

**Bradford Council Executive's Budget and Council Tax Proposals for 2019/20 and 2020/21**

**Amended Budget Recommendation to Full Council**

**19 February 2019**

## Leader's Message

Councils have been hit harder than any other public service by the government's cuts – and sadly there's no sign of government austerity coming to an end any time soon. It's an unprecedented situation. In 2013/14, the government gave Bradford a core grant of £183 million to fund local services across the district. By 2020, they will have cut that to zero. It's a growing challenge to balance our budgets with each passing year. Meanwhile in our conversations with the public we hear, quite rightly, that they continue to value and expect high-quality services.

Since 2011 we have had to find £262 million of budget cuts amid a perfect storm of government austerity, rising levels of need and rising costs. The demand for our services, particularly among vulnerable children and adults, is increasing. We are not alone in this: it's a widespread situation faced by councils with growing populations in an age of government austerity. But we remain as ambitious as ever for the district and as committed as ever to supporting our residents. That commitment to our most vulnerable residents is shown in this budget amendment, in which we are announcing a substantial new fund for children's services totalling £6.5m, including an immediate £1.2m investment to deliver urgent improvements. This is a one-off fund, largely constituted by the successful North and West Yorkshire Business Rates pilot application we made to Government. This demonstrates that when the money becomes available, we invest it where it is needed.

Similarly we are announcing £500,000 into street cleansing and £500,000 into welfare advice services. We have listened to people's comments on our budget proposals and we have acted. Street cleansing affects everyone. We want to make sure that Bradford is a clean place to live for all our residents, wherever you live in the district. With Welfare Advice we know that there is rising demand for debt advice from families impacted by Universal Credit and benefit sanctions. Putting an additional amount into Welfare Advice will therefore support the new model to deliver to more vulnerable people.

We are making these decisions in the face of the unavoidable overall cuts we are having to contend with from central government. We will not stop repeating our calls on government to restore sustainable funding once and for all. While doing everything we can to maintain quality services and delivering change on an unprecedented scale, we need government to provide proper funding so we can plan services for the long term.

Alongside our calls for sustainable government funding, we have been undertaking a huge process of transformation to get the best use of shrinking funds, supporting local people and mitigating the effects of austerity. We cannot simply accept a downward trajectory forced on us by cuts. We must go for growth, the kind that can benefit all of society. We need to generate income and we need to provide fertile ground for businesses to grow and create jobs. That's why the economic strategy we launched 12 months ago is ambitious in its aims:

- to add £4bn to our district's economy
- to generate 20,000 new jobs
- and to improve the skills of 48,000 residents.

It's early days for a plan set to deliver by 2030 and there are external challenges and risks such as the uncertainty of Brexit, but we are making progress. Looking at early figures, there were 4,127 new businesses set up in 2018 – that's 15 start-ups every working day – and we have seen 6,500 new private sector jobs created and a boost in women in employment. Over the past year we have seen a 7% rise in our district's average weekly workplace earnings.

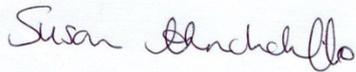
We are confident that our pipeline of exciting projects will help this progress gain momentum in the coming months and years. Our focus on culture as a core asset of the district is gathering pace. This month's reopening of St George's Hall is a case in point, creating great excitement with a renewal of such a key part of our city's heritage following on from the equally fantastic refurbishment at Cliffe Castle in Keighley. We are mindful that we are mere custodians of these incredible assets which are unique to this place we call home – it is our duty to renew them for future generations. It also makes good economic sense, with the arts, cultural and creative industries being important drivers of prosperity while enriching our lives in all kinds of ways. In the coming year and beyond we have more top-tier cycling events to look forward to, with excitement now building for the UCI world championships which will grace various parts of our district including the city centre, Ilkley and Addingham. We can also look ahead to the opening of the brand-new sports and leisure centre at Sedbergh in Bradford South, the opening of New College Bradford and looking further ahead the rejuvenation of the former Odeon building into a world class NEC-run Bradford Live music and events venue. And then there's our exciting new markets project as part of the plans to revitalise Darley Street, the top of town and its connectivity with the Broadway.

In putting forward this year's challenging budget we have once again valued the input of our residents and partner organisations. We have considered all comments received. I would like to thank wholeheartedly those who have been able to offer their constructive comments on the proposals. It really does make a difference to have an engaged public and district whose views we value and whose contributions help to shape how we overcome the challenges we face. What is clear is that everyone cares passionately about the services that are important to them. Our partnership with the voluntary and community sector is one of the building blocks of the success of this district. I also want to place on record how highly I value our staff and Trade Unions in working with us to navigate through this extended period of unprecedented change in local government. As a Labour Executive and as local public servants, we would never want to make such difficult cuts given the choice. But doing nothing is simply not an option. We have to deal with the situation we face and put our values into action as best we possibly can. Alongside that we are tirelessly lobbying the government to change its approach to local government. I have again been meeting ministers in person and writing to them throughout this past year to make the case loud and clear for Bradford district. I assure you that will continue until we get the proper funding we need.

This year we are having to propose a 2.99% rise in council tax. We do not take this lightly. People across the country are – completely understandably – asking their councils why their council tax is increasing but their services face cuts. The simple answer is that the money raised from council tax increases comes nowhere near the money Bradford Council has foregone because of government cuts. This is the national blight of our times, it's the government's austerity policy, a political choice, not a necessity. And it's concerning that richer places can generate more funds for services through tax rises than less affluent places. Surrey, for example, will raise £7m for every 1% rise in council tax whereas here in Bradford District with our lower council tax every 1% rise generates just £1.9m. We

are taking that message to government that we need a fair distribution of funding in future to make sure that our local services are not subject to an unfair postcode lottery.

Despite our challenges we have lots of exciting plans for the future. Our ambitions for the place remain high and I want to thank communities for working with us towards achieving those ambitions. Bradford District is a rich, diverse place with a young population located in the heart of the north of England. We have all the right ingredients to succeed. Together, we will.



**Councillor Susan Hinchcliffe, Leader of Bradford Council**

## **1. Introduction**

This document is the Executive's amendment to the budget proposals detailed in Document AZ. The Executive makes these recommendations in light of developments since our initial proposals were published, including our consideration of the consultation feedback and the changes to local government finance outlined in the Provisional Local Government Finance Settlement announced by the government on 13 December 2018, followed by the Final Local Government Finance Settlement announced on 29 January 2019.

Firstly we would like to thank everyone who has taken the time to comment on the budget proposals during the consultation period. We have listened and taken all comments on board and we have considered the equality impact assessments, as part of our consideration of these difficult decisions resulting from the unprecedented government cuts to our district.

What has shone through once again is the fact that people continue to value and expect high quality council services. People want and need reliable waste collections, clean streets, efficient road repairs and street lighting and good education and cultural services. Likewise our local businesses rightly expect our local services and infrastructure to be of the highest standard to make an environment ripe for successful businesses to flourish.

We understand that ceasing, reducing or changing services has a significant impact on residents, businesses and partner organisations and we have paid due regard to the equality impact assessments for all proposals. In particular this year through the consultation we have received a large number of comments relating to welfare advice and customer services and libraries, and to a lesser extent the proposed rise in council tax. We have received a smaller number of comments relating to a range of other proposals, such as the youth service, and as part of more specific departmental consultation events we have received

more detailed feedback and a larger number of comments especially in relation to libraries and also to museums and galleries, welfare advice and customer services, public health and adult social care demand management. All comments have been taken into consideration in the context of the unavoidable need to make significant financial reductions.

With each passing year of government cuts it is inevitable that our options are reducing for trying to find ways of filling the hole in our budgets. In common with other councils across the country, the cumulative impact is such that there is a growing tension between the need to provide good comprehensive services against the lack of funding to do so. Nevertheless through this proposed amended budget we make every effort to mitigate the impacts of the government cuts while delivering for the people of the district and retaining the highest ambitions for a better Bradford District.

## **2. Financial context**

Bradford Metropolitan District Council provides universal services for all residents and targeted services for children and adults in need of support, regardless of where they live in the district. The government's unprecedented cuts to our funding are therefore having an impact on everyone in the district, wherever they live.

Central government has cut its funding to the council every year since it started its national austerity programme in 2010/11. The government's Revenue Support Grant to Bradford Council, which was £183m in 2013/14, will be cut entirely by 2020. In real terms our net budget in 2020 will be around half what it was in 2010.

Due to the government cuts, Bradford Council has had to find cuts of £262m since 2011 up to and including 2018/19. More than half of the total has related to cuts in management and administration costs, improving efficiency and renegotiating contracts.

The government's policy to spend less on council services has coincided with rapidly increasing demand for services. In common with national trends, we have a growing population, an ageing population and increasing numbers of children needing care. The Local Government Association (LGA) has warned that the pressures facing children's services are becoming unsustainable nationally with a £2bn funding gap expected by 2020.

Here in Bradford we are fully aware of the scale of the challenge before us. Even after this difficult budget, we face a gap of £27.9m in 2020/21. Many councils face similar situations in the years ahead. Over time this projected gap reduces to £20-25m as the full benefit of our adult social care transformation is felt. Nevertheless as the section 151 officer has advised, the overall gap will have to be met through further diligent and effective measures following this budget.

While calling on government to address the national challenge for local government finance, we have worked hard locally to transform how our services are delivered so that we maintain the best possible provision while doing things differently. A big part of this is by working alongside communities and partner organisations through the People Can

campaign. We want to empower local people to have more of a say and control over the services they value in their neighbourhoods.

As an Executive we are concerned that austerity itself, and benefit reforms, have fuelled the rising demand for public and third sector services across the country. We have worked hard to mitigate the effects of national austerity cuts and as a Labour Executive and Labour Group we will continue to explore ways of doing so.

This country cannot cut its way out of austerity. We understand that only too well here in Bradford. We know that means finding ways to stimulate new investment into Bradford district, developing sustainable growth which in turn will help drive new income to fund council services in the future. Council tax historically formed a smaller proportion (around 35%) of the council's income when government funding covered the majority of the council's budget for delivering services. That is changing rapidly as central government funding is withdrawn. Government policy is increasingly placing the onus on local authorities to pay for services through council tax and business rates income rather than central grants, making these elements of growing significance to our future sustainability.

For a place like the Bradford District with lower council tax than more affluent areas of the country, this national policy represents a challenge. The wealthiest parts of the country can raise more to pay for better services resulting in a postcode lottery. We will continue making our calls to government to work with us for a fair approach to funding our services.

As we head towards a full decade of UK public spending cuts, the performance of our national economy continues to be challenging with sluggish wage and productivity growth. In addition, Brexit is causing uncertainty for businesses and households and the full impact is unclear, whether there is a deal or no deal. The CBI has said that the impacts of a no-deal Brexit would be "vast and will impact every region and nation of the UK". As a council we have been assessing all significant risks and potential opportunities arising from Brexit in general and no deal in particular, and we have been stating the case for current European funding to our district to be replaced directly by government. We need funding to be transferred from Brussels to Bradford, not Brussels to Westminster. We also clearly state our support for EU nationals from other countries who have made their homes here, who make a huge contribution to this district and who are very much welcomed to continue to do so.

Since we published our initial budget proposals on 4 December 2018, several events have taken place changing the levels of our income and expenditure and therefore the size of our available budget for next year. These changes are described in section 2.3 of the Finance Director's Revenue Estimates report ('AZ') and 2019-20 Budget Update report ('AQ' – Executive, 5 February 2018).

The vast bulk of this net change comes from the income from the North Yorkshire and West Yorkshire 75% business rates retention scheme, which we successfully bid into. The scheme is currently for one year only.

### **3. Council tax**

In 2019/20 we propose a council tax rise of 2.99% for funding Bradford Council services. The 2.99% increase amounts to an additional cost of £3.32 a month for a Band D council tax payer.

This year we do not have the option to have an adult social care precept. Our total tax rise is therefore 2.99%, unlike the previous two years when we had an additional 3% social care precept.

We recognise that tax rises are extremely difficult for many households who themselves are stretched in these times of austerity. We have listened to comments from people who question why their council tax bill is increasing while services continue to face reductions. The reason for this is that the money generated through council tax rises is considerably less than the funding the government is taking away. The council tax rise only lessens the worst impact of the government cuts; it does not replace them. That is why council tax payers across the country are paying more while seeing local services change or reduce. We are making the case to government that this is a particular risk in less affluent parts of the country with fewer high value properties, where the council tax income falls well short of filling the shortfall. A 1% council tax rise in Surrey for example generates £7m; in Bradford with our lower council tax it raises just £1.9m.

A survey by the Local Government Information Unit (LGiU) and the Municipal Journal has found that 97% of local authorities in England plan to increase council tax for 2019/20, of which three-quarters expect a rise of more than 2.5%. The survey also revealed that eight out of 10 councils believe the current funding system is "unsustainable" and most (53%) plan to dip into their reserves. Further service cuts are also planned at councils across the country. More than a quarter of councils in the survey (29%) plan to cut adult social care, around a quarter (24%) plan to reduce children's care services, almost half (45%) are planning cuts to parks and leisure, more than a third (38%) to roads, almost a third of councils (32%) plan cuts to libraries and around one in five (22%) intend to cut waste collection. LGiU chief executive Jonathan Carr-West said councils have no option but to take "drastic measures" to make ends meet. He said: "We know that council funding is broken. Councils are making do by increasing council tax as much as they can, increasing charging and dipping into their reserves. Even with these desperate measures they are having to reduce spending; not just on vital place-shaping services like leisure, libraries and parks but in core life-saving areas like social care and children's services."

### **4. Principal amendments**

As set out in the Finance Director's report, since launching our initial budget proposals on 4 December we are now able to reduce our call on reserves by £5,095,000 as a result of the net gain from changes that have taken place since that date. The majority of that gain, itemised in report AZ, is due to the announcement of our successful bid with partners into the one-year, 75% business rates retention scheme which brings in £3,757,000. Through our

discussions with officers we have also identified that a re-phasing of the early help reductions will free up £2m for 2019/20.

We are committed to redirecting these funds to where they are needed most, in particular to Children's Services. Our amended proposals are set out below:

**£6.5m for a new children's services investment fund**

Following consultation with officers the Executive proposes a one-off £6.5m investment into a fund for Children's Services. From this £6.5m total, £1.2m will be released immediately (£800,000 in 2019/20 and £400,000 in 2020/21) to fund additional social work capacity and to support the effective delivery of urgent improvements. This immediate investment is vital to ensure a strong basis for the urgent and sustainable improvements that are required. The remaining £5.3m is to be held centrally and released for specific identified uses, only with the approval of a board comprising the Leader of Council, Executive Member for Children & Families and senior officers. This is to ensure that the funding is both available for this key priority area to improve our services for children but is subject to a robust process to ensure it can deliver greatest impact and best value. If the investment fund is not ultimately needed in full then any leftover monies will be put into the Transition and Risk Reserve.

**£500,000 (ongoing) for street cleansing from 2019/20**

The Executive proposes this ongoing investment into street cleansing to fund additional street cleansing staff and more work to encourage community initiatives to help keep our streets clean. This funding will help us to clean up our streets but also work with communities to try to prevent the problem in the first place. In these straitened times it is important we get the best possible value for the taxpayer from this new investment. We have listened to feedback, both through this and previous budget consultations and also from ward councillors and members of the community. We have also consulted officers on what kinds of effective street cleansing models can be delivered, weighing up the need to balance budgets with the need to deliver comprehensive services. Following careful consideration of all the factors we are pleased to propose this additional £500,000 in annual funding to help clean up our streets and develop additional activities with communities through People Can.

**£500,000 (ongoing) for welfare advice from 2020/21**

The Executive proposes a £500,000 reduction to the proposed cut in Welfare Advice to reduce the strain on this important area of work. Welfare advice is a vital service for those who use it, especially in these times of continuing government austerity, so it is important we have the best possible provision to protect people from crisis situations which cost more in the long term, individually and for society. While facing the reality of our shrinking budgets, our new welfare advice service must be designed around the needs of those who use it. Being supported out of financial hardship is fundamental to ensuring people's mental and physical health. Work is therefore currently underway to gain insight into how effectively the welfare advice and other front-facing services can work from the perspective of those who use them. Following that analysis we will be looking at options for more

detailed evidence-based proposals to be further consulted on appropriately in advance of any changes being implemented.

### **Use of reserves**

The uncertainty around local government funding has only increased over the past year with many councils looking ahead to significant funding gaps in the coming years. So in making these proposals the Executive remains keenly aware of the need to use Council reserves prudently on behalf of the District.

Through our budget proposals set out in this amendment we are reducing our reserves by a net £1.46m in 2019/20. Therefore in setting out this budget the Council's unallocated reserves will remain within the acceptable range for contingency against risks not accounted for, with £10.8m remaining in the General Fund Reserve and £14.5m in the Unallocated Corporate Reserves. Throughout this decade of government cuts, our reserves have inevitably been reduced over time but we must continue to ensure they stay at a viable level. It is a difficult balance between calling on reserves when necessary and retaining them at a prudent level for unforeseen risks in what is an uncertain environment. We propose that this budget strikes that difficult balance by ensuring our unallocated reserves remain well within the recommended range as confirmed in the section 151 officer's report.

### **5. Investing in our children and young people**

This budget shows that when money becomes available, we will invest it to support our children who are the future of this district. Through this budget we are proposing a substantial new one-off investment of £6.5m into a Children's Services fund in addition to the £5.5m ongoing investment into children's social care and £890,000 into Special Educational Needs and Disabilities (SEND) we announced in December.

As the UK's youngest city, ensuring our children get the best possible start in life whatever their needs and background is our number one priority. It is vital that vulnerable young people receive the care and support they need so that they feel safe and secure in their childhoods and go on to lead happy and successful lives.

This budget will enable us to drive forward with the right improvements following Ofsted's inspection judgement of our Children's Services on 29 October. We have made the necessary early progress in laying the foundations but we are under no illusions that there is a lot of work to do, so these new investments are in recognition of the need to build on that progress. We are clear that significant improvements are essential across the areas identified by Ofsted, while at the same time we must maintain high standards in the areas of good practice that were identified, such as in our work with partner agencies to counter child sexual exploitation.

We have tasked officers to work urgently and at pace to deliver the Children's Services improvement plan. On announcing our budget proposals in December we were clear it is not

solely about providing extra funding: the funding must be used in the right way to deliver the necessary transformation. Our decision to set up a board with officers to examine and scrutinise new spending in Children's Services will help to ensure that every penny is made to count with resources invested in the right areas at every stage.

This budget also marks a significant new investment in services for children with special educational needs and disabilities (SEND). We are clear that there is a number of areas for improvement in these services which we must deliver in order to ensure that children and young people with Special Educational Needs get the best possible support and educational opportunities. Our fundamental belief is that every child must be given the same high level of opportunities to fulfil their vast potential whatever their specific needs. This budget's considerable investment in children's services and SEND improvements demonstrates that we are serious about making the improvements needed. As a council we must work with pace in the coming weeks and months to deliver the improvements that are necessary.

As part of our commitment to our young people we will also continue to support educational improvements through our Bradford Education Covenant. Our pioneering Education Covenant now has over 5,000 local businesses signed up who are providing their support in all kinds of ways from one-off events, employees volunteering in schools or clubs, apprenticeships and other learning and employment opportunities for young people.

We are also making a difference through our work with government and partners on the Education Opportunity Area which also supports high quality learning in its widest sense. Through the Opportunity Area we are working to engage and empower families to help their children succeed whatever their background. Both the Covenant and the Opportunity Area are about working with families, communities, businesses and partner organisations to give children the best start in their education, skills and development across all areas of their lives.

Meanwhile our pioneering work continues at pace to build successful connections between the worlds of education and employment to the benefit of our young people. Through the Industrial Centres of Excellence (ICEs) we are supporting young people to get the skills they need and connect them with good opportunities in the workplace, as part of the Bradford Pathways model which links education and business to the benefit of young people and employers alike. Following a review of ICE we have been able to substantially grow the programme through closer partnership working. As a result we are targeting working with 17,000 students this academic year. We are on track to achieve this with over 9,000 young people having accessed the programme to date in 2018/19. The new Keighley ICE is a recent example of this success, as it is now full to capacity with 256 young people working towards engineering qualifications with a strong focus on skills that are needed and valued by modern industry.

Through this budget amendment we repeat our commitment to building the voice of the child into everything we do. This is a substantial ambition to develop an approach in which the voice of the child underpins not only Children's Services but the work of the council as a whole – and indeed the entire district. This can be the starting point of an exciting journey

towards ensuring Bradford is a city and district in which the voice of the child, whatever his or her background, contributes fundamentally to the fabric of the place.

## **6. Adult social care**

We continue to drive forward with our strategies to transform adult social care, which are delivering improvements through better and more personalised support for people across our district.

Our Happy, Healthy and at Home strategy is a long-term plan which is starting to bear fruit in better care and services to help people stay well and independent for longer while living enriching lives in their homes and community settings. By increasing the level of preventative support for people, and with a focus on what they can do, we are giving people more choice and control in their own lives. As demonstrated by our investment in the development of the extra care facility at the former Bronte Middle School site in Keighley, our aim is to enable people not only to cope but to thrive, by ensuring access to the range of support and services they need to live their lives independently and to the full. Supporting people to live fulfilling lives benefits both their mental and physical health, it tackles loneliness and builds resilience and it reduces the need for costly and undesirable interventions after their challenges have avoidably multiplied. So as a district, supporting more people to live at home for longer instead of having to go into residential care is both welcome for the individuals and also means that annual costs are substantially lower than they would otherwise be. The approach also saves money and resources for our health partners by easing the pressure on their services.

Nevertheless in spite of the strategy being the right one, and it reducing the number of people needing care home placements, overall costs continue to rise as care costs increase and we have more people in need of support. This year we have repeated our calls on government to deliver a national plan for adult social care which would improve people's lives and further ease pressure on the NHS. Unfortunately, though, the government has again delayed its long-awaited green paper on social care. The green paper was first announced by the Chancellor in March 2017 and planned for autumn that year. In November 2017 the government then said it planned to publish the paper in summer 2018. That deadline was put back to autumn 2018, and has been put back again to later in 2019.

We welcomed the announcement of one-off funding for social care in the absence of a new sustainable plan this year, however we are clear that has been released while funding as a whole is being cut. In the Local Government Finance Settlement one-off funding of £410 million was found by national government for adults and children's social care pressures. However this only mitigates a £1.3 billion cut they had already committed to. The sector needs a long-term sustainable increase to ensure better care and support for people, not a sticking plaster to keep this vital service going one more year.

## **7. Our plan to increase income and promote inclusive growth**

Even with the delivery of this budget in full, the council faces an unprecedented funding gap in the years ahead. In the meantime demand for our services continues to rise and with each successive year of government cuts it becomes increasingly difficult to find further reductions to services to balance our budgets. As we found through the consultation, these are services that people value and rely on.

This means that as well as facing up to the reality of unpalatable reductions, we must accelerate our drive to raise additional income to fund council services. There are various ways we are working to do this and these include:

- **Lobbying government for fair funding**

We have written to and met with a number of government ministers again over the past year. We have also met with local MPs to make the case around the severity of our budget situation. We have also repeatedly spoken out and passed full council motions calling on the government to provide fair funding, especially for children's and adult services. We will continue to do so. And we are making submissions to every consultation held by the government into proposed changes to local government finance. In particular we are concerned about government proposals to take out deprivation as a factor in the formula for the relative funding of local government services. We are far from alone in this situation, as the situation facing councils across the country is more serious and widespread than ever before. Together with partner councils we will continue to make our voice heard in the campaign for fair funding to meet the needs and ambitions of our district.

- **Combining services, assets and resources with partners**

Our outcome-based budgeting process has moved away from looking solely at how discrete council departments can deliver the same services for less. Instead we look at the impacts we need to achieve for our residents. This means taking a district-wide approach looking across all complementary services to find efficiencies, deliver joined-up services and get best value for the taxpayer. In the absence of government funding, we must accelerate the shift towards closer and more joint working with partners and with communities. We are pursuing a strategic approach which is to ensure that neighbourhoods across the district have access to the services they need even if that means doing things differently. This will mean doing more joint work and where necessary aligning resources with partner organisations who share our objectives of better services to support people's health, wellbeing and prosperity.

- **Increasing our income from commercial activities**

We run many very successful services which both meet demand and raise income. Some of these are non-statutory services which raise income for the council to help fund other services. We also raise income across a number of other areas of our service provision and we need to examine the opportunities for enhancing this income while balancing the need to meet the needs of all our residents and by maintaining our many excellent

free and low-cost facilities to ensure the widest possible access and participation: commercial innovation underpinned by civic values.

- **Increasing our council tax and business rates base**

Currently the government policy is to shift the onus of funding council services away from central government funding and towards locally raised income from council tax and business rates. The reality is that currently council tax rises and business rates income do not compensate for the loss of government funding. So we need to accelerate growth in our council tax and business rates bases, sustainably in accordance with our local plans, in order to generate funds to pay for council services.

On council tax we have clear plans in place to build the right homes in the right places with brownfield sites as a priority, not only to help achieve economic growth but also because we owe it to the next generation to ensure there is sufficient housing to meet growing need. Our housing and development officers are making encouraging progress in helping to identify and unlock the right sites.

On business rates, we have a whole range of initiatives to stimulate business growth in our district. We are one year on from the launch of our ambitious but achievable economic strategy to add £4bn to the district economy, generate 20,000 new jobs and improve the skills of 48,000 residents by 2030. We are already making strong progress. Since then we have seen the birth of 4,127 businesses in 2018, equivalent to 15 new start-ups every working day, and the identification of 48 high growth scale-ups. Over the 12 months there have been 6,500 new private sector jobs, representing a rise of nearly 5%, breaking the 20,000 barrier in the number of BME women in employment which is almost double the amount since 2010. Our district's average weekly workplace earnings have also increased by 7% in 2018. We are committed to encouraging further business growth in the coming year and beyond as part of our strategy to build a vibrant economy that benefits the many, not just the few. We believe that our 'Bradford Pound' social value policy will also benefit the local economy and further stimulate growth while continuing to ensure best value for the taxpayer.

- **Investing in assets to generate returns**

Our purchase of the NCP car park on Hall Ings has proven to be a shrewd investment, as we are making an ongoing net income with the rent we receive outstripping the cost of ownership. That's an income before we even consider the longer term benefits of ownership, both financial and strategic. In the coming year we will continue to act prudently within our means but we will invest decisively when the right opportunities arise, as long as the investment generates income which all helps to fund more public services for us all.

In addition through our capital investment programme, as set out in Document BB, we are committed to investing in schemes that will both deliver service improvements and save us money. Successful capital projects can improve the quality of facilities, reduce upkeep costs and improve productivity. This will help get the economy moving while making this district a

great place in which to live, work, play and invest. The proposals for capital expenditure are all put forward with the clear objective for new schemes to be self-financing. The biggest individual proposal, the invest-to-save street lighting efficiency scheme, delivers projected savings for the council's budget from year one through a combination of reduced energy and maintenance costs. The projected £45.6m capital investment is to be funded by a combination of corporate borrowing and an interest-free government loan for energy saving projects which we could not get for anything else. Energy costs on the old street lighting increased by 16% last year alone, therefore the proposal is to switch to the more cost effective alternative.

Last week's reopening of St George's Hall at the heart of Bradford city centre, following on from our celebrated major refurbishment of Cliffe Castle in Keighley, underlines our commitment to renewing our district's heritage.

Culture is at the heart of our plans to build a better Bradford District. A distinctive and strong cultural offer is at the core of what makes a place unique, it builds pride and it enhances confidence in our heritage. The educational, economic and tourism benefits are huge. Excitement is also building as Bradford Live at the former Odeon moves ever nearer with initial works taking place for a transformational project that we are proud to support. Even in these straitened times, we are demonstrating our commitment to culture as a driver of economic growth and to positively shape the place we want to be. We also have plans for investment in new and more efficient sports and leisure facilities, which are cheaper to run, with the new cutting-edge Sedbergh leisure centre moving ever closer to completion. We are providing residents with new opportunities to enjoy active and fulfilling lifestyles for many years to come.

Looking ahead to other major projects, together with partners we continue to make progress towards the significant road improvements at Hard Ings in Keighley and Harrogate Road/New Line in east Bradford, for example, which will cut journey times and bring environmental and productivity benefits.

## **8. Support for all our residents**

We repeat the commitment set out when we launched the budget proposals that we will continue to support all communities in the district even as we face increasingly difficult budget decisions. We are aware of the need to mitigate the impact of national austerity on low income groups whenever possible and we will continue to look for ways, including in our work with partners, to do so. We need to increase our income in order to maintain services, but we nevertheless do not take any decisions lightly to increase council tax or other charges which are an additional burden on local people. We consider this impact in making our proposals.

Education, skills and employment remain the key areas which can sustainably support people out of poverty, which is why we continue to invest significantly in these areas – and

in particular services for children and young people – within our shrinking budgets. Our local skills and employment programmes which outperform their national equivalents are a major success story in supporting people into employment. Get Bradford Working, which has helped over 3,100 people into work in our district, goes from strength to strength in supporting people into careers across different sectors, including through the Industrial Centres of Excellence and SkillsHouse. It's also of course beneficial for businesses and the economy to have people's skills matching the needs of business, so it's a win-win with people entering the jobs market with the right types and levels of skills to forge themselves successful careers into the future.

As the council's budget reduces we have shifted into a more strategic role in order to support good quality outcomes even where we may not be directly delivering services. The Education Covenant is a good example of this, where we are linking schools and industry and we are supporting parents and families to build the right foundations for a child's learning inside and outside formal education. Through the Covenant and People Can, we are working to promote a cycle of achievement in which the district as a whole is a confident and connected place with a culture of learning, opportunity and hard work at its core. We are determined to build strong economic growth not just for its own sake but in order to benefit the widest possible range of people. It is vital that the younger generation grow up with opportunities to get a decent home, a good education and a fulfilling job in a place that is rich in culture, encouraging a long and happy life.

Working with partners we will continue to ensure that people on low incomes have access to a range of services to ease the pressures they face. We are proud to be a key part of the Bradford District Credit Union, which is based in City Hall and recently has celebrated its 25<sup>th</sup> anniversary. Since we set up the credit union it has grown significantly, especially in the current austerity decade, its membership rising from around 3,500 in 2012 to 6,600 today. The credit union provides an ethical alternative to high interest lenders for people who need reliable and manageable credit, loans, saving and budgeting services. It is also helping young people set off on the right path with their finances, with 76 children now registered and saving over £6,000 in its Savings Club.

We will continue to look at all options for mitigating the impact of austerity on our lowest earning residents in these challenging times, whether it's through welfare assistance or other schemes to alleviate the impact of hardship or through long-term skills and employment initiatives to support people in securing good jobs and better futures.

## **9. Working with the voluntary and community sector**

It is crucial especially in these times of shrinking budgets that we work closely and effectively with the VCS to help ensure residents get the services and support they need. As organisations we will also enjoy mutual benefits by working in close partnership as we evolve to stay sustainable into the future and have the best possible impact in the face of the severe funding cuts we face.

As we stated in previous years, the central government funding cuts are inevitably also felt by the VCS. We have considered this impact in working through these budget proposals and we will continue to do so as we look ahead and face up to future challenges.

We always welcome the views of the VCS both through our formal budget consultations and also as part of our ongoing joint working to deliver the best for our residents, businesses and communities. As we face the need to evolve jointly with the VCS in changing circumstances and with shrinking funds, we must always ensure our services are provided with the needs of the service user at the forefront. We hugely value our work together with the VCS in rising to the common challenges we face and in meeting our mutual goals to benefit the people of the Bradford District.

## **10. Staff and Trade Unions**

As we have said in previous budget rounds through these successive years of government cuts, it becomes increasingly difficult for local government to protect jobs and services. However we have put great effort into working with staff and Trade Unions to rise to that challenge and we believe that this constructive relationship has been key to managing this difficult process.

From the start of government austerity in 2010 up to the current date the Council has reduced by 2,430 full-time equivalents (FTE), of which 163 staff were made compulsory redundant.

Despite our best efforts to keep losses to a minimum, this year again there will have to be job losses. We are facing a potential 229 new FTE job losses – 118 FTE in 2019/20 (50 lower than previously reported due to the early help restructure already undertaken) and 111 FTE in 2020/21 – in addition to the previously proposed 68 FTE for 2019/20.

Staff and Trade Unions will of course be involved throughout the process as per the established practice as these changes are progressed.

The Executive would like to pay tribute to our hardworking Council staff who have remained loyal to the organisation and the people we serve in particularly difficult circumstances. The absence of a long-term sustainable funding model from government makes for a hugely challenging situation in which to work and in which to try to plan ahead both for individual officers and for local authorities across the country. Our staff are at the heart of this Council's success and its transformation and that will remain the case as we navigate through our coming challenges.

The Executive values the latest feedback from Trade Unions. They have played a vital role in engaging constructively with the council's political and managerial leadership to support good relations with staff throughout all of the difficult budgets we have had to set. We are

delivering change on a massive scale and in that context our constructive engagement with the Trade Unions has supported effective industrial relations in order to best mitigate the negative impact on staff. This Executive expects officers to continue to consult, speak and negotiate with the Trade Unions throughout the implementation of these proposals and beyond.

In our constructive and honest discussions with the Trade Unions throughout this extended period of government austerity, we have been clear that sadly we are in no position to offer guarantees around compulsory redundancies, but they can be assured that compulsory redundancies continue to be a last resort. This Council is committed to working constructively with staff and unions now and into the future.

Together with staff, Trade Unions, communities and partner organisations we are determined to lead this district through these challenging times. Everything we do is geared towards our vision of a pioneering, confident and connected Bradford District that works for everyone, wherever they live in the district and whatever their background.

## **11. Our achievements and ambitions for Bradford District**

It is worth placing on record, as we did when launching the initial proposals in December, that our ambitions for this district remain as high as ever. Despite our challenges, we remain confident this is a district on the up. The following are some of the achievements delivered over the past year through our work with partners:

- NEC entered a lease agreement with Bradford Live to convert the former Odeon into a world class music and events venue
- Bradford named a top emerging destination in the luxury travel guide
- Economic strategy launched – setting out plans for 20,000 more people into work, raise GVA by £4bn and 48,000 more people with NVQ3 level skills by 2030
- City centre BID approved following the successful Keighley BID
- CQC report June 2018 – council and health partnership praised
- 5th best in the country at the health & social care interface (named by CQC)
- Number of new homes at highest level in 10 years – the audited figure for April 2017-April 2018 is confirmed as 1,621. Among other changes, notable contributions to the increase in homes were from 1,098 new-build homes (51% of which were built on previously developed land) and 328 from office conversions through permitted development demanding that wherever possible we encourage development on brownfield sites
- Number of homes improved – above target and up on last year
- Visitor numbers up at key events – e.g. Bradford Literature Festival up from 50,000 in 2017 to 70,000 in 2018
- Awarded empty homes practitioner of the year
- Education Opportunity Area – Parents as Partners in Learning launched in 3 areas
- School results improving – 2nd best on Progress 8 in our comparative group of local authorities

- Integrated Communities Partnership launched – Bradford leads on cohesion and integration
- Recycling on the up – first 6 months of 2018 kerbside 22% up on same period in 2017
- Sedbergh leisure centre on track for opening in 2019
- Get Bradford Working – over 3,100 people supported into jobs
- Keighley Industrial Centre of Excellence – full to capacity with 256 young people learning towards engineering qualifications
- Shipley College – funded by Skills Capital / West Yorkshire Combined Authority supporting young people with special learning needs.

As our district economic strategy has kicked into force we can look forward with ambition to the opportunities ahead of us which will help to grow our council tax base, grow our business rates base and enrich this district as a great place to live, work and play. We are confident that the following transformational projects we have planned for the coming years will help to achieve a more prosperous and successful Bradford District:

- 2019 - St George's Hall has reopened, a beautiful restoration of the oldest concert hall still in use in the UK and the third oldest in Europe – biggest refurbishment in its history
- 2019 - Bradford BID up and running and Ilkley BID in development with council support
- 2019 - £19m New College development – 1,200 sixth form students in the city centre
- 2019 – UCI Road World Championship cycling event in the city centre, Ilkley and Addingham
- 2020 - £9.8m investment into Hard Ings, Keighley to help address town centre congestion saving 39,000 hours of travel time in peak periods in its first year
- 2020 - Bradford Live opens, largest mid-sized venue in the country outside of London: £10m annual boost to the economy, 270,000 visitors a year
- 2021 - Bradford Forster Square redevelopment - completely redesigned station with better connectivity to the top of town and a better gateway entrance to the city centre
- 2021 - City centre markets project to see new food market open on Darley Street driving regeneration, freeing up a key city centre site for redevelopment providing an anchor to the top of town masterplan development work
- 2021 - Rugby league museum to open in City Hall in time for the Rugby World Cup, attracting at least 50,000 people a year into this key heritage building in Bradford history
- 2021 - One City Park to open potentially providing grade A office space in the city centre to attract hundreds of quality jobs
- 2021 – 3 enterprise zones across the district
- 2022 onwards - top of town redevelopment as the vacated Oastler Centre is demolished and redeveloped as a housing led mixed use development site as part of ambition to deliver 1,000 new homes in the top of town.
- By 2030 and beyond - Bradford's Economic Strategy to get 20,000 more people into work, 48,000 more people with NVQ3 Level skills and GVA increased by £4bn, with Bradford as a confirmed stop on Northern Powerhouse Rail between Leeds and Manchester. A mass transit system to connect the whole district with our West Yorkshire neighbours and the high speed opportunities benefiting local people and businesses.