

Bradford Council Executive's Budget and Council Tax proposals for 2021/22

For consideration at the meeting of the Executive on 1 December 2020



Council Leader's message

2020 has been a year like no other, the challenge of Covid-19 so deeply affecting us all. That challenge has been met by an equally colossal response by the people of our district.

First and foremost, we offer our heartfelt sympathies to all the families in our district who have so painfully lost loved ones to the virus. The loss of every single person is a tragedy.

We also pay tribute to everyone in the Bradford district who has put in such an incredible response to this emergency. It's been a real team effort, the scale of which has probably not yet fully sunk in. I have been humbled by the work of neighbours, of volunteers and council staff, the voluntary and community sector, nurses, doctors and other public servants – all public service heroes who have worked night and day to keep us safe. Thank you.

The Director of Finance's report sets out just how damaging the pandemic has been to the council's finances, which were already stretched after a decade of Tory Government austerity. The pandemic has hit the council's income, created increased demand for our services and led to more hardship across the district requiring a rapid expansion of support for jobs and the economy.

So we are presenting a strong budget for investment and recovery. Now would not be the time to scale back our ambitions or our support for our communities and businesses. It is a budget in which we increase our resources where they are needed most and in line with our key priorities. It is a budget to support jobs and skills, social mobility, education and culture. It is a budget in which we provide targeted investments to strengthen the support for those who need it. For example, our investment in SkillsHouse will support people to get new qualifications and enhance their career prospects at the time of recovery. Our proposed new Raising Attainment initiative will help children catch up on the learning they lost to the pandemic. And we are proposing to confirm the pioneering Housing First scheme in to our base budget after its successful pilot supporting people to end rough sleeping and address their complex needs. Our proposals also provide much-needed further investment in children's social care and our services for vulnerable adults.

Alongside these new investments, we will also press on with the delivery of our ambitious regeneration plans and climate emergency actions that we set out earlier this year before Covid arrived. These plans are more important than ever as we look ahead to the recovery from Covid-19. We are determined to tackle inequalities and ensure that every child can reach their full potential, whoever they are and whatever their background, and to build a future of new green jobs and world class culture.

We are under no illusions about the scale of the challenge we face, in common with other major cities of the North. Our budget is designed to provide the stability we

need to navigate the perfect storm of drastically reduced income, rising demands for our services and the national economic downturn. The number of children needing our care has reached a record high; we have seen a 76% increase in referrals to our domestic abuse service; we are providing additional support for adult social care, and we have seen a doubling in youth unemployment since the pandemic began. The impact of Brexit is also uncertain, with the Office for Budget Responsibility (the government's independent spending watchdog) forecasting that a no-deal Brexit would reduce economic growth and increase unemployment next year. Whatever changes materialise, we continue to work on our plans so that we can adapt accordingly. For all these reasons, our proposals cover just one financial year.

Our ambitions for the district are undimmed. We have great belief in our people, businesses and partner organisations. Collectively we can work towards a resilient recovery. And our communities can be reassured that we continue to invest to support them and to create new opportunities so that the Bradford district is a natural place for investment at the heart of the North.

Long before the pandemic hit, we have spoken as a Labour council about the need to tackle profound inequalities in our society. Covid-19 has cruelly exposed those inequalities and highlighted the urgent need for action on a local, regional and national level. This is a budget with the pursuit of social justice at its core – we are putting our money where our mouth is by investing more in learning and skills, in services for our children to tackle the unfair divide that starts at birth, in services for our older people and our disadvantaged communities who have been disproportionately hit by Covid. Meanwhile despite the challenges of Covid, we proceed at pace with our transformative capital plans to stimulate new growth and opportunities and address the climate emergency.

As we set out these investments, we call on government to work with us and, once and for all, to make its austerity cuts a thing of the past. We repeat our call on government to make levelling-up a reality and to empower our people to fulfil their incredible potential. These are tough times for many of our residents and tough times for our businesses. We will keep fighting for a fairer deal for the people we serve, who we know have the talents to succeed in a world changed by Covid-19.

Finally I would encourage as many people as possible to have their say in this consultation. It is not easy consulting at a time of pandemic but we need to ensure we do so as widely and as well as possible, so we have asked officers to pull out all the stops in undertaking the consultation albeit in different ways this year. Our approach to the budget and achieving our ambitions is made all the stronger thanks to the contribution of the people we serve. We have a track record of listening and we look forward to hearing everyone's views.

Cllr Susan Hinchcliffe, Leader of Bradford Council

Our new investments

SkillsHouse (£1.019m): We have a successful track record as a partnership of supporting jobseekers into sustained work and businesses recruiting locally through the award-winning SkillsHouse. This proposal will enable us to grow this through interventions to address the immediate job losses of the Covid-19 recession and underlying local need: skills gaps, low pay, low productivity and social inequalities. It will also build the capacity of deprived communities to access training to secure sustainable employment and careers. Growing SkillsHouse is vital so that the system will have the capacity to support jobseekers and employers at a time of increased need and to ensure that the economic recovery is inclusive and sustainable.

Strategy for raising educational attainment – building on the post-Covid recovery (£2.4m): Following Covid-19 there has to be a focus on ensuring the children who have experienced a gap in attending school are not disadvantaged as a result of the pandemic. There is a risk that lockdown has exacerbated inequalities, so we need to work with our schools to address that as quickly as possible. The strategy takes into account the investment to date from the Opportunity Area and the next steps for an approach in partnership with schools, for improving educational outcomes at primary and secondary level. The strategy is designed to extend our work to address the root causes of unequal educational outcomes, such as improving attendance and tackling persistent absence, mastering the basics of literacy and numeracy, using evidence-based methods to equip children to be ready to learn and tackling the digital divide which impedes the progress of disadvantaged children. The ambition is for a five-year strategy to achieve the longer term change that is needed, however given the financial circumstances funding is for one year only in the first instance.

Children’s services demand pressures and improvement plan (£6.5m): The council is working at pace to deliver the necessary significant improvements to our services for children. Our ambition is to build a Child Friendly district in which every child, whatever their background, is given the best possible start in life. This investment will help to secure and accelerate progress and, with additional investment to meet **demographic growth (£0.625m)**, we can serve the increasing numbers of children who need our care and support while also increasing the quality of our work. A number of pressures have been identified, including rising demands for services; increased placement costs; funding for growth in Kinship, Fostering and Special Guardianship Order payments; Fostering/Youth Offending Social Workers staffing, and carer fee payments. Since 2016, caseloads have increased by around 59% and the numbers of Children Looked After by around 50%. Work will continue to ensure that the investment is used in the most efficient and effective way to ensure the best outcomes.

We have also identified a need to invest in **legal support (£0.442m)** and **IT provision (£0.843)** to support stronger foundations underpinning the improvement work in children’s services. Legal services are under pressure from a substantial increase in referrals of children’s social care cases, with a 118% rise in children in care proceedings as well as other increasing caseloads. We have also identified the need for further investment in **SEND Transport Demographic Growth (£0.5m)** to serve the growing numbers of children needing home to school transport.

Safeguarding Pressure (£0.128m): This additional funding is needed to meet the demands and workloads of the service to support the Adults and Children's Safeguarding Boards in delivering their vital statutory functions. Discussions are ongoing with partners and alternate funding is being investigated which may reduce the pressure by the time the budget is set in February 2021.

Culture Investment (£0.258m): We are working with partners to position the Bradford district as a cultural powerhouse in the UK. Funding and resources are being sought from a range of sources but there is a need for further strategic investment from the council to increase capacity and build on this work as we develop a top-class bid for City of Culture and its enduring legacy to benefit everyone in the district.

Housing First (£0.36m): Housing First is internationally recognised as a successful and pioneering approach to tackling some of the most entrenched cases of homelessness by supporting individuals into decent homes and addressing their range of needs. The Bradford programme has demonstrated that this housing model is highly successful locally for these people. We are therefore committed to continuing this work and therefore, following its success, we are now pleased to confirm Housing First as a recurring base budget investment for supporting people off the streets and into more fulfilling lives in the years to come.

Adult Social Care demographic growth (£1.6m): This investment is necessary to meet demand pressures arising from population growth. Additionally, we are proposing additional investment in the **Adults Commissioning Team (£0.5m)** which currently has 6.7 full-time equivalent staff overseeing the value for money of some £137m worth of commissioned care from over 500 providers while ensuring they fulfil Care Act requirements and meet people's individual needs. The team therefore needs the additional resource to carry out this high level of commissioning activity while contributing to the large-scale transformation programme and demand management savings (£8.5m in 2021-22 rising to £13.9m by 2022-23). This investment supports our ambition to efficiently deliver high-quality, modern social care that meets our residents' needs.

Learning & Development and equalities (£1.25m): Our staff have done sterling work this year serving the district at a time of emergency. A workforce is any organisation's best asset and this investment reflects the need to identify, nurture and develop the best talent so that the council can be a top-class employer and serve all our communities with distinction. This is about promoting equality of opportunity, vastly improving our training and development offer to staff and our systems of performance management and, importantly, improving how our services are delivered. This means enhancing our engagement with our own staff, our partner organisations and the communities we serve to achieve our ambition of social justice for all. This investment will support our work to tackle inequalities and ensure excellent opportunities and services for individuals with protected characteristics under equalities legislation, including those with low incomes who are a group that we additionally define as a protected characteristic beyond our statutory duties.

Stronger Communities Team (£0.25m): External funding we previously secured for this important work is due to discontinue from March 2021. The loss of this funding

would have a severe impact on the staffing of the team and the capacity to do the work. The Stronger Communities team is a lead for partner agencies and the voluntary and community sector by building partnerships, coordinating services, facilitating resources to meet community needs and carrying out commissioning work to fulfil the Stronger Communities Together Strategy which aims to increase social mobility and equality of opportunity, economic activity, community safety and community cohesion. The team oversees several grants and vital support to the district's VCS sector which will continue to be supported by this investment. We anticipate further funding from government for this acclaimed work which if it is confirmed may reduce or remove the need for this investment.

Waste services – demographic growth (£0.125m): This investment is to support continuing high levels of service while catering for population growth.

Waste Services demand and lower recycling income (£1m): Domestic waste and recycling tonnages continue to increase annually along with the processing and disposal costs. Market prices for recyclable waste are also extremely volatile and the price per tonne received has reduced in recent years. We are working hard to increase recycling and have good long-term contracts in place for waste disposal, nevertheless we are left with a structural budget shortfall. This investment will address that overspend which is largely unavoidable within the current operating model. Investigations are underway to look at different ways of working and the potential for a further reduction in costs in the future, for example potentially by in-housing more recycling processing by investing capital resources into a more capable materials recovery facility. Work has started on the business case.

Financial Inclusion (£0.05m): The Bradford District Credit Union has worked tirelessly to improve the financial capabilities of the district's residents. This investment will allow them to continue this work and help residents manage their finances especially during these difficult times.

Community Asset Transfers (£0.120m): Our successful transfer of buildings to local communities has enabled many much-loved assets to be saved from the government's funding cuts. There is more work to be done on this agenda and therefore we propose this investment to continue the funding for the Estates Management and Legal Services support required to assess and enable community asset transfers, funding which is otherwise due to run out in 2020-21.

Microsoft Licences (£0 growth in 2020-21, but commitment will lead to a £0.7m increase in budget requirement for 2021-22): The Council's Microsoft licencing needed renewing as it was out of date and unsupported. Non-renewal was not an option. The commitment will lead to £0.7m of additional costs in 2021-22 that will be funded from an IT reserve, however budget growth will be required in 2022-23.

Craft working review (£0.210m): A craft worker review is currently being undertaken into historical pay issues and the outcome will result in additional costs that need to be incorporated into the budget.

Council tax: 1.99% rise plus 3% social care precept: We do not take the decision lightly to propose increased council tax. Many people are struggling due to a decade of austerity, the downturn in the national economy and the impact of Covid. We currently have the lowest council tax rates in West Yorkshire, but we are mindful of the strains on household budgets. Unfortunately, it is government policy to put the onus on to the council taxpayer to fund local services as government reduces its central funding for councils. Bradford's Band D council tax is around 8% lower than the average for Metropolitan Authorities, and approximately 80% of the district's properties are below Band D, therefore the amount we raise from council tax and the social care precept is significantly less than many councils. Nevertheless, while the money raised from council tax does not fill our shortfall in funding it does provide vital funds to maintain valued services that might otherwise be lost.

The social care precept generates ring-fenced funds to pay towards the growing pressures in caring for our vulnerable older citizens. Again this is a national issue, with government acknowledging that they are currently enabling councils to charge a precept in the absence of a national solution to tackle the social care crisis. The funds raised from the precept will solely be used to provide social care.

The 1.99% council tax rise adds £28.41 to a Band D bill, while the 3% precept adds a further £42.84. We are also asking officers to identify all options for council tax and hardship support in the light of any increasing scale of need.

Delivering on our regeneration and climate emergency pledges

Alongside the new investments in this budget, we are also reaffirming our ambitious plans to deliver the transformative schemes set out in last year's budget with our firm commitment to One City Park, Darley Street Market, Bradford Live, the Forster Square station redevelopment, City Village and a vision towards a City Centre Masterplan encompassing a new gateway to the Interchange, a new green park, pedestrianisation, a park and ride for South Bradford, cycle routes from the city centre to Thornton and Bradford to Halifax and our aspiration for a revamped state-of-the-art Queensbury Tunnel. We also invested £324,000 to support Keighley and Shipley's Stronger Towns bids, on which we continue to work with the local boards to develop the best possible propositions.

Our £25m investments for tackling the climate emergency and building a cleaner and greener district include: district-wide LED smart streetlights; a district heat network; rollout of electric vehicles and infrastructure; more renewable energy and hydrogen. We also provided £1m of funding to support community initiatives, such as our flagship plant a tree for every child programme now well underway and making good progress as it engages children and families in this exciting change. This links in perfectly with our ambition to be a Unicef-accredited Child Friendly City and district. Work continues at pace to ensure we deliver on these ambitious schemes.

Our ask of government

The Emergency Covid Support Grant paid to councils this year has been a necessary lifeline. But we still face great uncertainty beyond this year when the impact of Covid-19 will continue to be felt on our balance sheet. Councils asked the government to keep their promise to support them to do “whatever it takes” to tackle coronavirus – but we are concerned that the recent Spending Review fell short. We are reluctantly having to propose the use of significant reserves to balance next year’s budget as we await a more sustainable funding stream that matches our district’s needs and ambitions. The government expects to provide £3 billion in additional support to support local authorities in England for Covid-19 pressures next year. This is much less than the existing funding gap of £6.7bn that councils face – meaning there is still a multi-billion-pound shortfall for local government in 2021/22. So while any extra funding is welcome, council finances remain unsustainable without structural change. We also continue to call for a long-awaited national solution to the social care funding crisis.

The government’s policy to put the onus on to the council taxpayer to fund services continues to concern us. They are asking councils to cover increased costs by raising council tax by 5%. This was the only real tax rise announced in the Spending Review, demonstrating the fact that council tax is being used increasingly to fund public services that really national taxation should cover. We are concerned because this has an impact on the many families in the Bradford district struggling to pay bills. We are also concerned that the government’s approach to council tax is counter to its pledge to level up the country and runs the risk of increasing inequality. Councils serving underprivileged communities raise much less income through council tax rises than councils in wealthier areas, so this risks a postcode lottery. We will continue to lobby government for fairer funding.

Thank you to staff

The Executive would like to place on record our heartfelt thanks to council staff for their tremendous efforts this year. It has been the biggest public health challenge in living memory and you have risen to that challenge. It is thanks to your fortitude and flexibility that we have been able to serve our communities and support our most vulnerable right through from the start of lockdown. As we stated above when describing our new investment in learning and development and equalities, you are our greatest asset. Thank you.

We would also like to thank the Trade Unions whose work in partnership with us has once again proved beneficial as we have steered the council through the challenges of national austerity and Covid. We will continue that constructive partnership as we move forward in meeting our challenges and realising our ambitions for this council and the people we serve.