

ADDENDUM TO DOCUMENT “F”

Outline Submission to the 2019/20 National Budget

Background

In October 2017, the Council resolved to make a submission to the government’s 2019/20 budget consultation and that this and the principles underpinning it would be brought before Council prior to submission. The government’s arrangements for consultation are likely to require the Council to make a submission by September 2018. This paper sets out our ambitions for the District, the challenges we face in achieving them and the principles underpinning our approach. It summarises the limitations of our local revenue base, the critical pressures on Council budgets, and the key investments and support that we need from Government in order to sustain services, invest in growth and deliver on our shared ambitions. It will inform a final submission to be prepared later in the year.

Our Ambition – Fastest growing economy delivering inclusive growth.

Bradford Council shares Government’s goal of achieving a balanced national economy with prosperous communities across the country and we are committed to playing a full part in its realisation. Our Economic Strategy, “Pioneering, Confident & Connected”, sets out ambitions to be the UK’s fastest growing economy by 2030, adding £4bn to its value, supporting 20,000 more people into work and 48,000 more people to NVQ Level 3, delivering inclusive, sustainable growth by increasing productivity and supporting enterprise and innovation.

Asset Rich, Youngest City. The UK’s youngest city, Bradford District offers vast productive potential. Globally connected, home to over half a million people, a £10 billion economy and the most productive businesses in Northern England, Bradford has been named by Barclays Bank as the best place to start a business. Strong growth factors include low commercial rents, high business rate relief and broadband speed. High business start-up rates reflect a tradition of industry, enterprise and pioneering innovation while extensive international connections place Bradford among the UK’s top exporters.

Bradford Council is working together with local, regional and national partners to attract investment, improve infrastructure, connect more people to the economy, and support the growth of our manufacturing, digital and health and care sectors. Collectively we are promoting Bradford District as a place of choice to live, work, study, invest and to visit.

Challenges Like all big cities, Bradford faces its share of challenges. We need more jobs, more businesses and must improve productivity and skills. We need to transform transport connectivity and go further and faster on raising educational attainment and skills. We need to have at least an additional 48,000 people skilled to NVQ3 or above. We have to eliminate significant inequalities in health outcomes, address viability issues restricting housing growth and invest in the creation of great places to live and work.

Working with Government to secure the right investments and interventions we can unlock productive capacity and deliver dividends to the local and national economies, generate a sea change in social mobility and reduce pressure on public finances.

Council resources, capacity and leadership are key to achieving those goals. However, we face significant financial pressures, particularly in social care. These pressures, along with a limited local resource base and on-going reductions in Government funding, threaten to

overwhelm our ability to invest in the services, activities and facilities integral to delivering the transformation in outcomes that we need.

Principles.

Bradford's Council Plan sets out the principles that shape our approach::

- **Equality** – making sure that council activity helps to reduce inequality, provides opportunities for everyone and builds an economy that works for us all.
- **Every pound counts** – using money wisely and targeting resources at district priorities while supporting the development of cost-effective and innovative solutions.
- **People in charge of their own lives** – supporting wellbeing and independence through early action to prevent problems developing or stop them getting worse.
- **Working together** – working closely with partner organisations, business, communities, families and individuals to make the most of all our district's resources, assets and opportunities.

Performance.

Applying those principles to the Council's services, investments and leadership of place has seen the District achieve significant progress:

- IMPOWER-10th most productive Council
- 4th most improved education authority area on Progress 8 measure
- 5,000 businesses signed up to our Education Covenant, promoting a culture of lifelong learning.
- 3,000 young and disadvantaged people supported into employment through Get Bradford Working our local skills programme.
- 7th best performer nationally on delayed transfers of care.
- Care Quality Commission praised strong partnership working across the health and social care system that is seeing strategic plans translate into real difference on the ground..
- Economy growing faster than Regional averages; Barclays best place to start a business.
- 1,500 new homes in the last year.
- Bradford on the map in its campaign for high speed rail.
- Our People Can initiative is supporting communities and individuals to volunteer and make a difference to the District.

We need action to ensure that Bradford has sufficient funding to meet the District's needs in order to sustain and improve on these outcomes.

Financial Context

Bradford Council has made a significant contribution to cuts in national public spending which, along with finding the resources to meet increased demand for social care and rising costs of delivery, have required us to make £262m in savings since 2011. Our current net budget is £358.1m compared to over £500m in 2010. Our forecasts predict that further cuts to Council budgets of £15.5m will be needed by 2019/20 in order to balance the books and that by 2024/5 this will have risen to over £87m even when the maximum possible increases in Council tax are taken into account.

Council Tax Base. Over half of the Council's net expenditure is funded from Council tax but Bradford's local tax base is low compared to many other authorities. Band D Council tax is the 9th lowest of all Metropolitan Districts and high proportions of properties – 80% - fall below Band D. These factors mean that the amount raised through local taxes including the Social Care precept is much lower than among our counterpart authorities.

For example, Bradford's band D Council tax raises £1,039 per dwelling in comparison to an English average of £1,258 and far higher levels in far lower need authorities such as £1,839 in Wokingham or £1,724 in West Berkshire who also enjoy the benefit of larger numbers of higher band households.

Bradford is committed to going for growth and continues to invest in its delivery which, over time will help to expand the local revenue base. We are looking to adopt an increasingly commercial approach and to make appropriate income generating investments.

Nevertheless, the demand for and costs of social care are moving at a pace which exceeds by far the rate at which we can grow local revenue streams in response and which threatens to overwhelm our ability to sustain investment in growth, early intervention and innovation at a time when they are needed most.

Business rates. Bradford's Business rates are relatively weak however the Council is currently piloting 100% Business Rates within the Leeds City Region Pool. As a result in 2018-19, Business Rates income will meet 35% of the Council's Net Budget Requirement.

We ask Government to:

- **Ensure that the funding settlement for Local Government, including the re-distribution of business rates, takes full account of Bradford District's needs, its resources and the pace at which it is able to grow its local revenue base.**
- **consider extending the pilot within the Business Rates Pool, to improve financial sustainability.**
- **Accelerate the processing of appeals against rateable values. Currently, it is very difficult for all Councils to estimate their financial position because of the large number of unresolved appeals**

Social Care Cost Pressures. Caring for and safeguarding vulnerable children and adults accounts for around half of the Council's net expenditure. As demand for these services grows and the cost of providing them rises in part due to national wage reforms, there is a high risk that they will absorb an increasing proportion of the Council's budget and that activity will be limited to statutory provision. This will severely restrict our ability to invest not only in growing our economy and revenue base but ironically, in the non-statutory preventative services that will best help us manage demand and associated costs across the entirety of public services and in particular, the NHS.

Adult Social Care. The Council has invested resources of £3m a year over the next two years to meet demand for adult social care arising from demographic growth bringing total additional Council investment for this purpose to over £46m since 2011. Despite this investment the overall scale of the budget reductions the Council has been required to make coupled with the limited local tax base mean that Adult social care services must also seek to reduce costs and deliver savings - £26m are planned for 2019/20 and 2020/21 on top of £69m already made. The action being taken to manage demand and reduce costs includes:

- Focusing on ensuring people are cared for at home first by making sure they get the right service in the right place at the right time.
- Close and more integrated working with health services.
- Using technology to improve efficiency

A recent Care Quality Commission System review of care for older found that committed leadership across the whole system and a skilled, dedicated workforce are translating strategic goals into good services and real difference on the ground.

But transformational change on the scale required is challenging and takes time and capacity to deliver, placing some savings at risk. The 2018 ADASS Annual Survey of Directors of social care found that only 28% are fully confident that their savings planned for 2018-19 will be met. Some 69% said that prevention and early intervention is very important in delivering savings yet nationally and here in Bradford, spending on prevention is reducing.

In Bradford the situation is compounded by our relatively low tax base so if we are unable to deliver budgeted savings then this in turn, will force us to find reductions to other services. These will inevitably include services designed to deliver early intervention and prevention and will ultimately lead to increased pressures and costs across the entire health and care system. Additional funding for the NHS will not reduce pressure on health services without a commensurate increase in resources for social care.

We ask government to:

- **Address the immediate pressures on Bradford's adult social care system which will require a minimum of an additional £7m a year.**
- **Agree to the Local Government Association's call for urgent cross-party talks on the shape of a viable and sustainable social care and support system for the future involving the leadership of national political parties.**

Children's Social Care. Bradford performs relatively well in terms of rates of children in care but is experiencing significant growth in the numbers of children entering the care system and increasing complexity of cases. We are the UK's youngest city with a quarter of the people under the age of 18 and population growth alone potentially adds a further 64 Looked After Children (LAC) every three years; 28% of children live in poverty; the numbers of LAC increased by 17.6% between April 2016 and April 2018 and in 2016-17, the numbers of children placed on a child protection plan rose by 23%; our external placement costs are up 21% since 2013. Significant numbers of children in care are from outside the District including central and eastern European migrant communities.

Bradford's pioneering track record of innovation and collaboration includes:

- Joining the national Innovation programme, targeting teenagers on the edge of care.
- Social Impact Bond promoting support for positive behaviour focussed on interventions with children with learning disabilities and challenging behaviour.
- Partners include Born in Bradford, building a unique and globally important evidence base about children, young people and families.
- Strong partnership working reflected in joint targeted area inspection of domestic abuse.

However, demand is outstripping resources. The Council has made funding available to address demographic growth but this reduces the money that can be spent on services that provide early help and prevent the escalation of problems and associated costs.

We ask Government to:

- **Ensure that Bradford's children's social care needs are properly recognised and funded which will require an additional average increase of £7m a year over the next 3 years.**
- **Work with us, building on our trailblazing experience, to deliver new approaches to reducing demand. This will require additional social care capacity to develop a system wide demand reduction project for children and young people's social care that will improve outcomes while reducing costs. The learning arising from this work would be available to be shared and deliver national cost reductions.**

Devolution

Achieving a successful and inclusive UK economy depends on achieving a successful, inclusive regional economy in which Bradford District plays its full part.

We want regional devolution of policy, powers and resources in finance, employment and skills, transport and infrastructure and housing and planning along with policy reform and increased investment to help us unlock our potential and deliver dividends to the national economy and public finances.

We ask Government to commit to an ambitious Yorkshire devolution deal, building on the region's powerful identity and distinctive economic and cultural community.

Infrastructure investment

Bradford District offers significant, infrastructure investment opportunities which will transform the regional economy and productivity. Our proposed capital investment pipeline includes key transport and growth packages:-

Northern Powerhouse Rail. A high speed rail stop for Bradford city centre will add £1.3bn to our economy and connect our talent, enterprise and energy to opportunities across the north and beyond. An additional package of c£50m support will maximise opportunities offered by high speed rail.

Bradford South Gateway - ca £25m development of commercial centre including multi-sports facilities delivering new jobs and attracting inward investment.

Airedale Corridor Growth Package – ca £25m support to support growth and inward investment in the Aire Valley with potential links to re-opening of the Skipton-Colne rail route.

We ask government to work with us to invest in and secure the necessary support to deliver these critical investments.

Investing Together in a Better Future.

Failure to invest additional resources will lead to higher costs and poorer outcomes. There is a very real risk that the Council will eventually provide only statutory care and a rump of other statutory services within the context of an increasingly unsustainable care system. Funding for early interventions that reduce overall costs will be curtailed and our ability to provide the investment and accountable leadership of place required to deliver our shared ambitions for growth and prosperity will be eradicated at a time of greatest need.

Bradford Council is a partner that can be trusted to deliver and our District is a crucible of innovation and enterprise.

We want to work together with Government to forge a better future for our place and its people, to generate growth and opportunity and lower costs. Successfully achieving those goals requires central government to recognise the cost pressures in adults and children's social care, the needs of the District and its relatively limited local resource base and the importance of investment in growth and early intervention.