | | |
| 2. EYSFF (3 & 4 year olds): Other formula factors | Description | Unit Value (£) | | | Unit Applied | Number of Units (Universal & Additional 15 hours) | | | Anticipated Budget (£) | | | | | | | | |
| 2. Supplements | Variable 1 Deprivation (Mandatory) | All providers (variable rate) calculated using a 3 year rolling average of Index of Multiple Deprivation (IMD) scores. | PVI | Nursery School | | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | | |
| | £0.67 | £0.67 | £0.67 | per hour | 1,873,022 | 191,269 | 414,201 | £1,257,606 | £128,424 | £278,107 | £1,664,137 | | | | | | |
| | Variable 2 Deprivation (Mandatory) | Rates include a weighting, to allocate additional funding to providers that have above average levels of deprivation as measured by IMD. | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | | | |
| | £0.15 | £0.15 | £0.15 | per hour | 2,520,484 | 293,971 | 571,762 | £387,311 | £45,173 | £87,860 | £520,344 | | | | | | |
| Quality (if applicable) | Description | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | | | |
| | For eligible providers, to support the cost of the employer's contribution to Teacher Pensions, following the mainstreaming of the TPG and TPENG. Providers are eligible for this Supplement in 2023/24 if they received Teacher Pension Grant funding in 2022/23, or if they evidence to the Authority that they are an employer, that pays the employer's contribution to national Teacher Pensions (which is currently 23.6%), that employs a qualified teacher, who directly delivers the 3&4-year-old early years entitlement (the Early Years Foundation Stage). | £0.23 | £0.00 | £0.23 | per hour | 1,944,380 | 428,852 | 1,128,779 | £447,207 | £0 | £259,619 | £706,827 | | | | | |
| Funding provided through supplements: | | | | | | | | | | | | | % | | | | |
| 3. Maintained nursery school (MNS) lump sums | Description | PVI | Nursery School | Primary Nursery Class | Unit Applied | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | | | |
| | 1) Nursery Schools Sustainability Top-Up: this funding tops up the school to a minimum level of funding based on that school's specific circumstances, taking into account premises, rates, insurance, base allocations, mainstreamed grants (including TPG and TPENG). 2) Additional lump sums allocate the MNS Supplement to ensure that the base per hour rate of funding for each nursery school is £6.08 & the deprivation rate is the same as that used in 2022/23 + 1.60%. | | Variable | | lump sums | | 7 | | | | £1,472,064 | £1,472,064 | | | | | |
| TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (3 & 4 YEAR OLDS): | | | | | | | | | | | | | £34,342,956 | | | | |
| EYSFF (2 year olds) | Description | Unit Value (£) | | | Unit Applied | Number of Units | | | Anticipated Budget (£) | | | | | | | | |
| 4. Base Rate(s) per hour, per provider type | Universal Base Rate Applicable to all Providers | PVI | Nursery School | Primary Nursery Class | | PVI | Nursery School | Primary Nursery Class | PVI | Nursery School | Primary Nursery Class | TOTAL | | | | | |
| | | £5.61 | £5.61 | £5.61 | per hour | 1,147,863 | 118,928 | 71,951 | £6,439,512 | £667,188 | £403,646 | £7,510,346 | | | | | |

| | | | | |
|--|--|--|--|-------------------|
| TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (2 YEAR OLDS): | | | | £7,510,346 |
|--|--|--|--|-------------------|

| 5. SEN Inclusion Fund (funded directly to providers) | | Description | Anticipated total budget (£) | | | |
|---|---------------------------------------|---|------------------------------|----------------|-----------------------|-----------------|
| | | | PVI | Nursery School | Primary Nursery Class | TOTAL |
| (a) 3 & 4 Year Olds (Mandatory) | (ai) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £251,695 | £75,000 | £223,305 | £550,000 |
| | (aii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |
| (b) 2 Year Olds (if applicable) | (bi) Funding allocated from EY Block | Funding for Early Years SEND Inclusion (element 2 replication) - allocated using agreed criteria and method. See Early Years Technical Statement on Bradford Schools Online | £66,667 | £10,000 | £23,333 | £100,000 |
| | (bii) Funding allocated from HN Block | EY SEND Inclusion is 100% funded from the Early Years Block | | | | |
| TOTAL FUNDING FOR SEN INCLUSION FUND (TOP-UP GRANT ELEMENT): | | | | | | £650,000 |

| 6. Early years contingency funding | | Description | Anticipated total budget (£) | | | |
|---|--|--|------------------------------|--|--|-----------------|
| 3 & 4 Year Olds | | no contingencies are held | | | | £0 |
| 2 Year Olds | | no contingencies are held | | | | £0 |
| 7. Early years centrally retained funding | | Description | Anticipated total budget (£) | | | |
| 3 & 4 Year Olds | | See Document PN Appendix 1 for a breakdown of funds (MNS de-delegated funds access; LA Early Years and EYSFF capacity) | | | | £649,330 |
| 2 Year Olds | | no central funds for 2 year olds are held | | | | £0 |
| TOTAL FUNDING FOR EARLY YEARS CENTRAL EXPENDITURE: | | | | | | £649,330 |

| 8. Early years pupil premium | | Anticipated total budget (£) | | | | |
|---|--|------------------------------|--|--|----------|-----------------|
| 3 & 4 Year Olds | | | | | £437,089 | |
| TOTAL FUNDING FOR EARLY YEARS PUPIL PREMIUM: | | | | | | £437,089 |

| 9. Disability access fund | | Anticipated total budget (£) | | | | |
|--|--|------------------------------|--|--|----------|-----------------|
| 3 & 4 Year Olds | | | | | £120,000 | |
| TOTAL FUNDING FOR EARLY YEARS DISABILITY ACCESS FUND: | | | | | | £120,000 |

Report of the Director of Finance to the meeting of Executive to be held on 21 February 2023 and Council to be held on 23 February 2023

AW

Subject:

Capital Investment Plan 2023-24 to 2026-27

Summary statement:

Section A of this report presents the Council's Capital Investment Plan 2023-24 to 2026-27.

Section B presents an updated Capital Strategy for 2023-24. This strategy underpins the spending proposals within the Capital Investment Plan.

Section C presents the Investment Strategy for 2023-24.

Equality & Diversity:

The budget proposals set out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2023-24 budget is approved.

The Capital Investment Plan supports the delivery of Council priorities.

Christopher Kinsella
Director of Finance

Portfolio:

Corporate

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Business Advisor Capital, Treasury &
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Overview & Scrutiny Area:

Corporate

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1. SUMMARY

- 1.1 This report proposes the Council's Capital Investment Plan (CIP) from 2023-24 to 2026-27. The report also includes for 2023-24: The Capital Strategy (Section B) and the Investment Strategy (Section C).
- 1.2 This report is part of the overall 2023-24 budget proposal for the Council which also includes:
- The Council's Revenue Estimates for 2023-24 (Document AU)
 - Allocation of the Schools Budget 2023-24 Financial Year (Document AV)
 - Housing Revenue Account (Document AX)
 - Section 151 Officer's Assessment of the proposed budgets (Document AY)

2. OVERVIEW

- 2.1 **SECTION A** of this report outlines the 2023-24 to 2026-27 Capital Investment Plan (CIP). This includes:
- Capital Investment Plan - Background
 - The Capital Schemes
 - Minimum Revenue Provision (MRP)
 - The Prudential Indicators
- 2.2 **SECTION B** of this report sets out the 2023-24 Capital Strategy. This includes:
- Guiding Principles
 - Governance Framework for Capital Decisions
 - Capital Resources to support Capital Expenditure
 - Flexible Use of Capital Receipts
 - Commercial Property Investments
 - Loans to External Organisations
 - Asset Management Planning
 - Risks
 - Prudence, Affordability, Sustainability
 - Skills & Knowledge
 - Capital Strategy Actions
- 2.3 **SECTION C** updates the 2023-24 Investment Strategy.

SECTION A: CAPITAL INVESTMENT PLAN 2023-24

3. CAPITAL INVESTMENT PLAN - BACKGROUND

- 3.1 The Capital Investment Plan (CIP) is the Council's budget for expenditure on long-term infrastructure items, such as buildings and vehicles. These items are one-off, so need to provide value to the Council across a number of financial years; the items are also paid for across different financial years.

3.2 Expenditure in the CIP therefore differs significantly from that in Revenue Estimates – these estimates present ongoing expenditure, such as salaries, used up and funded within one financial year.

3.3 The CIP is governed by statutory requirements set out in the 2003 Capital Regulations. The key points are:

- Capital expenditure within the CIP provides benefits to Council residents that lasts for more than one financial year, such as a new sports centre.
- The construction process, for example a new sports centre, can also stretch across a number of financial years. For these reasons the CIP budget is presented as a rolling programme across a number of future years.
- Capital expenditure can only be funded from a limited number of sources: external grants (designated by the grant provider as for a capital purpose); funding provided by the Revenue Estimates (Direct Revenue Financing); funding from reserves and borrowing.
- All the above funding sources involve paying for capital expenditure directly and immediately, except when borrowing is required. The borrowing principal and the related interest charges are repaid gradually through successive Revenue Estimates. The impact of the borrowing principal and interest payments are known technically as capital financing charges.
- There are some further points to note around capital financing charges. The provision of funding for the principal repayments is governed by strict rules. These rules determine how this funding is identified and set aside within successive years of the Revenue Estimates. The rules are known technically as the Minimum Revenue Policy (MRP). This funding is set aside irrespective and unrelated to the actual principal repayments, which is managed within the Council's Treasury Management Strategy.
- Interest charges on the borrowing are charged to the Revenue Estimates based on the year to which these relate.
- Capital Expenditure is monitored using what are called Prudential Indicators. These aim to measure and weigh the Council's level of indebtedness and any impacts on the Revenue Estimates for future generations. This check is due to the importance of ensuring value from capital expenditure: it significantly impacts both on service provision and finances for many years in the future.
- Updates to the Prudential and Treasury Management Codes were published by CIPFA in December 2021. The Department for Levelling Up Housing and Communities (DLUHC) had tightened up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and closed access to all PWLB borrowing if such schemes are included in a council's capital programme. The new CIPFA codes have also adopted a similar set of restrictions to discourage further capital expenditure on commercial investments for yield.

- 3.4 One other point about borrowing is the overall purpose from the Council's perspective. One purpose is to fund one-off expenditure to deliver an ongoing improvement to service provision for the residents' districts (The Council calls this Corporate Borrowing).
- 3.5 Sometimes the purpose of the one-off expenditure is to enable the same service provision to be delivered more efficiently: for example, the Council could purchase vehicles as opposed to paying to rent them. Such borrowing schemes are known as "Invest to Save" because the capital financing costs are mitigated by the savings they generate in the Revenue Estimates.

4. THE CAPITAL SCHEMES

- 4.1 As noted above, the CIP is always a rolling programme, because it continues across financial years. Therefore, the starting point for the proposed 2023-24 CIP is the quarter 3 monitoring position for the 2022-23 CIP. This is shown in Table 1 below:

Table 1: Quarter 3 Capital Investment Plan 2022-23

| Scheme Description | Q2 Re-profiled Budget 2022-23 | | Re profile Budget 2022-23 | Spend 31 Dec 2021 | Budget 23-24 | Budget 24-25 | Budget 25-26 onwards | Total |
|--|-------------------------------|-------------|---------------------------|-------------------|--------------|--------------|----------------------|--------------|
| | £m | Changes | £m | £m | £m | £m | £m | £m |
| Health and Wellbeing | 3.0 | 0.3 | 3.3 | 1.0 | 2.5 | 3.3 | 4.8 | 13.9 |
| Children's Services | 13.6 | 0 | 13.6 | 6.6 | 11.6 | 3.3 | 1.2 | 29.7 |
| Place - Economy & Development Services | 51.1 | 0 | 51.1 | 18.4 | 46.6 | 27.3 | 10.4 | 135.4 |
| Place - Planning, Transport & Highways | 40.9 | 16.6 | 57.5 | 35.5 | 72.1 | 38.0 | 120.2 | 287.8 |
| Place - Other | 18.8 | 0.1 | 18.9 | 9.6 | 26.7 | 23.1 | 14.8 | 83.5 |
| Corp Service – Estates & Property Services | 39.9 | 4.5 | 44.4 | 31.4 | 13.1 | 10.4 | 4.8 | 72.7 |
| TOTAL - Services | 167.3 | 21.5 | 188.8 | 102.5 | 172.6 | 105.4 | 156.2 | 623.0 |
| Reserve Schemes & Contingencies | 3.1 | -0.5 | 2.6 | 0 | 72.7 | 108.1 | 79.3 | 262.7 |
| TOTAL | 170.4 | 21.0 | 191.4 | 102.5 | 245.3 | 213.5 | 235.5 | 885.7 |

- 4.2 In order to draw up the 2023-24 CIP proposed changes are:

- Ongoing schemes continued for the additional 2026-27 year added to the CIP.
- New schemes for CIP.
- Removal / reduction of budget for a number of schemes.

- 4.3 The first change is the ongoing schemes continued into 2026-27. These are detailed below:

- Replacement of Vehicles - £3m
- Property Programme - £4m
- General contingency for unforeseen capital expenditure - £1m
- IT - £2m

4.5 The new schemes proposed for the CIP are set out and described in Table 2 below.

Table 2: New proposed schemes for the 2023-24 CIP

| Proposed Scheme | Total Budget £000 | Description / Benefit |
|-------------------------------------|------------------------------|--|
| Children's Services | | |
| PCS1 Children's Residential Care | 5,200 | The investment would cover 'small group' homes, staying close provision for 17+ year olds, and emergency provision. The capital cost is expected to be c£5.2m and would be funded by savings that will result from the freeing up of capacity and reduced need for costly external residential provision. It would replace a current reserve scheme with a budget of £3.149m. |
| PCS2 Area office | 800 | New area office accommodation funded by corporate borrowing. |
| Place | | |
| PCS3 Bereavement Strategy – Stage 2 | 6,000 | This is continuation of the delivery of the Bereavement Strategy. It will be funded by corporate borrowing. |
| Corporate Resources | | |
| PCS4 City Centre Regeneration | 18,000 | Additional funding for regeneration purposes. The additional costs will be funded through corporate borrowing. |
| PCS5 Inflation Contingency | 10,000 | The existing capital programme has been impacted by inflationary price increase with some substantial increases in construction related activity. BCIS indicate an 8% annual increase in costs as at Quarter 3 2022. The anticipated trend at the moment is for the increase to continue, with an easing of price increases only anticipated to show around the end of 2024. |
| | | The Inflation Contingency is proposed to be allocated to schemes where value engineering or other options are not able to mitigate cost pressures and retain the scheme viability and secure desired outcomes. It is proposed the utilisation of the Inflation Contingency be delegated to the Strategic Director, Corporate Resources as the senior director responsible for Estates, Finance; Legal and Procurement services. The additional costs will be funded through corporate borrowing. |
| PCS6 IT Software | 965 | Three schemes to implement new technologies to reduce the associated cyber security risks and to increase the level of protection for Council networks, systems and data. |
| TOTAL | 40,965 | |

- 4.6 In addition to the schemes above there are other possible schemes that are at a very early stage of development. The budget position means only invest to save schemes should be considered for further capital investment. Further work and investigations will be completed during 2023-24 and they will be brought to Executive for approval.
- 4.7 The proposed new schemes in Table 2 are at different stages as regards the development of the relevant business cases. Points to note are:
- The 2023-24 Property Programme and IT software schemes have already been subject to a business case and reviewed by the Project Advisory Group.
 - The utilisation of the Inflation Contingency is proposed to be delegated to the Strategic Director, Corporate Resources.
 - The remaining schemes are subject to further work and a detailed, costed business case. These new schemes are held in a Reserves & Contingencies section of the CIP and as such cannot be released to budget managers until the presentation of full project appraisals to the Project Appraisal Group and approval from Executive.
- 4.8 Due to the challenging financial situation, and the need to ensure the revenue impact of the capital programme is reduced, the Council has reviewed the level of capital investment needed and has been able to identify reductions in some areas of the existing capital budget. There is the potential to free up resources in the CIP by either deleting or delaying some of these projects.
- 4.9 The proposals include the removal / reduction of budget for a number of schemes. A description of these schemes is provided in the table below.

Table 3: Proposed Budget reductions

| Scheme | Proposed Budget reductions £'000 | Current Position |
|---------------------------|---|---|
| Children's Service | | |
| Lap tops | 1,800 | Originally included to invest capital funding in Digital Inclusion for Disadvantaged Children & Young People by investing in an infrastructure to support the programme. It is proposed to reduce the budget to £0.4m over two years. |
| Digital strategy | 400 | Original budget of £1.2m was approved in 2020 to provide electronic devices to disadvantaged children. Part of the budget has been used but where possible, alternative funding sources were used. |

| | | |
|------------------------------------|--------|---|
| | | It is proposed to reduce the budget to £0.3m over the next three years. |
| Place | | |
| Alternative fuel centre & Vehicles | 6,030 | Remove in full from the CIP the Alternative Fuel Centre scheme costed at £6.0m, following an alternate private sector led proposal. |
| Blight Sites | 675 | £0.465 m of the £1.14m Budget for Blight Sites will be used on the former Manor House site, Manningham and Cragg Street schemes. The remaining budget will be removed and any future schemes will be developed as separate capital bids. |
| King George V Playing Fields | 1,020 | Currently no plans are in place for this scheme so it is proposed that it is removed completely from the CIP. It will be revisited once plans are developed. |
| Corporate Resources | | |
| District Heat | 12,815 | Plans for a district heat network in Bradford City Centre are now being implemented by a private developer. A scheme completed by the Council is no longer required, however some amounts the capital programme to enable the conversion of council buildings to receive heat from the district heat network. |
| Strategic Acquisitions | 23,460 | Changes to the Prudential Code mean that it is no longer possible to invest in schemes, that are solely income generating ones. CIP Reserve Schemes currently include £43.5m for Strategic Acquisitions and it is proposed that this is reduced to £20m. Any new approved schemes for the remaining budget will need to meet the new Code requirements. Also any new scheme would still need to be invest to save on the funding. |
| Keighley One Public Estate | 17,000 | Now included as part of another scheme. A reduced budget of £1m will remain for potential Council works. |
| Museum Store | 500 | A new proposal linked to the City of Culture is to be developed and a replacement for the Museum Store will be considered as part of this. |
| City Hall | 4,500 | A budget reduction of £4.5m is proposed due to the original scheme no longer going ahead. A revised scheme is being developed and the budget will be |

| | | |
|--------------|---------------|--|
| | | revisited once plans are further developed |
| Total | 68,200 | |

- 4.10 The proposed 2023-24 to 2026-27 Capital Investment Plan is a rolling programme including the quarter 3 2022-23 capital budget, with the addition of the new schemes detailed in Table 2 and removal of budgets in Table 3. This is set out in Appendix 1, along with a funding analysis.
- 4.11 Currently in reserve schemes there is £6m additional budget above current Basic Needs and SEND Capital Grants for additional required SEND provision across the district. It is funded by corporate borrowing and will be used to complete a number of SEND expansions across both the mainstream school sector and SEND schools. The budget is required to allow for the development of up to three proposed schemes. Once the initial design and development works have been completed, the necessary statutory processes will commence, including approval from Executive and an update will be provided to the Project Appraisal Group.
- 4.12 The Executive, at its meeting of November 1 2022, approved the opening of a Housing Revenue Account (HRA) in the financial year 2023-24. The HRA is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services paid for from the general fund. HRA capital expenditure is therefore recorded separately. The HRA business plan is being developed and there will be further updates to the Housing Capital Plan once this has been approved.
- 4.13 The proposed CIP includes £865m of capital investment in the District (£836m General Fund and £29m Housing Revenue Account). The profile of capital expenditure will continue to be updated as projects develop through the stages and/or if the resourcing position changes.

5 MINIMUM REVENUE PROVISION (MRP) POLICY

- 5.1 It is a statutory requirement for Full Council to set the Minimum Revenue Provision (MRP) policy each year. As noted, it is a technical term but refers to the rules governing how much funding is set aside from successive Revenue Estimates each year to repay debt.
- 5.2 The overall purpose of the policy is to charge the costs of capital schemes to current and future years in proportion to the amount of service benefit delivered in each year. The aim is to allocate costs between time periods and different generations in a fair and reasonable way. This means:
- Costs are charged only when schemes are in operation and not in the construction phase.
 - Costs are generally allocated over the expected timespan in which any scheme is operational.
 - The policy only relates to the repayment of borrowing: the elements of schemes funded directly, for example by grants or revenue contributions, do not cause

any future funding pressures on the Revenue Estimates.

- 5.3 The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in 2018. The overriding requirement of the Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 5.4 An external review of the Council's MRP policy was recently undertaken. The objective of the review was to provide the Council with an independent check that the MRP Strategy and Policy are fit for both the current and future spending plans. It also provides the necessary challenge to ensure that any potential options are not missed when considering the capital financing decisions for new capital expenditure ensuring that the provision remains prudent and compliant with statutory guidance.
- 5.5 Regulations require Full Council to approve an MRP statement in advance of each year. The Policy may be revised during the year by full Council or the appropriate body of Members where required.
- 5.6 Regulations allow the Council to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review in order to ensure that the annual provision is prudent.
- 5.7 Full Council is recommended to approve the following MRP statement amendment for the 2022-23 financial year:
- Change the calculation of MRP for supported borrowing from a straight line method to an annuity basis over 36 years (the remaining average life of the overall asset base).
 - Change the calculation of MRP for unsupported borrowing from an asset life straight line basis to an asset life annuity basis using an annual weighted average calculation. Estimated asset life periods will be determined under delegated powers.
 - Change the calculation of MRP for PFI contracts from an asset life straight line basis to an asset life annuity basis.
- 5.8 Full Council is recommended to approve the following MRP statement for the 2023-24 financial year:
- For supported borrowing MRP will be calculated using an Asset Life annuity basis on the remaining average life of the overall asset base.
 - For all unsupported borrowing MRP will be calculated using an Asset Life annuity basis. Estimated asset life periods will be determined under delegated powers.
 - MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than

the PFI contract, where MRP will be calculated on an asset life annuity basis.

- MRP in respect of finance leases will equal the repayment amount for the year.
- There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

5.9 The proposed policy is set out in Appendix 2. There are changes for the 2022-23 and 2023-24 years.

5.10 The main elements of the policy set out in Appendix 2 are set out below:

- Pre 2008 debt, which cannot be distinguished against specific assets, was being repaid over 50 years on an equal instalment basis. This has been amended from 2022-23 to an asset life annuity basis.
- All other debt and PFI liabilities is amended to be repaid on an annuity asset life basis: as determined by the expected lifespan of each individual asset.
- The policy also provides some discretion to the Section 151 officer in determining debt repayments. However, this is subject to the relevant scheme meeting targets.

5.11 The guidance provides several options for calculating a prudent MRP. Straight line and annuity methods over the asset's useful life are the most commonly used methods. By changing to annuity asset life the Council is in line with legislation and other local authorities. The annuity asset life method seeks to ensure the revenue account bears an equal annual charge (for principal and interest) over the life of the asset by taking account of the time value of money. Since MRP relates only to 'principal', the amount of provision made annually gradually increases during the life of the asset.

6. PRUDENTIAL INDICATORS

6.1 The Prudential Indicators are calculated on the basis that the CIP in future years is delivered in full and that there is no slippage.

6.2 The 2003 Capital Regulations authorise Councils to borrow for a capital purpose only. This is subject to tests of sustainability and affordability, using the Prudential Indicators. CIPFA published the revised Prudential and Treasury Codes in December 2021 and formal adoption is required in the 2023-24 financial year.

6.3 One key Prudential Indicator, is a measure of the Council's outstanding debt. Outstanding debt is the Council's cumulative borrowing less any funding for debt repayment set aside within the Revenue Estimates. This Prudential Indicator is called the Capital Financing Requirement (CFR). The indicator is shown in Table 4a over.

Table 4a: Capital Financing Requirement (CFR)

| | 2021-22 Actual £m | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Opening Capital Financing Requirement | 699 | 709 | 773 | 854 | 920 | 930 |
| General Fund - Increase in borrowing | 35 | 83 | 104 | 92 | 38 | 60 |
| General Fund - Less MRP and other financing movements | -25 | -19 | -23 | -26 | -28 | -29 |
| Closing Capital Financing Requirement | 709 | 773 | 854 | 920 | 930 | 961 |

6.4 Table 4a shows:

- The actual CFR at 31 March 2022 was £709m. This figure is also shown in the Council's draft statement of accounts and is being externally audited.
- The CFR is projected to increase, peaking at £961m at 31 March 2026-27. There is an increase when borrowing in year for a capital purpose is more than the amounts set aside to fund the principal repayments.
- The borrowing is estimated (apart from 31/03/2022) based on the proposed 2023-24 CIP, as set out in Appendix 1.
- Outstanding debt increases when new borrowing is higher than the principal payments charged to the Revenue Estimates.

6.5 When the Council borrows cash, this is nearly always from the Public Works Loan Board (PWLB). However, cash borrowing is significantly lower than the CFR. A reconciliation between the CFR and the Council's loans is shown below in the Prudential Indicator for the external debt projection:

Table 4b: External Debt Projection

| | 31/03/22 Actual £m | 31/03/23 Estimate £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m | 31/03/26 Estimate £m | 31/03/27 Estimate £m |
|---|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Capital Financing Requirement | 709 | 773 | 854 | 920 | 930 | 961 |
| General Fund - Private Finance Initiative | -147 | -139 | -130 | -121 | -111 | -101 |
| External Borrowing | -373 | -455 | -546 | -641 | -663 | -714 |
| <i>Under-borrowing</i> | 189 | 179 | 178 | 158 | 156 | 146 |
| Available for Investment (inc earmarked reserves) | 329 | 200 | 170 | 170 | 170 | 170 |
| External Investments | -208 | -50 | -40 | -40 | -40 | -40 |
| Working Capital | 68 | 29 | 48 | 28 | 26 | 16 |

| | | | | | | |
|--|-----|-----|-----|-----|-----|-----|
| | 189 | 179 | 178 | 158 | 156 | 146 |
|--|-----|-----|-----|-----|-----|-----|

6.6 Regarding Table 4b over:

- External borrowing increases generally when the CFR increases but remains lower than the CFR.
- The amount by which External debt is lower than the CFR is called under-borrowing. For example, under-borrowing is estimated to be £179m at 31 March 2023.
- The reasons for the under-borrowing are reconciled in table 4b. One significant reason is that some of the borrowing is in the form of a lease arrangement (the Private Finance Initiative) rather than cash. The other is that the Council borrows from its own internal earmarked reserves, rather than borrowing, because it is less expensive. As Council usable reserves are forecast to reduce over future years in line with planned commitments, the internal borrowing will also reduce resulting in external borrowing that will need to be required to fund the CFR.

6.7 As noted, the increase in the CFR drives the increase in external debts. This CFR increase in turn is caused by that part of the CIP funded from borrowing. The element of the CIP funded from borrowing is shown in the performance indicator below:

Table 4c: Analysis of Capital Spend Requiring Borrowing

| | 31/03/22 Actual £m | 31/03/23 Estimate £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m | 31/03/26 Estimate £m | 31/03/27 Estimate £m |
|--|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | - | - | 232 | 203 | 76 | 134 |
| Housing Revenue Account* | - | - | 5 | 10 | 10 | 4 |
| Total Capital Spend | 105 | 191 | 237 | 213 | 86 | 138 |
| General Fund - Capital Spend not funded from borrowing | 70 | 108 | 133 | 121 | 48 | 78 |
| Capital spend funded from borrowing | 35 | 83 | 104 | 92 | 38 | 60 |

*Separate HRA only from 01-04-2023

6.8 Another Prudential Indicator measures the impact of the Capital Financing Costs (debt repayments and interest) on the Revenue Estimates. This impact measures the annual costs as a ratio as the Net Expenditure Requirement shown in the 2023-24 Revenue Estimates (Document AU).

6.9 This Indicator is called the ratio of capital financing costs to the Net Revenue Stream. The indicator is shown in Table 5 over, together with a separate analysis for Invest to Save schemes:

Table 5: Ratio of Capital Financing costs to the Net Revenue Stream

| | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Capital Financing Costs | 51.6 | 56.8 | 63.8 | 66.1 | 67.2 |
| Projected Net Revenue Stream | 388 | 441 | 441 | 441 | 441 |
| Ratio: Capital Financing costs to Net Revenue Stream | 13.3% | 12.9% | 14.5% | 15.0% | 15.2% |
| <i>Invest to Save element of Total Capital Financing Costs</i> | 6.3 | 6.5 | 7.7 | 7.9 | 8.4 |
| <i>Invest to Save contribution to Ratio to Net revenue Stream</i> | 1.6% | 1.5% | 1.6% | 1.8% | 1.9% |

6.10 Key points about the above Prudential Indicator are:

- The estimated ratio of capital financing costs to the Net Expenditure Requirement increases between 2023-24 and 2026-27.
- Most of the increase in the ratio is driven by borrowing for Invest to Save schemes. Such schemes should generate mitigating savings which are not shown in the Prudential Indicator.
- The Prudential Indicator reflects a number of assumptions including: that interest rates are 3.5% in 2022-23, 4.1% in 2023-24, 3.9% in 2024-25, 3.2% in 2025-26 and 3.2% in 2026-27. The costs shown are particularly sensitive to unforeseen changes to interest rates.
- A reconciliation between the Prudential Indicator and the capital financing costs shown in the Revenue Estimates Budget is also shown in the table below:

Table 6: Capital Financing Costs in the Revenue Estimates Budget

| | 2021-22 Actual £m | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|---|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Capital Financing Costs | 57.3 | 51.6 | 56.8 | 63.8 | 66.1 | 67.2 |
| Direct Funding Schemes | 3.5 | 0 | 0 | 1.0 | 1.0 | 1.0 |
| PFI interest virement | -16.5 | -15.9 | -15.2 | -14.6 | -13.9 | -13.1 |
| PFI virement | -7.9 | -8.6 | -8.8 | -9.0 | -10.1 | -10.7 |
| Prudential borrowing virement | -6.2 | -6.3 | -6.9 | -10.2 | -14.1 | -15.3 |
| Corporate Capital Financing Costs within Revenue Estimates | 30.2 | 20.8 | 25.9 | 31.0 | 29.1 | 29.1 |

6.11 Items of expenditure such as PFI interest and the PFI Lease virement are treated as capital expenditure under accounting rules and therefore come within the remit

of the Prudential Indicator. However, this expenditure is already included elsewhere in the Revenue Estimates.

- 6.12 Similarly, borrowing for self-financing schemes is being funded from services, as set out in the Prudential borrowing virement shown in Table 6 above.
- 6.13 All the Prudential Indicators, including additional analysis, are set out fully in Appendix 3 of this report.
- 6.14 An increase in capital spend funded by borrowing generates a requirement to take out new loans and increases the corporate revenue capital financing costs (Table 6). For any new schemes the additional increase in debt cost should be met from schemes that generate savings, or avoid revenue costs or provide income streams. The Council will continue to pursue external funding through capital grant opportunities.
- 6.15 Additional corporate borrowing will impact on Revenue budgets and any additional costs for schemes already in the plan will also have to be considered. The proposed CIP means that the Council Prudential Indicators are increasing and uncertainty over costs means there will need to be a continued review considering the affordability and deliverability of the CIP. The overall capital programme position will be kept under review and any new information regarding funding allocations will be presented to Members in future reports.

7 FINANCIAL & RESOURCE APPRAISAL

- 7.1 The finance and resourcing implications are set out in the body of this report.

8 RISK MANAGEMENT AND GOVERNANCE ISSUES

- 8.1 The risk implications are set out in the body of this report.

9 LEGAL APPRAISAL

- 9.1 The report complies with the Council's statutory obligations and the requirement to follow statutory guidance.

10 OTHER IMPLICATIONS

10.1 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications arising from this report, sustainability implications are considered as part of individual capital project appraisals

10.2 GREENHOUSE GAS EMISSIONS IMPACTS

There are no direct impacts arising from this report

10.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct impacts arising from this report

10.4 HUMAN RIGHTS ACT

None

10.5 TRADE UNION

None

10.6 WARD IMPLICATIONS

None.

10.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

None

10.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

10.9 NOT FOR PUBLICATION DOCUMENTS

None

11 RECOMMENDATIONS

- 11.1 That the Executive are asked to note the contents of this report and to have regard to the information contained within this report when considering the recommendations to make to Council on the Capital Investment Plan for 2023-24.
- 11.2 That the updated Capital Plan for 2023-27, be approved; (Appendix A). Commitments against reserve schemes and contingencies can only be made after a business case has been assessed by the Project Appraisal Group and approved by Executive.
- 11.3 That Specific approval be given for the following schemes to commence following a detailed review by the Project Appraisal Group:
- The 2023-24 Property Programme has a proposed total cost of £4m and this will be funded by corporate borrowing.
 - IT software – three schemes are planned to improve IT security. The cost of the capital spend is £0.965m and it will be funded by corporate borrowing.

In addition:

- £6m from Reserve schemes for SEND provision across the district funded by corporate borrowing. It will be used to complete a number of SEND expansions across both the mainstream school sector and SEND schools. The budget is required to allow for the development of up to three proposed schemes. Once the initial design and development works have been completed, the necessary statutory processes will commence, including approval from Executive and an update will be provided to the Project Appraisal Group.
- The utilisation of the Inflation Contingency as set out in this report be delegated to the Strategic Director of Corporate Resources. The additional costs will be funded through corporate borrowing.

11.4 That the amendment to the 2022-23 Minimum Revenue Provision Policy and the proposed 2023-24 MRP policy set out in Appendix 2 is approved.

11.5 That delegated authority is given to Section 151 Officer to repay debt on an annuity basis, for chosen properties purchased during or after 2018-19. Delegated authority could only be exercised if two conditions are met:

1. the asset retains or increases its value;
2. the return from the capital scheme is sufficient to repay the capital sum invested.

11.6 That the Capital Strategy (including Prudential Indicators), set out at Appendix 3, be approved.

11.7 That the Flexible Use of Capital Receipts Strategy as presented at Appendix 4 - is recommended to the Executive to:

- Approve the Flexible use of Capital Receipts policy for 2022-23 and 2023-24 as outlined in Appendix 4 section 2.2.
- Delegate powers to the Section 151 office in consultation with the Leader to vary the values outlined in Appendix 4 section 2.2 subject to the value of Capital receipts achieved in 2023-24, whilst ensuring compliance with the Direction from DHLUC outlined in section 2.1.

12 APPENDICES

Appendix 1: The 2023-24 to 2026-27 Capital Investment Plan
Appendix 2: Proposed change to the Minimum Revenue Policy
Appendix 3: Supporting Tables for the Capital Strategy
Appendix 4: Flexible Use of Capital Receipts

SECTION B: CAPITAL STRATEGY 2023-2024

Capital Strategy 2023-24

1 CAPITAL STRATEGY (BACKGROUND)

- 1.1 The Council's Capital Strategy is a policy framework for the development; management and monitoring of its capital investment plan.
- 1.2 In respect of timeframes, the strategy is also both a plan for the current year and the long-term, with emphasis on the next ten years.
- 1.3 The strategy is the means by which the Council ensures compliance with mandatory statutory guidance contained in the Prudential Code for Capital Finance in Local Authorities. The headline message delivered by the Code is the requirement for the Council to consider key judgement criteria of Prudence, Affordability and Sustainability when making and reviewing decisions about the use of its capital resources.
- 1.4 The simple purpose of the strategy is also to ensure that capital expenditure is deployed in such a way as to maximise the provision of the services needed by Council residents. Delivering this purpose involves selecting and project managing capital schemes; while coordinating their implications for risk, treasury and resourcing.
- 1.5 Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of assets that have a useful life or more than one year. This means items of expenditure on buildings, vehicles and substantial equipment. Local Government also has the statutory right to include within this definition, expenditure on assets owned by third parties, or loans given to third parties.
- 1.6 Capital expenditure schemes are also constructed, financed and used to deliver services across multiple financial years; so each one is a substantial commitment by the Council.
- 1.7 CIPFA published the revised Prudential and Treasury Codes in 2021. The changes look to strengthen the requirements regarding borrowing for commercial projects to ensure Local Authorities are not borrowing in advance of need, with a view to primarily making a profit / financial return.
- 1.8 The Council does not currently have any capital investments which fall within this commercial category and the current CIP does not have any commercial schemes. The new Code does not introduce restrictions on councils borrowing for purposes essential to their core aims, such as for housing and regeneration projects, or for treasury management purposes.
- 1.9 Other changes are to ensure Local Authorities' capital investment remains sustainable and to facilitate these two new prudential indicators together with the replacement of an existing indicator have been proposed as set out below:
 - New prudential indicator: external debt to net revenue stream ratio
 - New prudential indicator: income from commercial and service investments to net revenue stream
 - Replacing "Gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.
- 1.10 These changes will be reflected in the Treasury Management Strategy and be reflected as appropriate when developing future capital programmes.

2 GUIDING PRINCIPLES

- 2.1 To ensure the efficient use of all of its assets the Council will not permit any project to be included in its Capital Investment Plan (CIP) unless it furthers its strategic priorities and objectives. These strategic priorities include the statutory duties that Councils are responsible for undertaking.
- 2.2 Overall, the following principles will apply to all capital investment decisions:
 - I. They should reflect the priorities identified in the Council Plan and its supporting strategies.
 - II. They will be prioritised by availability of resources and allocated funding, and supported by a business case review.
 - III. Priority will be given to schemes financed from capital grants or Invest to Save income streams.
 - IV. The cost of financing each capital scheme will be incorporated into the relevant annual policy, resources strategy and budget (e.g. Capital Investment Plan 2023-24 to 2026-27).
 - V. Commissioning and procuring for capital schemes will be legally compliant, which will be established by early and appropriate due diligence.

3 LINKS TO COUNCIL POLICIES, STRATEGIES AND OBJECTIVES

- 3.1 The Council's **Capital Plan** covers a four-year period: the latest proposed in this report will cover 2023-2027. The proposed commitments in the programme reflect the Council Plan:
 - i. Better Skills, More Good Jobs and a Growing Economy
 - ii. Decent Homes
 - iii. Good Start, Great Schools
 - iv. Better Health, Better Lives
 - v. Safe, Strong and Active Communities
 - vi. A Sustainable District
 - vii. An Enabling Council

4 Housing Revenue Account (HRA)

- 4.1 The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The Executive, at its meeting of November 1 2022, approved the opening of a Housing Revenue Account (HRA) in the financial year 2023-24. This was in response to a direction issued by the Department for Levelling Up Housing and Communities (DLUHC) in relation to council's owning more than 200 units of housing. Bradford District presently owns just 406 units out of approximately 34000 social housing units in the Bradford district.
- 4.2 In order to open an HRA, the Council will also need to develop a HRA Business Plan. The Business Plan is being developed with assistance from external consultants and sets out the strategic plan for managing and maintaining the council's housing stock.

It also details the short to medium term plans and priorities for housing and asset management services and provides a long term (30 year) forecast on stock investment and financial planning. Furthermore, it gives an economically sustainable strategy with which to go forwards, meeting the statutory health and safety requirements, improving the decency of homes, providing more homes and starting the journey towards carbon neutrality. Officers, together with suitably qualified and experienced housing consultants, are presently developing the Business Plan which will be presented for approval by Executive during March 2023.

5 GOVERNANCE FRAMEWORK FOR CAPITAL DECISIONS

- 5.1 The Council's relevant democratic decision-making and scrutiny processes are set out in its Constitution and include:
- i. A **Council Plan** which sets out strategic priorities.
 - ii. Approval of the **Capital Strategy, Treasury Management Strategy and Capital Investment Programme**, including the prudential indicators referred to within them.
 - iii. The current **Capital Investment Plan (CIP)**. Each scheme in the CIP is approved by both the Executive and Full Council. The CIP is monitored by the appropriate responsible officer, finance and the Project Appraisal Group (PAG) in order to detect and deal with any variances to the plan. Updates are reported to the Executive on a regular basis.
 - iv. The Council's **Financial Regulations**. Under these regulations the PAG will assess unfunded capital expenditure proposals. Schemes funded from capital grants or Direct Revenue Financing can be progressed and approved directly by the Director of Finance. Any new capital expenditure proposals that are not wholly funded from capital grants or by the proceeds of sale of land must be either financed directly from the Revenue Estimates or be formally authorised from an identified capital scheme or approved additional borrowing.
 - v. A mandatory **Capital Business Case** to identify the projected running costs and financing costs of the relevant asset and assess its affordability.
 - vi. The **Project Appraisal Group (PAG)**. Currently its membership comprises finance, legal, procurement, project management and property expertise and it is chaired by the Director of Finance. Its prime responsibility is to review the Capital Business Case.
 - vii. Investment assets are subject to specific approval processes, involving the Investment Advisory Group, discussed below.
 - viii. There is also discussion and a review underway to develop the support provided around project delivery as well as processes around contract management.

6 CAPITAL RESOURCES TO SUPPORT CAPITAL EXPENDITURE

- 6.1 Proposed future schemes are set out in the **Capital Investment Plan 2023-24**, due to be considered by Full Council on 23 February 2023.
- 6.2 Schemes not funded directly by grants, receipts from asset disposals or reserves generate **Capital Financing Costs**, which have to be paid for out of the annual Revenue Estimates (Document AU for 2023-24). Capital Financing Costs derive

from the cumulative effect of previous years' borrowing to fund capital investment; net of amounts previously paid. These costs are not impacted by the current year capital expenditure: they can only be matched against service benefit when the related asset is operational.

6.3 **Invest to Save (self-financing) schemes** generate savings or additional income in the Revenue Estimates which offset the Capital Financing Costs. Such schemes and their related savings or additional income are projected to have an increasing impact on the Revenue Estimates and the Medium Term Financial Strategy in future years.

6.4 **Corporate Borrowing schemes do not generate savings or additional income in the Revenue Estimates.** Such schemes are chosen for their direct delivery of service provision. Of course, in practice individual schemes can generate some savings or additional income but also require a corporate borrowing contribution.

6.5 **Capital Receipts** are usually restricted to use for:

- i) Financing new capital investment.
- ii) Reducing borrowing under the Prudential Framework.
- iii) Paying a premium charged in relation to any amounts borrowed.
- iv) Meeting any liability in respect of credit arrangements.
- v) Meeting disposal costs (not exceeding 4% of the receipt).

6.5.1 In general, capital receipts arising from the disposal of housing assets and for which account is made within the Housing Revenue Account (HRA), are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. In summary the regulations require that receipts arising from:

- i) Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government; and
- ii) All other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying of housing debt.

6.6 **Flexible Use of Capital Receipts**

6.6.1 As part of the Local Government Finance Settlement (LGFS) in March 2016, the Secretary of State for Housing, Communities and Local Government provided Local Authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This flexibility was then extended to 2021-22 as part of the 2018-19 LGFS. Alongside the Final LGFS in February 2021, this flexibility was extended for a further three-year period (2022-23 to 2024-5). The Council intends to utilise £3.0m of capital receipts to fund elements of transformational agenda in line with the Directive guidance. Therefore, in 2022-23 the first £3.00m of unfettered receipts will be used to support the revenue budget via the financing of transformational projects.

- 6.6.2 The Flexible Use of Capital Receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.
- 6.6.3 In order to take advantage of this freedom and flexibility, the Council must act in accordance with the statutory guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The Council's Flexible Use of Capital Receipts Strategy is included in Appendix 4.

7 COMMERCIAL ACTIVITY AND PROPERTY INVESTMENTS

- 7.1 A commercial property investment strategy was approved by Executive on 4 April 2017. This permitted investment in commercial property both to create long term income generation; or to promote economic development, service provision and regeneration within the District.
- 7.2 Since 2017, the former Ministry of Housing, Communities and Local Government (MHCLG) announced a number of changes in relation to borrowing for commercial property investments. These are summarised below:
- From 1 April 2018, Local Authorities were required to approve an Investment Strategy at Full Council. The definition of Local Authority investments was also updated to include investment property and loans to third parties and related companies.
 - It was also announced (1 April 2018) that Local Authorities were no longer able to borrow in advance of their Capital Financing Requirements, solely for the purpose of investment yield. The impact was to restrict commercial investment where Councils' actual cash or finance lease borrowing was equal to their underlying need to borrow for a capital purpose (The Capital Financing Requirement). This did not apply to Bradford Council. Bradford internally borrowed from earmarked reserves, so that actual borrowing is below the Capital Financing Requirement (See Table 4b Capital Investment Programme 2023-24 to 2026-27)
 - On 10 September 2019, the MHCLG increased the interest rate on borrowing by 1%. The reason given for this increase was to reduce the level of borrowing by Local Authorities for the purpose of acquiring commercial property portfolios.
 - On 11 March 2020, the Government rescinded the 1% interest increase but only for borrowing related to the construction of social housing. The Government also announced a consultation on Local Authorities' commercial property portfolios.
 - On 26 November 2020, the MHCLG rescinded the 1% increase on all borrowing from the PWLB. However, at the same time, the results of the consultation were that councils seeking to borrow from the PWLB will now have to confirm they are not borrowing primarily for yield at any point or from any source for a period of 3 years. Compliance is monitored by reviewing capital plans; in Bradford's case, the Capital Investment Programme 2023-24 to 2026-27.
- 7.3 As a result, Bradford can no longer invest in commercial property solely to create income generation. The prior criteria for investment in strategic acquisitions (see

Criteria B below) has now been updated (see Criteria A below):

Criteria A

- i A proven ability to promote economic development, service provision and regeneration within the District.

Criteria B

- i. Risks associated with the investment
- ii. The likelihood of being able to sell the investment in extremis
- iii. The location of the investment, with preference being firstly within the District and secondly within the Leeds City Region
- iv. The security of direct rental payments, with consideration given to the reliability of tenants
- v. The income stream from the investment, current and potential
- vi. The potential increase to the capital value of the investment
- vii. The sector in which the investment is made, e.g. retail or warehouses
- viii. The detailed business case for investment

8 LOANS TO EXTERNAL ORGANISATIONS

- 8.1 The Council may make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a strategy for local regeneration and economic growth. In such cases, a realistic assessment of potential policy gains could justify the loan even when liquidity and security considerations might indicate that it is not prudent.
- 8.2 In such cases, a cost may be chargeable to the Revenue Estimates, either in accordance with the Council's Minimum Revenue (MRP) Policy or, alternatively, an expected credit loss model in line with IFRS 9 (financial instruments) would be required.
- 8.3 Loans to external organisations are covered under the Council's MRP policy because as noted above, they fall within the Local Authority definition of capital expenditure. The Council's MRP Policy sets out that the Capital Financing Costs can only be fully met from the loan repayments under the following conditions:
 - The loan repayment schedule covers the full cost of the original loan.
 - That there continues to be confidence that loan repayments will be repaid.
 - That the external organisation adheres to the loan schedule.
- 8.4 In addition, a loan to an external organisation may reduce the interest income received into the Revenue Estimates. This will happen when the interest charged on the loan is less than the amount that would be received from an alternative investment.
- 8.5 Technical accounting rules may also require applying the credit loss model. This calculates a nominal cost to the Council equivalent to the monetary value of the difference between the interest charged on the external loan and the commercial

rate. However, currently the Council is entitled to make an adjustment, so that there is no real impact in the Revenue Estimates.

9 ASSET MANAGEMENT PLANNING

- 9.1 The Council Estate Management Service manages its existing assets to reduce costs and maximise service benefit according to objectives listed in the Estates Strategy, which is currently being reviewed and updated to link to this Capital Strategy and to quantify the cost of repair and maintenance costs against the savings from extending the lives of Council buildings from 2023-24 onwards. The Council has increased its funding in the Property Programme by an additional £2million per annum for the next five years which would improve the Council's estate and reduce its backlog maintenance.
- 9.2 The review will also cover disposals of buildings. As noted, the receipt from such disposals are a regulated funding source for the Capital Investment Programme. The fact that the property has been sold, can also reduce the repair and maintenance on the Council's estate. Table 5 (in Appendix 3) summarises the Council's achievements in rationalising the estate between 2009-10 and 2022-23.
- 9.3 The Council's Estates Strategy, is close to being finalised and will be implemented in 2023-24, in the short term, to mitigate rising energy costs, some buildings are being mothballed whilst a permanent strategy is finalised for the Council's city centre office estate.

10 RISKS

- 10.1 In considering the Capital Investment Programme 2023-24 to 2026-27 and the Capital Strategy, there are a number of key risks. These are summarised below:
- **Interest rates are higher than expected.** The current estimate of capital financing costs is based on interest rate forecasts. Such forecasts are inherently subject to change. Such changes could significantly increase capital financing costs.
 - **Overspends.** The capital projects could overspend, or alternatively the expected funding may be lower than expected. This will reduce value for money and increase the future costs charged to the Revenue Estimates.
 - **Project delivery impaired.** As well as the financial impacts, poor project delivery reduces the quality of service provision for residents.
 - **Unanticipated Revenue Consequences of Capital Investment.** There could be additional costs in the Revenue Estimates that are not fully anticipated in the Business Case; for example, additional repair and maintenance costs.
 - **Obsolete assets.** Technological changes, changes in Local Government or different choices could make an asset obsolete, reducing the expected service provision. If this causes a reduction in the expected life of the asset, debt repayments may need to be made out of the Revenue Estimates over a shorter period of time.
 - **Invest to Save schemes rely on over-optimistic revenue projections.** The revenue savings or income generation forecasted from a scheme may not materialise. This is a particular risk, because as noted above, budget projections for the Revenue Estimates are increasingly reliant on such forecasts.
 - **Change to regulations.** The Government may change current regulations, so that the financial impact of debt and borrowing on the Revenue Estimates could increase.
 - **Committed Capital Expenditure.** During the construction phase, new information

may become available, for example as a result of a site investigation or other circumstances, which prevents a scheme progressing. In such circumstances, the committed costs add no value and are written off against the Revenue Estimates.

- **The value of property reduces and/or it is more difficult to dispose of property.** The anticipated capital receipts in the CIP are over-optimistic, more borrowing is required and Capital Financing Costs increase.
- **Actual or prospective loans to external parties are not repaid.** If external loans are not repaid, they will have to be written off, with the cost charged directly against the Revenue Estimates. Such write offs could increase costs unexpectedly.
- **Change in Government Policy.** There are assumptions in the CIP that some Government grants are recurring. If these assumptions are incorrect, the Council will have to choose between reducing service provision or using additional financial resources.

10.2 The policy framework in the Capital Strategy aims to mitigate the risks identified above. Other risk mitigations are set out in the proposed Capital Strategy actions.

11. PRUDENCE, AFFORDABILITY, SUSTAINABILITY

11.1 As noted, the updated Prudential Code for Capital Finance in Local Authorities issued in December 2021 requires the Council to consider the key judgement criteria of Prudence, Affordability and Sustainability when considering the Capital Programme.

11.2 Some considerations around this are:

- At 1 April 2022, the Council had £1,016m of long-term assets, when valued according to their potential to provide service provision to the Council. Outstanding debt on these assets is £709m (CFR balance).
- The CIP 2022-23 to 2026-27 proposes £865m of new capital expenditure: funded by £488m of capital grants and miscellaneous items; £160m of Invest to Save borrowing; and £217m of corporate borrowing. Individual schemes are detailed in Appendix 1 by department and analysed according to their individual funding requirements.
- Interest rates have risen in the last year and further increases are forecast.
- Other potential risks are outlined in the Risk section above (see Section 10 Risks).
- The CIP is a rolling programme. Current schemes include those approved as part of the budget process last year and individual schemes progressed, developed and approved at Executive during the current financial year. Each scheme's contribution to the Council's service provision and its resource requirement is assessed individually.
- The Prudential indicators set out in Appendix 3, Table 4, show the ratio of capital financing costs to the net revenue requirement increasing from 12.9% to 15.2% between 2023-24 to 2026-27.
- The increase in the ratio of capital financing costs is mitigated within the Medium Term Financial Strategy by: savings and income generation from the Invest to Save schemes; some technical accounting adjustments also impact on the profile of the repayments of debt for the Public Finance Initiative.

11.3 Overall the Capital Financing Requirement (CFR) of £709m will be paid for from Capital Financing Costs charged to future revenue estimates. The proposed CIP 2023-24 to 2026-27 requires substantial new borrowing, increasing the CFR and the amount of funding set aside from future revenue estimates.

- 11.4 The projected CFR and Capital Financing Costs are shown in detail by the Prudential Indicators. These are used to test the affordability of the proposed CIP.
- 11.5 Most of the Council's long-term borrowing is from the PWLB; which was £292.3m at 1 April 2022. Also Salix Finance Limited provides interest free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills. The Council to date has taken the opportunity to secure £19.1 million interest free loans to fund the £45 million approved street lighting replacement scheme in the Council's capital plan. At 1 April 2022 the Council has received £5.2m from Salix loans.
- 11.6 A further £146.1m of borrowing relates to the private finance initiative with a private company and will be repaid from future contracted lease payments.
- 11.7 Borrowing decisions are made on a cash flow basis so are not directly aligned with the Capital Financing Costs charged to the Revenue Estimates. In practice, the Council's earmarked reserves are used to reduce actual borrowing. This is because borrowing costs are higher than the interest the Council received on its investments. The relationship between the CFR, earmarked reserves and other assets and liabilities is summarised in Table 6, Appendix 3.

12 SKILLS AND KNOWLEDGE

- 12.1 The Council has professionally qualified staff across a range of disciplines including finance, legal and property. A programme of continuous professional development (CPD) is undertaken and employees attend courses on an ongoing basis to keep abreast of new developments and skills. The Council establishes project teams from all the professional disciplines across the Council as and when required.
- 12.2 The Council uses external advisors where necessary in order to complement the knowledge its own officers hold. Some of these advisors are contracted on long-term contracts or are appointed on an ad-hoc basis when necessary. The Council currently employs Link Asset Services as treasury management advisors and PWC as VAT advisors. This approach ensures the Council has access to specialist expertise when needed to support its staff, commensurate with its risk appetite.
- 12.3 Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Director of Finance.

13. CAPITAL STRATEGY ACTIONS

- 13.1 These are intended to align the Council's operations with the CFR, and are listed in Table 10 of the Capital Strategy Appendix 3. The Actions represent the programme for implementation of the Capital Strategy, which as a high-level document omits much operational detail in favour of a strategic overview of how the Council will manage and optimise its use of its capital assets.

Investment Strategy 2023-24

INVESTMENT STRATEGY

1. BACKGROUND:

This strategy document sets out the Council's annual Investment Strategy as is required by the 3rd Edition of the Section 15 guidance on local government finance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 in 2018. It covers the budget year 2022-23 onwards. The overall objective of the strategy is to provide high-level guidance on acquiring and managing investments in order to improve the financial resilience of the Council, the income base for its services and to ensure that its financial assets are applied efficiently for the benefit, improvement or development of the area through the acquisition, retention and management of good quality investments and the granting of loans.

The 2011 Localism Act provides a general power of competence which permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. This means that the annual Investment Strategy closely links to the Council's Economic Strategy in order to deliver economic growth, tackle inequality and create change in the area that benefits everyone.

This Investment Strategy also provides an update for recent announcements. The former Ministry of Housing, Communities and Local Government (MHCLG) has determined that councils seeking to borrow from the PWLB can no longer incur capital expenditure primarily for yield at any point or from any source for a period of 3 years.

CIPFA published the revised Prudential and Treasury Codes in December 2021 and formal adoption is required for the 2023-24 financial year.

2. INVESTMENTS – DEFINITION

The section 15 guidance issued on 1 April defined investments as including both financial assets and commercial property, held primarily for yield.

The guidance was issued in part as a response to the increasing investment of Local Authorities in commercial property. As such, commercial property was specifically identified as falling within the terms of the guidance and this strategy.

Most of the Council's commercial property portfolio is historic, with just two additional investment acquisitions in recent times and none in 2021-22. At 1 April 2022, this investment property portfolio was valued at £51.9m (2021-22 unaudited statement of accounts), a small proportion of overall long-term assets of £1,016m.

The definition of an investment also covers loans made by the Council to one of its wholly-owned companies, a joint venture, or to a third party. However, this strategy does not cover investments managed within the treasury management scheme of delegation. These are considered within the annual Treasury Management Strategy.

3. KEY STRATEGIC PRINCIPLES

This Investment Strategy sets objective criteria for any investment. These are listed below:

- i. Is within the General Power of Competence (2011 Localism Act)
- ii. Transparency and democratic accountability
- iii. Contribution
- iv. Use of indicators
- v. Security, Liquidity and Yield
- vi. Investment Limit

3.1 Transparency and democratic accountability:

The Council is required to prepare at least one annual Investment Strategy that contains the details specified in the 2018 guidance and is approved by full Council.

3.2 Contribution to Council's overall purposes:

Investments made by local authorities can currently be classified into one of two main categories:

- Investments held for treasury management purposes; and
- Other Investments, which are not held for treasury management purposes.

Investments held for treasury management purposes usually comprises short term lending to banks, financial institutions and other local authorities, when the Council has a cash surplus. These are managed within Treasury Management Strategy, so do not need to be considered within this Investment Strategy.

Other investments previously made by the Council are property investments and loans to third parties. Future decisions will be assessed on the contribution made, using the criteria set out below. A key measure of contribution will be the delivery of service provision, as set out in the General Power of Competence within the Localism Act: therefore. the supporting business case assessment should demonstrate that the investment forms part of a project in the Council's Plan or some other formal statement of the Council's strategic or policy aims.

The full criteria to measure contribution and make investment decisions (as included in the Capital Strategy is set out below:

Criteria A

- i. A proven ability to promote economic development, service provision and regeneration within the District.

Criteria B

- i. Risks associated with the investment
- ii. The likelihood of being able to sell the investment in extremis
- iii. The location of the investment, with preference being firstly within the District and secondly within the Leeds City Region
- iv. The security of direct rental payments, with consideration given to the reliability of tenants

- v. The income stream from the investment, current and potential
- vi. The potential increase to the capital value of the investment
- vii. The sector in which the investment is made, e.g. retail or warehouses
- viii. The detailed business case for investment

i. Falls within the General Power of Competence (where an investment is classified as contributing to regeneration or local economic benefit)

ii. Yield

iii. Regeneration

iv. Economic benefit/business rates growth

v. Responding to local market failure

vi. Treasury management

vii. Invest to Save Schemes capacity to reduce costs or generate additional income from an asset (including a sensitivity analysis to test the robustness of the expected savings).

All business case proposals for property investments will be evaluated by the Project Appraisal Group, including using the key strategic principles and the contribution criteria.

As noted, the Council can no longer invest in commercial property primarily for yield. However, yield is important criteria where service provision can be financed, or partly financed by savings or income generation. This is also consistent with the Capital Strategy, which aims to encourage the identification of Invest to Save (or self-financing) schemes.

3.3 Investment indicators:

The Council proposes to adopt a system of quantitative indicators to guide and inform investment decisions relating to Other Investments. The Council initially adopted the indicators proposed within the Guidance. These indicators will be reported upon and reviewed.

The Council's proposed range of indicators (Section 7) will allow members and other interested parties to understand the total exposure from borrowing and investment decisions. They will cover both the Council's current position and the expected position assuming all planned investments for the following year are completed. They will not take account of Treasury Management investments which will continue to be reported within the Treasury Management report.

3.4 Security, Liquidity and Yield:

In this context, Security means protecting the capital sum invested from loss; and Liquidity means ensuring the funds invested are available for expenditure when needed. Yield is the expected return of the investment over its lifetime, and can be expressed either in financial terms or as the achievement of policy or strategic aims.

In considering Other Investments, the balance between security, liquidity and yield will be considered as part of the business case, alongside the contribution the Other Investment can make to achieving policy objectives.

3.5 Investment Limit

The Council will from time to time set one or more Investment Limits and keep them under review. The Council will use prudential borrowing to fund Other Investments / strategic acquisitions. Currently interest rates remain at a low level and the rental income /

Contribution from Other Investments should more than cover the associated debt costs, whilst also providing a net yield to support the Council's revenue budget. The Council has the ability to fix interest over the long-term which removes the risk of interest rate volatility.

Provision of £20 million has been included in the capital programme, phased across the programme and funded by prudential borrowing. Any new approved schemes for this budget will need to meet the new Prudential Code requirements. A small £0.7m budget is also included, as part of the Leeds City Region Revolving Investment Fund.

4. GOVERNANCE ARRANGEMENTS

The Council has set up an Investment Advisory Board to consider specific business cases in relation to investing in Other Investments / strategic acquisitions. The core group consists of:

- Leader of the Council – (Chair)
- Cllr Alex Ross Shaw – portfolio holder for Regeneration, Planning & Transportation
- A representative nominated by the Leader of the Conservatives
- Cllr Jeanette Sunderland – Leader of Liberal Democrat & Independent Group
- Strategic Director of Corporate Resources
- Strategic Director of Place
- Director of Finance / s151 Officer
- Assistant Director Estates & Property
- City Solicitor / Monitoring Officer

Other officers will attend as relevant to the specific business case.

5. RISK ASSESSMENT

Any capital expenditure falling within the definition of investment (but excluding Treasury Management) will be risk assessed as follows:

- i. Whether, and if so, on what terms the Council uses external advisors as treasury management advisors, property investment advisors or any other relevant persons. In each case such engagements will be on the Council's standard terms and conditions unless there is an agreed exception, as is provided for under No. 20 of the Council's Contract Standing Orders.
- ii. The outcome of any monitoring by the Council of the quality of advice provided by its external advisors.
- iii. To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies, and the reliability of such ratings given the current degree of engagement between the rating agency and the market under assessment.
- iv. Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- v. What other sources of information are used to assess and monitor risk.
- vi. Any specific property-related risks – covenant strength, lease period/s, condition, maintenance costs, etc.

Risk Assessment will be undertaken as part of business case considerations and regularly reviewed.

6. CAPACITY, SKILLS AND CULTURE

The Investment Strategy Guidance requires that Councillors and Officers involved in investment decisions need the appropriate capacity, skills and information to enable them to take an informed decision as to whether or not to enter into a specific investment. As part of this, the Council will procure specialist legal and financial support as required.

7. PRUDENTIAL INDICATORS

As noted above, the Council has a historic portfolio of investment property. This has been expanded with two investments in property, with the intention of making a profit that will be spent on local public services. These assets fall under the definition of Investment Properties in the CIPFA Accounting Code and are valued at fair value in the accounts in accordance with IFRS13. Fair value is when an asset is valued at its highest and best use.

Overall Return

| | 2021-22 |
|---|----------------|
| | £m |
| Rental income | -2.0 |
| Service charges | -0.2 |
| Repairs and Maintenance | 0.26 |
| Capital Financing costs & other | 0.4 |
| Total return | -1.54 |
| <i>Source 2021-22 Draft Statement of Accounts</i> | |

The value of the Council's investment property as at 31 March 2022 was £51.9m, making a return of 3.0%. The historic investment property has been revalued upwards above its purchase cost, so taking this into account, the return would be higher. This means historic spend on investment property is supporting the current revenue estimates.

No new acquisitions were completed in 2021-22 and one of the recent investment acquisitions is no longer in this category due to a change in operational use. This asset is not included in current prudential indicators.

Debt to Net Service Expenditure (NSE) Ratio

This indicator measures the gross debt associated with the recent property investment as a percentage of the Council's net expenditure requirement, where the Net Expenditure Requirement is a proxy for the size and financial strength of a council.

| | 2021/22 Actual £000 | 2022/23 Estimate £000 | 2023/24 Estimate £000 |
|-------------------------|---------------------------|-----------------------------|-----------------------------|
| Gross Debt | 6,219 | 6,111 | 6,000 |
| Net Service Expenditure | 432,935 | 388,000 | 441,000 |
| Debt to NSE Ratio | 1.4% | 1.6% | 1.4% |

The indicator shows the proposed debt level for the Council's recent investment. It shows that the debt ratio from investment in a property portfolio will be approximately less than 2% of the Council's net revenue budget if the investment in this property is funded solely from borrowing. There is no specific debt that can be identified against the Council's historic portfolio. No additional investments are assumed in the indicator at present, in the light of DLUCH guidance.

Income to NSE Ratio

This indicator measures the Council's dependence on the income from property investments to deliver core functions.

The income generated from all property investments will fund 0.6% of the Council's' net service expenditure over the medium term. This shows that the Council's reliance on income from property investments is low.

| | 2021/22 Actual £000 | 2022/23 Estimate £000 | 2023/24 Estimate £000 |
|--------------------------------|---------------------------|-----------------------------|-----------------------------|
| Commercial Income | 2,200 | 2,500 | 2,500 |
| Net Service Expenditure | 432,935 | 388,000 | 441,000 |
| Commercial Income to NSE Ratio | 0.5% | 0.6% | 0.6% |

Investment Cover Ratio

This indicator measures the total net income from the recent property investment compared to interest expense.

| | 2021/22 Actual | 2022/23 Estimate | 2023/24 Estimate |
|------------------------|-------------------|---------------------|---------------------|
| Investment Cover Ratio | 0.6 | 1.8 | 1.8 |

The indicator shows that net income is expected to be higher than the interest expense in future years.

Loan to Value Ratio

This indicator measures the amount of debt compared to the total asset value. In the period immediately after purchase it is normal for the directly attributable costs of purchasing commercial property investments to be greater than the realisable value of the asset (for

example, because of non value adding costs such as stamp duty and fees). The Loan to value ration should gradually decrease, reflecting the assumption that property values will remain constant while borrowings will be repaid.

| | 2021/22 Actual | 2022/23 Estimate | 2023/24 Estimate |
|---------------------|-------------------|---------------------|---------------------|
| Loan to value Ratio | 1.7 | 1.6 | 1.6 |

Target Income Returns

This indicator shows net revenue income compared to equity and is a measure of the achievement of the property portfolio.

| | 2021/22 Actual | 2022/23 Estimate | 2023/24 Estimate |
|-----------------------|-------------------|---------------------|---------------------|
| Target Income Returns | 1.5% | 4.1% | 4.2% |

Gross and Net Income

The net income targets are included in the Council's financial projections. The achievement of target income streams will be managed as part of the Council's standard budget monitoring process. Targets are dependent upon further investments being made. The indicator shows the proposed income for the Council's recent investment.

| | 2021/22 Actual £000 | 2022/23 Estimate £000 | 2023/24 Estimate £000 |
|--------------|---------------------------|-----------------------------|-----------------------------|
| Gross Income | 255 | 355 | 355 |
| Net Income | 89 | 246 | 244 |

Operating Costs

Operating costs relate to the cost of the Council's internal Estate Management function in relation to managing assets acquired under the property investment strategy.

Additional operating costs may be incurred as a result of the purchase of investment properties. Any such costs will be factored into financial appraisals as part of the purchase assessment to ensure that target net rates of return are achieved. This indicator may therefore be revised if further investments are made.

| | 2022/23 Estimate £000 | 2023/24 Estimate £000 | 2024/25 Estimate £000 |
|-----------------|-----------------------------|-----------------------------|-----------------------------|
| Operating Costs | 400 | 400 | 400 |

Vacancy Levels and Tenant Exposures

| | 2022/23 Estimate £000 | 2023/24 Estimate £000 | 2024/25 Estimate £000 |
|--------------|-----------------------------|-----------------------------|-----------------------------|
| Void periods | 0% | 0% | 0% |

The target of 0% reflects the strong tenant covenant strengths that will be required under the property investment strategy. Void periods will be factored into financial appraisals as part of the assessment criteria where relevant, therefore this indicator may be revised once investments have been made.

Appendix 1

| CS Ref | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|-------------------------------------|--|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Health and Wellbeing | | | | | | | | | | |
| CS0237a | Great Places to Grow Old | 1,080 | 1,500 | 2,500 | 2,961 | 1,124 | 0 | 0 | 9,165 | 9,165 |
| CS0237c | Keighley Rd Residential Care Valley View | 295 | 0 | 0 | 0 | 0 | 0 | 295 | 0 | 295 |
| CS0373 | BACES | 818 | 750 | 750 | 750 | 0 | 0 | 0 | 3,068 | 3,068 |
| CS0239 | Community Capacity Grant | 558 | 0 | 0 | 0 | 0 | 558 | 0 | 0 | 558 |
| CS0311 | Autism Innovation Capital Grant | 19 | 0 | 0 | 0 | 0 | 19 | 0 | 0 | 19 |
| CS0312 | Integrated IT system | 44 | 0 | 0 | 0 | 0 | 44 | 0 | 0 | 44 |
| CS0523 | Electrical work at residential homes | 31 | 0 | 0 | 0 | 0 | 31 | 0 | 0 | 31 |
| CS0532 | Changing Places Toilets P1 & P2 | 145 | 230 | 0 | 0 | 0 | 255 | 0 | 120 | 375 |
| CS0535 | Beckfield Resource Centre | 213 | 0 | 0 | 0 | 0 | 0 | 0 | 213 | 213 |
| CS0536 | Medication and Care Records System | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 85 | 85 |
| Total - Health and Wellbeing | | 3,288 | 2,480 | 3,250 | 3,711 | 1,124 | 907 | 295 | 12,651 | 13,853 |
| Children's Services | | | | | | | | | | |
| CS0022 | Devolved Formula Capital | 643 | 0 | 0 | 0 | 0 | 643 | 0 | 0 | 643 |
| CS0030 | Capital Improvement Work | 105 | 100 | 100 | 100 | 0 | 405 | 0 | 0 | 405 |
| CS0240 | Capital Maintenance Grant | 6,479 | 3,194 | 0 | 0 | 0 | 9,673 | 0 | 0 | 9,673 |
| CS0244a | Primary Schools Expansion Programme | 842 | 1,000 | 0 | 0 | 0 | 1,842 | 0 | 0 | 1,842 |
| CS0244b | Silsden School | 651 | 600 | 0 | 0 | 0 | 1,251 | 0 | 0 | 1,251 |
| CS0244c | SEN School Expansions | 2,102 | 3,000 | 1,684 | 0 | 0 | 6,786 | 0 | 0 | 6,786 |
| CS0362 | Secondary School Expansion | 669 | 0 | 0 | 0 | 0 | 669 | 0 | 0 | 669 |
| CS0364 | Capital Items | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 21 |
| CS0421 | Healthy Pupil Capital Grant | 44 | 0 | 0 | 0 | 0 | 44 | 0 | 0 | 44 |
| CS0436 | Children's Homes | 400 | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 400 |
| CS0488 | Digital Strategy | 100 | 100 | 100 | 0 | 0 | 0 | 0 | 300 | 300 |

| CS Ref | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|------------------------------------|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0500 | TFD | 724 | 500 | 0 | 0 | 0 | 0 | 0 | 1,224 | 1,224 |
| CS0531 | Bingley Grammar Expansion | 500 | 3,000 | 1,500 | 1,100 | 0 | 6,100 | 0 | 0 | 6,100 |
| Total - Children's Services | | 13,280 | 11,494 | 3,384 | 1,200 | 0 | 27,412 | 0 | 1,945 | 29,358 |
| Place - Economy & Development Services | | | | | | | | | | |
| CS0136 | Disabled Housing Facilities Grant | 5,686 | 3,000 | 4,058 | 4,058 | 4,058 | 20,860 | 0 | 0 | 20,860 |
| CS0137 | Development of Equity Loans | 706 | 700 | 700 | 700 | 0 | 0 | 0 | 2,806 | 2,806 |
| CS0144 | Empty Private Sector Homes Strat | 1,000 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 1,000 |
| CS0250 | Goitside | 0 | 0 | 178 | 0 | 0 | 0 | 0 | 178 | 178 |
| CS0496 | Towns Fund Keighley & Shipley | 139 | 0 | 0 | 0 | 0 | 139 | 0 | 0 | 139 |
| CS0527 | Towns Fund Keighley P2 | 6,646 | 13,946 | 10,100 | 1,500 | 0 | 32,192 | 0 | 0 | 32,192 |
| CS0526 | Towns Fund Shipley P2 | 7,061 | 7,763 | 9,065 | 44 | 0 | 23,933 | 0 | 0 | 23,933 |
| CS0084 | City Park | 192 | 0 | 0 | 0 | 0 | 0 | 0 | 192 | 192 |
| CS0085 | City Centre Growth Zone | 1,322 | 0 | 0 | 0 | 0 | 0 | 0 | 1,322 | 1,322 |
| CS0291 | One City Park | 14,080 | 16,000 | 2,902 | 0 | 0 | 6,990 | 15,134 | 10,858 | 32,982 |
| CS0228 | Canal Road | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 100 |
| CS0266 | Super connected Cities | 829 | 0 | 0 | 0 | 0 | 0 | 0 | 829 | 829 |
| CS0265 | LCR Revolving Econ Invest Fund | 0 | 658 | 0 | 0 | 0 | 0 | 0 | 658 | 658 |
| CS0107 | Markets | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 21 | 21 |
| CS0363 | Markets - City Centre | 13,080 | 4,458 | 325 | 0 | 0 | 3,800 | 0 | 14,063 | 17,863 |
| CS0411 | Parry Lane | 122 | 0 | 0 | 0 | 0 | 0 | 0 | 122 | 122 |
| Total - Place - Economy & Development Services | | 50,863 | 46,646 | 27,328 | 6,302 | 4,058 | 88,914 | 15,134 | 31,149 | 135,197 |
| Place - Planning, Transportation & Highways | | | | | | | | | | |
| CS0178 | Ilkley Moor | 14 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 14 |
| CS0285 | Blight Sites | 290 | 175 | 0 | 0 | 0 | 0 | 0 | 465 | 465 |
| CS0071 | Highways S106 Projects | 441 | 0 | 0 | 0 | 0 | 441 | 0 | 0 | 441 |
| CS0372 | Countryside S106 Projects | 150 | 200 | 0 | 0 | 0 | 350 | 0 | 0 | 350 |
| CS0095 | Bridges | 3 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 3 |
| CS0099 | Integrated Transport | 69 | 0 | 0 | 0 | 0 | 69 | 0 | 0 | 69 |
| CS0168 | Connecting the City (Westfield) | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 4 |
| CS0172 | Saltaire R/bout Cong& Safety Works | 15 | 0 | 0 | 0 | 0 | 15 | 0 | 0 | 15 |
| CS0282 | Highways Strategic Acquisitions | 176 | 0 | 0 | 0 | 0 | 176 | 0 | 0 | 176 |

| CS Ref | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|---|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0293 | West Yorks & York Transport Fund | 8,396 | 11,322 | 12,937 | 0 | 89,897 | 122,552 | 0 | 0 | 122,552 |
| CS0396 | WYTF Corr Imp Projects | 293 | 4,331 | 2,100 | 2,000 | 943 | 9,667 | 0 | 0 | 9,667 |
| CS0512 | Bradford Beck | 1,571 | 1,000 | 450 | 0 | 0 | 1,511 | | 1,510 | 3,021 |
| CS0296 | Pothole Funds | 1,979 | 0 | 0 | 0 | 0 | 1,979 | 0 | 0 | 1,979 |
| CS0306a | Strategic Transport Infrastructure Priorities | 0 | 965 | 0 | 0 | 0 | | 0 | 965 | 965 |
| CS0302 | Highways Prop Liab Redn Strat | 47 | 0 | 0 | 0 | 0 | 47 | 0 | 0 | 47 |
| CS0319 | Challenge Fund | 404 | 0 | 0 | 0 | 0 | 404 | 0 | 0 | 404 |
| CS0323 | Flood Risk Mgmt | 532 | 0 | 0 | 0 | 0 | 532 | 0 | 0 | 532 |
| CS0370 | LTP IP3 Safer Roads | 23 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 23 |
| CS0386 | Cycling & Walking Schemes LTP3 | 17 | 0 | 0 | 0 | 0 | 17 | 0 | 0 | 17 |
| CS0398 | Bfd City Ctre Townscape Heritage | 1,397 | 1,000 | 0 | 0 | 0 | 2,224 | 0 | 173 | 2,397 |
| CS0430 | Hwys Maint Fund Oct18 | 214 | 0 | 0 | 0 | 0 | 214 | 0 | 0 | 214 |
| CS0432 | Steeton/Silsden Crossing | 21 | 0 | 0 | 0 | 0 | 21 | 0 | 0 | 21 |
| CS0450 | CILS payments | 106 | 0 | 0 | 0 | 0 | 106 | 0 | 0 | 106 |
| CS0453 | IP3 Safer Roads 19-20 | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 4 |
| CS0454 | Area Comm ITS 19-20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0434 | Smart Street Lighting | 4,972 | 29,573 | 5,261 | 0 | 0 | 0 | 39,806 | 0 | 39,806 |
| CS0455 | IP4 projects | 1,135 | 0 | 0 | 0 | 0 | 1,135 | 0 | 0 | 1,135 |
| CS0456 | WY Integrated UTM Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CS0464 | Ben Rhydding Railway Station Car Park | 0 | 0 | 1,042 | 750 | 259 | 2,051 | 0 | 0 | 2,051 |
| CS0467 | Transforming Cities Fund (TCF) | 8,267 | 0 | 0 | 0 | 0 | 8,267 | 0 | 0 | 8,267 |
| CS0469 | IP4 Safer Roads 20-21 | 143 | 0 | 0 | 0 | 0 | 143 | 0 | 0 | 143 |
| CS0470 | IP4 Safer Roads 21-22 | 635 | 0 | 0 | 0 | 0 | 635 | 0 | 0 | 635 |
| CS0529 | Safer Rds 22-23 | 1,165 | 1,164 | 1,164 | 1,164 | 1,164 | 5,821 | 0 | 0 | 5,821 |
| CS0483 | Motorcycle Parking | 40 | 0 | 0 | 0 | 0 | 40 | 0 | 0 | 40 |
| CS0486 | Active Travel Fund Programme | 1,329 | 0 | 0 | 0 | 0 | 1,329 | 0 | 0 | 1,329 |
| CS0494 | City Centre Bollards | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 |
| CS0502 | Corridor Improvement Prog (CIP2) | 252 | 0 | 0 | 0 | 0 | 252 | 0 | 0 | 252 |
| CS0477 | CCTV Infrastructure | 698 | 0 | 0 | 0 | 0 | 0 | 0 | 698 | 698 |
| CS0533 | UTMC – CRSTS Traffic Mgmt System | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 5,750 | 0 | 0 | 5,750 |
| CS0539 | Traffic Management | 230 | 0 | 0 | 0 | 0 | 0 | 230 | 0 | 230 |
| CS0542 | UTMC – CRSTS Traffic Mgmt System22-23 | 10,657 | 10,657 | 10,657 | 10,657 | 10,657 | 53,285 | 0 | 0 | 53,285 |
| Total Place - Planning, Transportation & Highways | | 46,844 | 61,537 | 34,761 | 15,721 | 104,070 | 219,081 | 40,036 | 3,816 | 262,933 |

Dept of Place - Clean Air Zone

| CS Ref | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|---|---------------------------------------|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0471 | Clean Air Zone | 10,847 | 10,335 | 3,000 | 0 | 0 | 24,182 | 0 | 0 | 24,182 |
| Total Place - Clean Air Zone | | 10,847 | 10,335 | 3,000 | 0 | 0 | 24,182 | 0 | 0 | 24,182 |
| Dept of Place - Waste, Fleet & Transport | | | | | | | | | | |
| CS0060 | Replacement of Vehicles | 3,000 | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | 3,000 |
| CS0517 | Electric vehicles | 200 | 608 | 355 | 18 | 0 | 0 | 300 | 881 | 1,181 |
| CS0435 | Sugden End Landfill Site | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 42 | 42 |
| CS0415 | Shearbridge Depot Security | 66 | 0 | 0 | 0 | 0 | 0 | 0 | 66 | 66 |
| CS0359 | Community Resilience Grant | 3 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 3 |
| CS0497 | Climate Change Initiatives – Vehicles | 105 | 0 | 0 | 0 | 0 | 105 | 0 | 0 | 105 |
| CS0503 | Environmental Delivery Works | 183 | 0 | 0 | 0 | 0 | 0 | 0 | 183 | 183 |
| Total Place - Waste, Fleet & Transport | | 3,599 | 608 | 355 | 18 | 0 | 108 | 3,300 | 1,172 | 4,580 |
| Dept of Place - Neighbourhoods & Customer Services | | | | | | | | | | |
| CS0378 | Customer Services Strategy | 30 | 20 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |
| CS0506 | Ilkley Parking | 26 | 0 | 0 | 0 | 0 | 0 | 26 | 0 | 26 |
| CS0510 | Ilkley Footbridge | 35 | 0 | 0 | 0 | 0 | 0 | 0 | 35 | 35 |
| CS0151 | Building Safer Communities | 17 | 0 | 0 | 0 | 0 | 17 | 0 | 0 | 17 |
| Total Place - Neighbourhoods & Customer Services | | 108 | 20 | 0 | 0 | 0 | 17 | 26 | 85 | 128 |
| Dept of Place - Sports & Culture | | | | | | | | | | |
| CS0487 | Alhambra Theatre Lift | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| CS0162 | Capital Projects - Recreation | 73 | 15 | 0 | 0 | 0 | 13 | 0 | 75 | 88 |
| CS0530 | LDP (Active Bradford) | 247 | 400 | 50 | 0 | 0 | 697 | 0 | 0 | 697 |
| CS0229 | Cliffe Castle Restoration | 8 | 0 | 0 | 0 | 0 | 8 | 0 | 0 | 8 |
| CS0004 | S106 Recreation | 7 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 7 |
| CS0501 | Parks Development Fund | 471 | 0 | 0 | 0 | 0 | 471 | 0 | 0 | 471 |
| CS0504 | Cricket Nets | 172 | 0 | 0 | 0 | 0 | 172 | 0 | 0 | 172 |
| CS0404 | Sports Pitches | 160 | 28 | 0 | 0 | 0 | 71 | 0 | 117 | 188 |
| CS0537 | SilSDen Park Section 106 Projects | 224 | 0 | 0 | 0 | 0 | 224 | 0 | 0 | 224 |
| CS0489 | Playable Spaces | 1,365 | 500 | 0 | 0 | 0 | 350 | 0 | 1,515 | 1,865 |
| CS0403 | Bereavement Strategy | 9,228 | 10,025 | 4,200 | 1,000 | 0 | 0 | 7,000 | 17,453 | 24,453 |

| CS Ref | Scheme Description | Revised | 2023-24 | 2024-25 | 2025-26 | 2026 | Specific | Invest to | Corporate | Budget |
|---|---|---------------|---------------|---------------|--------------|----------|--------------------------------|---------------|---------------|---------------|
| | | 22-23 | Budget | Budget | Budget | Onwards | Grants, cap receipts, reserves | Save Funding | Borrowing | Total |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0522 | Children's Homes Capital Works | 294 | 0 | 0 | 0 | 0 | 0 | 0 | 294 | 294 |
| CS0525 | Baldon Library | 945 | 500 | 0 | 0 | 0 | 1,000 | 0 | 445 | 1,445 |
| Total Corp Resources – Estates & Property Services | | 44,027 | 12,850 | 10,441 | 4,898 | 0 | 11,773 | 15,242 | 45,201 | 72,216 |
| Reserve Schemes & Contingencies | | | | | | | | | | |
| CS0395z | General Contingency | 439 | 1,000 | 1,000 | 1,000 | 0 | 0 | 0 | 3,439 | 3,439 |
| CS0397z | Property Programme | 0 | 2,000 | 2,000 | 4,000 | 4,000 | 0 | 0 | 12,000 | 12,000 |
| CS0399z | Strategic Acquisition | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 0 | 20,000 | 0 | 20,000 |
| CS0400z | Keighley One Public Sector Est | 0 | 200 | 400 | 400 | 0 | 0 | 1,000 | 0 | 1,000 |
| CS0402z | Canal Road Land Assembly | 0 | 450 | 0 | 0 | 0 | 0 | 0 | 450 | 450 |
| CS0401z | Depots | 0 | 0 | 2,000 | 1,000 | 0 | 0 | 0 | 3,000 | 3,000 |
| CS0404z | Sports Pitches | 286 | 2,500 | 4,250 | 1,748 | 0 | 2,383 | 0 | 6,401 | 8,784 |
| CS0489z | Playgrounds | 587 | 2,750 | 500 | 0 | 0 | 1,035 | 0 | 2,802 | 3,837 |
| CS0405z | City Hall | 0 | 500 | 3,000 | 3,500 | 500 | 2,000 | 3,000 | 2,500 | 7,500 |
| CS0408z | City Village - Top of town | 0 | 0 | 2,675 | 0 | 0 | 0 | 0 | 2,675 | 2,675 |
| CS0060z | Vehicles | 0 | 3,000 | 3,000 | 0 | 0 | 0 | 6,000 | 0 | 6,000 |
| CS0060zb | Electric vehicles/ New street cleansing | 0 | 623 | 0 | 0 | 0 | 0 | 623 | 0 | 623 |
| CS0472z | District Heating | 0 | 0 | 750 | 750 | 0 | 0 | 0 | 1,500 | 1,500 |
| CS0473z | Renewable Energy (Solar Farm) | 0 | 1,000 | 3,000 | 1,000 | 0 | 2,000 | 3,000 | 0 | 5,000 |
| CS0474z | Transforming cities fund | 0 | 13,737 | 44,090 | 9,444 | 0 | 67,271 | 0 | 0 | 67,271 |
| CS0480z | Flood Alleviation | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 200 | 200 |
| CS0484z | New Reserve | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| 2021-22 Schemes | | | | | | | | | | |
| CS0488z | Lap tops for Children | 0 | 200 | 200 | 0 | 0 | 0 | 0 | 400 | 400 |
| CS0244z | SEND | 500 | 3,000 | 2,000 | 500 | 0 | 0 | 0 | 6,000 | 6,000 |
| CS0482z | Marley Playing Field | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 500 |
| 2022-23 Schemes | | | | | | | | | | |
| CS0060w | Vehicles | 0 | 0 | 0 | 3,000 | 0 | 0 | 3,000 | 0 | 3,000 |
| CS0395w | Contingency | 0 | 0 | 2,500 | 0 | 0 | 0 | 0 | 2,500 | 2,500 |
| CS0538w | Energy efficiency | 250 | 500 | 500 | 500 | 250 | 0 | 0 | 2,000 | 2,000 |
| CS0144w | Empty Private Sector Homes Strategy | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 4,000 | 0 | 0 | 4,000 |
| CS0408 | Top of Town | 74 | 0 | 0 | 0 | 0 | 0 | 0 | 74 | 74 |
| 2023-24 Schemes | | | | | | | | | | |
| CS0395f | Children's Homes | 0 | 3,000 | 1,400 | 800 | 0 | 0 | 5,200 | 0 | 5,200 |

| CS Ref | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|---------------------------|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| CS0395i | Inflation Contingency | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 10,000 | 10,000 |
| CS0395e | City Centre Regeneration | 0 | 8,000 | 10,000 | 0 | 0 | 0 | 0 | 18,000 | 18,000 |
| CS0395j | Area office accommodation | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 800 | 800 |
| CS0395l | IT software | 0 | 500 | 465 | 0 | 0 | 0 | 0 | 965 | 965 |
| CS0395m | Bereavement Strategy | 0 | 3,000 | 3,000 | 0 | 0 | 0 | 0 | 6,000 | 6,000 |
| CS0445f | IT Programme | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 | 2,000 | 2,000 |
| CS0060f | Vehicles | 0 | 0 | 0 | 0 | 3,000 | 0 | 3,000 | | 3,000 |
| CS0397f | Property Programme | 0 | 0 | 0 | 0 | 4,000 | 0 | 0 | 4,000 | 4,000 |
| CS0395g | Contingency | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 1,000 | 1,000 |
| Total - Reserve Schemes & Contingencies | | 2,636 | 59,960 | 97,730 | 33,642 | 20,750 | 78,789 | 44,823 | 91,106 | 214,718 |
| TOTAL - General Fund | | 190,637 | 231,998 | 203,009 | 76,492 | 133,702 | 473,686 | 145,326 | 216,825 | 835,837 |

| | Scheme Description | Revised 22-23 Budget | 2023-24 Budget | 2024-25 Budget | 2025-26 Budget | 2026 Onwards | Specific Grants, cap receipts, reserves | Invest to Save Funding | Corporate Borrowing | Budget Total |
|--|---------------------------------------|----------------------------|-------------------|-------------------|-------------------|-----------------|---|------------------------------|------------------------|-----------------|
| HRA | | | | | | | | | | |
| CS0237b | Keighley Rd Extra Care Fletcher Court | 62 | 0 | 0 | 0 | 0 | 0 | 0 | 62 | 62 |
| CS0308 | Afford Housing Programme 15 -18 | 176 | 0 | 0 | 0 | 0 | 176 | 0 | 0 | 176 |
| Total - Housing | | 238 | 0 | 0 | 0 | 0 | 176 | 0 | 62 | 238 |
| Reserve Schemes & Contingencies | | | | | | | | | | |
| CS0407z | Affordable Housing | 0 | 5,000 | 10,000 | 10,000 | 4,224 | 14,430 | 14,794 | 0 | 29,224 |
| Total - Reserve Schemes & Contingencies | | 0 | 5,000 | 10,000 | 10,000 | 4,224 | 14,430 | 14,794 | 0 | 29,224 |
| TOTAL - HRA | | 238 | 5,000 | 10,000 | 10,000 | 4,224 | 14,606 | 14,794 | 62 | 29,462 |

Appendix 2: Proposed change to the Minimum Revenue Policy

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

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

1.3 The Council is required to state as part of its budget process the policy for determining its MRP. The method for calculating the MRP on each category of debt is outlined below:

a) From 1 April 2022 the policy for charging MRP on historic supported borrowing is on the annuity asset life method calculated over the remaining 36 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. From 1 April 2022 the MRP is calculated on the annuity 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. In 2018-19 the MRP policy for PFI assets was brought into line with the main MRP Policy and the charge of the principal to the revenue account is now over the life of the school building assets. As per the main borrowing from the 1 April 2022 this is on an annuity asset life basis.

d) Finance lease MRP is equal to the principal repayment.

e) Asset lives are reviewed on an ongoing basis to match the MRP charge to the Revenue Estimates with the service benefit derived from the asset.

f) Where the Council has made property investments [or an invest to save investment] during or after 2018-19, the Section 151 Officer may choose to repay debt over the asset life using the annuity method. This is subject to an in house valuation that the investment property has retained or increased in value. Further it is subject to the condition that the in-year yield is above the average for Treasury Investments and this is expected to continue into the future.

g) Where capital expenditure involves repayable loans or grants to third parties no MRP is required where the loan or grant is repayable. By exception, on the basis of a business case and risk assessment, this approach may be amended at the discretion of the Director of Finance.

1.4 The CFR represents the amount of capital expenditure that has been financed from borrowing, less any amounts that the Council has set aside to repay that debt through the MRP. Borrowing may come from loans taken from the Public Works Loan Board (PWLB) or commercial banks, finance leases (including PFI) or from the use of the Council's own cash balances.

1.5 External debt can be less than the CFR. External debt cannot exceed the CFR (other than for short term cash flow purposes or cash flow management.)

1.6 There is an International Financial Reporting Standards requirement that assets funded from finance leases (including PFI deals) are brought onto the balance sheet. This also includes the liability as well as the asset. Therefore, the term borrowing does not just include loans from the Public Works Loan Board and banks, but also the liability implicit in PFI and other finance leases. IFRS 16 is due to be implemented from the 1 April 2024 and as a result, more of the Council's leases will be treated as finance leases. Therefore, more of the costs of these leases will be included in capital financing costs for the purposes of calculating the Prudential Indicator.

1.7 The CIP will need to be reviewed through the planning cycle to ensure it remains affordable within revenue resources and to take account of the actual implementation of capital schemes.

1.8 Loans to third parties for a capital purpose can be repaid with the repayments providing the following conditions are met: the capital scheme is self-financing; that there is overall confidence that the loan will be repaid; that the third party adheres to the agreed repayment schedule.

APPENDIX 3: CAPITAL STRATEGY TABLES

Table (i)

Asset Balance Sheet values as at 31 March 2022

| Category | Value as at 31 March 2022 £'000 |
|--|------------------------------------|
| Council Dwellings | 36,465 |
| Land & Buildings | 519,320 |
| Vehicles, Plant, Furniture & Equipment | 25,797 |
| Infrastructure | 254,063 |
| Community Assets | 54,146 |
| Surplus Assets | 16,162 |
| Assets Under Construction | 20,045 |
| Heritage Assets | 37,648 |
| Investment Property | 51,959 |
| Intangible Assets | 221 |
| Assets held for sale | 269 |
| Total | 1,016,095 |
| <i>Source: Draft Statement of Accounts 2021-22</i> | |

Table (ii)

Capital Investment Plan 2023-24

| | 2022-2023 | 2023-2024 | 2024-25 | 2025-26 | 2026-27 onwards | Total |
|---------------------|------------|------------|------------|-----------|--------------------|------------|
| Funding: | £m | £m | £m | £m | £m | £m |
| Grants | 103 | 127 | 116 | 46 | 74 | 466 |
| Miscellaneous | 5 | 6 | 5 | 2 | 4 | 22 |
| Borrowing | 83 | 104 | 92 | 38 | 60 | 377 |
| Total Spend: | 191 | 237 | 213 | 86 | 138 | 865 |

Table (iii)
Split of Invest to Save Borrowing

| | 2022-2023 | 2023-2024 | 2024-25 | 2025-26 | 2026-27 onwards | Total |
|---------------------------------|------------------|------------------|----------------|----------------|------------------------|--------------|
| Funding: | £m | £m | £m | £m | £m | £m |
| Borrowing: Invest to Save | 34 | 44 | 40 | 16 | 26 | 160 |
| Borrowing: Other | 49 | 60 | 52 | 22 | 34 | 217 |
| Total borrowing estimate | 83 | 104 | 92 | 38 | 60 | 377 |

Table (iv)
Capital financing costs

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m |
| MRP, excluding PFI | 16.1 | 19.8 | 22.7 | 24.4 | 25.7 |
| MRP PFI, finance lease | 3.4 | 3.4 | 3.5 | 3.6 | 3.6 |
| Old West Yorkshire Waste debt | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Interest on external borrowing | 16.5 | 18.3 | 23.0 | 24.1 | 24.7 |
| Interest on PFI | 15.9 | 15.3 | 14.6 | 14.0 | 13.2 |
| Premium on debt repayment | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Investment income | -0.8 | -0.5 | -0.5 | -0.5 | -0.5 |
| Total Capital Financing Costs | 51.6 | 56.8 | 63.8 | 66.1 | 67.2 |
| Projected Net Revenue Stream | 388.0 | 441.0 | 441.0 | 441.0 | 441.0 |
| Ratio to Net Revenue Stream | 13.3% | 12.9% | 14.5% | 15.0% | 15.2% |
| Invest to Save element of Total Capital Financing Costs | 6.3 | 6.5 | 7.7 | 7.9 | 8.4 |
| Invest to Save contribution to Ratio to Net Revenue Stream | 1.6% | 1.5 % | 1.6% | 1.8% | 1.9% |

Table (v)

Backlog maintenance

| Backlog maintenance | 2009-10 | 2017-18 | 2019-20 | 2022-23 |
|--|----------------|----------------|----------------|----------------|
| Operational Estate £ms | 83 | 46 | 44 | 56 |
| Non-Operational £ms | 13 | 8 | 8 | 10.8 |
| Total Backlog maintenance £ms | 96 | 54 | 52 | 66.8 |
| Operational Estate size GIAm2 000s | 319 | 228 | 231 | 231 |
| Non-Operational Estate size GIAm2 000s | 27 | 37 | 33 | 22 |
| Total | 346 | 265 | 264 | 253 |

Table (vi):

Capital Financing Requirement 31 March 2022

| Balance Sheet | 31/03/2022 |
|---|-------------------|
| | £m |
| Capital financing Requirement | 709 |
| Private finance Initiative & Leasing | -147 |
| External Borrowing | -373 |
| Underlying Borrowing Requirement | 189 |
| Investments Held | -208 |
| Earmarked Reserves | 209 |
| General Fund Balance | 66 |
| Capital Grants Unapplied | 60 |
| Provisions/Collection Fund | -6 |
| Working capital (deficit) / surplus | 68 |
| Under-Borrowing | 189 |
| <i>Source 2021-22 Draft Statement of Accounts</i> | |

**Table vii:
Projected increased in Capital Financing Requirement**

| | 2021-22 Actual £m | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|--|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Opening Capital Financing Requirement | 699 | 709 | 773 | 854 | 920 | 930 |
| Increase in borrowing | 35 | 83 | 104 | 92 | 38 | 60 |
| Less MRP and other financing movements | -25 | -19 | -23 | -26 | -28 | -29 |
| Closing Capital Financing Requirement | 709 | 773 | 854 | 920 | 930 | 961 |

**Table viii:
External debt indicators**

Operational boundary

| | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|-------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total | 840 | 860 | 930 | 940 | 970 |

Authorised limit

| | 2022-23 Estimate £m | 2023-24 Estimate £m | 2024-25 Estimate £m | 2025-26 Estimate £m | 2026-27 Estimate £m |
|-------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total | 860 | 880 | 950 | 960 | 990 |

**Table ix
Capital Strategy Actions**

| Measure | Current Position | Potential Position |
|---|--|--|
| Total Borrowing related to long term assets | As at 31-03-2022 £373m total borrowing is 36.7% of long terms assets of £1,016m. | CIP2023-24 to 2026-27 has £217m of Corporate Borrowing and £160m of Invest to Save (self-financing borrowing), totalling an assumed increase of £377m in borrowing to £750m. |

| | | |
|---|---|--|
| | | Assuming this increases long term assets also by £377m to £1,393m, this is 53.8% of long term assets. |
| Total Borrowing costs as a percentage of net budget | For 2021-22 borrowing costs of £51.5m plus Invest to Save borrowing costs of £5.8m, totalling £57.3m are 14.9% of net budget. | At 2023-24 borrowing costs of £50.3m plus invest to save of £6.5m total £56.8m. 12.9% of the net revenue budget. |

Table x
Capital Strategy Actions

| NUMBER | ISSUE | ACTION |
|--------|---------------------------------|---|
| 1. | Management of the Balance Sheet | A balance sheet projection and analysis is included in the Council's quarterly monitoring reports to Executive and Council. The purpose of this is to monitor the Council's assets and liabilities going forward and report on any increase in liabilities. Further, it would develop the reporting of potential financial risks to the Council in relation to the Capital Investment Plan and other expenditure. |
| 2. | Loans to External Organisations | <ul style="list-style-type: none"> i. A responsible officer is assigned to monitor all outstanding loans to external organisations and assess on a quarterly basis any risk of non-payment. ii. The rate of interest on loans to external organisations will reflect the level of risk and liquidity of them. Where additional loans are considered, the rate of interest may be above the rate at which the Council can borrow from the Public Works Loan Board. The Capital Strategy proposes that a more detailed policy is drawn up. iii. Loans for regeneration and local growth purposes may be granted at discounted rates (soft loans). Indicators on proportionality and total level of loans by type will be developed by the responsible officer. |

| | | |
|------------------|---|---|
| | | <ul style="list-style-type: none"> iv. The responsible officer will also maintain a central list of financial guarantees provided to external organisations. v. The purpose is to ensure that the Council's long term debts are fully repaid or any future difficulties are anticipated so mitigating action can be taken. Any loans given to an external organisation used for capital expenditure increase the Council's Capital Financing Requirement. If it looks likely that the loan will not be repaid, additional capital financing costs will be a cost pressure within the revenue estimates. |
| <p>3.</p> | <p>Forecasts of spend against the Capital Investment Plan</p> | <ul style="list-style-type: none"> i. Responsible finance officers will arrange departmental meetings to provide accurate capital forecasting of the 2023-24 Capital Investment Plan. As part of this to develop the Council's shared understanding of the critical paths of the capital schemes. ii. The Treasury Management Officer will monitor current interest rates and expectations of future rate increases on a daily basis. iii. The Treasury Management Officer will develop options to contractually borrow in the future at current interest rates. iv. A responsible officer will calculate the sensitivity of Invest to Save schemes to interest rate increases. v. The overall purpose is to enable the Council to take out borrowing at the most optimal time. Accurate forecasting will help the Council understand when borrowing will be required. vi. The purpose of the option to contractually borrow in the future at current interest rates would reduce the risk of interest rates rising. An interest rate rise would increase capital financing costs. Further the calculations for the Invest to Save schemes, embody assumptions about interest rates which may be incorrect. |

| | | |
|------------------|--|---|
| <p>4.</p> | <p>Investigate borrowing with annuity loans</p> | <ul style="list-style-type: none"> i. The Treasury Management Officer and Business Advisor Capital will assess the optimal use of annuity loans compared to repayment at maturity loans. ii. The Treasury Management Officer and Business Advisor Capital also consider whether equal instalment of principal loans would be appropriate. iii. The purpose is to take out borrowing in a way which minimises the Council's costs. Repayment at maturity loans require the Council to repay the loan principal at the end of the period of the loan and pay annual interest on the outstanding amount. Annuity loans require the Council to make a uniform payment each year over the whole term of the loan. This method of repayment would align more closely with how capital financing costs are charged in practice to the Revenue Estimates. Such alignment could help the Council manage its cash flow, reducing overall capital financing costs. Annuity loans may be more appropriate where there is an expectation that the size of the Capital Investment Plan reduces in future years. iv. Equal instalments of principal loans require that an equal amount of the principal is repaid each year. The purpose of investigating this option is to ascertain whether this would reduce capital financing costs and improve cash flow. |
| <p>5.</p> | <p>Review lease arrangements that involve an asset to determine if a purchase arrangement would be more cost effective</p> | <ul style="list-style-type: none"> i. A responsible officer to review lease arrangements to determine if it would more cost effective to buy any assets outright. ii. The purpose is to ensure that lease arrangements are as cost effective as possible. Further the purpose is to prepare for a likely change in accounting rules which may increase the Council's capital financing costs arising from lease arrangements. |
| <p>6.</p> | <p>Project Appraisal Group (PAG)</p> | <ul style="list-style-type: none"> i. Any new proposals which are not funded from capital grants or receipts from the |

| | | |
|----|----------------|--|
| | | <p>sale of land / buildings would have to be: either financed directly from the Revenue Estimates and vired from another capital scheme.</p> <p>ii. The quarterly monitoring of capital spend will be reported to Project Appraisal Group. As part of the Capital Strategy's aim to continually align the Capital Investment Plan with Council strategies, budget challenge sessions will be conducted with senior officers and Councillors 2023.</p> <p>iii. Post completion statements for schemes costing in excess of £10m will be brought to Project Appraisal Group to appraise value for money and achievement against the Council Plan. As part of this, a revised process for evaluating benefits will be developed during 2023-24 by the Business Advisor Capital.</p> <p>iv. Project Appraisal Group will determine whether there are opportunities to share expertise in accessing capital grants across the Council.</p> <p>v. The schemes in the 2023-24 Capital Investment are formerly linked for reporting purposes to the Council's strategies. Capital Financing Costs are modelled over the asset life as standard, under the guidance of the Business Advisor Capital.</p> <p>vi. The purpose is to minimise the Council's requirement for borrowing and to streamline the Project Appraisal Group.</p> |
| 7. | Risk Reporting | <p>i. A responsible officer will be assigned to develop the reporting and escalation of risks arising from the Capital Investment Plan and monitoring of balance sheet liabilities. This would involve the Project Appraisal Group, the Section 151 Officer</p> |

| | | |
|--|--|--|
| | | <p>and to align with the Corporate Risk Register as appropriate.</p> <p>ii. The Council's risk appetite is low. This is consistent with the CIPFA Treasury Management Code of Practice which stipulates that investments are prioritised according to security, liquidity and yield, in that order of importance. Subject to careful due diligence, the Council will consider a moderately higher level of risk for capital schemes which meet an important objective in the Council plan and generate significant non-financial benefits for the District.</p> <p>iii. A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the Council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the Council. Each capital investment will be closely reviewed to assess its VAT implications.</p> <p>iv. Inflation risk will be managed through close contract management. Further the Capital Investment Plan includes £1m annual contingency, plus an additional £10m for 2023-24. There is an additional risk contingency for the capital financing costs in the revenue estimates.</p> <p>v. The purpose is to ensure that risks are monitored and escalated appropriately.</p> |
|--|--|--|

APPENDIX 4: Flexible Use of Capital Receipts.

1.0 INTRODUCTION

- 1.1 Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not permitted by the regulations.
- 1.2 The Secretary of State is empowered to issue directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.
- 1.3 The Secretary of State for Communities and Local Government issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts could be utilised. This Direction allows for the following expenditure to be treated as capital; *“expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”*
- 1.4 In order to take advantage of this freedom, the Council must act in accordance with the Statutory Guidance issued by the Secretary of State. This Guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy, with the strategies included within future Annual Budget documents with Full Council approval. The Local Government Finance Settlement for 2022-23 extended these capital receipts flexibilities for a further three year years which will cover the period up to and including 2024-25.
- 1.5 There is no prescribed format for the Strategy, but the underlying principle is to support the delivery of more efficient and sustainable services by extending the use of capital receipts to finance costs of efficiency initiatives that deliver significant savings. A list of each project should be incorporated in the strategy along with the expected savings each project is expected to realise.
- 1.6 The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators. The Council’s current capital programme assumes the use of £2m corporate capital receipts as a source of funding. For the 2023-24 CIP this has been removed from the Prudential Indicators with an annual revenue impact of £0.4m.

2.0 FLEXIBLE USE OF CAPITAL RECEIPTS

- 2.1 Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: *“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”*

2.2 In total £3.00m of expenditure will be funded through capital receipt flexibilities in 2022/23 and this will contribute towards the delivery of c£36m in savings next year. The schedule below in Table 1 presents the projects to transform services that will be funded through flexible use of capital receipts, and associated revenue savings or future cost avoidance. In some cases, there is a direct link between a project and the realisable financial benefit. In others, the project contributes to enabling the savings in other business cases or provide a wider benefit, which would not otherwise be realised. Some of the expenditure incurred in 2022-23 will significantly contribute towards the realisation of c£36m of budgeted savings in future years through the transforming the way that the Council delivers some of its services.

Table 1 Projects to be funded from capital receipts

| Project Description | 2022/23 £m | Savings 2022/23 £m | 2023/24 £m | Savings 2023/24 £m |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| Restructure costs associated with staff leaving | 1.00 | | 0.55 | |
| Fraud & Corruption targeting | 0.10 | | 0.10 | |
| ICT Service Updates | 0.55 | | 1.00 | |
| Transformation Team & Finance Team costs | 1.10 | | 1.10 | |
| Cash and banking Automation | 0.05 | | 0.05 | |
| CMT staff time spent on Transformational projects | 0.20 | | 0.20 | |
| Total: | 3.00 | | 3.00 | |

- 2.3 Capital receipt flexibilities (£1.00m) will be used to contribute towards the severance/redundancy costs associated with the transformation of the Council.
- 2.4 Fraud and corruption will be targeted with £0.10m of receipts invested in training staff within the investigations team.
- 2.5 ICT service updates (£0.55m), predominantly the development of a targeted digital approach in relation to feasibility work on service reforms. Further, there are plans to move systems into the cloud to improve system performance & reliability. This will also reduce the need for Council run data centres resulting in much reduced need for capital upgrades to maintain system support; reductions in energy usage/costs, and reduced building space requirements enabling Estates related savings. c£1m of capital receipts would be used to fund this type of transformation subject to final business case.
- 2.6 Transformation Team and Finance Team costs (£1.1m) will be paid through capital receipts. The Transformation Team and Finance Team have been central to the identification and coordination of budget savings for 2023-24, and will also be a key enabler in delivering those and other efficiencies in 2023-24 and beyond.
- 2.7 Cash and banking automation – Some currently manual upload postings from the Capita receipting system to the SAP general ledger are being automated to improve process efficiency. This will free Revenues and Benefits and Finance staff time to work on further automation leading to a virtuous improvement cycle.
- 2.8 Capital Receipt flexibilities (£0.2m) will be used to resource Senior Management time within CMT which is spent on driving forward the transformational change within the council. This has been key to identifying c£36m of budget savings for 2023-24, and

will also be central to ongoing monitoring and delivery.

- 2.9 It should however be noted that although the Council usually generates a minimum of c£3m of capital receipts each year, capital receipts for 2023-24 have not yet been realised. Consequently, it is recommended that powers are delegated to the Sections 151 Officer in consultation with the Leader to vary amounts outlined in section 2.1 subject to a maximum of capital receipts generated in 2022-23 and 2023-24, and continued compliance with the DHLUC direction.

Report of the Director of Finance to the meeting of Executive to be held on 21 February 2023 and Council 23 February 2023

AX

Subject:

Housing Revenue Account (HRA) 2023-24

Summary Statement:

The report provides Members with details of the HRA Estimates for 2023/24

EQUALITY & DIVERSITY:

The budget proposals set out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2023-24 budget is approved

The HRA plan supports the delivery of Council priorities.

Christopher Kinsella
Director of Finance

Portfolio:

Corporate

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Overview & Scrutiny Area:

Corporate

1 SUMMARY

- 1.1 This report proposes the HRA estimates of net revenue expenditure be recommended to Council for approval as the Council's HRA balanced revenue budget for 2023/24.
- 1.2 The Council will be introducing a HRA account from 1st April 2023, this is a separate ring-fenced account in which the Council carries out a landlord function. It is funded from rents and service charges from council tenants and leaseholders. There can be no cross subsidy between the HRA and General Fund Revenue Budget. It pays for the costs of managing the Council's housing stock.
- 1.3 A HRA Business Plan is currently being worked on and is expected to be completed by March 2023.

2 Background

- 2.1 The level of inflation has increased significantly and higher inflation will persist into 2023/24. Figures published on 17th August showed CPI (Consumer Prices Inflation) at 10.1% and RPI (Retail Prices Inflation) at 12.3% and figures published on 14th September shows CPI at 9.9% and RPI unchanged. The latest update from the Bank of England (22 September 2022) expects inflation to peak at 11% in October and then remain above 10% for a few months before starting to reduce.
- 2.2 In response to the significant increase in inflation the Bank of England have implemented a series of increases in interest rates which have seen the rate increase from 1% in May 2022 to 2.25% from 22nd September, to 3% in November. There is an expectation further increases will be made over the next few months. These increases have impacted on Public Works Loans Board (PWLB) long term borrowing rates, which have also increased.
- 2.3 Inflation and increasing interest rates clearly have an adverse impact on the HRA as the sole source of funding is rental income. Additionally, there is no scope to cut services if the Council is to maintain services to tenants and ensure the housing stock remains in good condition and is sustainable.
- 2.4 The HRA investment plans are also adversely impacted by inflation and increasing interest rates, this will be assessed Business Plans due to be completed in March 2023.

3 OTHER CONSIDERATIONS

- 3.1 The Local Government and Housing Act 1989 section 76 requires that Councils must ensure that the HRA budget does not allow for the HRA Reserve to become 'overdrawn'.
- 3.2 To ensure this position does not arise a robust approach is taken to assess forecast HRA income and costs. On this basis the recommended 7% rent increase provides a robust and sustainable basis for the HRA and the continued delivery of the Council's housing objectives and this was approved by the Executive on 31 January 2023.
- 3.3 As rent limits are set on an annual basis 'use it or lose it basis' the HRA cannot recover income with higher rent increases in future years. For 2023/24 this is a more critical issue than in previous years owing to the current level of inflation. e. The recommended increase of 7% approved by the Executive on 31 January 2023 is designed to ensure the HRA remains financially sustainable.
- 3.4 If rents are not increased the HRA will become unsustainable and the Council will be unable to achieve the planned expansion in the numbers of homes provided through the HRA.
- 3.5 The HRA Reserve proposed on 1st April 2023 needs to be maintained to manage financial risk relating to inflation and the planned growth of the HRA over the next few years.

4 FINANCIAL & RESOURCE APPRAISAL

- 4.1 As highlighted below, the operating costs of the HRA consist of two broad categories and the impact of inflation will be different for these areas.
- 4.2 Repairs and maintenance, supervision, management, major repairs allowance and other operating costs - £2.007m.
- 4.3 Inflation will be a significant issue for these costs and whilst the impact should not be as high as CPI, in most cases the HRA will not face direct energy inflation, it will be impacted by other inflation. These areas will be more impacted by the level inflation peaks at and the ongoing level in 2023/24.
- 4.4 The interest rate which will be used on debt transferred from the Council is 1.63%. This has been determined by using 01/04/22 PWLB minus 1%. The interest charge will be £537k per annum. For 2023/24 the interest budget will not be impacted by inflation or increasing interest rates. Beyond 2023/24 higher inflation and interest rates will impact on the cost of further capital investment. Transfer of Housing reserve of £503k will be required to support the HRA.
- 4.5 It is recognised that the recommended 2023/24 rent increase will impact on

households at a time of increasing inflation and other costs. The rent increase will generate £160k and result in an average weekly increase between £7.51 - £8.10.

- 4.6 In previous years the Government have provided additional funding for those tenants receiving housing benefit and Universal Credit. The Government has not yet confirmed if benefits will be uplifted for inflation, which would provide a 10% increase. It seems extremely unlikely that the benefit increase will not be at least 5%.
- 4.7 The Councils required rent increase to cover inflation and maintain a balanced HRA. On the basis that the government set a 7% rent cap this would leave a breakeven.
- 4.8 The table below illustrates a high-level summary of the HRA Financial Model for 23/24

| | |
|--|--------------|
| | £'000 |
| Total income | 2,544 |
| Total costs | 2,007 |
| Net income from services | 537 |
| Interest payable | -537 |
| Net income/expenditure before appropriations | 0 |
| Net HRA Surplus/Deficit | 0 |
| | |
| HRA Balance brought forward | 503 |
| HRA surplus/(deficit) | 0 |
| HRA Balance carried forward | -503 |

- 4.9 Tenant service charges are specific charges for services that some tenants receive and others do not. The list of charges which are identified separately are set out below.
- 4.10 Landlords may not charge more than the actual cost of the service, plus a reasonable management fee. Not all tenants pay service charges. Around 155 pay service charges for housing and 69 for Extra Care Housing.
- 4.11 The charges per week are set out below:

| Service | Proposed charges for 23/24 Extra Care |
|----------------|--|
| Extra Care | £51.39 |

The Executive approved the service charges to apply from 1 April 2023 on the 31 January 2023.

5 RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 The risk implications are set out in the body of this report.

6 LEGAL APPRAISAL

6.1 The report complies with the Council's statutory obligations and the requirement to follow statutory guidance.

7 OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

There are no direct sustainability implications arising from this report, sustainability implications are considered as part of individual capital project appraisals.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

There are no direct impacts arising from this report

7.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct impacts arising from this report

7.4 HUMAN RIGHTS ACT

None

7.5 TRADE UNION

None

7.6 WARD IMPLICATIONS

None.

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

None

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9 OPTIONS

None

10 RECOMMENDATIONS

That the Executive is asked to approve the following recommendations to Council:

- 10.1 That Rent increase of 7% be applied from 1st April 2023 as set out in section 4.7.**
- 10.2 That Transfer of housing reserves of £503k from General Fund to the Housing Revenue Account as set out in section 4.4 be approved.**
- 10.3 That Service charges to apply from April 1 2023 as set out in section 4.11.**

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

None

Report of the Director of Finance to the meeting of Executive to be held on 21 February 2023 and Council to be held on 23 February 2023

AY

Subject:

2023/24 Budget Proposals and Forecast Reserves – Section 151 Officer Assessment.

Summary statement:

This report assesses the robustness of the proposed budget for 2023/24, the adequacy of forecast levels of reserves and associated risks.

It concludes that the estimates are sufficiently robust for the Council to set a balanced budget for 2023/24.

The report also provides commentary on the financial resilience of the Council over the medium term.

EQUALITY & DIVERSITY:

The Equality and Diversity issues arising from the new budget proposals are analysed in the reports accompanying the budget documentation presented to Executive on 31 January 2023 and 21 February 2023. The Interim Trade Union feedback on the budget proposals is documented and reported in a similar way. The Trade Union feedback and the feedback from the public engagement and consultation programme on the proposals previously approved by Budget Council in prior years was fully considered by Council at that time.

Christopher Kinsella
Director of Finance

Portfolio:

Leader of Council and Corporate

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

This report assesses the robustness of the proposed budget for 2023/24, the adequacy of the forecast levels of reserves and associated risks in the context of the Council's medium term financial outlook.

The Council is setting its budget for 2023/24, which includes proposed revenue savings and some proposed investment in service delivery predominantly to provide for cost-of-living inflationary increases, and also the demand pressures and improvement activity within Children's Social Care. The budget also assumes that prior approved investments and savings that impact in 2023/24 will require implementation action to be undertaken during 2023/24.

It should be noted that this proposal is a single year budget, pending clarity about fair funding, business rates and other outstanding national reviews of local government finances and reforms of both adults and children's social care. A single year budget also enables an assessment of the longer-term impact of cost-of-living increases and potential changes to service demands and requirements which may need to be reflected in future year budget allocations. As these issues evolve, the Council's Medium Term Financial Strategy (MTFS) will be updated, and resources will continue to be aligned to achieve the outcomes in the Council Plan.

For 2022/23 the Council's then S151 Officer concluded that the General Fund reserve should be increased from £15.0m to £19.5m in line with External Audit guidance to represent 5% of the Council's Net Revenue Budget. Accordingly, as a result of an increase in the Net Revenue budget in 2023-24 to a level of £453.3m, the General Fund reserve will need to be increased to £22.7m.

In line with assumptions in the Governments Autumn Statement the proposals include an increase to the Council Tax and Adult Social Care precept by 4.99% that will raise c£11m.

The Council's budget is proposed to be balanced by the use of reserves which is also in line with Central Government expectations. The use of these reserves results in reduced future financial resilience than was previously the case, and the extent of reserve use is not sustainable in the longer term, and will require careful management and monitoring.

This report concludes that the estimates are sufficiently robust for the Council to set a balanced budget for 2023/24. However, it should be noted that there are risks and pressures to the Council's financial position beyond 2023/24 that require mitigating actions to continue to be implemented and monitored during the 2023/24 financial year to achieve a sustainable on-going position.

Delivery of the Council's transformation programme will be an essential element in the approach to mitigating these pressures, however it is unlikely that the programme alone will deliver a sustainable position over the medium term without a shift in national funding policy based on local needs and resources, and a resolution to national issues around demand and funding for Social Care. The Council must therefore continue to work with the LGA and relevant professional bodies to make the case to Government for a sustainable funding

settlement.

Independent analysis indicates that the reviews and reforms of local government finance such as the Fair Funding Review, and Business Rates reset, would benefit the Council by £32m a year. Much of this gap is due to the unequal distribution of Council tax across the country, and that the growth nationally in Business Rates has not been redistributed by Government as previously intended. Continued deferral of reforms has a significant adverse impact to the Council and the District, and the implementation has been delayed again by Government to 2025 at the earliest.

2. BACKGROUND

Under Section 25 of the Local Government Act 2003, when the Council sets the budget, the Council's Section 151 Officer (Finance Director) is required to report on:

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

This report comments on the revenue and capital estimates in the proposed budget. The assessment is informed by extensive review, scrutiny and involvement in the development of the proposed budget.

3. OPTIONS

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

4. FINANCIAL & RESOURCE APPRAISAL

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

2023/24 Budget Appraisal

Context

In setting the 2023-24 budget it is important to recognise the context and consequence of austerity measures implemented since 2011/12; the impact of Covid 19, the cost of living crisis and inflation on Council resources and demand for services; and the current uncertainties of national local government funding arrangements.

In the period from 2011/12 to 2022/23 the Council has already had to take measures to reduce costs and increase income amounting to over £310m.

In the current financial year, the Council is forecast to overspend by £37.6m. This is driven by significant national issues including the cost-of-living crisis, and demand and cost pressures in Children's and Adults Social Care. Additional core budget allocation has been invested in Children's Services over the past 3-years and the proposed budget includes further investment to manage demand pressures and support the improvement programme. The council has delivered a number of mitigating actions and the expectation is that the forecast overspend in 2022-23 will reduce by the year end.

Formulating the 2023-24 budget

Due to the uncertainties over future local government financing, a one-year budget has been proposed for 2023/24.

Governance

The Council's financial management, reporting and governance processes continue to ensure that senior Leadership has the financial data and analysis to enable effective management decisions. Monthly budget monitoring reports include mitigation actions to address underlying budget variances and balance budgets.

The Corporate Management Team, Executive members, and senior officers have been heavily involved in the development of the budget proposals.

This demonstrates that the Council has deployed appropriate arrangements to mitigate identified risks, and ensure effective monitoring and governance processes are in place to identify, manage and address budget challenges promptly and effectively.

Investments

One of the Council's key functions in terms of managing its finances is securing value for money from its activities, as measured on an annual basis by our external auditors. The Budget proposals for 2023/24 propose investment in critical areas of activity including significant additional resources for Children's (£57m) and Adults Social Care (£5m). The proposals also sustain services to communities and investment in the regeneration of the district for example the delivery of City of Culture 2025, Keighley and Shipley Towns Funds, Darley Street Market; One City Park; Bradford Live and other regeneration programmes.

Inflation and Demographic Growth Pressures

The proposed 2023/24 budget includes £58.4m to cover the estimated costs of inflation, this total is equivalent to approximately 13% of the Council's Net Revenue Budget. This is inclusive of an estimated 4% pay award for 2023-24 and a catch up for a higher than budgeted pay award in 2022-23. There are also inflationary increases on contracts linked mainly to CPI, amounts to cover the increase in national living Wage for Social Care and other workers (a 9.7% increase from £9.50, £10.42 per hour for over 23s), increases in the Energy budget for Council buildings and street lighting, transport fuel costs, and inflation on Fees and Charges. The amount required for inflationary pressures is extraordinarily high

given the current economic climate, and price volatility.

If the pay award is settled at a higher rate than the 4% included within the budget this will create a structural cost pressure for the Council given each 1% in pay equates to c.£2.6m.

Should general inflation pressures be higher than budgeted this will create a structural cost pressure for the Council given each 1% in prices equates to c.£2.3m.

£2.7m has also been budgeted to pay for the cost of demographic growth on Council services, primarily in Adults and Children's Social Care.

Funding Changes

The proposed budget also takes account of funding changes announced by the Government in the Final Local Government Settlement that will see increases in funding for Social Care, and compensation from Government for their decision to support businesses by freezing the Business Rates multiplier.

Savings

The revenue estimates propose a further £36m of savings for 2023-24 including significant savings to be made through the management of vacant posts which will inevitably impact on Council capacity.

A number of financial adjustments are proposed, and are in process; ostensibly these do not impact directly on frontline service delivery however some of them may have an effect on long term financial resilience and organisational capacity.

Resources

Council Tax

Council Tax remains our most stable and reliable revenue stream and will account for 52% of our net expenditure requirement in 2023/24, up from 35% in 2010/11. This budget proposes the maximum allowable increase in Council Tax without recourse to a local referendum including the Social Care precept of 4.99%. This equates to a weekly rise of £1.48p for a Band D property. The proposed budget for Council Tax will be £233.291m in 2023-24 including a £0.138m deficit from 2022-23 that will have to be repaid in 2023-24.

Business Rates

The Business Rates budget has been set based on information at the end of December 2022, and submitted to Government in line with statutory guidelines. The Council will pay itself £58.249m from the Collection Fund in 2023-24, and will also have to repay a deficit of £2.067m from 2022-23.

Government Grant

The Council will receive £40.3m of Revenue Support Grant, and £74.971m of Business Rates Top up grant, as outlined in the Final Local Government settlement.

Having taken into account the investments, pressures and resources outlined above, a financial gap of £44.299 remains in 2023-24 and it is proposed that the gap is bridged through the one-off use of reserves.

Use of Reserves

The Council's financial strategy over recent years has been to maintain the strength of the reserves held within the balance sheet in order to provide resilience in a turbulent environment, whilst reducing the recurrent net cost base.

A number of earmarked reserves have been used in 2022/23 for their identified purposes. Further reserves have been reviewed against current budget priorities with some being released to support the 2023-24 budget position.

The reserves held within the balance sheet include:

- Reserves not available to the Council; for example, schools reserves
- Grant Reserves held for specific purposes.
- Statutory reserves held and ring-fenced for particular identified requirements
- Earmarked reserves, which are set aside for designated purposes and for specific liabilities and risks
- The General Fund Reserve; which is essentially the Council's backstop for unforeseen risks and pressures. The reserve is held at 5% of the Council net revenue budget.

The proposed use of £44.3m of reserves in 2023/24 represents a short term response to unprecedented levels of inflation and other cost pressures.

Other Considerations

The Council continues to proactively transform its approach to service delivery including continuously reviewing its service provision levels and priorities.

The Council is working towards establishing the Bradford Children and Families Trust as a wholly owned local authority company. The Trust will have operational responsibility for children's social care. The budget proposals provide significant additional resourcing for Children's Social Care.

The Council is opening a Housing Revenue Account (HRA) from 1 April 2023 in line with the s74 direction from DLUHC ceasing. The direct impact upon the general fund has been

assessed and reflected in budget proposals. The HRA will provide options for the Council to lead housing development and directly influence the market. The HRA is a ring fenced account but there may be options to maximise funding opportunities within those constraints.

The proposed allocation of the Dedicated Schools Grant (DSG) has been the subject of extensive and detailed development, scrutiny and ratification by the Schools Forum and its working groups.

In terms of Capital, the budget makes some provision for additional investment in capital schemes. The increase in the Capital Investment Programme will incur some additional borrowing with a consequential increase in our capital financing budget. Further capital challenge sessions will ensure the programme is affordable and debt repayments remain within MTFS budget levels. The Council increased its capital investment programme in the past three financial years whilst PWLB rates were at historic low levels.

Regarding Capital Financing, it is recommended that the Council changes its Minimum Revenue Provision from a straight line method to an annuity method. This will bring cost savings in the early years, but will increase the costs in the longer term.

Further, for the first time, the Council will also make use of capital receipt flexibilities that allow for qualifying revenue expenditure to be funded from capital receipts. This is a deviation from the previous policy of using capital receipts to support only the capital investment plan and consequently reduce the borrowing requirement.

Continuing developments in the integration of health and social care may bring cost consequences for our longer term financial planning. It is important to acknowledge the growing interdependencies in public sector finances, and in particular Health, and the way that we use our funds, and partners use theirs, will have an increasing bearing on outcomes in the district.

Section 151 Officer's assessment

Given the approaches to the use of resources and related issues set out in this paper, it is concluded that the estimates are sufficiently robust for Council to set a deliverable and balanced budget for 2023/24.

Members can be assured that a number of risks have been mitigated. For example, focused budget mitigation actions have been identified, many have been delivered already, and others are being reviewed on a regular basis by CMT. Revenue and capital budgets have been reviewed and subjected to challenge, reserves have been reviewed and, where appropriate, maintained or released to support the budget process. Investment in Children's and Adults Social Care has been made to meet rising costs and demands, and additional budget has been made available to meet inflationary pressures.

The budget proposal for 2023/24 includes £22.4m of funding changes, reduced contingencies, changes to capital financing, and £36m of cost savings including £10m from managing vacancies with some posts remaining unfilled for longer.

The 2023/24 proposed reserve use of c£44.3m is historically high, however the projected levels for 2023/24 remain adequate assuming

- The 2023/24 budget is delivered to plan
- Savings identified in previous years are delivered
- Response to demographic pressures are managed as planned
- Prevention and early help and locality models are successful in addressing costs and demands whilst continuing to deliver effective service models
- Potential liabilities are managed within the balance sheet's provisions and reserves
- Local sources of taxation and other income continue as planned.
- Identified budget mitigation and the transformation programme are delivered on time in order to protect future years MTFS.

It is therefore concluded that:

The reserves are adequate for the 2023/24 proposed budget, however given the level of reserves likely to be required to balance the 2022/23 revenue budget, this will leave limited unallocated reserves to support significant budget overspends and budgets beyond 2023-24 should the Council continue to face financial pressures on a similar scale.

Given the unprecedented levels of uncertainty and volatility in which the proposed budget is set, it is inevitable that there will be a number of risks to its delivery. These risks along with mitigating actions are identified in Appendix 1 to this report.

The financial challenges in future years beyond 2023/24 call for continued action, and the investment in the transformation programme will prove to be a vital contribution to this endeavour. The longer-term financial resilience depends on successfully implementing the cost improvement plans and potential future Government funding and reforms.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

The potential impacts of the identified risks have been modelled in Appendix 1 to this paper. This risk analysis will be used to inform management action during the year. The existing and proposed governance mechanisms to manage the budget are examined as part of the risk assessment.

6. LEGAL APPRAISAL

This assessment is made in accordance with the requirements of the Local Government Acts 1972 and 2003. The Council's Constitution provides that each year, before the budget is determined the s151 Officer will produce a report for the Executive showing ongoing commitments and a forecast of the total resources available to the Council to enable the Executive to determine any financial strategy guidelines.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

Sustainability implications are identified in the budget reports as presented to Executive on 14 December 2022, 31 January 2023 and 21 February 2023.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

No direct implications arising from this report.

7.3 COMMUNITY SAFETY IMPLICATIONS

Where there are any community safety implications arising from individual budget proposals these will be covered in the consultation exercise. Any implications arising from the consultation will be presented to subsequent meetings of the Executive.

7.4 HUMAN RIGHTS ACT

There are no direct human rights implications arising from this report.

7.5 TRADE UNION

The statutory requirement to consult with Trade Unions under S188 Trade Union and Labour Relations (Consolidation) Act 1992 where 20 or more redundancies are proposed within a 90-day period does not arise in respect of the new budget proposals for 2023/24 as these new proposals do not lead to the potential for 20 or more redundancies.

It should be noted that consultation on workforce implications on budget changes agreed in previous years will continue to take place.

Where a proposal gives rise to a transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006, trade union consultations will be carried out in accordance with those regulations. It should be noted there are no proposals within the 2023/24 budget that would give rise to TUPE. The proposed establishment of the Bradford Childrens and Families Trust. Which is not a budget proposal in itself, will involve TUPE transfer and consultation has taken place regarding this transfer arrangement.

The financial position and the proposals were explained at a recent Trade Union briefing and the formal commencement of the budget consultation on 6 December 2022. Further Consultation was held via service based level 2 and level 3 OJC meetings. Trade Union feedback relating to these budget proposals for 2023/24 will be collated and will be reported at Executive in February 2023 as an addendum to the budget report.

A briefing for all employees on the budget proposals has been issued through Chief Executive briefing, a letter to staff, line management and key communications/Bradnet and will be cascaded accordingly.

7.6 WARD IMPLICATIONS

In general terms, where the proposed savings directly affect services to the public, the impact will typically be felt across all wards.

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

The budget proposals include investment in Children Services.

The budget proposal is built within the context that Children's Services will transfer to the Bradford Children's and Families Trust with effect from 1 April 2023 as part of the continued improvement planning for the service.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

N/A

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. RECOMMENDATIONS

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

- the estimates presented to Council are sufficiently robust to set a balanced and deliverable budget in 2023-24.
- the reserves are adequate for the 2023/24 proposed budget. The level of reserves has reduced substantially to support the Council budget and in line with Central Government expectation that Councils should use their reserves
- the projected corporate reserves, on current estimates, are adequate in the short term, subject to the implementation of the rest of the proposed financial plan, however they do not represent a sustainable solution to addressing budget pressures beyond 2023-24.
- the Medium Term Financial Strategy will be updated and reported to Executive as clarity on future local government funding, reforms of adult and social care and other relevant issues are received.

As with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, it should be highlighted that this statement would have to be amended if a decision was proposed that leads to the Council's reserves reducing below their recommended General Fund balance level. In addition, any other amendments would be considered against the scale of the overall budget and

depending upon the extent and nature, may result in a revised statement.

10. APPENDICES

10.1 Appendix 1: Risk-Based Assessment

11. BACKGROUND DOCUMENTS

Executive reports and supporting information / working papers

- 21st February 2023 Revenue Estimates Report for 2023-24
- 21th February 2023: Capital Investment Plan 2023-24 to 2026-27
- 21th February 2023: Allocation of the Schools Budget for 2023/24 Financial year
- 31st January 2023: 2023-24 Budget Update Report and Addendum
- 3rd January 2023: Calculation of Bradford's Council Tax Base and Business Rates Base for 2023-24
- 14th December 2022: Proposed Financial Plan and Budget Proposals for 2023-24
- 1st November 2022: Quarter 2 Finance Position Statement for 2022-23
- 6th September 2022: Medium Term Financial Strategy Update 2023/24 to 2025/26
- 5th July 2022: Finance Position Statement for 2022-22
- 5th July 2022: Quarter 1 Finance Position Statement for 2022-23
- 5th April 2022: Quarter 4 Finance Position Statement for 2022-23
- 15th February 2022: The Council's Revenue Estimates for 2022/23
- 15th February 2022: Capital Investment Plan 2022-23 to 2025-26
- 15th February 2022: Allocation of the Schools Budget for 2022/23 Financial year
- 15th February 2022: 2022/23 Budget Proposals and Forecast Reserves – s151 Officer Assessment and Addendum
- 1st February 2022: Quarter 3 Finance Position Statement 2021/22
- 1st February 2022: 2022/23 Budget Update Report

Risk-Based Assessment of Potential Events Affecting the Proposed 2023/24 Budget and Beyond

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

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|--|---|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| Outcome of Central Government reviews such as fair funding review and/or business rate review adversely impact Bradford funding levels | There is little mitigation we can undertake directly as this is an external Central Government review. However, the expectation would be for funding to additionally recognise the impact of deprivation, local tax bases and other factors upon Councils and address prior funding streams which have seen Met/ Unitary Councils adversely impacted more than others. The MTFS reflects current funding patterns and future year budgets are not predicated on assumptions of large funding increases or upon large savings. Our MTFS budget is therefore consistent with current budget. The Council holds additional but limited reserves that could be drawn upon in the short term to enable a short-medium term approach to any future funding reductions if they occur. | Low / Medium Indications are that funding revisions would be beneficial. The MTFS has prudent assumptions, whilst the level of reserves, including earmarked reserves, enables impacts to be managed over a short term if other activities take place as planned. |
| Demand for services increase placing pressure on budgets | Demand for services may increase both in terms of general service demands, especially in Children’s Services, and specific post Covid and recently cost of living related demand pressures. MTFS includes provision for general demand pressures such as demographics and additional budget provision for services where demand is currently forecast to increase or generate an upward pressure on budgets, for example Children Services and SEND. | Medium / High MTFS includes allocation of budget to reflect key demographics and spend pressures. |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|---|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| Taxation streams are unstable | Additional uncertainty caused post Covid and with ongoing cost of living impacts impacting businesses and citizens; eg potential significant business restructuring, such as impact of pandemic on office space & retail, Brexit impact on services. Lower impact of housebuilding on Council Tax Collection Rates, bad debt provisions, appeals provisions, rateable property and the cost of the Council Tax Reduction Scheme are all volatile and are regularly monitored. Business Rates performance continues to be more volatile than Council Tax, with the outcome of appeals significantly reducing the tax yield. In year losses and gains can be handled through the Collection Fund, while variances can be dealt with in future year's plans. | Medium/Medium Contingency provided through adjustment of plans for subsequent years. |
| Other income streams unstable | Non-taxation income streams remain impacted by confidence post Covid and further impacted by cost of living with Leisure, Theatre and Parking revenue being impacted. NHS funding streams may be at risk in the wake of current financial difficulties. Past performance suggests that unplanned income may materialise, offsetting generally some of the risks against the aggregate net revenue budget. Fees and Charges reviews take account of potential impact on customer resistance / revenue streams | Medium / Medium Contingency provided through in-year budget control. Continuous dialogue with NHS partners over funding flows More active bidding for external funds Close monitoring of trading and general fees and charges revenues |
| Non-payment of debtors leading to additional write-offs | Potential economic downturn may result in additional non-payment of debts over and above existing bad debt provisions. Existing mitigation is through existing debt management | Low / Low Contingency provided through bad debt provision. |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|---|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | <p>processes and recovery action.</p> <p>Debt management review is seeking where possible for services to be paid at point of service/order. Where not possible, charges will be raised through debtor invoice processes enabling effective monitoring and tracking of debt to enable recovery</p> | <p>Should a trend be identified MTFS will be adjusted to reflect additional bad debt provision / write off requirements and amendments proposed to provision of services where possible</p> <p>Bad debt provision already reduced by £1.6m as part of existing 2022/23 budget mitigation plans</p> |
| Plans for implementation of savings are not delivered. | <p>Each savings proposal is required to be accompanied by a project plan setting out the implementation path. This process has been strengthened further through monitoring at CMT and the inclusion of a savings tracker in monthly DMT/CMT finance reports. The impact of the plans has been tested in consultation, with non-delivered savings being predominantly as a result of Covid or over ambitious levels being proposed previously.</p> <p>Implementation requires a dedicated project management resource and the Corporate Transformation team have driven weekly highlight reporting through CMT for the current budget mitigation plan</p> | <p>Medium / Medium</p> <p>Mitigation provided through continuous improvement of plans and regular monitoring reports through CMT. Risk reduced as no additional savings proposed for 2021/22 and 2022/23.</p> <p>2023/24 proposals include c£10m of vacancy review/ abatement factor savings. This will require close monitoring throughout 2023-24.</p> |
| Plans for implementation of transformation and change projects do not deliver expected outcomes | <p>Transformational activity within Adults, Children's, Early Help and Prevention and localities are progressing and a strong pipeline of change projects has been identified.</p> <p>Identified CMT Budget Mitigation plans developed initially through workshops in April and May 2022 led to weekly highlight reporting through CMT and significant reduction in forecast budget gap for 2022/23 and into MTFS period</p> | <p>Low / Low</p> <p>Transformational plans developed and transformation programme re-established building upon the effective CMT Budget Mitigation plans and weekly highlight reports into some detail.</p> |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | | Budget does not include a 'targeted' saving from transformation and therefore is not predicated upon achieving an outcome. Transformation is expected to feed into future MTFS and mitigate a level of future savings and /or enable investment in services |
| Planning is insufficiently flexible to respond to unexpected events | Governance arrangements allow Strategic Directors, under delegated authorities, and in consultation with Portfolio Holders, to flex plans during the year. If necessary, recourse can be had to the Executive to approve changes within the overall agreed budget envelope | Low/Low Evidenced through high extensive period of need to be flexible to effectively manage Covid related events and recent CMT budget mitigation plan |
| Uncertainties over the integration of health and social care, including delays in developing new models of care to support changes to service delivery | The future of adult social care is heavily influenced by national policy on integration. Progression of ICS model may trigger changes, but could also potentially delay changes, with potential adverse financial and client impacts. Governance mechanisms including the Health and Wellbeing Board and supporting bodies are in place, allowing shared planning with NHS partners, and joint participation in nationally led initiatives. Director of Health & Wellbeing role as part of ICS will support system and council budget planning across systems. Negotiations continue over the distribution of the Better Care Fund. | Medium / Low Dialogue and collaboration on joint funding with health partners is in progress. Impact judged as low as budget is not predicated on integration |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|--|---|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| Changes related to staff cannot be implemented to plan | 2023/24 budget proposals includes £10m to derive from a vacancy review/ abatement factor that will require both existing vacancies to be held for longer, and staff not being replaced when they leave. Any implementation of current planned savings will focus on avoiding compulsory redundancy. | Low/Medium Use of voluntary redundancy and vacancy management to mitigate impacts. |
| The establishment of the children's trust places additional financial pressures | The budget proposals provides for substantial increase in the Children's Services budget with a £57m proposed uplift, demographic funding and inflation funding. Demand management data has been produced that evidences the budget position, based on the assumptions included Planned and in place recruitment will reduce agency numbers providing a direct saving There will be additional cost of the trust management team and potentially in retained council functions eg Intelligent Client Function over and above MTFS assumptions Contract price negotiations in train and dialogue planned with DFE/DLUHC over the level of additional funding they may be prepared to contribute to facilitate an effective trust mobilisation and into delivery | Medium/Medium The position reflects the current circumstances. Effective dialogue / negotiation with the Trust and productive funding discussions with DFE/DLUHC would reduce the risk. |
| The HRA business plan may be financially unviable | The Council is opening a HRA from 1 April 2023 in line with the s74 direction status. The Council has engaged advisors and developed a business plan for the HRA. A report to Council Executive in November set out the current position and advised the financial risk around the rent cap level which was currently out to consultation. This | Low/Low The establishment of the HRA will be financially viable following the rent cap outcome. The Council has option to increase |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | has now concluded with a rent cap level that will enable a financially viable business plan for the HRA. The Council has identified options to increase stock, improving future viability and also in securing stock that may be suitable for vulnerable adults and children's | future viability and these need progressing from 1 April 2023 |
| The Council may have insufficient reserves to manage future uncertainties and volatilities | A number of earmarked reserves have been drawn down in 2022/23 as part of approved budget plans. Further reserves have been withdrawn and re-prioritised to mitigate in year and MTFs budget gaps. The MRP reserve will be called upon to balance the 2023/24 budget and if overall costs and funding remain as per the MTFs assumptions the reserve will be fully utilised to fund 2024/25 budget proposals. A number of budget mitigation and transformation plans have been identified and these must be delivered to retain some short term reserve flexibility. | Medium/High Current MTFs projections show the reserve position is adequate for 2023/24 but the current rate of drawdown will not be sufficient beyond that. Identified mitigations need delivering Services need to manage within approved budget |
| Insufficient inflation allowance is provided in the plan | Expenditure budgets have been selectively inflated at indices appropriate for the relevant line with £58.4m inflation added to core budgets. The total being equivalent to 13% of net revenue budget. This is inclusive of an estimated 4% pay award for 2023-24 and a catch up for a higher than budgeted pay award in 2022-23. There are also inflationary increases on contracts linked mainly to CPI, amounts to cover the increase in national living Wage increases for Social Care and other workers (a 9.7% increase from £9.50, £10.42 per hour for over 23s), 118% increases in the Energy budget for Council buildings and street lighting; increases in transport fuel costs, and inflation on Fees and Charges based on CPI. The amount required for inflationary pressures is | Medium/Medium Compensating action to reduce net costs Energy Price Volatility Reserve |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|---|--|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | extraordinarily high given the current economic climate, and price volatility. Where appropriate, budget managers will need to absorb unfunded inflation through reducing consumption of goods and services. The impact of potential greater inflationary pressures in the economy on the MTFs will need to be managed. | |
| Capital budgets are insufficient to meet rising costs, including inflationary pressures | Capital budgets are approved with some contingency. Recent experience has evidenced a significant inflationary increase on cost of core materials and capital works. As a result a number of capital budgets have had to be increased. Should this trend continue and prices not revert to prior levels there may be a pressure on budgets across the capital programme. As external funding is generally finite these pressures will result in additional borrowing with a consequential pressure on capital financing budgets. | High/Medium Contingency in budgets Balancing risk with suppliers, eg by asking to price at current prices Value engineering upon tender response £10m Capital Inflation provision included in 2023/24 budget proposals |
| Capital investment is poorly controlled | Experience from prior years suggests capital projects take longer to implement than planned with a significant degree of slippage. PAG processes have been updated, and period capital monitoring, including Leader and Portfolio Holder engagement implemented. Proposals to enhance project management, particularly larger / more complex projects are being developed. Capital challenge sessions provide for further Executive member led scrutiny and challenge | Low/Low Close monitoring is required to ensure that schemes do not overspend and deliver to plan. Contingency provided through adjustment of plans for subsequent years |
| Sources of funds | In addition, to the capital receipts expected to be released as | Low/Low |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|--|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| for capital investment do not materialise | a result of specific schemes, the Capital Investment Plan assumes an annual £2m of general capital receipts from emerging sales of Council property. If they do not materialise, the plan (or individual projects within it which are dependent on receipts) will need to be reviewed. A specific Capital Disposal plan is developed annually with specific receipts identified to achieve capital receipt targets | Contingency provided through adjustment of plans for subsequent years, and ability to flex the capital programme or borrow relatively cheaply |
| Capital projects do not deliver expected Invest to Save returns | A number of capital projects have been approved on an Invest to Save basis, with financial benefits forecast to offset capital borrowing costs. If these savings do not materialise the relevant service area will have a budget pressure in meeting these costs. A number of prior projects specifically in sports and leisure have been impacted by Covid as income levels have been impacted. These have been offset by Covid grants but may be impacted further from 2022/23 onwards Cost of living impacts upon capital costs will impact invest to save return. | Low / Medium Business plan approval subject to service sign off and PAG approval, before being approved by Executive. Capital and revenue monitoring processes. |
| Interest Rates are higher than anticipated over the life of the plan | Should there be sharp rate rises, this would have a corresponding impact on the capital financing budget as external borrowing becomes more expensive. This may in turn have an impact on the affordability of the capital programme, in particular in later years. Interest Rates assumed in the budget are based on the latest available information from professional treasury management advisors. Regular updates are received and form part of our monitoring processes and also the timing of when new loans are taken to fund the capital programme including advance borrowing against the programme forecast | Medium/Medium Compensating action to reduce net costs Re-profiling and reprioritisation of the capital plan Strong link between capital forecast, Treasury Management and MTFs Appropriate levels of advance borrowing |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|--|---|--|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| The baseline budget is structurally compromised | The proposed budget is set using the 2022/23 baseline as amended for specific changes. The 2022/23 forecast outturn shows a combination of overspend pressures and compensating underspends, the most significant of which have been accounted for as part of those specific changes, and where appropriate included within the MTFs, or within budget proposals, for example the proposed further increased base budget for Children's Services and the additional funding for Adults within the 2023/24 budget proposals. | taken where opportunities exist Medium / Medium Strategic Directors can use their delegated budgets flexibly Structural budget issues are identified and tracked, and if appropriate reflected in MTFs and budget plans. General Fund Reserve |
| Changes in school funding and in school structures created unforeseen and unfunded liabilities | Three factors could lead to financial stress in schools, which, under some circumstances, could create liabilities for the Council's budget: the increasing gap between funding and inflation-driven costs; the impact of the National Funding Formula on individual schools; conversions to academies. No additional provision has been made in the budget for these risks. | Medium/Medium Support for/intervention in individual schools On-going dialogue with Regional Schools Commissioner Engagement with Bradford Schools Forum Position regarding known conversions and deficits has been provisioned where material and appropriate |
| Internal governance arrangements are not fit for purpose | Constitutional arrangements, internal delegations, and the financial control environment are in place and, from audit testing, are effective. The Schools Forum and the supporting mechanisms are likewise effective at enabling a mature discussion about the use of local authority and DSG funds to support schools and pupils. Governance arrangements for health and social care are also well established. Internal governance supporting change | Low/low |

| Risk Event | Description and Mitigation in Place | Residual Risk Rating (Likelihood/Impact) and Contingency |
|------------|--|---|
| | | Likelihood: Low <20% <Medium < 50%< High<70% Impact: Low <£2m< Medium < £3m < High < £5m |
| | management also reduces the risk of departmental silo mentality. | |

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