

## Minutes of an Extraordinary meeting of the Executive held on Thursday, 21 December 2023 in the Council Chamber - City Hall, Bradford

Commenced 10.30 am  
Concluded 11.30 am

### Present – Councillors

<b>LABOUR</b>
Hinchcliffe
I Khan
Duffy
Ferriby
Jabar
Ross-Shaw

Observers: Councillors Coates, Love, Pollard, Poulsen and Riaz Ahmed

### Councillor Hinchcliffe in the Chair

#### 57. DISCLOSURES OF INTEREST

No disclosures of interest in matters under discussion were made.

#### 58. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.

#### 59. RECOMMENDATIONS TO THE EXECUTIVE

There were no recommendations referred to the Executive.

**LEADER OF COUNCIL & CORPORATE**

*(Councillor Hinchcliffe)*

**60. BUDGET UPDATE - EXCEPTIONAL FINANCIAL SUPPORT REQUEST**

The Director of Finance submitted a report (**Document “AA”**) which updated Executive on the Council’s Financial Position, the action being undertaken to address projected funding gaps, the rationale for requesting Exceptional Financial Support from Government and the next steps in setting a budget for 2024-25.

At the outset, the Leader stated that this was an extraordinary meeting of the Executive which had been called as the Council was seeking financial support from Government in order to set a budget for the current financial year and going forward into 2024/2025. The Leader added that after 13 years of austerity we were now at a point where the majority of the Council’s budget was being spent on Adult and Children’s Social Care. This situation was further exacerbated by the rise in the cost of living and the real reduction in Local Government finance to support the needs of the district.

The Director of Finance gave a detailed explanation of the financial pressures facing the Council, with a current in year pressure of £73m, and in the upcoming 2024/2025 budget, a pressure of £103.6m based on the current calculations. The national context was alluded to and it was stressed that this pressure was also being faced by a number of other Local Authorities across the country. The significant overspend within the newly established Children’s Trust was alluded to as well as well as within Adult Social Care, driven by rising demand and complexity of cases, deprivation and transition. Inflationary pressures had also played its part in the overspend as well as overall reductions in funding to Local Authorities from Government over the last decade or so. The Chancellor’s Autumn Statement did not give rise to any additional funding that would be forthcoming, albeit it created an additional £5m spend as a consequence of a rise in the National Living Wage, which had not been planned or budgeted for.

Details around the exceptional financial support that was being requested from Government was alluded to and the process for doing so was outlined.. To this end, a number of initiatives were being pursued through the Bradford Budget Emergency Response Team, by reducing our cost base. It was intended that initial budget proposals for 2024/2025 would be published on the 3<sup>rd</sup> January 2024. The request for additional financial support could result in a capitalisation directive, allowing the Council to bridge the fiscal gap in both financial years. However, this was not a given and we awaited a response based on the detailed financial information we had provided. CIPFA had issued guidance to Section 151 officers that they should seek support from Government before issuing a Section 114 Notice and that the capitalisation directive could be pursued in advance of this.

The Leader and Portfolio Holders acknowledged the pressures facing the Council and the need for an adequate financial settlement from Government to support our communities and our regeneration ambitions. That without the necessary additional funding, poverty in the district would increase as the Council would be

unable to make the necessary improvements to increase opportunities. The acute needs within Children's and Adult social care sector was particularly highlighted and that demand in this sector was increasing and that increased funding was central to ensuring we met this need, as the current situation was unsustainable.

The Leader of the main opposition group was present at the meeting and stated that the proposed plan and the report lacked detail and gave little direction as to where we were heading. A fellow Councillor added that the current situation should have been foreseen some time ago and that a balanced budget was difficult to achieve. He acknowledged the particular pressures facing the Children's Trust; however, he reiterated that action should have been taken some time ago and there was now uncertainty as to whether a viable budget could be set for 2024/25.

The Leader added that the current course of action we were undertaking by seeking support from Government would enable us to set a budget for 2024/2025. In addition, getting funding for the Children's Trust was crucial to ensure we supported the children in our district.

#### **Resolved –**

##### **That the Executive:**

- (1) Notes that the Council's financial position has continued to deteriorate.**
- (2) Notes Exceptional Financial Support is required in 2023-24 and 2024-25 and without this the s151 officer will have to issue a s114 report.**
- (3) Notes that the Executive will receive a budget proposal report in January 2024 that will outline long term spending reductions.**
- (4) Notes that there will be continued discussions with the BCFT on their Business Plan.**
- (5) Delegates authority to the Chief Executive in consultation with the Director of Finance to engage with the Department of Levelling Up Housing and Communities to formally request Exceptional Financial Support in 2023-24 and 2024-25.**
- (6) Notes the requirement for the implementation and development a transformation programme to deliver savings and future proposals.**
- (7) Notes the Type 1 contract variation request from BCFT for £13.5m of year to date costs which has been agreed and paid. This is contained within the existing overspend.**

***To be actioned by: Director of Finance / Chief Executive (5)***

Overview and Scrutiny Committee: Corporate

Chair

**Note: These minutes are subject to approval as a correct record at the next meeting of the Executive.**

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER