

Public Document Pack



Department of Corporate Resources

Members of Council

Committee Secretariat

Legal and Democratic Services
Room 112, 1st Floor
City Hall
Bradford
West Yorkshire
BD1 1HY

Tel: 07811 503906
Contact: Guy Close
Email: guy.close@bradford.gov.uk
Your Ref: GC/Council

Date: 4 July 2022

Dear Councillor,

MEETING OF COUNCIL – TUESDAY, 12 JULY 2022

You are requested to attend the meeting of the Council to be held in the Council Chamber - City Hall, Bradford, on Tuesday, 12 July 2022 at 4.00 pm.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink that reads 'Bryn Roberts'. The signature is written in a cursive style.

Bryn Roberts
Interim City Solicitor

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

(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:
<i>Disclosable Pecuniary Interests</i>	<i>Disclose the interest; not participate in the discussion or vote; and leave the meeting <u>unless</u> you have a dispensation.</i>

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 it 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 not 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.

2. MINUTES

Recommended – That the minutes of the Annual Council Meeting held on 17 May 2022 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. PETITIONS (Standing Order 11)

To consider up to five requests for the Council to receive petitions in accordance with Standing Orders.

- (i) Traffic calming measures on Vine Terrace West – Clayton and Fairweather Ward.

If any further requests are received, in writing, by mid-day three working days before the meeting (Thursday), details will be circulated.

(Farzana Mughal – 07811 504164)

7. PUBLIC QUESTION TIME (Standing Order 13)

The following public question has been received from Robert Hargreaves:

“Can the council leadership provide an update on the outcome of the report it commissioned Sport England to carry out on swimming pools in Bradford, specifically in relation to the future of Queensbury Pool? As a former Queensbury Ward councillor, an active community campaigner

and a frustrated resident with a keen interest in the future of the site, it is disappointing that the council has been sitting on this information since the middle of December and that it's officers refuse to make an announcement despite previous promises made.”

(Fatima Butt – 07970 411746)

**8. 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).

- a) That the following non-voting co-opted members be appointed to the Children’s Services Overview and Scrutiny Committee for the 2022/23 Municipal Year:
- Tom Bright – Teacher Secondary School Representative
 - Dr Samina Karim – Children’s Social Care.
- b) That the following non-voting co-opted members be appointed to the Health and Social Care Overview and Scrutiny Committee for the 2022/23 Municipal Year:
- Susan Crowe – Bradford District Assembly Health and Wellbeing Forum
 - Trevor Ramsay – i2i Patient Involvement Network, Bradford District NHS Foundation Care Trust
 - Helen Rushworth – Healthwatch Bradford and District.

Action: Interim City Solicitor

9. REPORT BY THE LEADER OF THE COUNCIL

A written report by the Leader of Council giving an update on key issues will be circulated before the start of the meeting. There shall be a period of up to 15 minutes during which any Member of Council may ask the Leader of the Council (or a Member of the Council nominated by the Leader) a question on any matter arising out of the written report.

10. MEMBER QUESTION TIME (Standing Order 12)

To deal with supplementary questions arising from the attached questions of which written notice has been given.

Notes:

- (i) *Answers to written questions shall be circulated at the commencement of the meeting.*

- (ii) *The Lord Mayor will have regard to the list of questions and the political composition of the Council in calling on Members to put their supplementary question to the Leader of Council and Portfolio Holders.*
- (iii) *A period of up to 30 minutes shall be available for supplementary questions to Members of the Executive.*

1. Councillor Angela Tait

Would the leader join me in congratulating the organisers of the Bradford Dragon Boat Festival for delivering a wonderful event for the district to be proud of and raising much needed funds for The Lord Mayor's Charities and multiple other charities.

2. Councillor Sally Birch

How many Council owned residential class properties have been empty/unoccupied for over a year and what are the criteria for managing these in light of the housing demands in the district?

3. Councillor Jeanette Sunderland

At the Corporate Scrutiny Committee on 30th June 2022 the issue of apparently hundreds of computers bought for staff in Children's Services remaining unused was raised. Can the Leader assure us that the Council knows how many devices there are, exactly where they are now and can she confirm that there is no information about Bradford's most vulnerable children left on those devices?

4. Councillor Matt Edwards

Can the leader of the Council tell us what Bradford Council have done to make sure: a) every individual and small business that is eligible for an exemption for the Clean Air Zone has been made aware of the options; b) ensure the website is accurate and up to date with all the relevant information; and c) The Council has in place information and process to assist residents who don't have access to the internet.

5. Councillor Luke Majkowski

Can the portfolio holder finally provide feedback for members, as well as for the very hardworking and dedicated Queensbury Tunnel Society, on the studies carried out on Queensbury Tunnel? This information has been in the hands of the council for a significant amount of time now. Also, do recent events at Cumbria's Great Musgrave Bridge, in his opinion, have any impact on the in filling of Queensbury Tunnel?

6. Councillor Fozia Shaheen

Can the leader join me in congratulating Bradford District in securing the City of Culture 2025. This is an amazing achievement

for our city. Please could the leader assure this money will be used to reflect and support all communities through regeneration, heritage and cultural opportunities, and advise what are the plans for the next steps.

7. Councillor Angela Tait

Could the portfolio holder provide an update on progress of the domestic violence pilots across the district.

8. Councillor Mike Pollard

Further to the airing of "Bradford on Duty", does the Leader of the Council believe that contributing to the programme was a good idea, conducive to promoting to the reputation and perception of Bradford District?

9. Councillor Paul Godwin

How much are Keighley Town Council spending on their referendum? Including sending a letter to voters to explain the arrangements? What proportion of Town Council's annual precept would this represent?

10. Councillor Paul Godwin

In the event of development not going ahead on the old Keighley College site, what would be the financial implications for the Council in terms of 'clawback' of the funding provided for the site preparation?

11. Councillor Zafar Ali

In light of residents' confusion regarding the responsibility for the clearance of leaves on public footpaths etc, they now often report problems to Ward Councillors as a first port of call and when advised to ring the generic Bradford 01274,431000, as this is what the Council advises members to pass on, they sometimes respond with disappointment and sometimes hostility towards elected members, would the Portfolio Holder for Regeneration, Transport, Planning and Housing, please advise as to how the council proposes to improve / streamline this situation?

12. Councillor Brendon Stubbs

Following the freedom of information request from the Times newspaper that revealed that Bradford Council still has around 90% of office space unused due to continued home working of staff, can the leader please detail the current occupancy levels and the steps being taken to ensure that unused office space is not becoming a financial burden and ensure that staff are encouraged to return to the workplace.

13. Councillor Kevin Warnes

Can the Leader of Council reassure the Shipley ward councillors that officers implementing the Active Travel Neighbourhood in Saltaire will make sure that (a) local Town and District councillors are kept fully informed about its performance on a regular basis; (b) residents are similarly updated about the impacts on traffic in their community; and (c) the Executive undertakes to respond fully to any concerns that residents and councillors may have about this scheme?

14. Councillor Nazam Azam

With the cost of living crisis is there an opportunity to do more to support the roll out of Citizen Coin?

15. Councillor Marcus Dearden

It's good to see the council investing in the Doe Park centre – please could the portfolio holder outline what are the recent improvements to the building and the expected benefits. Are there discounts in place for disadvantaged young people?

16. Councillor Geoff Winnard

In view of the Bradford's success in being named 2025 City of Culture, can the leader confirm that the Council's culture policy is supportive of artistic freedom of expression, whether through books, paintings, films, sculpture etc. (unless illegal) and in opposition to censorship?

17. Councillor Julie Lintern

Can the portfolio holder advise what events are planned for the Holiday Activities and Food programme in the school summer holidays for children throughout the district?

18. Councillor Mohammed Shafiq

How many electric or low emission buses do we now have in the Bradford district?

19. Councillor Debbie Davies

A report that went to scrutiny in the spring stated "getting office workers back into our city and centres is the key remaining element to recovering to pre-pandemic footfall levels" – could we have an update on council office workers and what the current working arrangements are working from home and the office?

20. Councillor Taj Salam

The recent finance report to Executive predicts the council will face an additional £20m cost from rising inflation, with transport fuel

costs already up 25% and an estimated doubling of energy unit prices. The report also predicts a continuing impact from Covid yet our Covid funding from government has ended. Does the Leader share my concern, how will the government put its levelling up rhetoric into practice given councils across the country are facing such immense budget shortfalls for the coming year?

21. Councillor Rizwana Jamil

Can I have an update on our planting a tree for every child project?

22. Councillor Mike Pollard

Would the Leader concede that Government merely endorsed the CAZ charging structure proposed by Council, it did not mandate the charging structure to be adopted.

23. Councillor Hassan Khan

Can the portfolio holder explain the Vision Zero initiative to reduce road casualties and what more we can do with police and partners to make our roads safer for everyone?

24. Councillor Kamran Hussain

Can the Portfolio Holder for Housing outline the steps taken by the Council's Homelessness teams to reduce the number of people in temporary accommodation and support them into secure, permanent accommodation of a decent standard?

25. Councillor Andrew Loy

What funding, if any, has been allocated to Backstone Way playground in Ilkley for new and replacement equipment?

26. Councillor Jeanette Sunderland

There have been a number of incidents in local woodlands and parks where members of the public have felt scared or intimidated or even experienced a dog-on-dog attack from dogs being walked by professional dog walkers. Does the Portfolio Holder agree it is essential that dog walkers comply with the requirements of the law and local bylaws relating to dog walking and will she consider implementing a scheme to licence professional dog walkers which also limits the number of dogs that can be walked, restricts the meeting up of professional dog-walkers and ensures standards of welfare for the dog, respect for other walkers or riders, the environment and peace of mind for the dog-owners.

27. Councillor Celia Hickson

Will the leader of the Council and officers agree to meet ward councillors and representatives from Tong Leadership Academy to discuss the ongoing situation at the former Yorkshire Martyr's Site? Given the location of the site and the limited possible uses, would

the Council consider purchasing the site to ensure this eyesore is finally demolished?

28. Councillor Kamran Hussain

Can the portfolio holder tell me what provisions have been put in place to support grassroots organisations in deprived areas post-pandemic?

29. Councillor Mohammed Shafiq

Can the portfolio holder give an update on our investment in skills and supporting people into work post-Covid?

30. Councillor Geoff Winnard

On Sunday, 15 May a section of the northbound A650 Bingley Bypass was closed to motorists to allow filming for a BBC television programme. This caused widespread disruption for local residents, most of whom were unaware of the planned road closure, with significant congestion on routes through the town. What assessment of the likely traffic impact was made by the Council before deciding to whether to agree to the road closure? How much did the Council charge the filming company for use of the highway throughout the day?

31. Councillor Mohsin Hussain

Can the portfolio holder give an update on the Towns Fund plans for Keighley and which projects are likely to be delivered most quickly?

32. Councillor Liz Rowe

Can I have an update from the portfolio holder for regeneration on our investments with our partners in Shipley constituency, including the latest on the Towns Fund schemes?

33. Councillor Debbie Davies

Culture is our plan' target is "by 2031 50% of Bradford District creative workforce, audiences and cultural leadership will be drawn from people currently underrepresented in Culture and Creative Industries sector." Could you explain which people are underrepresented?

34. Councillor Julie Humphries

An LGA survey found 98% of councils do not have confidence that the funding from the government's adult social care reforms will be enough to meet need – does the portfolio holder share that concern?

35. Councillor Kyle Green

What projects are being considered for the Keighley Constituency for the Government's Levelling up Funding and what consultation will take place with local ward Councillors regarding this funding?

36. Councillor Debbie Davies

It states in the Infrastructure Funding Statement 2020/2021 that there was £9.52m unspent Section 106 contributions – what is the current figure and when is this money going to be spent on the important items it has been allocated towards such as affordable housing, highway works and recreation?

37. Councillor Alun Griffiths

Does the leader agree that this council should be standing up for fair and responsible tax conduct, and as such will she commit to supporting the "Councils for Fair Tax declaration"?

38. Councillor Anna Watson

Now that we have secured our forthcoming City of Culture status, will the Leader of Council please (a) write to Network Rail to press them to invest more resources in clearing away the refuse/litter from the approaches to Bradford's railways stations and (b) share Network Rail's response with councillor colleagues?

11. RECOMMENDATIONS FROM THE EXECUTIVE AND COMMITTEES (Standing Order 15) 1 - 22

At the meeting of Governance and Audit Committee held on 9 June 2022, consideration was given to a report of the Director of Finance and IT, which presented the Annual Treasury Management Report 2021-22 for adoption by Council.

Resolved – That the report (**Document "C"**) be noted and referred to Council for adoption.

Action: Director of Finance and IT

12. NOTICES OF MOTION (Standing Order 17)

To consider notices of motion set out below:

12.1

Eliminating the use of pesticides in our community

To be moved by: Councillor Anna Watson

To be seconded by: Councillor Kevin Warnes

Council notes that:

- a) residents across our District are concerned about the use of pesticides such as Glyphosate on our streets, housing estates, parks and gardens, and the impact of this policy on human, animal, insect and environmental health in general;
- b) these concerns are increasingly supported by scientific evidence that shows potential links of Glyphosate to cancer, liver disease and fertility in the human population;
- c) there is also growing scientific evidence that the use of pesticides, including Glyphosate, is causing a decline in insect populations including key pollinators such as bees, wasps and butterflies;
- d) the European Commission published proposals in June 2022 that will “ban all pesticides in sensitive areas”, prohibiting their use “in places such as urban green areas, including public parks or gardens, playgrounds, schools, recreation or sports grounds, public paths and...any ecologically sensitive area to be preserved for threatened pollinators”, with the intention of removing chemical pesticides “from our proximity in our everyday lives”;
- e) many towns and cities across the UK are reducing, or eradicating, the use of pesticides in urban spaces and switching to non-chemical methods of weed control;
- f) Bradford Council’s Sustainable Development Action Plan states that the principle of “Living Within Environmental Limits” should “inform action across the Council”, and that “The Council, with the powers, resources and influence at its disposal, will seek to ensure effective climate action and a safe and high quality local environment, actively working to have a positive impact on the rest of the world. Respecting the limits of our environment, resources and biodiversity and ensuring that the natural resources needed for life are unimpaired and remain so for future generations”;
- g) our Local Biodiversity Action Plan does NOT include bumblebee bees or other pollinators in the list of species that have action plans to protect and enhance their status across the District.

Council therefore resolves to:

1. produce an action plan for the elimination of the use of all pesticides by the Council, inclusive of glyphosate, before the end of 2022, with the intention of implementing the measures in the plan from the beginning of the 2023-2024 municipal year;
2. support our key partners to follow suit and develop their own strategy for ending the use of pesticides on land under their control;
3. encourage the general public to stop the use of pesticides in their gardens, allotments and other open areas;
4. develop a broader pollination strategy that will show how, as a District, we will support biodiversity and local ecosystems through regeneration and the protection of local habitats (for example, through development of local community orchards/gardens, the introduction of a wild flowering programme or simple re-wilding

- areas of the District);
5. add bumble bees and other pollinators to our Local Biodiversity Action Plan as species with action plans to protect and enhance their status across the District
 6. request that the Chief Executive reports back to Council in January 2023 with an update on how the above actions have been implemented.

12.2

Woodlands and trees

To be moved by: Councillor Luke Majkowski

To be seconded by: Councillor Matt Edwards

Council notes that:

- Bradford Council currently manage around 30,000 street trees and 860 hectares of woodland across the District.
- The Woodlands Team in Bradford Council consists of 11 members including senior officers. 4 of the 11 members are front line operatives who are able to respond to issues at ground level only.
- Work needed to trees above head height is currently contracted out.
- In January 2019, Bradford Council passed a motion that declared a “Climate Emergency” and on our website commits to “Improve green space” across the District.
- Bradford Council has also pledged to plant one tree for every primary school child across the District. This equates to 55,000 trees of which around 26,000 have already been planted. 10,000 of which will be planted under the Queens Canopy (QGC).
- Bradford Council was awarded “Tree City of the World” for its commitment to urban tree forestry.
- Bradford District is part of Northern Forest Project - an ambitious plan to plant 50 million trees across the North of England before 2032.

Council resolves that:

To ensure we are able to deliver its ambitious goals by:

- Reviewing the size of the woodlands department to ensure it is able to deliver effective trees and woodland preservation across the District.
- To ensure plans are in place so that new trees planted in any of the schemes are looked after to ensure they reach maturity.
- To ensure that trees with Tree Preservation Orders (TPOs) on Council land have individual risk assessments and plans are in place to preserve trees deemed at risk. Where relevant, plans should involve voluntary groups such as “Friend of” groups.

- Having a robust process in place to assist residents raising concerns about trees overhanging their property and to ensure the Council quickly responds to issues.
- Working with community groups and volunteer groups to build better relationships and empower them to manage the trees and woodlands in a sustainable and controlled manner.
- Improving the process for residents to report issues within the Bradford Council app and website.
- Reviewing the current communication plan between the woodlands department, the public and councillors to ensure residents and councillors are kept informed about the issues they raise.

12.3

Supporting all road users

To be moved by: Councillor Debbie Davies

To be seconded by: Councillor Rebecca Poulsen

Council notes that:

- For many people car ownership is an aspiration or a necessity.
- However good public transport can be, it will never take you from door to door and you cannot use it to transport more equipment, shopping etc. than you can carry.
- People can't rely on trains and buses due to strike action, unreliable services or cuts to services.
- Not everybody is confident about riding a bike on the roads or in all weathers and it's difficult or impossible to carry children and pets.

Council resolves:

- To stop seeing cars as the enemy and instead think of all road users when planning new road schemes or changes to the current road network.
- To learn from mistakes in the past where bus lanes have been introduced and then reverted to lanes for motorists.
- To ensure that cyclists are safely segregated from motorists by using off road routes e.g. wider pavements with space for cyclists and pedestrians, off road cycle ways and making better use of towpaths and disused railway lines.

12.4

Rental Auctions

To be moved by: Councillor Alun Griffiths

To be seconded by: Councillor Brendan Stubbs

This council notes the provisions in the Levelling up Bill currently before parliament pertaining to powers for Local Authorities to require “Rental Auctions” where high street properties have been left empty for more than a year.

This council believes that such empty properties are a blight on our City and Town centres and have a damaging knock on effect on neighbouring businesses and the areas as a whole.

This council resolves to:

- Write to our district’s members of parliament requesting that they support these parts of the bill.
- Prepare to make use of these provisions by identifying areas to be designated as “High Streets” within the meaning of the act.
- Identifying the properties in these street that fulfil the “vacancy condition” within the act in order that letting notices and if subsequently required final letting notices may be issued without delay when the powers are made available.

12.5

A Council Structure to meet future needs

To be moved by: Councillor Mike Pollard

To be seconded by: Councillor Rebecca Poulsen

Council notes that:

- Bradford is the fifth largest Metropolitan District Council with the youngest population in the country.
- The proportion of the Council budget invested in Children’s Services is approximately 34.5%, a percentage understated to a considerable extent via an obvious emerging error, leading to a Q1 update which, had it been realistically modelled and presented at the outset, i.e. at Budget Council in February, would have been approximately 43%.
- The Children’s Services staff will and the bulk of the annual budget for the service will likely, transfer to the new arms-length company, significantly reducing the day to day Children’s Services responsibilities of the Council, with Bradford remaining the 5th largest Metropolitan District in terms of demography, but not in terms of functional responsibility.
- A significant portion of Education Services have been externalised in recent years, by the academisation of many schools.
- In order to carry out its responsibilities, the new Children’s Services company will require its own senior management team, with salaries at a level required to attract the calibre of candidates capable to bring about rapid, sustainable improvements and this will not be cheap.
- In light of the ongoing increases in the cost of living, the residents

of Bradford do not need the burden of paying for additional managers and the council should not expect them to pay extra tax indefinitely, for its repeated serious failings in Children's Services.

Council resolves:

- To instigate a review to identify the most suitable management structure for the council for the foreseeable future.

12.6

UK City of Culture 2025

To be moved by: Councillor Susan Hinchcliffe

To be seconded by: Councillor Rebecca Poulsen

On 31st May Bradford was named UK City of Culture 2025 after a hugely successful bid which showed off the whole district, its talent and its unequalled potential to the expert judges and ministers. Bradford's award of UK City of Culture will generate significant new inward investment to the district and create exciting opportunities for residents and businesses.

This Council:

- Thanks the Bradford 2025 City of Culture team for their hard work in developing a brilliant and inclusive bid that galvanised the whole district.
- Reaffirms our support as the team progress to the next stage of planning for delivery.
- Recognises the importance of art, culture and the creative industries in driving regeneration and generating world class opportunities for residents of all ages and backgrounds.
- Recognises that the arts and culture are integral to a high-quality STEAM curriculum in schools and other educational settings (science, technology, engineering, arts and mathematics)
- Notes and welcomes the economic and social benefits already gained for the district through the bid, including:
 - Over £5m revenue secured in the past three years.
 - £2m secured for Creative People and Places and £1m for the Bradford Producing Hub (one of only two in the UK).
 - Extensive local, national and global coverage across print, digital, TV and social media.
 - Published a 10-year cultural strategy, Culture is our Plan, recognised as a national model of good practice.
 - Delivered a series of projects showcasing a new wave of talent.
 - Developed new levels of collaboration and partnership between key agencies, particularly the University of Bradford and the Council.

We resolve to:

- Continue our strong support for the City of Culture team in the next phase of planning for delivery of a successful year.
- Work with partners across the district and nationally to gain and share expertise and to involve everyone in the district as excitement builds to 2025.
- Work to ensure the strongest possible lasting legacy from Bradford's year as City of Culture for all communities across the whole of the district – we must ensure our residents and businesses enjoy sustained benefits post-2025 and this must be a key part of the delivery plans.

12.7

UK cost of living crisis

To be moved by: Councillor Susan Hinchcliffe

To be seconded by: Councillor Abdul Jabar

This Council is concerned that these are extremely difficult times for residents and businesses in our district faced with the national cost of living crisis. UK inflation is at a 40-year high of 9.1%. The Bank of England expects it will reach 11% in October, significantly higher than other similar countries in the G7.

Wages in the UK stagnated between 2010 and 2020 in a decade of government austerity and weak growth. We now have a country where household budgets are under strain, including those of working families who account for over 40%, or 2 million, of Universal Credit claimants. Plus a growing number of families who receive no state support are worried about money. Two thirds (66%) of respondents to the Office for National Statistics' latest Opinions and Lifestyle Survey (OPN) in January said their cost of living had gone up in the last month. Of those, almost 9 in 10 (87%) said the price of their food shop had increased, and 8 in 10 (79%) said gas and electricity prices were a factor. We now have the added impact of Covid, Brexit and global events like the war in Ukraine, creating a perfect storm for all households and especially the most vulnerable who are disproportionately hit by rising food and energy costs.

The government's £20 a week cut in Universal Credit last October takes £66m from the least well-off households in our district over the course of a year.

For families, businesses and public services alike, costs are rising rapidly. Growth is lacking. Whilst we as a Council do everything we can to support residents through this, the country needs a transformation not a sticking plaster. The Government needs to invest in growth that everyone can contribute to and share in.

This Council resolves to:

- Continue to support our most vulnerable residents facing immediate pressures by providing:
 - Welfare assistance and advice.
 - Council Tax Reduction scheme including for care leavers.
 - Discretionary housing payments.
 - The Household Support Fund, including support for: VCS provision, free school meal families during the summer break, foodbanks, carers, lower-cost white goods and help with fuel costs.
 - Holiday activity and food (HAF) programmes.
 - Support for social supermarkets and foodbanks.
 - Support for the Bradford Credit Union.
 - Support for the development of our anti-poverty strategy to meet the growing challenges of the post-covid world and rising cost of living, which will aim to protect people in poverty, prevent people falling into or deeper into poverty, provide pathways out of poverty and ensure those in poverty can participate in the full life of their communities – economic, social, political and cultural.
- Continue to work with the West Yorkshire Mayor who is taking action to tackle the cost of living crisis on a regional level, for example by capping bus fares.
- Invest in growth – we are building the infrastructure for businesses to grow and investing in employment and skills to support people into work.
- Call on government to do more for struggling families – current HAF funding covers only four weeks of the six week holidays and only four days in those weeks.
- Call on government to invest in a stronger, more secure and growing economy for the long term – which means investing in Bradford to make levelling up a reality.
- Lobby government for fairer council funding.

13. PAY POLICY STATEMENT UPDATE FOR 2022/23

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To receive a report from the Director of Human Resources presenting details of the proposed amendments to Pay Policy Statements for the financial year 2022/23 to reflect appointments to the Children's Trust, and senior roles in the Council following job evaluation and benchmarking.

14. EXECUTIVE CONSIDERATION OF URGENT REPORT

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Pursuant to paragraph 12.1 of the Executive Procedure Rules, the Leader of the Council to present an update to Council detailing Executive decisions considered within the previous three months under the Special Urgency provisions contained in paragraph 11 of the Executive Procedure Rules.



Report of the Director of Finance & IT to the meeting of Governance and Audit to be held on 9 June 2022

C

Subject:

Annual Treasury Management Report 2021-22

Summary statement:

This report shows the Council's Treasury Management activities for the year ending 31 March 2022

Chris Chapman
Director of Finance & IT
Report Contact: David Willis
Phone: (01274) 432361
E-mail: David.Willis@Bradford.gov.uk

Portfolio: Corporate
Overview & Scrutiny Area:
Corporate

Annual Treasury Management Review 2021-22

1. Introduction

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021-22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2021-22 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Governance and Audit Committee 25/03/2021 and Council 25/01/2022)
- a mid-year, (minimum), treasury update report (Governance and Audit Committee 25/11/2021 and Council 25/01/2022)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance and Audit Committee before they were reported to the full Council.

Member training on treasury management issues was undertaken during the year on 11th November 2021 in order to support members' scrutiny role.

2. Overall Treasury Position as at 31st March 2022

The Council's treasury management debt and investment position is organised by the treasury management service, in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity, detailed in the Council's Treasury Management Practices.

At the end of 2021-22 the Council's treasury, (including borrowing by PFI and finance leases), position was as follows:

	31 March 2021 Principal £'m	Rate/ Return	31 March 2022 Principal £'m	Rate/ Return
Fixed rate funding:				
-PWLB	297.8		292.3	
-Market	36.2	4.86%	36.2	4.79%
-Other	0.4		0.4	
PFI and other finance leases	154.9		146.9	
Short term borrowing	0.0		37.0	
Total debt	489.3		512.8	
CFR	698.8		708.7	
Over / (under) borrowing	(209.5)		(195.9)	
Total investments	133.3	0.14%	186.1	0.13%
Net debt	356.0		326.7	

3. Prudential Indicators

3.1 The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

Actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed. Capital expenditure has increased compared to the previous year, which was impacted by Covid-19.

	2020-21 Actual £'m	2021-22 Estimate as at Q2 £'m	2021-22 Actual £'m
Capital expenditure	63.9	139.4	104.7
Financed in year	49.3	73.0	70.1
Unfinanced capital expenditure	14.6	66.4	34.6

3.2 The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so the underlying borrowing need. Any capital expenditure above, which is not immediately paid for through a revenue or capital resource, will increase the CFR.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

To ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (20-21), plus the estimates of any additional capital financing requirement for the current year (2021-22) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The Council has complied with this prudential indicator.

The table below highlights the Council's gross borrowing position against the CFR. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract. The CFR figure is less than budgeted due to slippage on the capital programme, which has resulted in a lower requirement to borrow.

	31 March 2021 Actual £'m	31 March 2022 Budget £'m	31 March 2022 Actual £'m
Capital Financing Requirement	698.8	741.0	708.7
Gross borrowing position	489.3	497.0	512.8
(Under) / over funding of CFR	(209.5)	(244.0)	(195.9)

The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need. This differs from the treasury

management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2021-22 MRP Policy, (as required by the Department for Levelling Up, Housing and Communities (DLUHC) Guidance), was approved as part of the Budget Report for 2021-22 on 18th February 2021.

3.3 Treasury Indicators

The authorised limit - the authorised limit is the “affordable borrowing limit” required by section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2021-22 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable, subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream to be met from government grants and local taxpayers.

	2021-22 £'m
Authorised limit	852.0
Maximum gross borrowing position during the year	512.8
Operational boundary	850.0
Financing costs as a proportion of net revenue stream	14.2%

The maturity structure of the debt portfolio was as follows:

	31 March 2021 Actual £'m	31 March 2022 Actual £'m
Under 12 months	19.8	66.8
12 months and within 24 months	15.5	6.5
24 months and within 5 years	22.3	33.1

5 years and within 10 years	59.3	54.3
10 years and within 20 years	56.9	45.0
20 years and within 30 years	5.0	15.0
30 years and within 40 years	87.3	86.4
40 years and within 50 years	67.9	58.8

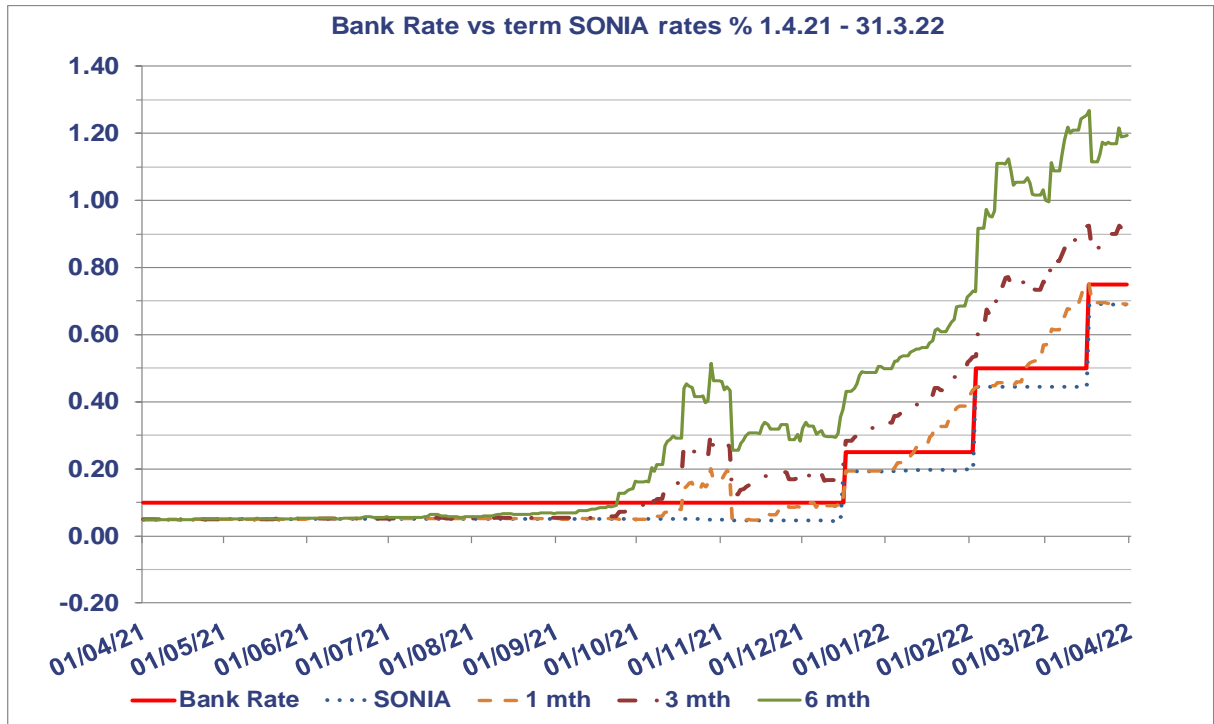
4.The Treasury Strategy for 2021-22

4.1 Investment strategy and control of interest rate risk

Investment returns remained close to zero for much of 2021-22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021-22, was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit, so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cash flow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).

The graph and table below illustrate bank rates for the 2021-22 year.



	Bank Rate	SONIA	1 mth	3 mth	6 mth
High	0.75	0.69	0.75	0.93	1.27
High Date	17/03/2022	18/03/2022	16/03/2022	28/03/2022	17/03/2022
Low	0.10	0.05	0.05	0.05	0.05
Low Date	01/04/2021	15/12/2021	10/11/2021	14/04/2021	09/04/2021
Average	0.19	0.14	0.17	0.24	0.34
Spread	0.65	0.65	0.71	0.88	1.22

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far abler to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

4.2 Investment Outturn 21-22

The Council's investment position at the end of 2021-22 is summarised below

INVESTMENT PORTFOLIO	2020-21		2021-22	
	£m	%	£m	%
Treasury investments				
Banks	87.5	66	£103.5m	55
Building Societies - rated	9.3	7	£0m	0
DMADF	36.5	27	£5.0m	3
Treasury Bills	0	0	£0m	0
Money Market Funds	0.0	0	£77.6m	42
Total managed in house	133.3	100	£186.1m	100

The maturity structure of the investment portfolio was as follows:

	2020-21 Actual £'m	2021-22 Actual £'m
Investments		
Longer than 1 year	0.0	0.0
Up to 1 year	133.3	186.1

The Council's investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 17/05/22. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Investments held by the Council - The Council maintained an average balance of £174m of internally managed funds. The internally managed funds earned an average rate of return of 0.13%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.135%. The total investment income was £234k.

5. Borrowing

5.1 Borrowing strategy and control of interest rate risk

Borrowing is undertaken to fund net unfinanced capital expenditure and naturally maturing debt and also to maintain cash flow liquidity requirements. During 2021-22, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a

temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

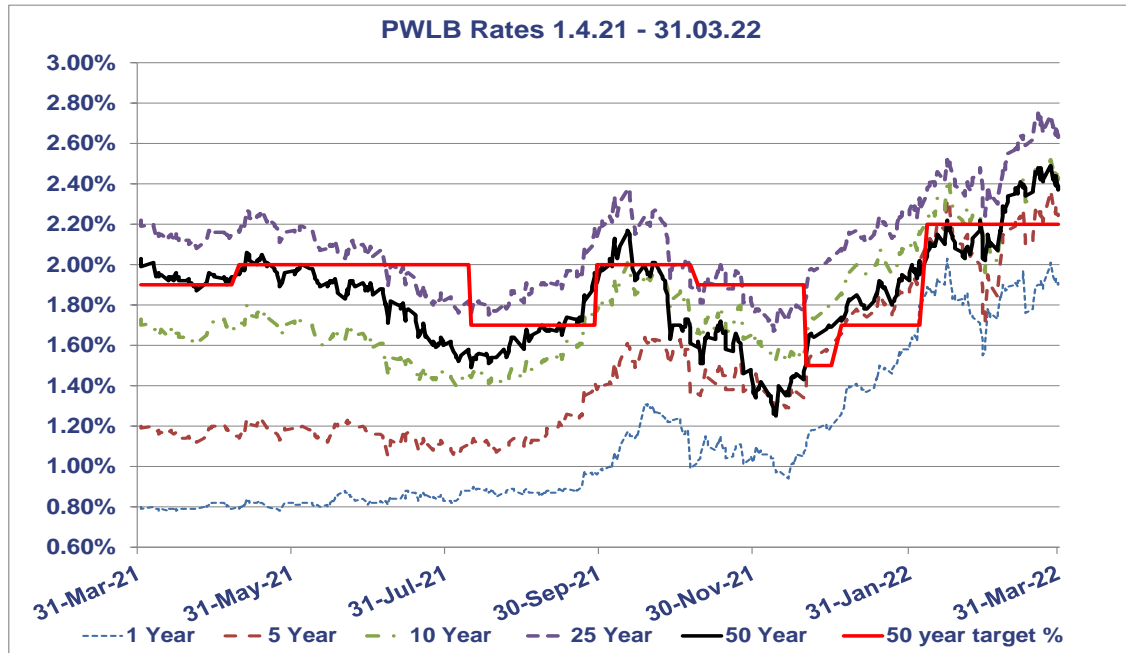
Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance & IT therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2021-22 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. Internal, variable, or short-term rates, were expected to be the cheaper form of borrowing until well in to the second half of 2021-22. Forecasts at the time of approval of the treasury management strategy report for 2021-22 were as follows.

Link Group Interest Rate 8.3.21												
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30

PWLB RATES 2021-22



PWLB rates are based on gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen, over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. Recently, yields have risen since the turn of the year on the back of global inflation concerns.

Graph of UK gilt yields v. US treasury yields



Gilt yields fell sharply from the spring of 2021 through to September and then spiked back up before falling again through December. However, by January sentiment had well and truly changed, as markets became focussed on the embedded nature of inflation, spurred on by a broader opening of economies post the pandemic, and rising commodity and food prices resulting from the Russian invasion of Ukraine.

At the close of the day on 31 March 2022, all gilt yields from 1 to 5 years were between 1.11% – 1.45% while the 10-year and 25-year yields were at 1.63% and 1.84%.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be a further rise in short dated gilt yields and PWLB rates over the next three years. Bank base rate are at 1.00% as at 10/05/22 and are expected to increase to 1.75% later this year, with upside risk likely if the economy proves more resilient in the light of the cost of living squeeze. Medium to long dated yields are driven primarily by inflation concerns but the Bank of England is also embarking on a process of Quantitative Tightening when Bank Rate hits 1%, whereby the Bank's £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

5.2 Borrowing Outturn 2021-22

£5.511m of loans matured in January 2022 with an average rate of 9.25%. Due to the high cash balances no new loans were undertaken this year.

Summary of debt transactions – management of the debt portfolio resulted in a fall in the average interest rate of 0.07%, representing net General Fund savings of £230k p.a.

5.3 Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

5.4 Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

6. Other Considerations

6.1 None

7.Changes to the Treasury Management Policy

7.1 None

8. Other Issues

8.1 No issues

9. Financial and Resources Appraisal

9.1 The financial implications are set out in section 1 to 8 of this report

10. Risk Management and Governance Issues

10.1 The principal risks associated with treasury management are:

Risk: Loss of investments as a result of failure of counterparties.

Mitigation: Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties.

Risk: That the Council will commit too much of its investments in fixed term investments and might have to recall investments prematurely resulting in possible additional costs or new borrowing (Liquidity risk).

Mitigation: Ensuring that a minimum proportion of investments are held in short term investments for cash flow purposes.

Risk: Increase in the net financing costs of the Council due to borrowing at high rates of interest.

Mitigation: Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking mostly long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs).

Risk: Higher interest rates increase borrowing making it more difficult to self-finance capital schemes. Debt servicing becomes less affordable and less sustainable and crowds out revenue spend.

Mitigation: To pause, delay or defer capital schemes. Also review opportunities to borrow in the future at current interest rates.

Risk: Return on non-treasury investments lower than expected.

Mitigation: Review and analysis of risk prior to undertaking non-treasury investments.

Risk: Coronavirus future outbreaks. resulting in possible lockdowns etc.

While the risk over coronavirus have reduced at present it is an area we will continue to monitor and report any action we have had to undertake if circumstances change, in the next Treasury report.

Risk: The Council's Minimum Revenue Policy charges an insufficient amount to the Revenue Estimates to repay debt.

Mitigation: Align the Minimum Revenue Policy to the service benefit derived from the Council's assets.

Risk: Associated with cash management, legal requirements and fraud.

Mitigation: These risks are managed through:

- Treasury Management Practices covering all aspects of Treasury management procedures including cash flow forecasting, documentation, monitoring, reporting and division of duties.
- All Treasury management procedures and transactions are subject to inspection by internal and external auditors. The council also employs external financial advisors to provide information on market trends, credit rating alerts, lending criteria advice and investment opportunities.

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Risk: Increase in capital financing costs due to inflationary forces resulting in increased cost pressures on current capital projects and higher costs compared to approved budgets.

Mitigation: Regular monitoring of the capital programme through comparison to budgets.

Risk: Anticipated borrowing is lower than expected because the 2022-23 capital programme is underspent. This is explained in more detail below, together with the actions being taken to reduce these risks:

Mitigation: The Council is required to set a balanced budget for its revenue estimates; so in broad terms, income received will match expenditure over the 2022-23 financial year. The 2022-23 revenue estimates cause only temporary cash flow differences, for example when income is received in a different month to when the expenditure is incurred.

However, the 2022-23 capital budget will cause a cash flow shortfall in the long term, which generates a borrowing requirement. While some of the capital budget is funded immediately, mainly with Government grants, other elements are not funded initially, leading to the cash flow deficit that requires borrowing.

Managing borrowing is part of the Treasury Management role. To help in its management, the Treasury Strategy identifies the element within the capital budget that is not funded straightaway, to anticipate the Council's borrowing requirement.

However, when the capital budget is underspent, the Council has a lower borrowing requirement than anticipated. This risk is managed in practice because the Council only borrows when there is an actual cash flow shortage. The uncertainty around spend against the capital budget makes cash flow management more difficult. For example, it is less likely that the Council would take advantage of a short-term fall in interest rates, without more certainty around the timing of any borrowing need. Actions that have taken place to manage the risks relating to this uncertainty in the timing of capital spend are: Councillor and Officer challenge sessions on the capital budget; increased scrutiny of the capital forecasts in the quarterly monitoring, and the collection of additional documentation around the critical paths of individual schemes.

11. Legal Appraisal

11.1 Any relevant legal considerations are set out in the report

12. Other Implications

12.1 Equality & Diversity – no direct implications

12.2 Sustainability implications – no direct implications

12.3 Green house Gas Emissions Impact – no direct implications

12.4 Community safety implications – no direct implications

12.5 Human Rights Act – no direct implications

12.6 Trade Unions – no direct implications

12.7 Ward Implications – no direct implications

12.8 Implication for Corporate Parenting – no direct implications

12.9 Issues arising from Privacy Impact Assessment– no direct implications

13. Not for publications documents

13.1 None

14. Options

14.1 None

15. Recommendations

15.1 That the report be noted and referred to Council for adoption.

16. Appendices

Appendix 1 Prudential and Treasury Indicators

Appendix 2 Borrowing and Investment Rates

Appendix 3 The Economy and Interest Rates

Appendix 4 Approved Counties for Investments as at 31st March 2022

Appendix 1: Prudential and Treasury indicators

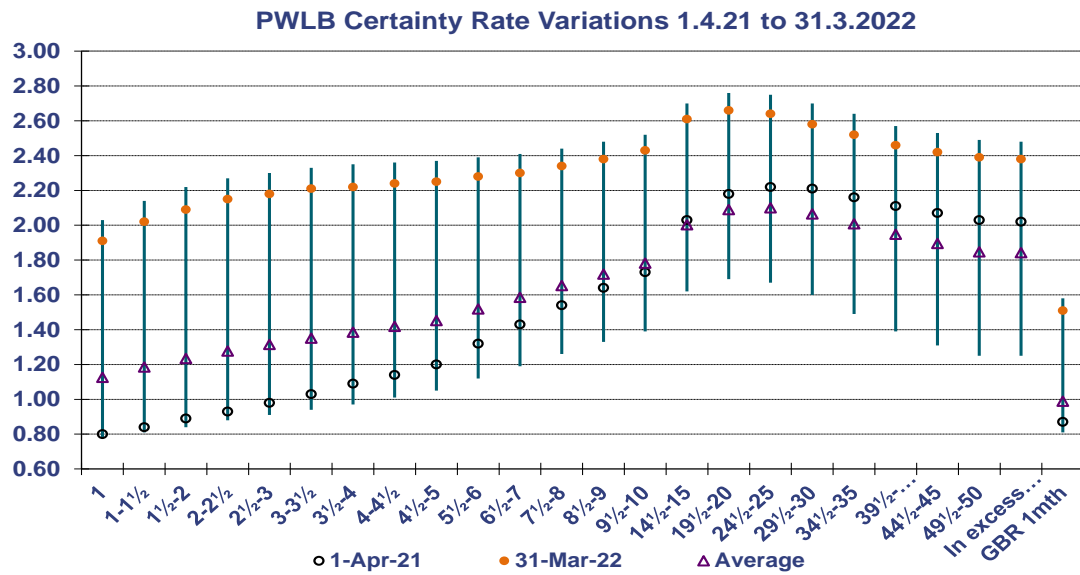
1. PRUDENTIAL INDICATORS	2020-21 Actual £'000	2021-22 Estimate £'000	2021-22 Actual £'000
Capital Expenditure	63,907	139,400	104,706
Ratio of financing costs to net revenue stream	13.1%	14.7%	14.2%*
Gross borrowing requirement General Fund	489,356	497,000	512,800
Capital Financing Requirement	698,764	741,000	708,710

*Note in future years some of the forecast debt will be directly funded by self-financing schemes, where income is generated to meet the cost of investment in the scheme.

2. TREASURY MANAGEMENT INDICATORS	2020-21 Actual £'000	2021-22 Estimate £'000	2021-22 Actual £'000
Authorised Limit for external debt			
borrowing	334,426	709,000	365,900
other long term liabilities	154,930	143,000	146,900
TOTAL	489,356	852,000	512,800
Operational Boundary for external debt			
borrowing	334,426	707,000	365,900
other long term liabilities	154,930	143,000	146,900
TOTAL	489,356	850,000	512,800
Actual external debt	489,356	497,000	512,800

Maturity structure of fixed rate borrowing during 2021-22	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	90%	0%
20 years and within 30 years	90%	0%
30 years and within 40 years	90%	0%
40 years and within 50 years	90%	0%
Maturity structure of investments during 2021-22	upper limit	lower limit
Longer than 1 year	£20m	£0m

Appendix 2: Borrowing and Investment Rates



HIGH/LOW/AVERAGE PWLB RATES FOR 2021-22

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2021	0.80%	1.20%	1.73%	2.22%	2.03%
31/03/2022	1.91%	2.25%	2.43%	2.64%	2.39%
Low	0.78%	1.05%	1.39%	1.67%	1.25%
Low date	08/04/2021	08/07/2021	05/08/2021	08/12/2021	09/12/2021
High	2.03%	2.37%	2.52%	2.75%	2.49%
High date	15/02/2022	28/03/2022	28/03/2022	23/03/2022	28/03/2022
Average	1.13%	1.45%	1.78%	2.10%	1.85%
Spread	1.25%	1.32%	1.13%	1.08%	1.24%

Appendix 3: The Economy and Interest Rates

UK. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021-22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020-21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

USA. The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8%

across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

EU. With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said “we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation.”

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a “technical” recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

Japan. The Japanese economic performance through 2021-22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

World growth. World growth is estimated to have expanded 8.9% in 2021-22 following a contraction of 6.6% in 2020/21.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now

accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

Appendix 4: Approved Countries for Investments as at 31st March 2022

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

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Report of the Director of Human Resources to the meeting of the Council to be held on 12 July 2022

Subject:

Pay Policy Statement Update for 2022/23

Summary statement:

In accordance with the Localism Act 2011 Local Authorities are required to produce and publish a Pay Policy Statement for each financial year. The Pay Policy Statement must be approved by full Council before publication. Full Council approved the 2022/23 Pay Policy Statement on 15 March 2022. Local authorities may be resolution amend their pay policy, and must then publish the amended policy. Amendments to the Council's Pay Policy are required to provide for appointments to the Children's Trust, and alterations to senior roles in the Council following job evaluation and benchmarking.

Equality & Diversity:

An Equality Impact Assessment is not required as the Pay Policy Statement does not include proposals for new or changing policies, services or functions.

Anne Lloyd
Director of Human Resources

Portfolio:

Corporate

Report Contact: Anne Lloyd
Director of Human Resources
Phone: (01274) 432031
E-mail: anne.lloyd@bradford.gov.uk

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 Sections 38 – 43 of the Localism Act 2011 require the Authority to produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally its Chief Officers and the Authority's lowest paid employees.
- 1.2 This amended Pay Policy Statement for the year 1 April 2022 to 31 March 2023 has been produced taking into account the relevant requirements of the Localism Act 2011 and having regard to the statutory guidance issued by the then Department for Communities and Local Government (DCLG) in February 2012 and the supplementary guidance issued in February 2013 both entitled 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011' ("the Guidance") together with the Local Government Transparency Code 2015 where applicable.
- 1.3 Full Council approved the Pay Policy Statement for 2022/23 on 15 March 2022.
- 1.4 This report provides details of the proposed amendments to Pay Policy Statements for the financial year 2022/23 to reflect appointments to the Children's Trust, and senior roles in the Council following job evaluation and benchmarking.

2. BACKGROUND

- 2.1 Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement for each financial year.
- 2.2 The Pay Policy Statement must:
 - Be produced annually in time for the start of each financial year and be approved by a resolution of full Council (the power cannot be delegated). The 2022/23 Pay Policy Statement must be prepared and approved before 31 March 2022. Any amendments required to the Pay Policy Statement in year must also be considered by full Council.
 - Be published which must include publication on the Council's website, as a minimum, soon after approval or amendment.
 - Set out the Authority's policies on a range of issues particularly relating to its chief officers and lowest paid employees.
 - Be complied with.

The Guidance also states that:

- Full Council be offered the opportunity to vote on salary packages of £100k pa or more in respect of new appointments and severance packages of £100k or more.
- 2.3 The Pay Policy Statement must set out the Authority's policy relating to:
 - The level and elements of remuneration for each Chief Officer, which includes salary, any charges, fees or allowances, benefits in kind, bonuses, the use of

performance related pay, increases and additions to remuneration, remuneration on recruitment and the approach to the payment of Chief Officers ceasing to be employed by the Authority.

- The remuneration of the lowest paid employees in the workforce.
 - The relationship between the remuneration of Chief Officers and other employees.
 - The publication of and access to information relating to remuneration of Chief Officers.
- 2.4 The provisions of the Localism Act 2011 do not apply to employees of schools maintained by the Authority and therefore they are not within the scope of the Pay Policy Statement.
- 2.5 Chief Officers are defined in the Pay Policy Statement as the posts of Chief Executive, Strategic Directors, Directors, Deputy Directors and Assistant Directors.
- 2.6 The Pay Policy Statement must be approved by a resolution of the full Council before it comes into force.
- 2.7 The proposed amended **Pay Policy Statement for 2022/23** can be found at **Appendix 1**. The proposed amended Statement is based on the approved 2022/23 Statement which has been amended in relation to the following:
- 2.7.1 The pay multiple has been calculated based on the pay awards effective from 1 April 2021 that have recently been agreed. The value of the 'pay multiple' between the highest paid salary and the median earnings figure of the whole of the Council's workforce has reduced from 8.8:1 to **8.5:1**
- NB. The pay multiple is **not** based on the lowest paid employee nor the simple average salary but it is based on the median earnings figure ie the 'mid-point'.*
- 2.7.2 The national pay awards effective from 1 April 2022 have not been agreed and therefore all salaries quoted in the pay policy statement are based on salary levels at 1 April 2021.
- 2.7.3 Revised salary bandings for the application of LGPS employee pension contribution rates are from 1 April 2022 in Appendix A of the Pay Policy Statement.
- 2.8 The post of Director for Adults with Disabilities has been established on a temporary basis to transform our model and develop a long-term case management model for people with learning and/or physical disabilities that's focussed on their life aspirations. This post will act to deliver a preventative model for adults of working age with mental health problems and work across the system to deliver this. This post was approved by the Chief Executive under delegated powers in accordance with article 14.20.3 of the Council's constitution. The costs will be met from existing budget provision. The post has been included in Appendix B of the Pay Policy Statement.
- 2.9 The posts of Director West Yorkshire Pension Fund, Deputy Director West Yorkshire

Pension Fund and Director of Finance have been retitled as Managing Director West Yorkshire Pension Fund, Chief Investment Officer, and Director of Finance and IT respectively to better reflect the remit and responsibilities of the roles. Following evaluation and difficulties recruiting to the West Yorkshire Pension Fund roles these two roles have evaluated at a higher level. The role of Director of Finance has taken additional responsibility for IT and Transformation which has impacted the grade for this post.

2.10 The meeting of Executive of 7 June 2022 approved the recruitment and appointment of a number of key posts on an interim and permanent basis for the Bradford Children's Trust. This included the Chief Executive, Finance Director and a number of Non-Executive Director appointments.

2.11 The meeting of Staffing Committee on 14 June 2022 approved to appoint to the following positions:

- (a) Chief Executive for the Bradford Children's Trust
- (b) Finance Director for the Bradford Children's Trust
- (c) Strategic Director Children's Services (Statutory Council DCS)
- (d) Director of Finance and IT, (Statutory Council Section 151 Officer)

2.12 The Pay policy at Appendix A provides at paragraph 9 as follows - Flexibility to Address Recruitment Issues for Vacant Posts

"In the vast majority of circumstances, the provisions of this pay policy statement will enable the Authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element of the overall remuneration is not sufficient to secure an effective appointment. This pay policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the pay policy statement. Such a departure from this pay policy statement will be expressly justified in each case and will be approved through an appropriate Authority decision making process."

In accordance with the above paragraph, members are asked to note in relation to the proposed appointments of the Chief Executive and the Finance Director of the Children's Trust, initial job evaluations have been carried out in relation to both these roles. However, the full extent and nature of the responsibilities of those two roles have not yet been fully established and there are ongoing discussions between the Council, the Department for Education, the Children's Commissioner and the recently appointed Chair of the Board. The view is that the Council's salary scales will not adequately reflect the remuneration packages that the market is likely to dictate in order to attract suitable candidates for these roles. This also applies to the role of Deputy Director Children's Social Care, which will become the Director of Children's Social Care in the Children's Trust. However, it has not yet been possible to arrive at a firm view re the appropriate remuneration package. Accordingly, it is proposed that delegated authority be given to the Chief Executive, in consultation with the Portfolio Holder for Children's Services, and also after undertaking consultation with the S151 Officer, the Department for Education and the Children's Commissioner, to authorise an appropriate remuneration package in respect of the Chief Executive and Finance

Director of the Children's Trust.

- 2.13 To bring the Authority relocation scheme in line with HMRC rates and other Authorities to a maximum of £8,000 from the rate of £5,750. The Authority relocation scheme provides assistance to all new employees including Chief Officers meeting the relocation criteria.

3. FULL COUNCIL CONSIDERATION

- 3.1 Full Council will consider this report and the proposed amended Pay Policy Statement at **Appendix 1** on Tuesday 12 July 2022.

4. OTHER CONSIDERATIONS

- 4.1 The Council may, by resolution of the full Council, amend this Pay Policy Statement during the course of the year to which it relates.

5. FINANCIAL & RESOURCE APPRAISAL

There are a few financial implications arising from the report, which are summarised below.

The amendments to the pay policy statement will be met from within existing budget provision, in accord with the usual principle for such matters, and which the Chief Executive applied when using delegated powers in agreeing the post of Director for Adults with Disabilities (see para 2.8).

The posts approved within the Children Trust will need to be funded by the Council as part of the overall budget provision allocated to the Trust. These posts are additional to the current approved establishment but are essential to enable the trust to be operationally independent in line with DfE expectations. The posts will support the overall improvement of children's services.

6. RISK MANAGEMENT & GOVERNANCE ISSUES

No significant implications have been identified.

7. LEGAL APPRAISAL

- 7.1 The Authority is under a statutory duty to prepare and publish a Pay Policy Statement for the financial year 2022/23 and each subsequent financial year pursuant to the requirements set out in sections 38-43 of the Localism Act 2011.

The Pay Policy Statement should be approved by a resolution of the Authority before it comes into force. The Authority must have regard to the Guidance referred to in this report in preparing and approving the Pay Policy Statement together with the provisions of the Local Government Transparency Code 2015 where applicable. Under S39(4) of the Localism Act 2011, the Council can amend its pay policy statement, including after the beginning of the financial year to which it relates.

8. OTHER IMPLICATIONS

8.1 SUSTAINABILITY IMPLICATIONS

Not applicable.

8.2 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

8.3 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

8.4 HUMAN RIGHTS ACT

No implications arising from this report.

8.5 TRADE UNION

There is no formal requirement to consult about the Pay Policy Statement however it will be shared with the recognised Trade Unions for information.

The Pay Policy Statement brings together the Authority's existing policies which have been subject to consultation where required.

8.6 WARD IMPLICATIONS

Not applicable.

8.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable.

8.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

9. NOT FOR PUBLICATION DOCUMENTS

None.

10. OPTIONS

10.1 The production and publication of a Pay Policy Statement is a statutory requirement under the Localism Act 2011 for the financial year 2022/23 and each subsequent financial year. By resolution of the full Council, the Council may amend this Pay Policy Statement during the course of the 2022/23 financial year.

11. RECOMMENDATIONS

11.1 That the amended Pay Policy Statement for the financial year 2022/23 as set out at Appendix 1 to this report, be approved.

11.2 That the Chief Executive be given authority in consultation with the Portfolio Holder for Children's Services, and also after undertaking consultation with the S151 Officer, the Department for Education and the Children's Commissioner, to authorise an appropriate remuneration package in respect of the posts of Chief Executive and Finance Director of the Children's Trust.

12. APPENDICES

Appendix 1: Proposed amended Pay Policy Statement 2022/23.

13. BACKGROUND DOCUMENTS

- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011, February 2012. [Openness & Accountability in Local Pay - Feb 2012](#)
- Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 (Supplementary Guidance) February 2013. [Openness and Accountability in Local Pay - Feb 2013](#)
- Local government transparency code 2015
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408386/150227_PUBLICATION_Final_LGTC_2015.pdf

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PAY POLICY STATEMENT

FOR THE FINANCIAL YEAR

2022/2023

Amended Statement of Pay Policy for the year 1 April 2022 to 31 March 2023

1. Introduction

Sections 38 – 43 of the Localism Act 2011 require the Authority to produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally its Chief Officers and the Authority's lowest paid employees. This pay policy statement meets the requirements of the Localism Act 2011 and takes account of the guidance issued by the Secretary of State for Communities and Local Government in February 2012 and the supplementary guidance issued in February 2013 both entitled "Openness and accountability in local pay: Guidance under section 40 of the Localism Act" together with the Local Government Transparency Code 2015 where applicable.

This pay policy statement does not apply to employees of schools maintained by the Authority and is not required to do so.

In accordance with the provisions of the Localism Act 2011 this pay policy statement is required to be approved by a resolution of the Authority before it comes into force.

Once approved by the full Council, this policy statement will come into immediate effect, superseding the 2021/22 pay policy statement and will be reviewed annually.

2. Definitions used in this Pay Policy Statement

All the posts below are collectively referred to as **Chief Officer**.

- **Chief Executive**, who is the Authority's **Head of the Paid Service** under section 4(1) Local Government and Housing Act 1989.
- **Statutory Chief Officers**, which in this Authority are:-
 - Strategic Director - Children's Services**
 - Strategic Director - Health & Wellbeing** who is the Authority's designated Director of Adult Social Services.
 - Director of Finance & IT** who is the Authority's Chief Finance Officer under section 151 Local Government Act 1972 and section 6 Local Government and Housing Act 1989
 - Director of Legal & Governance** who is the Authority's Monitoring Officer under section 5 Local Government and Housing Act 1989.
 - Director of Public Health**
- **Non-statutory Chief Officers and Deputy Chief Officers**, which in this Authority are:-
 - All other Strategic Directors, Directors, Deputy Directors and Assistant Directors, and the Chief Executive of the Children's Trust.

The **Lowest Paid Employees** are defined as employees paid on Spinal Column Point 1 of the National Joint Council (NJC) for Local Government Services pay scales. This definition has been adopted as it is the lowest level of remuneration attached to a post in this Authority (see section 5 below).

3. The Overall Approach to Pay and Remuneration

The Authority's overall approach to pay and remuneration for its employees is based on:

- Ensuring that the overall remuneration aligns with: -
 - The responsibilities and accountabilities of particular posts
 - Market norms for the local government and public sectors
 - Pay levels in the local area, including neighbouring public sector employers.

The Authority seeks to maintain this overall approach by carefully monitoring pay data provided by the Joint Negotiating Committees (JNCs) for Chief Officers and Chief Executives of Local Authorities, Local Government Association/Employers and other pay surveys.

4. Policy on Remunerating Chief Officers

Policy on Remunerating the Chief Executive

The Chief Executive is employed pursuant to the terms and conditions of employment of the Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities as amended and supplemented by local agreements, decisions and the rules of the Council.

The Authority recognises that the role of Chief Executive is to lead the Authority's workforce, has the greatest level of accountability and so warrants the highest pay level in the Authority.

When setting the remuneration for the Chief Executive the Authority will compare the current salary of the post with comparable salaries for Chief Executives at councils of a similar size, type and location. Specialist advice will normally be sought on an appropriate starting salary.

The Chief Executive is employed on a defined salary (not a grade range) and this salary is increased in accordance with any nationally agreed pay awards as determined by the national Joint Negotiating Committee for Chief Executives of Local Authorities.

Salary of the Chief Executive as at 1 April 2021 is £197,547 p.a. which has been increased in accordance with the nationally agreed pay award as determined by the national Joint Negotiating Committee for Chief Executives of Local Authorities.

Policy on Remunerating Other Chief Officers

Chief Officers are employed pursuant to the terms and conditions of employment of the Joint Negotiating Committee (JNC) for Chief Officers as amended and supplemented by local agreements and decisions.

Grades for Chief Officer posts are determined through job evaluation which is a systematic way of determining the value of a job in relation to other jobs in the organisation and provides an analytical approach to evaluating the job value through allocating points to different factors (responsibilities and duties) of the job role, the total score of which equates to a grade range within the Authority's pay and grading structure for Chief Officers. These grade ranges are set out below.

Pay Policy Statement

A grade range consists of a number of incremental salary points through which employees may progress until the top of the grade is reached. Progression within each grade range will normally be by annual increment at 1 April each year until the top of the grade range is reached.

The grades and salary ranges as at 1 April 2021 are:

Strategic Director 1	£144,091 - £151,062 (SD1)
Strategic Director 2	£118,529 - £130,148 (SD2)
Director 1	£110,686 - £121,753 (Dir 1)
Assistant Director 1	£100,749 - £106,677 (AD1)
Assistant Director 2	£ 88,896 - £100,749 (AD2)
Assistant Director 3	£ 77,045 - £ 88,896 (AD3)

All the posts referred to as 'Chief Officer' for the purpose of this pay policy statement and the respective salary ranges are attached at Appendix B.

Other Aspects of Chief Officer Remuneration

Other aspects of Chief Officer remuneration covered by this pay policy statement include the policies in respect of recruitment, pay increases, performance related pay, earn back (withholding an element of base salary related to performance), bonuses, ex gratia payments, honoraria (payment for increased duties and responsibilities), termination payments and re-employment when in receipt of a Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this pay policy statement at **Appendix A**.

Public Health

Following the transfer of responsibility for public health to local authorities on 1 April 2013, those employees of the NHS assigned to the area transferring, transferred to the employment of the Authority and remain on their current terms and conditions of employment including salary and membership of the NHS pension scheme.

There are a number of the Public Health Consultants who report to the Director of Public Health on NHS pay rates which fall within the pay ranges assigned to JNC Chief Officers within the Council. As such, some or all of this pay policy statement may not apply to them.

Tax Avoidance Measures

All chief officers are remunerated via monthly salary payments through PAYE. Appropriate tax and national insurance deductions are made in accordance with HMRC regulations and there are no arrangements in place for the purpose of minimising tax payments.

Where the Council is unable to recruit senior managers, or there is a need for interim support to provide cover for a substantive Chief Officer role, the Council will, where necessary, consider engaging individuals under a "contract for service". These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition. In these cases, appropriate tax and national insurance deductions will be assessed and deducted as required in accordance with HMRC regulations.

Pay Policy Statement

5. Policy on Remunerating the Lowest Paid Employees in the Workforce

Pay levels for specific posts are determined through a job evaluation system. Job Evaluation is a systematic way of determining the value of a job in relation to other jobs in the organisation. The job evaluation scheme provides an analytical approach to evaluating the job value through allocating points to different factors (responsibilities and duties) of the job role, the total score of which equates to a grade within the Authority's pay and grading structure. The Authority uses the National Joint Council Local Government Services Job Evaluation Scheme (the NJC Scheme) to evaluate all posts on Bands 1 to 8 (this covers spinal column points 1 to 22 of the NJC pay spine.)

The pay levels are increased in accordance with any nationally agreed pay awards as determined by the National Joint Council (NJC) for Local Government Services.

Remuneration of Lowest Paid Employees

- a. The lowest pay point in this Authority as at 1 April 2021 is spinal column point 1 which relates to an annual full time salary of £18,333 p.a. and can be expressed as an hourly rate of pay of £9.50. This pay point and salary is the lowest pay point routinely used by the Authority for its substantive roles determined by the Authority as part of its pay and grading structure for employees employed on Local Government Services Terms and Conditions. This is the definition of the "lowest paid employees" adopted by the Authority for the purposes of this Pay Policy Statement and is only increased in accordance with any nationally agreed pay awards as determined by the NJC for Local Government Services. The Council adopted the then current level of the Living Wage Foundation voluntary living wage rate of £9.50 per hour with effect from 1st April 2021. This did not have an impact in the last year as the NJC rate of pay for SCP1 was subsequently increased to the same level of £9.50 per hour from 1st April 2021.
- b. There is no bonus pay.
- c. Additional allowances or other payments are made in connection with an employee's pattern of hours e.g. shift work, but these are only paid in accordance with the terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Authority decisions.
- d. There are no benefits in kind.
- e. Redundancy payments are paid in accordance with the Authority's Discretionary Compensation Policy. [Discretionary Compensation Policy.doc](#)
- f. Based on the application of the job evaluation process, the Council uses the nationally negotiated, National Joint Council (NJC) pay spine as the basis for its local grading structure for all posts graded up to and including Band 8 (this covers spinal column points 1 to 22 of the NJC pay spine.)

6. Policy on the Relationship between Chief Officer Remuneration and that of Other Staff

This section sets out the Authority's overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation, including the current pay multiple which applies within the Authority.

The Authority believes that the principle of fair pay is important to the provision of high quality and well-managed services and is committed to ensuring fairness and equity in its remuneration practices. The Authority's pay policies, processes and procedures are

Pay Policy Statement

designed to ensure that pay levels are appropriately aligned with, and properly reflect, the relative demands and responsibilities of each post and the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard, as well as taking account of relevant market considerations, if necessary. This includes ensuring that there is an appropriate relationship between the pay levels of its senior managers and of all other employees.

The Local Government Transparency Code 2015 requires the Authority to publish its 'pay multiple', i.e. the ratio between the highest paid salary and the median average salary of the whole of the Authority's workforce. Guidance issued under the Localism Act 2011 recommends that the 'pay multiple' is included in the Authority's pay policy statement.

From 1 April 2021 the highest paid salary in this Authority is £197,547 p.a. which is paid to the Chief Executive. The median average salary in this Authority (not including employees in schools maintained by the Authority) is £23,212 p.a. The ratio between the two salaries, the 'pay multiple' is 8.5:1. This Authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the Authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the Authority as expressed in this pay policy statement.

7. Approval of New Posts with a Salary Package of £100,000 p.a. or more

All the posts referred to as 'Chief Officer' for the purpose of this pay policy statement and the respective salary ranges are attached at Appendix B.

The Authority will ensure that full Council must approve any salary package of £100,000 p.a. or more before it is offered in respect of a new post not listed in Appendix B or if it is proposed to pay more than the top of the salary range for an existing post in Appendix B (excluding pay awards) unless paragraph 9 of this pay policy statement applies. This does not apply to offers of appointment made to employees employed in schools maintained by the Authority. The salary package will be defined as base salary, routinely payable allowances and any benefits in kind that are due under the contract.

8. Severance Payments for Chief Officers

If the Council is considering making a severance payment to a Chief Officer the decision as to whether such a payment should be made will be taken by Staffing Committee or a sub-committee of Staffing Committee both of which are sub-committees of full Council provided that if the proposed severance payment is £100,000 or more, (excluding accrued pension rights) then the decision as to whether the payment should be made will be taken by full Council.

9. Flexibility to Address Recruitment Issues for Vacant Posts

In the vast majority of circumstances, the provisions of this pay policy statement will enable the Authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element of the overall remuneration is not sufficient to secure an effective appointment. This pay policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the pay policy statement. Such a departure from this pay policy statement will be expressly justified in each case and will be approved through an appropriate Authority decision making process.

10. Amendments to the Policy

If a major change to this pay policy statement is considered to be appropriate during the year, then a revised draft pay policy statement will be presented to full Council for consideration.

11. Policy for Future Years

This pay policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the Authority prior to the start of each financial year.

12. Publication

The Authority will publish this pay policy statement on its website (www.bradford.gov.uk) as soon as is reasonably practicable after it has been approved by Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published. The Authority currently publishes information on Chief Officer Remuneration in its Annual Statement of Accounts in accordance with the requirements of the Accounts and Audit Regulations 2015 and the Local Government Transparency Code 2015 [Statement of Accounts | Bradford Council](#)

Other Aspects of Chief Officer Remuneration

Aspect of Chief Officer Remuneration	Authority Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary grade and salary range for the post in question (as set out in Section 4 and Appendix B) unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the overall remuneration. In such circumstances a variation to the remuneration package may be appropriate under the Authority's pay policy statement and any variation will be approved through the appropriate decision making process. The Authority has a relocation scheme that provides assistance to all new employees including Chief Officers meeting the relocation criteria up to a maximum of £8,000.
Pay Increases	The Authority will apply any pay increases that are determined by relevant national negotiating bodies.
Performance Related Pay	The terms of the contract of employment do not provide for performance related pay.
Earn-Back (Withholding an element of base salary related to performance)	The terms of the contract of employment do not provide for an element of base salary to be withheld related to performance. Any areas of underperformance are addressed in accordance with relevant Authority procedure.
Bonuses	The terms of the contract of employment do not provide for the payment of bonuses.
Ex-Gratia Payments	The Authority does not make ex gratia payments.
Honoraria	Honoraria payments are additional payments paid to employees for increased duties and responsibilities. Honoraria will only be considered where employees take on additional duties and responsibilities beyond the remit of their substantive role and would be subject to approval through the appropriate decision making process.
Expenses	The Authority pays reasonable out-of-pocket expenses actually incurred.
Local Government Pension Scheme (LGPS)	<p>The Authority provides access to the Local Government Pension Scheme for Chief Officers in accordance with the statutory provisions of the scheme.</p> <p>The employer's contribution rate for all Authority employees who are members of the LGPS is currently 17.1% (at 1 April 2022) of salary and is set by actuarial valuation of the West Yorkshire Pension Fund every 3 years. How much employees pay themselves in pension scheme contributions depends on how much they earn. The employee contribution rates from 1 April 2022 are:</p> <p>Employees earning up to £15,000 contribute 5.5% Employees earning between £15,001 and £23,600 contribute 5.8% Employees earning between £23,601 and £38,300 contribute 6.5% Employees earning between £38,301 and £48,500 contribute 6.8% Employees earning between £48,501 and £67,900 contribute 8.5% Employees earning between £67,901 and £96,200 contribute 9.9% Employees earning between £96,201 and £113,400 contribute 10.5% Employees earning between £113,401 and £170,100 contribute 11.4% Employees earning more than £170,101 contribute 12.5%.</p>

Pay Policy Statement

Aspect of Chief Officer Remuneration	Authority Policy
Termination Payments and payment of pension benefits on termination	<p>There are no separate provisions for termination payments for Chief Officers. Redundancy payments will be paid in accordance with the Authority's Discretionary Compensation Policy.doc</p> <p>The Authority has agreed written policies on how it will apply any discretionary powers it has under the LGPS regulations. The Authority's policies are provided at LGPS Pension Discretion Policy Statements. There are no separate policies for Chief Officers.</p> <p>Other than payments referred to above the Authority's policy is not to make any other termination payments, other than where it has received specific legal advice to the effect that a payment may be necessary in appropriate cases to eliminate risk of successful legal claims or to settle legal proceedings against the Authority.</p>
Election Fees	<p>The Chief Executive receives fee payments pursuant to his/her appointment as Returning Officer at national elections. The fees paid in respect of national elections vary according to the size of the electorate and number of postal voters and are calculated in accordance with an allowance set by central government. Fee payments for national elections are, in effect, not paid by the Authority as the fees are reclaimed.</p> <p>The Chief Executive does not receive any additional payment for the role of Returning Officer for local government elections.</p> <p>Separate payments set by the Authority are made to the Director of Legal & Governance as Deputy Returning Officer, in accordance with the same principles for the Returning Officer as described above.</p> <p>The amounts paid are published on the Authority's website in the Annual Statement of Accounts in accordance with the requirements of The Accounts and Audit Regulations 2015. Statement of Accounts Bradford Council</p>
Re-employment of Chief Officers in receipt of a LGPS Pension or a redundancy/ severance payment	<p>The Authority is under a statutory duty to appoint on merit (section 7 Local Government and Housing Act 1989) and has to ensure that it complies with all appropriate employment and equalities legislation. The Authority will always seek to appoint the best available candidate who has the skills, knowledge, experience, abilities and qualities needed for the post. The Authority will therefore consider all applications from candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of a LGPS pension or a redundancy payment this will not rule a candidate out from being re-employed by the Authority. If a former employee leaves the Authority by reason of redundancy the individual cannot be reappointed to their old post as it will not exist. The Authority will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 regarding the recovery of redundancy payments where appropriate. Pension Regulations also contain provisions to reduce pension payments in certain circumstances to those in receipt of a pension who return to work within the local government service.</p>
Car allowance payment	Chief Officers will be paid Car Allowances in accordance with HMRC rates.
Provision of Mobile Telephones/Communication device/ICT equipment	Where appropriate these will be provided for business use and any work related costs will be met by the Authority.
Professional subscriptions	A professional subscription is only paid if membership is required by statute.

SENIOR MANAGEMENT STRUCTURE AND SALARY RANGES AT 1 April 2021

JOB TITLE	GRADE	SALARY RANGE
Chief Executive	CEX	£197,547
SD Corporate Resources	SD1	£144,091 - £151,062
SD Children's Services	SD1	£144,091 - £151,062
SD Health & Wellbeing	SD1	£144,091 - £151,062
SD Place	SD1	£144,091 - £151,062
CHIEF EXECUTIVE'S OFFICE		
Managing Director of West Yorkshire Pension Fund	SD1	£144,091 - £151,062
Chief Investment Officer	Director 1	£110,868 - £121,753
AD of Investments (UK, Overseas, Alternatives) (3)	AD3	£77,045 - £88,896
AD Finance, Admin and Governance	AD3	£77,045 - £88,896
AD Office of the Chief Executive	AD2	£88,896 - £100,749
CORPORATE RESOURCES		
Director of Legal & Governance	AD1	£100,749 - £106,677
Director of Finance & IT	Director 1	£110,868 - £121,753
Director of Human Resources	AD1	£100,749 - £106,677
AD Revenue & Benefits	AD3	£77,045 - £88,896
AD Estates & Property	AD2	£88,896 - £100,749
CHILDREN'S SERVICES		
(Deputy) Director Children's Social Care	AD1	£100,749 - £106,677
Deputy Director Education & Learning	AD1	£100,749 - £106,677
AD Performance, Commissioning & Partnerships	AD2	£88,896 - £100,749
HEALTH & WELLBEING		
AD Operational Services	AD2	£88,896 - £100,749
AD Commissioning & Integration	AD2	£88,896 - £100,749
Director of Public Health	AD1	£100,749 - £106,677
Programme Director Mental Health Temp 0.65FTE	AD2	£57,782 - £65,487
AD of Adults with Disabilities	AD2	£88,896 - £100,749
PLACE		
AD Waste, Fleet & Transport Services	AD2	£88,896 - £100,749
AD Sport & Culture	AD2	£88,896 - £100,749
AD Neighbourhoods & Customer Services	AD2	£88,896 - £100,749
AD Economy & Development Services	AD2	£88,896 - £100,749
AD Planning, Transportation & Highways	AD2	£88,896 - £100,749
Air Quality Programme Director (Temporary)	AD3	£77,045 - £88,896
Bradford Children's Trust		
Chief Executive	SD1	£144,091 - £151,062

Pay Policy Statement

JOB TITLE	GRADE	SALARY RANGE
Finance Director	Director 1	£110,868 - £121,753

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Report of the Leader to the meeting of Council on Tuesday 12 July 2022

Subject: Executive consideration of urgent report

1. Summary statement:

- 1.1 Pursuant to paragraph 12.1 of the Executive Procedure Rules, the Leader of the Council is required to present a quarterly report to Council detailing Executive decisions considered within the previous three months under the Special Urgency provisions contained in paragraph 11 of the Executive Procedure Rules.

2. BACKGROUND

- 2.1 On 26 May 2022, the national independent Child Safeguarding Practice Review Panel published its final report into the deaths of Arthur Labinjo-Hughes and Star Hobson.
- 2.2 Due to the Jubilee Weekend bank holidays, the publication date for reports to the 7 June 2022 Executive was 27 May 2022, and it was not possible to prepare an Executive report responding to the National Panel's final report and include and distribute it in advance of that publication date.
- 2.3 Given the importance of the subject, however, and the desirability of its urgent consideration by the Council's Executive, the Leader of the Council agreed that, under the Executive's Special Urgency provisions, the report could be considered at the 7 June 2022 meeting
- 2.4 As a consequence, the Leader of the Council is required to present a quarterly report to Council detailing Executive decisions considered within the previous three months under the Special Urgency provisions.

3. RECOMMENDATIONS

- 3.1 It is recommended that Council notes the contents of this report.

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