



## **Report of the Director of Finance to the meeting of Executive to be held on 11th January 2024**

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### **Subject:**

**2024-25 Budget Proposals - Financial Analysis, Initial Financial Outlook and Budget proposals for 2024-25 and beyond**

### **Summary statement:**

The 2024-25 budget will be the most difficult that the Council has experienced to date and even harder than those in the earliest stages of austerity because:

- As reported to the Executive in December there is a structural budget gap of c£120m in 2023-24 inclusive of a c£73m overspend on a budget that already includes c£48m of one off reserves – in other words current expenditure is above the resources available by at least this amount;
- It is imperative for the Council to develop and realise a plan to attain financial sustainability. The emergency response work carried out since then has identified that this will require significant transformation to all aspects of the Council's activities and is likely to take up to 5 years to deliver.
- This report is the first stage of the development of the plan and further updates will be required.
- The Council has already exhausted its usable reserves meaning that it is unable to balance the budget for next year without Exceptional Financial Support (EFS) from Government, as reported to the Executive in December 2023;
- This report sets out a programme of service spending reductions for consultation that are part of budget setting for 2024-25 in order to consult the public, interested parties, staff and Trade Unions

The report sets out clearly the need for consideration of equality impacts to be carried out as part of the Budget Strategy. As in previous years, Equality Impact Assessments have been produced for the budget proposals which have potential equality implications and full consultation with relevant stakeholder groups will be undertaken. The outcome of consultation will be considered and reported upon before the 2024-25 budget is approved.

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**Portfolio:**

**Leader of Council and Corporate**

**Overview & Scrutiny Area:**

**Corporate**

## Executive Summary

- 1.1 The Council's financial position is such that the budget setting process for 2024-25 will differ significantly from previous years and requires support from Government.
- 1.2 Normally the Council works up a draft, balanced budget for consultation and then sets a final budget taking account of the consultation responses and any other changes such as from the final settlement (usually minimal).
- 1.3 The main financial pressure facing the Council is a structural overspend. High level analysis suggests that the structural funding gap is currently approximately £120m. Whilst further work is needed to assure this figure, it is likely to be a conservative estimate of spending above the level of resources available in future. Latest forecasts for 2024-25 are presented in the report.
- 1.4 The 2024-25 budget will be the most difficult that the Council has experienced to date and even harder than those in the earliest stages of austerity because;
  - Of the size of the structural budget gap, (a structural budget gap means that current expenditure is above the resources available by at least this amount). To put this in context, it represents almost the whole of the adult social care budget or the equivalent of the Department of Place and Corporate Resources budgets combined.
  - It is imperative for the Council to develop and realise a plan to attain financial sustainability as reported to Executive in November 2023. The emergency response work carried out since then has identified that this will require significant transformation to all aspects of the Council's activities and it is estimated that it could take up to 5 years to deliver.
  - The Council has already exhausted its reserves meaning that it is unable to balance the budget for next year without Exceptional Financial Support (EFS) from Government, as reported to the Executive in December 2023.
  - EFS, contrary to much press reporting, is not an injection of additional cash but simply permission(s) by Government to enable councils' to treat revenue costs as capital costs i.e. a temporary change to the financial rules that apply to councils, that are specific to the council in question and require detailed negotiations with the Department of Levelling up Housing and Communities (DLUHC).
  - The main cause of the Council's financial pressures, over several years, is demand and cost pressures in children's social care. A new, wholly owned company, managed by an independent board and subject to a direction by the SoS for Education was established in April 2023, at the most volatile period in the market for children's services.
  - Timing presents two further challenges: firstly, the clear articulation of the structural budget gap and the realisation of the limited resource options available making the run-up to the 2024-25 budget setting particularly difficult; and secondly, significant positive Government decisions for Bradford such as City of Culture 2025 designation and the development of

plans for a new city centre railway station all of which must be worked on at the same time as developing the plan for financial sustainability.

- The Council currently lacks sufficient capability and capacity to develop and implement the transformation required without significant external support.

### **From survival to sustainability**

- 1.5 It has been reported so many times that the challenges facing local government are unprecedented that this statement has probably lost its impact both locally and nationally. However, it is still true.
- 1.6 All representative bodies such as the LGA, CCN, SIGOMA *et al* report significant gaps in the funding available if councils' are to continue to meet their statutory duties, much less the aspirations of their residents who tend to recognise and value non-statutory services such as those that maintain and improve the public realm and those that contribute to the sense of place and community, such as culture and leisure.
- 1.7 At the same time, DLUHC report increases in Core Spending Power (CSP) which includes the contribution from Council Tax increases. Whilst this is true, there is however a large gap between what has been provided and amounts required to meet demand.
- 1.8 This creates a real communication and public expectation challenge. Residents across the country can be confused about why their council taxes continue to rise, whilst services they see as important are being reduced and are simultaneously being told that more funding is being made available by Government to councils'.
- 1.9 Demand pressures on social care are well documented and national policy requires ever greater proportions of the cost of this demand to be met locally, through Council Tax. Unless this model changes, councils' will need to continue to reduce their level of service provision, ensuring that the services that they continue to provide become as high performing as possible whilst reducing the number of staff employed. The medium-term forecast by the Institute of Fiscal Studies projects that funding for local government services will continue to be reduced in real terms.
- 1.10 It would therefore be an unrealistic expectation that sufficient money will be made available for local government in general and for Bradford to continue to deliver the current level of service provision. The 2024-25 and future year budgets must be developed in this context.
- 1.11 Bradford's main financial pressure has been caused by significantly increased demand for and cost of children's social care, which is now projected to consume an unprecedented proportion of the Council's spending (almost half). This is clearly unsustainable and tackling this must form a major part of the Council's route to financial sustainability.

- 1.12 The causes of this are complex involving both national and local factors. Time and resources need to be focused on developing a solution from where we are now, rather than to apportion blame.
- 1.13 Since 2018, the Department for Education (DfE) has, through the appointment of a commissioner and more recently the establishment of the Bradford Children's and Families Trust (BCFT), co-directed the delivery arrangements for the Council to discharge its statutory responsibilities for children's social care services. Whilst there are promising signs of performance improvement potential, referenced in the recent Ofsted monitoring reports, costs have continued to escalate under the new arrangements.
- 1.14 **The Commissioner, the Council and the Trust are united in their wishes to see performance improvement accelerate whilst bringing costs down in a safe and managed way.**
- 1.15 The Council has exhausted its reserves, using c£110 million in 2022-23 and has underpinned the 2023-24 budget with £48 million of reserves. This was effectively a strategy to survive from year to year but is clearly not sustainable. Nor is it sustainable to replace the use of reserves with an EFS request that simply balances the funding gaps in future years. By its very nature of allowing the use of non recurrent capital receipts and borrowing as a temporary measure, EFS has to be replaced by bringing the budget back into a balanced recurrent position as soon as possible.
- 1.16 **High level analysis suggests that the structural funding gap is c£120m in 2023-24, as reported to Executive in December 2023. Whilst further work is needed to assure this figure, it is likely to be a conservative estimate of spending above the level of resources available in future.**
- 1.17 The Council must develop a plan to reduce expenditure and increase income by at least £120 million. This is the first step in developing that plan. Since the Council's net revenue expenditure (NRE) for 2023-24 is £453 million (underpinned by £48 million of reserves), this represents a significant proportion of the Council's budget. Such a reduction is not possible in a single year and it will require significant transformation of all of the Council's activities to bring down spend to this degree.
- 1.18 **Effectively the Council will require re-shaping to become affordable within the resources that are available. There will be a reduction in the level of services provided and the number of staff employed by the Council. The Council doesn't have sufficient capability and capacity, without external support, to develop and implement a transformation programme of this scale. Therefore, the council must include in its request for EFS the investment needed to implement the transformation required. This requires further work to finalise.**

- 1.19 Identification of the structural budget gap late in the current financial year clearly presents a major challenge to the development of the budget for 2024-25 and to the negotiation of the EFS. There is a need for strong caveats or health warnings to be attached to the projections of future demand pressures. Similarly, the savings proposals have been developed at pace and require further assurance to be carried out. However, the severity of the financial position requires that consultation commence at once on the proposals such that assurances can be worked on in parallel with community consultation.
- 1.20 The Council's plans for economic growth have been supported by Government decisions such as to choose Bradford to be the City of Culture for 2025 and to build a new station in the city. These will therefore need to be factored into the negotiations for and onward monitoring of the EFS in order to secure long term benefits whilst developing and delivering the plan for financial sustainability.

### **Becoming Financially Sustainable**

- 1.21 An approach to strategic financial management is required based on the following objectives:
- An absolute focus on attaining financial sustainability through bringing expenditure in line with resources in the medium term.
  - Transform and reduce levels of service provision, ensuring that services that continue are as high performing as possible.
  - Attempt to secure community leadership priorities in particular in the areas that will build Bradford's economic growth e.g. City of Culture and the new railway station.
  - Minimise impacts on prevention services that are reducing demand.
  - Work with BCFT to improve services for children and young people whilst bringing the cost of children's social care down.
  - Openness and transparency in financial reporting.

Development of a sustainable plan requires:

- More timely and accurate forecasting of future pressures.
- A realistic plan for spending reductions and income generation for which there is evidence-based assurance of delivery to time and funding targets. This will be a significant challenge given the scale of the financial gap.
- Close, professional working with BCFT based on high challenge, high support principles such that the Turning the Curve transformation strategy for children's social care is delivered.
- Incorporation of good governance practice in the changed operational environment in which the Council is working with BCFT, the Bradford Culture Company Ltd and the evolving relationship with West Yorkshire Combined Authority (WYCA).
- Refreshing the vision for the Council and the City and District and streamlining the plans that underpin delivery and partnership working

- Resetting the culture of the organisation, ensuring that a necessarily reduced workforce is supported to be high performing.
  - Intelligent use of data and sector good practice to identify how to deliver the highest performance within the available resources
  - Investing in core corporate services which require additional capacity and capability.
  - Developing the analytical and programme management capacity to drive transformation.
  - Ensuring that there are appropriate, resourced strategies to drive improvement in the areas that will enable transformation e.g. asset management, ICT, procurement etc.
  - Reviewing the structure of the organisation to ensure that it is as lean as possible whilst resourced to deliver the Council's ambitions including transformation.
  - A programme of strategic service reviews to reduce demand and cost
- 1.22 Without Government support, the Council would be forced to make sudden, unplanned changes that would not be in the best interests of residents. The strategy for financial sustainability, set out at high level in this report, whilst requiring difficult decisions and changes, is to reshape the Council over time to become financially sustainable. The main request of Government is for the permissions that would allow the time and investment required to make this transformation.
- 1.23 There is a three-fold approach to addressing the structural gap:
- Spending reductions for Council services set out in this report to reach c£40 million within three years. Given the scale of reductions this will be challenging.
  - A revision of the draft BCFT Business Plan to reduce spend within three years. This is also challenging, given the newness of the Trust, legacy issues and the market context of children's social care.
  - The remaining gap to be bridged by the design and delivery of a significant transformation programme including a comprehensive asset disposal strategy, with appropriate lead-in times to delivery.
- 1.24 Shaping the transformation programme will require 3 stages:
- Accurately sizing the degree of change required. It is vital that the Council uses the opportunity of 'fresh eyes' to complete this as soon as practicable.
  - Ensuring that the Council does the basics well.
  - Re-shaping the organisation within the available resources.
- 1.25 Developing and monitoring the plan will require updates to the Executive and Council committees. Expenditure reductions identified in this report are the beginning of that process, and considerably more than this will be required in for next year and future years. Further reports will be provided as the plan develops.



## 2. Update on the MTFS

- 2.1 This Financial plan updates the Medium-Term Financial Strategy (MTFS) adopted by the Executive on November 5<sup>th</sup> 2023 and the Budget Update report approved by the Executive on 21<sup>st</sup> December 2023. It sets out the impact of the local government provisional settlement, and the budget proposals recommended for consultation and the context in which they have been developed. It includes new proposals for consultation with the public, interested parties, staff and Trade Unions for 2024-25.
- 2.2 The proposals have been developed under an unprecedented level of financial pressure due mostly to the continued significant increases in Children's and Adult Social Care demand and cost pressures that are consuming an ever-greater proportion of the Council's resources.
- 2.3 In 2023-24 the Council used c£48m of one off reserves to help balance the budget and pay for Children's Social Care and other pressures. Costs have however continued to grow, and the Council is forecast to overspend by c£73m in 2023-24. This therefore results in a c£121m ongoing budget gap in 2023-24 which is not financially sustainable.
- 2.4 This is against a backdrop of the Council having already budgeted for £350m of savings since 2011 to account for reduced funding, inflation, demographic growth and transformation. It is also the case that funding reforms such as Business Rates reset and the Fair Funding review have been delayed, and it is likely that such reform would benefit Bradford.
- 2.5 The proposals seek to meet cost pressures arising from inflation and growing demand; and invest in support to the most vulnerable. To fund these increases, the Council will have to implement a significant budget savings and transformation programme and deliver a range of mitigating actions to stop overspends recurring as outlined in the report, however, the scale of the additional demands is so significant that the Council will not be able to meet that challenge without additional support from Government. The Council is in close dialogue with the Department of Levelling up Housing & Communities (DLUHC) and the Department for Education (DfE) about its financial challenges over the last year. The Council will not be able to deliver a balanced budget in 2024-25 without additional support.
- 2.6 Given the financial pressures and the volatility of the external environment the focus of this report is on the 2024-25 budget that the Council is legally obliged to set. Medium Term assumptions will be revisited when the funding position from Government becomes clearer.
- 2.7 Budget proposals include:
- £24.9m to meet cost pressures arising from inflation and increases in pay and the National Living Wage. Given the volatility of energy prices this may be subject to change before Budget Council in February 2024.
  - £2.0m to meet the cost of demographic growth in Adult Social Care and



#### Waste Services.

- Additional support for Adult Social Care of £4m. Adult Social Care is forecast to overspend in 2023-24 by c.£8.1m and will face further pressures in 2024-25. Some of the 2023-24 pressures are non-recurring and a programme of £10m of mitigating actions has been established to prevent the overspend recurring in 2024-25.
- £32.3m to take account of other recurring pressures including Treasury management costs that include the estimated interest and MRP costs associated with a requested Exceptional Financial Support; Children's Social Care related transport and legal costs, and estate rent income reductions following asset disposals, winter maintenance, the adding back of underdelivered savings, and staffing related costs as outlined in Appendix B.
- £15.8m of new budgeted savings in 2024-25 rising to £37.9m by 2026-27. These derive from cuts to services, efficiencies, making greater use of financing flexibilities, and additional income as outlined in Appendix D.
- £1.0m of previously approved savings that have the full year impact in 2024-25.
- The Council is working on a significant Transformation Plan that would be funded by asset disposals under the flexible use of capital receipts directive. Costs are likely to include transformation activity, redundancy costs, and requirement for IT upgrades which will be subject to business case approval. An indicative estimate of £10m for 2024-25 and 2025-26 has been included however this is subject to change, and an update on the Transformation Plan will be provided in the near term.
- 4.99% increase in Council tax and Social Care Precept. When combined with a net increase in the Council Tax base of 970 as outlined in the 9<sup>th</sup> January Council Tax base report, this raises an additional £13.3m for vital local services.
- £42m of additional investment into Children's Social Care which is delivered by the Bradford Children and Families Trust. The Trust is forecast to exceed the initial contract sum by c£49m in 2023-24, and spend levels are higher than benchmarks. The Trust recognise this and have produced a 3-year business plan that will seek to reduce spend to 2023-24 contract sum levels adjusted for inflation by 2027-28. This will however result in a cost of c£42m inclusive of c£12m of inflationary pressures in 2024-25. It should however be noted that the Business Plan is not yet agreed, and the Council, the Trust and Government will continue to work on ways to reduce requirement prior to the start of 2024-25.
- Proposals for new investments to be added to the Capital Investment Plan (CIP) include £1m for General Contingency and £2m for IT equipment upgrades. These will add to the capital financing budget but there are also proposals for a number of schemes to be removed from the CIP as detailed in section 10.
- Proposals for the ring fenced Housing Revenue Account are also outlined in section 11. The Housing Revenue account is outside of the Council's General Fund and consequently has no impact on the Council's revenue budget.
- The Schools budget is being proposed to the Schools Forum in January 2024, and the Forum's decisions and recommendations will form part of the suite of Budget Council reports in February 2024. As outlined in the MTFS (November

2023 Executive), the planned Schools budget currently estimates that the majority of the existing Dedicated Schools Grant (DSG) surplus will be used in 2024-25 and that there is a substantial risk that our DSG will be cumulatively in deficit at the end of the 2025-26 financial year. The impact of this is forecasted overspending within the High Needs Block. This is a national issue as outlined in prior reports.

- 2.8 Having accounted for all of the above factors, there will still however be a remaining overall Council budget gap of c£92.8m in 2024-25.
- 2.9 As the Council's available reserve levels will be exhausted by the end of 2023-24, the Council has applied to the Government for Exceptional Financial Support for 2023-24, and to bridge the remaining gap in 2024-25. The Council is liaising with the Government about this, and although a decision will be required in 2023-24 and before the 2024-25 budget is set. The Council will not receive a decision prior to the publication of this Budget Proposals report.
- 2.10 As outlined in the Budget Update – Exceptional Financial Support Request report that was provided to the Executive on the 21<sup>st</sup> December, should the government support the Council through a capitalisation directive, the Council would then seek to use capital receipts from the disposal of assets not required for transformation purposes to minimise any borrowing requirement associated with the directive.
- 2.11 The Council is developing an asset disposal programme of c£60m and this will be reported to the Executive in February 2024. A significant proportion of this will be required for transformation costs including redundancies, but this will be subject to further quantification as the Transformation Plan is developed in the near term.

## Context

- 2.12 The extraordinary scale of the funding gap is driven by a combination of issues, many of which are being experienced by councils' of all types in all parts of the country. Contributory factors include cost and demand pressures in children's and adults social care, high levels of inflation and interest rates, the ongoing impact of previous funding reductions and the depletion of reserves.
- 2.13 The Local Government Association (LGA) estimates that the sector will need an extra £4bn over the next two years simply to stand still. These widespread issues have prompted Parliament's Levelling Up, Housing and Communities Select Committee to undertake an inquiry into "Financial Distress in Local Authorities."
- 2.14 **Children's Social Care.** Soaring growth in demand for, and the costs of children's social care is a national phenomenon which is being experienced particularly acutely in Bradford where it represents the biggest single financial pressure.

- 2.15 Recently published Government statistics demonstrated that nationally, Council spending on Children's Social Care doubled in the decade to 2022-23 from £6.6bn to £12.8bn. The Children's Funding Alliance have identified a £1.6bn annual shortfall in funding, while the Independent Review of Children's Social Care has called for an additional £2.6bn over five years to deliver much needed reform and highlighted a system under extreme stress. The Competitions and Markets Authority identified a dysfunctional market for children's residential care in which a small number of providers can make excessive profits as local authorities compete for limited spaces. According to the Special Interest Group of Metropolitan Authorities (SIGOMA) councils' expenditure on children's social care is now almost double what it was in 2011-12 with the most deprived councils' most affected.
- 2.16 **The Bradford Children and Families Trust** is an independent company, with a Board and Chair appointed by Government, wholly owned by the Council and managed by respected leaders in the sector. It was established following a directive from the Secretary of State and the Department for Education (DfE) after a period since 2018 where the Council had been supported by DfE appointed advisors and Commissioners. The Trust is a new company operating in a particularly challenging environment in which market pressures for residential placements are leading to high costs across the sector.
- 2.17 In Bradford, demand for services, the complexity of cases and associated costs continue to grow. The Council recognised the need to invest in children's social care to drive improvements to services following inadequate Ofsted judgements. However, high levels of deprivation – 39% of Bradford's children live in poverty – continue to drive demand and costs while children's residential fees have increased from c£3,600 per child per week in 2020-21 to c£6,000 (£312k per year) in 2023-24.
- 2.18 On-going challenges in recruitment and retention requiring the use of expensive agency staff are causing further financial pressure.
- 2.19 As outlined in the Qtr 2 Finance Position Statement (November Executive) the BCFT was forecast to overspend the £172m contract price by c£45m in 2023-24. This has subsequently increased to over £49m due mainly to further increases in costly residential care placements.
- 2.20 Overall Gross Expenditure on Children's Social Care has increased by over £150m per year since 2019-20 and is likely to be over £250m in 2023-24 – an amount that exceeds the £233m raised in Council Tax. As the Trust business plan outlines, this level of cost is well in excess of pro rata spend levels at comparable other councils', and getting spend back to comparable levels will be a key determining factor in the Council achieving financial sustainability.
- 2.21 **Adult Social Care.** Nationally adult social care faces cost, demand and workforce capacity pressures. Increasing demand sits alongside challenges in recruitment and retention as competitive wages for care workers are increasingly unaffordable for councils'. These issues are reflected in Bradford where services are relatively low cost but there is considerable rising demand

driven by population growth, complexity of cases and deprivation. Large numbers of children with high care and support needs are making the transition from children's social care to adult services with future cost implications for Adult Social Care.

- 2.22 As a measure of the extraordinary pressures facing the Council, forecast spend on Children's Services and Adult Social Care would be equivalent to over 87% of the Council's approved budget in 2023-24.
- 2.23 **Inflation.** Inflationary pressures on both pay and prices have occurred on a scale not seen since the 1970s, impacting on all councils' and requiring Bradford to factor an additional £58m into the budget for 2023-24. Council and Trust pay and inflation requirements for 2024-25 total c£37m. The Office for Budget Responsibility expects inflation to return to more normal levels by 2025-26.
- 2.24 **Austerity and the shift from national to local funding.** The impact of funding reductions has made it increasingly difficult for local authorities to keep pace with rising demand and costs. Analysis by SIGOMA demonstrated the disproportionate cuts suffered by the most deprived authorities compared to more affluent authorities and specifically highlighted the disparity between cuts seen in Bradford (28%) and Surrey (8%).
- 2.25 Bradford Council has had c£350m of budget reductions since 2011 because of national austerity measures, increasing demand for social care services and rising costs. The cumulative impact is in the region of £2bn over the period.
- 2.26 National Policy has seen big increases in the proportion of the Council budgets funded via Council tax compared to Government grants. However, Bradford's ability to keep pace with rising costs is compounded by its low tax base – Band D council tax is £135 below the Metropolitan average and £400 below the highest. Revenues are approximately £20m below the average of other Metropolitan councils' on a pro rata basis. This means that Bradford Council can raise less money for vital services than wealthier parts of the country.
- 2.27 National Funding Reforms. According to independent analysis, Fair Funding reforms and business rates re-sets would have benefited Bradford by up to £32m a year if implemented. These reforms have been repeatedly delayed and will now not take place in this Parliament.
- 2.28 **Autumn Statement.** The Chancellor's 2023 Autumn Statement provided no new funding for Local Authorities in 2024-25 beyond those amounts that had been announced in last year's Autumn Statement, nor did it make reference to the pressures on children's social care. However, the increase in National Living Wage to £11.44 was higher than had been factored into inflation estimates, and it will add c£5m of pressures to Bradford's contract expenditure.

- 2.29 The Local Government Finance Policy Statement 2024-25 confirmed that there will once again be a council tax referendum principle of a maximum 3% and that local authorities responsible for adult social care will be able to add a precept of 2%. The statement also confirmed the Government's view that this is not the appropriate time to implement fair funding or business rates re-set. The Government have again encouraged councils' to use reserves where possible. Following the settlement, funding assumptions have been revised down by c£2.5m as detailed in section 3.3.
- 2.30 Many councils' are now experiencing very severe financial challenges, primarily because of inflation and social care demand, and this is reflected in the increasing numbers of Finance Directors who are warning that they will run out of reserves and will potentially issue a Section 114 (s114) report unless they can secure additional support.
- 2.31 A s114 report under the Local Government Finance Act 1988 is issued when the Chief Finance Officer determines that the expenditure proposed to be incurred exceeds the resources likely to be available, with the consequence that no new expenditure is permitted other than that funding statutory services and honouring existing commitments and contracts. See legal appraisal below for exact terms of s114.
- 2.32 S114 reports have historically been rare, but recent research by the LGA found that one in five council chief executives and leaders believe that their chief finance officers will potentially issue a s114 report in this or the next financial year and specific s114 warnings have been provided by a diverse range of councils'.
- 2.33 The scale of the challenge both in Bradford and nationally is without historic precedent and reflects a sector in dire need of funding reform.
- 2.34 **Growth** – the Council remains ambitious for the district and has recently made significant headway towards unlocking the true economic potential of the Bradford district. Bradford is a major UK city offering unrivalled potential for growth and home to a pipeline of transformational projects currently in delivery and some recently completed including:
- City of Culture 2025 – Bradford has been named as UK City of Culture in 2025. Since winning the bid it has attracted significant funding to deliver a significant programme of national and international cultural events.
  - One City Park – Since recently completing this Grade A Office development in the heart of the city centre a significant anchor tenant has already been secured to be announced in Q1 2024.
  - Bradford Live – The former Odeon cinema is in the final stages of being transformed into a new 4,000 capacity indoor entertainment venue. It will be operated by NEC group, launch on Autumn 2024 and is expected to attract 300,000 visitors each year, hosting more than 200 events.
  - Northern Powerhouse Rail (Network North) – Prime Minister Rishi Sunak announced a further £2bn rail infrastructure for Bradford city centre. Department for Transport, Network Rail and other key stakeholders are now

collaborating to develop the business cases for the release of funding for a new electrified through line and city centre rail station.

- Bradford Forster Square – Significant investment has been secured via Department for Transport to extend rail platforms and operate more frequent LNER services to and from London. This scheme also has secured funding for the extensive refurbishment of the station concourse, pedestrian access and the station retail facilities.
- Transforming Cities Fund schemes already in delivery including a £50m city centre modernisation programme to be completed by 2025. This scheme includes the pedestrianisation of city streets such as Hall Ings as well as the demolition of the former NCP car park and will bring about substantial improvements to the Bradford Interchange Plaza.
- New Darley Street market – this scheme is under construction for opening in 2024 as a modern, indoor market, incorporating a vibrant international food court and live outdoor event space.
- City Village – A collaboration with English Cities Fund to demolish Kirkgate and Oastler markets to develop a new 1,000 dwelling city centre residential community including a mixture of modern, sustainable homes and enhanced public realm.
- Bradford City Centre is a major part of Government’s newly announced West Yorkshire Investment Zone.
- Significant progress is underway to deliver the £33m Keighley and £26m Shipley Towns Fund investment projects which consist of numerous projects and schemes.
- Multiple, major strategic housing schemes are set to be delivered including Burley In Wharfedale (Sun Lane), Esholt and the former HMRC site in Shipley, and Canal Road.
- An ambitious set of new levelling up funded projects for Keighley have recently been announced including the potential for a new Robotics and Engineering centre in the town centre.

2.35 Delivery of these regeneration projects will help grow our local resource base, create jobs, reduce demand for services, and improve prosperity in the district.

### **Impact of the Chancellor’s 22<sup>nd</sup> November Autumn Statement and the Provisional Local Government Settlement published on 19<sup>th</sup> December**

3.1 The Chancellor’s Autumn Statement on 22<sup>rd</sup> November, made very few announcements related to Local Authorities. There were however some announcements that have impacted on the financial forecasts. These included:

- An increase in the National Living Wage from £10.42 to £11.44. This is higher than the amounts that had been factored in to the MTFs, and will add additional cost pressures to Council suppliers – particularly in Adult Social Care. This will add c£5m of additional pressure.



- The Government reaffirmed its commitment to provide additional funding for Adult Social Care. Though welcome, this had already been factored into the MTFS.
- Funding for Local Government would increase by allowing for a 1% increase in the referendum limit for Council Tax to 3%, and a 2% Adult Social Care precept. This was however expected and was included in the MTFS.
- After many years of freezing the Business Rates Multiplier which is part of the formula the government use for calculating Business Rates bills, the Government will increase the Multiplier in 2024-25 in line with inflation for larger companies, whilst continuing to freeze it for smaller companies, and provide continued reliefs to the hospitality, retail and leisure sectors. As the Government provides S31 grant compensation when it freezes the multiplier, the net impact on the Council's budget in comparison to the MTFS will be negligible. The Council will collect more from Business Rates bills, but will receive less S31 compensation. As Council services are also Business Rates payers however, this will result in additional costs which have been factored into inflation calculations.

3.2 The Provisional Local Government Financial Settlement was published on 19<sup>th</sup> December 2023. The settlement provides individual councils' with their provisional allocations of funding from DLUHC, and solidifies spending power assumptions that had previously had to be estimated using available data.

3.3 The revised estimates following publication of the Provisional Settlement is an increase in the financial gap of c£2.5m, which primarily derives from some differences between grant level assumptions. The main change is in relation to Services grant which has reduced significantly more than expected. There have also been some other grants that have been rolled into Core Spending power, but the impact of this is currently unclear.

£000s	MTFS Assumption	Revised assumptions following Provisional Settlement	Difference
Social Care Grant (incl. former Adult / Social Care Support Grant)	46,440	47,235	795
New Homes Bonus (incl. returned funding)	590	767	177
Services Grant (incl. 2016/17 and 2017/18 transition grant)	5,632	886	(4,746)
Grants rolled into Core Spending Power	2,669	3,493	(0.824)
RSG	42,723	42,975	252
Compensation for under-indexing the business rates multiplier	33,605	28,407	(5.198)
Top up Grant	76,365	78,579	2,214
Local Rates incl S31	59,653	64,470	4,817
			(2,513)



- 3.4 Overall, DLUHC estimate the increases in Council funding using a calculation called Core Spending Power. With it, they estimate the amounts that councils' will receive from government or be able to generate locally from Council Tax and Business Rates. The Core Spending power calculation includes the Settlement Funding Assessment (the collective sum of Locally raised Business Rates, Top up Grant and Revenue Support Grant); Council Tax, and a range of Government provided grants including Social Care Grants, S31 Business Rates compensation, New Homes Bonus and others.
- 3.5 Overall, the Core Spending Power increase is estimated by DLUHC at c£32m, which equates to a 6.1% increase, and is less than was included in the MTFS for the reasons outlined above.
- 3.6 Independent analysis shows that the Council does appear to have had a comparatively low increase in Core Spending Power as part of this settlement.
- 3.7 The average for Metropolitan councils' for example was 6.6%, and 6.7% for Shire Counties.
- 3.8 Indicatively, had the Council's Core Spending Power also increased by 6.6%, the increase would be c£2.4m higher than the £32m. Work is ongoing to understand why, and the Council will provide a response to DLUHC's consultation about this, however at the time of writing the reasons for this comparatively low increase are not fully understood.

### **Revenue Budget Proposals**

- 4.1 The financial and demand-led operational environment requires significant funding to be set aside to meet the costs of inflation, address demand pressures in adults and children's social care. It is proposed that these pressures and priorities be addressed through a combination of measures, including increasing council tax in line with government's expectations, financial controls and adjustments, securing additional external income and making savings. As previously outlined, the scale of the gap, and the effective exhaustion of Council's reserves in 2023-24, means that the Council will only be able to balance its 2024-25 budget by accessing Exceptional Financial Support from Government.

#### **Inflationary pressures**

- 4.2 The proposed budget includes £25m to cover the estimated costs of non-Trust inflation. This is inclusive of an estimated 4% pay award for 2024-25 and a catch up for a higher than budgeted pay award in 2023-24. There are also inflationary increases on contracts linked mainly to CPI and amounts to cover the increase in National Living Wage increases for Social Care and other workers (an increase from £10.42 to £11.44 per hour).
- 4.3 The additional costs are however partly mitigated by estimated lower energy costs for Council buildings and street lighting following the partial fall back in prices from the extraordinary increases in 2022-23 and 2023-24. A 6%

standard increase in Fees and Charges are also factored in, however it should be noted that some service areas are intending on increasing prices by more than 6%, and the net additionality of this is reflected in the budget savings proposals.

### **New Recurring Investment**

4.4 A number of critical and essential investments are also proposed for non-BCFT related Council Services that would cost c£36.3m in 2024-25 to help cover existing and future pressures as follows:

- **Capital Financing and Treasury Management Costs (£8.4m).** As a result of a significant increase in interest rates and the Council borrowing more, Minimum Revenue Provision and Treasury management costs will increase by a further c£8.4m in 2024-25 – this is on top of the £4m increase for 2024-25 that had already been outlined in the 2023-24 budget. This increase includes the estimated cost of financing 2023-24 and 2024-25 budget gap costs under a capitalisation directive in 2024-25.
- **Underdelivered Vacancy and Abatement Factor Savings (£5m).** In 2023-24 the Council approved a £10m vacancy and abatement factor saving. Based on current forecasts this is likely to be underachieved by c£5m, and the underachievement would likely recur in 2024-25 unless added back.
- **Adults Social Care Pressures (£4m)** – Adult Social Care is currently forecast to overspend by c£8.1m in 2023-24, and will face a range of demand and other pressures that would result in a c£14m overspend in 2024-25 unless mitigated. The Department has identified c£10m of mitigations to offset that pressure, but a £4m gap remains. This investment would consequently help bridge the remaining gap and help stop an overspend recurring in 2024-25. Since this gap was included in the MTFs, Adult Social Care have proposed further savings for 2024-25.
- **Home to School Transport Pressures (c£1.1m)** – The Home to School Transport service is forecast to overspend by c£2m in 2023-24 as a result of increased demand. The Department has identified c£0.9m of cost mitigations to offset that pressure, but a £1.1m gap remains. This investment would consequently help bridge the remaining gap and meet demand.
- **Children’s Social Care Transport (£1m)** – Children’s Social Care transport is commissioned by BCFT but provided by the Council’s passenger transport service. As a result of additional demand, the service is overspending by c£1m in 2023-24, and it requires additional budget to meet demand in 2024-25.

- **Children's Social Care related Legal costs (£1.5m)**– Children's Social Care related legal costs are commissioned by BCFT but provided by the Council's Legal Services. As a result of additional demand, the service is overspending by c£1.5m, and it requires additional budget to stop the meet demand in 2024-25
- **Grading review (£10m in 2024-25)** The Council is undertaking a review of grading to ensure we have the best possible grading infrastructure in place to deliver a sustainable workforce and ensure that the way we remunerate people is modern, competitive, sustainable, flexible, equitable and fit for the future. This is subject to further analysis and due diligence.
- **Street Lighting Prudential Borrowing (£1m)** – The Street Lighting service has embarked on a major infrastructure upgrade to the districts Street Lights over recent years. The capital investment was planned to largely pay for itself through energy costs and maintenance savings, whilst also attracting low-cost finance through SALIX loans. As energy costs have increased however, the Council is now paying significantly higher amounts for electricity, and there is no longer a budget saving to pay for the borrowing. Interest rates have increased resulting in additional costs of borrowing. It should however be noted that had the Council not proceeded with the upgrade, street lighting energy costs would have been higher still.
- **Museums and Libraries underdelivered savings (£0.9m).** In 2020-21 the Council approved budget savings in Museums and Libraries. The Covid pandemic disrupted the delivery of this service enormously meaning these savings proposals could not be achieved. Other mitigating actions were taken in the intervening years, but these savings are now rendered undeliverable, and this investment is to reverse this prior savings target.
- **Markets (£0.6m).** Markets has seen a reduction in retail rental values over several years and the number of vacant stall/shops has increased. The service is in the process of driving vacant possession in two of its large city centre markets in preparation for the delivery of City Village and the opening of the new Darley Street Market. The reduction and modernisation of the Council's markets holdings will result in an ongoing budget pressure.
- **Elections (£0.2m).** Additional funding is required to cover the increased cost over recent years of district elections due primarily to the significant increase in postal voting (up from 60,000 in 2019 to 86,000 in 2023) and also in roll numbers (up 10,000 since 2019) resulting in a rise in associated costs such as printing & mail and the time spent on postal vote counting itself. This has outstripped past increases in the budget, leaving a permanent pressures on the service which is un-mitigatable by other means.

- **Rent roll (£2m)** – The Council has a small investment estate that generates rental income. As part of the Asset Disposal strategy required to help fund transformation costs and reductions in the levels of borrowing that would be required under a potential capitalisation directive following the application for Exceptional Financial Support, the Council will be disposing of much of its investment estate. This will however result in rental income reductions, and the associated income budgets will need to be reduced accordingly.
- **Winter Maintenance (£0.6m)** – The service has had a recurring overspend above its c£1m budget, and this will need to be addressed to stop the overspend recurring.

### **New Burdens**

- 4.5 **New Burdens** - The Government is also looking at Waste reforms to incorporate food waste and move towards consistent collection in the near term. The financial consequences of this are not yet known, and it is currently assumed that new burdens would also result in new funding.

### **New Time Limited Investment**

- 4.6 **Costs of Transformation.** To get to a lower cost base the Council will need to transform services including investing in ICT; in core corporate services, and paying for the cost of redundancies associated with budget savings proposals. These costs would however be funded under the flexible use of capital receipts directive which is open to all councils' up to 2030. The cost of transformation has an initial estimate of c£10m in 2024-25 and 2025-26, however this is being worked on, and will be subject to change as the Transformation Plan develops. Further updates will be provided in the near term.

### **Financial and central budget adjustments**

- 4.7 A range of financing and central budget adjustments will add £4.4m of pressures in 2024-25.
- 4.8 c£4m of this was linked to additional MRP costs and was highlighted in the 2023-24 budget report.
- 4.9 Additionally, c£0.5m of budgeted savings linked to the prepayment of pension contributions to the West Yorkshire Pension Fund will also have to be added back, as they are not deliverable as the Council no longer has the cash balances to pre-pay.

## New Savings Proposals

4.10 New savings and income generation proposals total £15.8m in 2024-25, rising to £37.9m by 2026-27 as outlined in the departmental summary table and following narrative below. Appendix D provides a full breakdown of all Department savings proposals.

Departmental Summary	Indicative Saving 24-25 (£000k)	Indicative Saving 25-26 (£000k)	Indicative Saving 26-27 (£000k)
Adult Social Care	-5,000	-10,000	-20,000
Children's Services	-200	-400	-400
Corporate Resources	-1,856	-3,583	-3,883
OCX	-1,110	-435	-435
Place	-5,182	-8,126	-8,126
Cross Cutting and Central Budget Adjustment	-2,462	-4,913	-5,013
<b>GRAND TOTAL</b>	<b>-15,810</b>	<b>-27,457</b>	<b>-37,857</b>

## Adult Social Care

- 4.11 **Adult Social Care Prevention Strategy - Older People's Services - £2.5m in 2024-25 rising to £7.5m by 2026-27.** A three-year programme of work that will ensure all older people who are eligible for adult social care have those needs met and all opportunities for prevention, including promoting their health and wellbeing, short-term interventions to rehabilitate and recover people and opportunities to connect them to their support network are explored. Our Independence Advice Hub will make use of new technology to signpost people more efficiently, we will invest in information, advice and guidance services including in our website and front-facing customer service options for people.
- 4.12 All older people supported by adult social care will have an individual strengths-based care review over the period, to ensure they are receiving the right level of care and support, funded in the most appropriate way. We will transform our short-term enablement offer to people, with less bed-based intermediate care funded by the council and more community enablement support by our BEST service in people's own homes. Through protecting our offer of preventative services, offering more flexible ways of accessing care and with greater support for families, we will marginally reduce the care budget annually in line with our local authority comparators.
- 4.13 We will review all care contracts and seek to negotiate where better value for money could be achieved. We will work closely with Bradford Care Association to continue to work towards the fair cost of care, with better terms and conditions for our care workers. We are examining investment in family carer's services to ensure they are supported to maintain their caring role.
- 4.14 **Adult Social Care Prevention Strategy – Adults with Disabilities - £2.5m in 2024-25 rising to £7.5m by 2026-27.** A programme of work that will ensure all adults with disabilities who are eligible for adult social care have those needs met, and we will work with disabled people to enable them to be full citizens in

the Bradford district including giving back to their community, working, voting and having a say over the services they need. We have launched projects to seek employment for disabled young people who wish to work, are modernising our day service offer to put people who use those services in control. We will commission more supported living accommodation with integrated technology to support people in place of traditional residential care and will use our strengths and rights-based approach to help people live ordinary lives with social care as one element of their support.

- 4.15 We are creating a new Adult with Disabilities social work service – a long-term case management model to support disabled people throughout their lives. This will include people with care needs who have a learning disability and/or physical disability, with mental health problems or with neurodiversity. Every person in receipt of support will receive a individual strengths-based, rights-based care review to ensure we are pursuing these avenues of greater independence with them, that they are receiving the right level of care, funded in the most appropriate way. This service will work closely with Bradford Children & Families Trust to transition young people with disabilities or who have other eligible care needs to adult social care with appropriate care and plans for their future.
- 4.16 We have a programme of work with social care commissioners working alongside social workers to review all contracts and accommodation offers to seek to negotiate where better value for money could be achieved without affecting people’s care and support. Through seeking more independent alternatives for people than statutory social care, we will reduce the care budget annually in line with our local authority comparators.
- 4.17 **Transforming Our Service Offer - £0 in 2024-25 rising to £5m in 2026-27.** Adult Social Care intends to modernise for the future including using the latest technology and a new case management system, linked to the NHS record and those of our care providers. In the first two years of our transformation programme, we will implement a new more efficient IT case management system to eliminate duplication in administration and management decisions. Through vacancy management and natural turnover over those years, we will carefully reduce staff numbers across the department overall and monitor team workloads. We will also look to develop more joint roles with the NHS and share efficiency savings and shrink our office footprint.
- 4.18 In addition to the budget reductions outlined above. Adult Social Care are also undertaking a number of mitigating actions to address existing pressures.

### Children’s Services

- 4.19 The proposal would see the closure and disposal of Ingleborough Hall Outdoor Centre. Ingleborough Hall, along with Buckden House, is a traded service with a deficit that is currently funded from the Council’s core budget. Following a recent condition survey, high levels of backlog maintenance have been identified to bring Ingleborough Hall up to the required standards. Due to the scale of the works outlined, it is proposed that the building should be disposed of. Bookings



would transition to Buckden House which would then run as a fully traded service. This would generate savings related to staffing.

- 4.20 The retention of Buckden also enables provision of Respite and Short Breaks at a significantly reduced rate compared to the open market. This will support cost avoidance of the growing financial pressure being experienced in the Trust via the provision of Short Breaks and holiday respite provision.
- 4.21 In addition to the budget reductions outlined above. Children's Services are also undertaking a number of mitigating actions to address existing pressures previously outlined. These will not result in budget reductions, but would stop overspends recurring and reduce future pressures on Adult Social Care.

### Department of Place

- 4.22 **Mandatory HMO Licencing - covering staff costs.** The Housing Operations Service is responsible for administering the statutory / mandatory licencing scheme for houses in multiple occupation (HMO) under the Housing Act 2004. Fees generated through the administration of the mandatory licencing scheme can only be retained for use in supporting and delivering the HMO Licencing function. It is proposed that the fee income will be used to fund the staffing resources in the HMO Licencing function creating a revenue saving for the Council. Savings Value, £160,000 per year from 2023/2024
- 4.23 **Economic Development Service.** A review of how regeneration and economic development activities can be delivered more effectively across the Council, specifically looking at realignment opportunities and how efficiencies of scale can be obtained across multi-disciplinary teams. Savings Value, £200,000 per year from 2024/2025
- 4.24 **Stronger Communities team.** The proposal would result in the reduction of eleven FTE roles within the Stronger Communities team, this will provide an anticipated saving of £220,000 in 2024-25 rising to £445,000 2025-26.
- 4.25 **Car Parking – Revised staff parking Scheme (Completed as of Jan 2024).** In November 2021 temporary free parking was introduced in Sharpe Street car park for Children's Social Care Staff. This was then extended to other staff in Children and Adult Services and to include all the Council car parks included in the employee parking scheme.

A decision has been taken to withdraw all free parking permits for previously eligible staff with effect from 1 January 2024. BCFT has also confirmed it will not continue subsidising the free parking permits for its staff creating an anticipated revenue saving of £140,000 per year.



4.26 **Car Parking - Standardisation of off-street parking charges in all Towns and Villages across the Bradford district.**

Towns & Villages - Implementation of a standard district wide £1 per hour charge bringing Shipley and Keighley into line with places such as Bingley, Saltaire and Haworth. It also includes villages such as Silsden, Wilsden, Baildon.

High Demand Car Parks – The hourly charge in high demand car parks will increase from £1 to £1.50 per hour. This includes car parks such as South Hawksworth Street -Ilkley, Sharpe St – city centre, Exhibition Road - Saltaire and the Parsonage Museum Car Park – Haworth, amongst others where there is a spread of heavily utilised car parks across the Bradford District.

Expand day-time charging hours in high demand car parks - Extension of daytime charging hours from 08.00 – 18.00 to 08.00 - 22.00. This effectively replaces the 18:00 evening charge.

Additional Pay and Display car parking capacity – introduced at new Council sites including Addingham, Steeton, Leeds Rd, Idle, Burley and Wibsey.

4.27 **Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits, business and workers permits and health and social care visitor permit costs.** Currently there are 13,887 live resident and visitor permits in the Bradford District, there are no charges for a resident's permit or for the first visitors permit, this is out of sync with neighbouring Local Authorities.

This proposal is to introduce charges for resident and visitor permits. A charge of £35 per permit is proposed to be applied. The proposal is to increase the cost of a health and social care visitor permit (private providers) from £10 per annum to £25 per annum and to increase the cost of a business and worker permit from £150 per annum to £250 per annum.

4.28 **Car Parking Charges – Review of on-street charges.** This proposal is to introduce a standard £1 per hour parking charge for existing designated on street parking areas.

4.29 **VCS Infrastructure Support Contract – full withdrawal.** A £460k reduction in in the contribution the Council makes to the infrastructure support contract delivered by the VCS sector. This represents a full withdrawal from the Department of Place contribution to this contract, and will be phased accordingly

4.30 **Youth Services Teams.** The proposal is to rationalise current activities within the youth service team. This would include combining the Shipley and Keighley team impacting on two FTE roles. This will create a revenue saving of £50,000 in 2024-25 rising to £100,000 in 2025-26.

4.31 **Neighbourhood Teams.** We will review ways of locality working specifically related to more efficient delivery of back-office process and systems which in turn will realign support staff. This will create a revenue saving of £109,000 in 2024-25 rising to £218,000 in 2025-26.

- 4.32 **Capitalisation of Staff Support for Transport Fund schemes in Planning Transport & Highways.** The scope of this proposal covers the capitalisation of staff costs to provide the necessary input into externally funded transportation schemes from key support roles to assist the delivery of these schemes. Depending on the scheme this would include input from development management, building control, drainage, highways development management, transport planning, planning policy, heritage, and landscape design staff. This proposal has an indicative value of £236,000.
- 4.33 **Highways Services - Discretionary Fees Increase.** This proposal reviews charges for highway services in line with neighbouring authorities. Revised charges relate to charging for skips, erection of scaffolding on the highway, hoardings on the highway, depositing items on the highway, charges for cranes, dropped crossings, roadwork excavation and café pavement licences. This proposal has an indicative value of £42,345.
- 4.34 **Sports & Leisure Fees and Charges increase** Bradford Council's fees and charges have historically been low compared to other West Yorkshire and UK Local Authorities, with a generous subsidy for our 'passport to leisure' users. However – in line with most UK Local Authorities charges must be increased. This proposal aims to apply above inflation price increases to sports facilities fees and charges from April 2024. This proposal is to increase general sports facility prices by a total of 15% The Council's gyms and fitness membership operates in a competitive marketplace and it is proposed to increase the monthly gym membership price by 10% This will generate a £200,000 above the corporate expected 6% increase.
- 4.35 **Strategic Review of Libraries (£0 in 2024-25 rising to £175,000 by 2025-26)** The Council is undertaking a strategic review of its libraries to identify how overall operating costs can be reduced. This review will focus on the overall costs of the library services which are mainly contained within the council run libraries and specifically review facility operating costs, usage data, property and asset stock-condition and the potential for alternative operating models to be adopted.
- 4.36 **Bradford City Centre Visitor Information Centre Closure.** This is a proposal to close the Bradford city centre Visitor Information Centre. This proposal will effectively close the Visitor Information Centre in Bradford from 1st June 2024 saving £41,000 in 2024-25. Options to relocate to the City Centre Library will be explored.
- 4.37 **Strategic Review of Sport and Leisure facilities (£60k in 2024-25 rising to £1.25m by 2025-26)** – The Council is undertaking a strategic review of its sports and leisure facilities to identify how operating costs can be reduced. Reductions of this scale are likely to impact on the overall number of swimming pools, gyms and indoor recreation centres. The review will focus on facility operating costs, usage data, income generation, property and asset stock-condition and the potential for alternative operating models to be adopted. The review will also consider if the Squire Lane project should go ahead.

- 4.38 **Car parking - Ilkley Lido car park - introduction of charges.** This is a proposal to introduce car park charging at Ilkley Pool and Lido car park from 2024-25. The proposal will generate an estimated £25,000 of income, there are however some ongoing costs associated with operating parking charges which will need to be met from the income.
- 4.39 **Review of Cultural Grant Funding.** The discretionary grants scheme which facilitated large and small grants for cultural events and organisations will be ceased in 2024-25. This will create a £155,000 saving.
- 4.40 **Museums - 'pay what you think' admission charge (implemented Dec 23).** This proposal would see the introduction of voluntary 'Pay what you think' admission to all Bradford Museums venues with effect from 1st April 2024. This scheme would be based on maintaining free access with a payment being encouraged but not a requirement for entry. In addition, the proposal addresses the realistic potential to increase the level of directly donated income through an increased targeted, and engaged, 'case for support' being made across the venues with cashless donation terminals operational at all four venues. Forecasted income generation target of £63,000 is anticipated.
- 4.41 **Museums - review of schools learning charges.** Review of charges to schools for Learning activity at Bradford Museums resulting in additional £12,000 annual income.
- 4.42 **3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs.** The service currently operates eight household waste recycling centres (HWRCs), spread across the district. Full closure of 3 x HWRCs would allow up to £0.9m saving in staffing, site maintenance costs and haulage. The identified sites to close would be Ford Hill (Queensbury), Sugden End (Keighley) and Golden Butts (Ilkley). This proposal has an indicative savings value of £900,000.
- 4.43 **Household Waste Recycling Centre – Monday closures (Trial Commenced Dec 23).** The service currently operates eight household waste recycling centres (HWRCs), spread across the district. Each site is open for up to 60 hours per week over 7 days. The two main HWRCs at Bradford and Keighley – containing transfer loading stations would remain open 7 days a week. Monday closure of six of the eight HWRCs would allow savings in staffing, site costs and haulage. This proposal has an indicative value of £225,000 to be pro-rata dependant on the outcome from the HWRC closures proposal.
- 4.44 **Permit Refresh – HWRC Sites.** In order to tighten controls on eligible usage we propose to introduce a new permit and monitoring system from April 2024 to ensure compliance with policy and legislation. This would include a new permit being issued to residents which could be linked to Automatic Number Plate Recognition (ANPR) at each site and limitations on the number of permitted vehicles and visits per resident. This proposal has an indicative value of £500,000.

- 4.45 **Fly Tipping Fees and charges increases (change in national policy 2023).** We propose to revise charges, in-line with recent changes to The Environmental Regulations 2023, allowing councils' to increase the maximum levels of Fixed Penalty Notices for certain environmental offences such as fly tipping, littering and Householder Duty of care offences, to introduce revised charges in line with neighbouring authorities. This proposal has an indicative value of £25,000.
- 4.46 **Recycling disposal – Dry Mix Recycling new contract.** A published tender in 2023 resulted in AWM being awarded the contract with a slightly lower processing cost and different processing techniques. The contract is in place for up to 5 years and tracks the DMR market closely. This will provide savings in the future. This proposal has an indicative value of £200,000.
- 4.47 **Bulk Collection Fees and Charges increase.** Due to the changes in legislation regarding POPS (Persistent Organic Pollutants) the operating costs for this service have increased recently. The costs for bulk collections will change from 5 items for £30 to 3 items for £50. This proposal has an indicative value of £200,000.
- 4.48 **Garden waste - Fees and Charges uplift and amended discounts.** We propose to restructure the opt-in service and increase charges to £53 per year (£50 if booked early) and £40 per additional bin. The service runs with four collection vehicles for 11 months of the year, pausing only for Christmas through to late January. Due to this being opt in-service there may be changes to the collection structure. This proposal has an indicative value of £486,000.
- 4.49 **Charity bulk collection - change of operation and funding.** The Council proposes to cease arrangements with three charitable organisations which submit invoices for re-use credits for household items they divert from landfill. This proposal has an indicative value of £20,000.
- 4.50 **Waste Collection Reduction of rounds.** The introduction of a more efficient routing system and optimisation of collection vehicles. There would be no impact for residents and collection frequencies would remain the same. This proposal has an indicative value of £300,000.

### Corporate Resources

- 4.51 **Estates and Property.** These proposals will deliver further energy efficiency savings through changes to existing energy infrastructure. In addition, planning is underway to reduce estate occupation further where possible, by rationalising existing occupation which in turn will reduce running costs, the details of these proposals will be developed further and agreed as part of the Corporate Landlord arrangements/board.
- 4.52 **FM catering & cleaning** The proposal is to increase traded income and to restructure three areas Head Office, FIPC production unit and Civic Catering to create further efficiencies including ceasing the provision for internal meetings. Consultation on these proposals is currently on-going.

- 4.53 **Revenue Benefits and Customer Services.** The main proposals are covered within the Council Tax base for 2024-25 and relate to changes in legislation relating to empty and second homes, further detail is included at para 5.5. A further proposal to restructure and reduce headcount in service is being developed to address existing pressures.
- 4.54 **Workforce and Human Resources.** Proposals will deliver savings from the Human Resources Workforce Learning and Development budget, which will reduce by £149k, and will be delivered by changing to internal delivery of the Council staff survey and internal delivery of leadership, management and cultural workforce learning and development. The annual employee long service awards ceremony will be delivered through alternative sponsorship methods, and the staff networks and respect budget will cease. The Employee Health and Wellbeing budget will reduce with a re-focussed counselling offer making savings on the current counselling contract. The PACT HR Traded Service income generation target will increase to deliver further income for the Council.
- 4.55 Cross cutting Workforce and Human Resources proposals will deliver savings across all Departments by reducing, recruitment advertising costs, of counselling costs from the charge back to the referring service which will cease through the refocussing of counselling service delivery. In addition work has started to review workforce benefits and more general terms and conditions of employment to ensure they are streamlined and simplified, and provide modern, competitive, and fit for future employee benefits.
- 4.56 Additionally, there are a number of cross cutting and central budget adjustment proposed as outlined at Appendix D.

### **Impact on Jobs**

- 4.57 The Council issued a Section 188 Notice on 5th December relating to on-going workforce change. This stated that a total number of 85 employees were at risk of redundancy (as defined under section 195 TULRCA 1992). This is from a total of 7,411 employees, excluding school based staff.
- 4.58 In addition, 113 further employees have been identified as directly impacted by the budget proposals for 2024-25 and therefore may be at risk of redundancy. Every effort will be made in line with Council policy to ensure that staff affected will be re-deployed.
- 4.59 Furthermore, the Council is currently operating a vacancy freeze which may further reduce staffing numbers due to natural turnover. This will result in a significant reduction in overall capacity.

### **Council Tax and Business Rates**

- 5.1 To help meet increasing demands for and costs of children's and adult social care, it is proposed that Council Tax is increased by 2.99% in 2024-25 and that the Social Care Precept be increased by a further 2%. In total therefore it is

proposed that Council tax will increase by 4.99%. This is in line with national Government's assumptions set out in the Chancellor's Autumn Statement.

- 5.2 The overall increase will raise an additional £11.6m and add £80.89 a year or £1.56 a week to bills for Band D properties.
- 5.3 Overall, Council Tax would still remain very low compared to other West Yorkshire councils' and Metropolitan councils'.
- 5.4 As detailed in the Council Tax Base report (January 9<sup>th</sup> 2024 Executive) the Council Tax base is also forecast to grow by 970 to 144,890 Band D equivalent properties in the Council Tax base raising an extra c£1.6m. The increase is mainly due to housing growth and policy changes in relation to houses of multiple occupancy, and empty homes premium. When combined with the proposed Council tax increase this would raise £13.3m in 2024-25.
- 5.5 The Levelling Up and Regeneration Act 2023 introduces two important reforms to Council Tax; a new premium on second homes and reducing the period after which a premium can be applied to empty homes from two years to one year. The Second Home Premium provision requires the Authority to give property owners twelve months' notice of the imposition of the additional charge. Therefore, although Budget Council will be asked in February 2024 to determine that the charge be applied, additional income will not be generated until 2025-26. The changes to the Long Term Empty Premium will be recommended to the Executive on February 20<sup>th</sup> 2024, to be approved at Budget Council.
- 5.6 As outlined in the Council Tax base report the Council also has a c£3.4m higher Council Tax surplus from 2022-23 and 2023-24 than had been budgeted, and this will provide a one off benefit to the Council's budget in 2024-25.
- 5.7 In relation to Business Rates there is a significant amount of uncertainty in relation to the impact of recent changes to the Business Rates multiplier announces as part of the Chancellors Autumn Statement. The implications are currently being worked on and will be included in the NNDR1 form that the S151 officer provides to Government at the end of January.
- 5.8 At the time of writing the expectation is that the Council will bill and collect higher amounts of Business Rates, but will receive an equivalently less amount of S31 grant compensation. Overall, we are therefore not currently estimating any material change from that included in the MTFs overall.
- 5.9 In 2023-24 the Council is a member of the Leeds City Region Business Rates pool with 50% business rates retention. Under the 50% scheme the advantage of forming a business rates pool is the retention of levy payments within the region that would otherwise have to be made to government.
- 5.10 In early October 2023 the Government invited authorities to apply to continue their pooling arrangement into 2024-25. This report requests approval to continue with the pooling arrangements with Leeds City Council being the lead



authority. The continuation of the Pool will be dependent on none of the member authorities choosing to withdraw within the statutory period after designation.

### **Bradford Children & Families Trust**

- 6.1 The Bradford Children and Families Trust (BCFT) commenced operations on the 1<sup>st</sup> April 2023 following a Directive from the Secretary of State for Education. An initial contract price of c£170m was agreed, and the DFE provided a one-off grant of c£10.8m for 2023-24. As outlined in the Qtr 2 Finance Position Statement (November Executive) the BCFT was forecast to overspend by c£45m in 2023-24. This has since increased further to c£49m due mainly to continued increases in costly residential care placements.
- 6.2 Overall Gross Expenditure on Children's Social Care has increased by over £150m per year since 2019-20 to c£250m in 2023-24.
- 6.3 As a result of the significant increase in costs, benchmark spend per head of child population has increased rapidly, and has gone from relatively low, to very high over a short period. The scale of growth dwarfs the increases in government funding and council tax increases and is the main reason why the Council has run through its previously robust reserve levels and is now experiencing exceptional financial challenges.
- 6.4 Benchmark data from other councils' for 2022-23 (published in December 2023) and 2023-24 is not yet available but given the rapid growth in both spend and spend per child in Bradford in 2022-23 (£1,335) and 2023-24 (£1,648) per the Trust's Quarter 2 forecast, this excess spend in comparison to benchmarks could realistically be in excess of £50m per year.
- 6.5 The Trust recognise that spend levels are significantly above benchmark levels, and have produced a 3 year business plan that has the stated aim of both improving care, and getting spend levels back to 2023-24 contract (adjusted for inflation) and closer to benchmarks over the next 3 years.
- 6.6 As the Trust is already forecast to overspend by c£49m in 2023-24, and will have inflationary pressures in 2024-25, the Trust's Business Plan for 2024-25 also assumes that costs will be c£42m above current c£172m contract price in 2024-25. As the Trust will have c£12m of inflationary pressures in 2024-25, this means that it has committed to deliver c£20m of real terms reductions in spend in 2024-25 in comparison to the 2023-24 forecast spend level.
- 6.7 The main financial elements of the Trust's business plan are outlined in Section 4 and Appendix 1 Section 3 of the Medium Term Financial Strategy (November 2023 Executive), but in summary, the Trust aim to get back closer to benchmark levels of spend over the next 3 years by reducing reliance on Agency staff; reducing the numbers of children in care per 10,000 population back down to benchmark levels and reducing the numbers of Children Looked After in costly Residential Care placements.

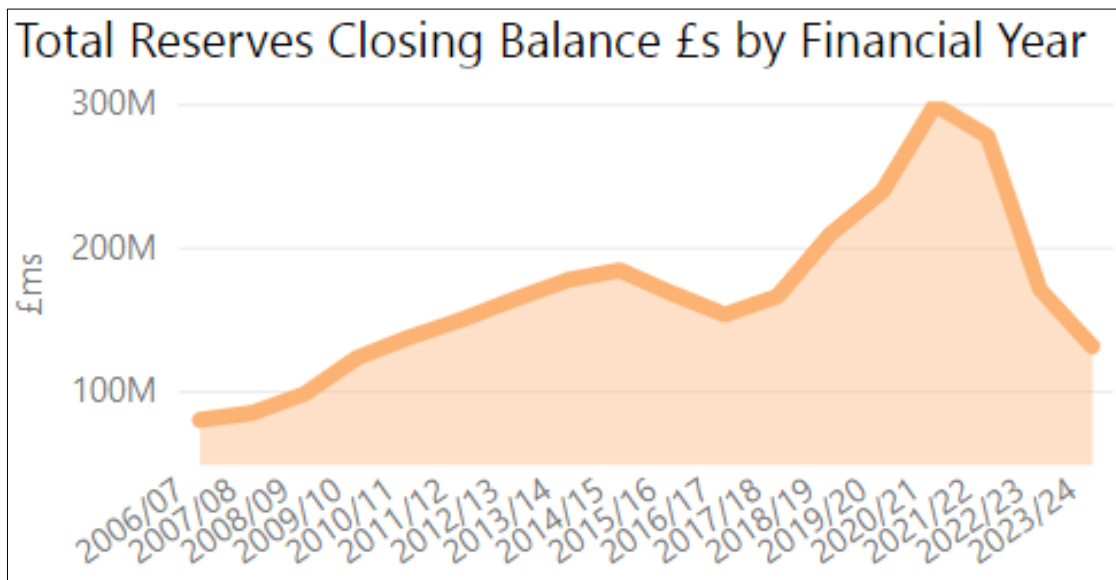


- 6.8 The Trust's business plan remains subject to revision and negotiation prior to the contract for services being agreed for 2024-25, and BCFT and the Council are working with the Government on ways to transform Children's Social Care services.
- 6.9 Following publication of the Quarter two budget and MTFS reports in October 2023 which included the financial projections of Bradford Children and Families Trust and the strategy and rationale behind them, the Trust is working to update those projections linked to progress made in key areas of work, continued development of the analysis of the needs and issues that exist and the opportunities to address them, and the development of more detailed plans and projections for the next stages of that work. The work in development includes the following:
- The next stage of implementation of the Placement Sufficiency Strategy including phase two plans for further development of our residential care offer and further development of our fostering service with the aim of positively reducing the need for children to be placed in external residential care outside of Bradford.
  - A review of and amendments to our commissioning and contract management arrangements for residential placements to maximise quality linked to the needs of children, plus value for money in very challenging market circumstances.
  - Opportunities to develop inhouse offers to replace some spot purchased support for children at reduced cost but high quality.
  - A strong focus on earlier and more intensive family help to reduce the need for social work involvement and support more families to stay together. Early evaluation of increased family support since September is positive and there is potential for invest to save business cases to increase the impact for families and see further reductions in financial pressures.
  - Implementation of new organisational arrangements that will support financial decision making and monitoring and forecasting.
  - Continued development of relational and restorative social work practice and intensive work on recruitment based on the success of filling more senior roles.
  - Intensive partnership work with health colleagues to maximise opportunities to work together that are mutually beneficial.
- 6.10 The Trust is working through the associated reductions in the financial pressures for the next three years linked to the anticipated impact of this work. Discussions with the Trust are focussing on c£36m of additional savings over the next three years in addition to the £39m BCFT committed to in the MTFS in October. The Trust and Trust Board are actively considering what is achievable based on current analysis, forecasts and plans and are clear that there is a strong interdependency with the council if some of the commitments are to be delivered in accordance with the Trust's existing MTFS projections. New opportunities for

reducing costs and increasing impact are being sought constantly with the emphasis on reducing the needs of children through more effective support. In-year mitigations are being tracked for cost avoidance and actual savings in order to stem the tide of increased costs and the early signs are showing a reduction in the need for children to come into care and a reduction in children needing to be subject to a child protection plan.

**Use of Reserves**

7.1 The chart and table below summarises the Council’s reserve levels. At 30<sup>th</sup> November 2023 reserves stood at £131m (Council £80.4m and Schools £50.6m). The Council currently has £32m of General Fund reserves.



	Closing Balance 2020-21 £m	Closing Balance 2021-22 £m	Closing Balance 2022-23 £m	Net Movement	Balance as at 30 <sup>th</sup> November 2023 £m
Council reserves	256.5	231.1	120.5	-40.1	80.4
Schools Delegated budget	42.9	46.6	50.7	0.1	50.6
<b>Total</b>	<b>299.4</b>	<b>277.7</b>	<b>171.1</b>	<b>-40.2</b>	<b>131.0</b>

7.2 The Council keeps the allocation and use of reserves under regular review and has undertaken an exercise to use previously earmarked but as yet un-committed Departmental reserves to support extraordinary inflation and Children’s Social Care costs.

- 7.3 While the use of reserves to balance Council budgets in the face of extraordinary pressures is in line with Government expectations, these resources can only be spent once. Reserves are not a sustainable solution to the Council's current financial challenges and face rapid depletion.
- 7.4 Of the remaining £80.4m of non-School reserves, c£32m are general fund balances and c£14.5m are Grant reserves that have been provided for specific purposes.

Reserve Type	Total Reserves Opening Balance £s	In year reserve Movements £s	Total Reserves Closing Balance £s
General Fund Balance	22,001,000	9,961,911	31,962,911
Service Earmarked Reserves	45,345,686	-19,210,009	26,135,677
Grant Reserves	17,400,500	-2,870,700	14,529,800
Corporate Earmarked Reserve	35,274,080	-27,975,402	7,298,678
Corporate Capital Reserves	442,700	0	442,700
<b>Total</b>	<b>120,463,966</b>	<b>-40,094,200</b>	<b>80,369,766</b>

- 7.5 Regarding Corporate and Service earmarked reserves, the Council has conducted 4 reserve reviews over the last 2 years to repurpose reserves to help the Council's overall financial pressures, and of the remaining c£33m, a further £4m has been identified as being available to support the Council's overspend in 2023-24. The remainder are committed.
- 7.6 When the £4m is added to the c£10m of reserves that are held in the General fund reserve that are above the c£22m minimum General Fund balance, there are c£14m of reserves that could help mitigate the c£73m of forecast 2023-24 overspend. However, the final recommendations on the use of reserves will be subject to the EFS negotiations.
- 7.7 This will however exhaust remaining unallocated reserves prior to the end of 2023-24, and hence the Council has submitted an application to Government for Exceptional Financial Support to help balance the 2023-24 budget and set a balanced budget in 2024-25.

### Exceptional Financial Support

- 8.1 The scale of the current financial pressures particularly those relating to Children's Social Care, is such that a balanced budget cannot be delivered for 2023-24 or set for 2024-25 without access to additional resources to help bridge the financial gaps in those years.
- 8.2 The Council has been in close dialogue with DLUHC and the DfE about its financial challenges over the last year, and Exceptional Financial Support is the only mechanism available to support the Council through a difficult financial position.

- 8.3 The Chartered Institute for Public Finance Accountants (CIPFA) revised guidance to section 151 Officers is that they should seek support from Government before issuing a s114 report. Should Exceptional Financial Support not be provided for 2023-24 or 2024-25 as requested, then the Council's Section 151 Officer will have to issue a s114 notice recognising that a balanced budget cannot be achieved and imposing new spending restrictions.
- 8.4 The Government has previously allowed several councils to access Exceptional Financial Support by allowing them to capitalise revenue costs to enable them to get to a sustainable position.
- 8.5 A capitalisation directive allows councils to fund revenue expenditure up to a maximum value in a given year via capital financing methods including the application of capital receipts from the disposal of assets or borrowing.
- 8.6 The Council is developing a significant asset disposal programme which will be outlined in a report to the Executive in February 2024, however, the scale will be insufficient to bridge the gap, and the Council would therefore have to borrow. Some of the capital receipts would also be required to fund a revised transformation programme through flexible use. It is therefore likely that the Council would therefore have to borrow to fund capitalisation.
- 8.7 Borrowing under a capitalisation directive does however typically have a number of stipulations, including that loans must be from the Public Works Loan Board (PWLB) and be repaid over a 20 year period at prevailing PWLB interest rates + 1%.
- 8.8 Every effort will need to be made to minimise the scale of the Exceptional Financial Support request by reducing costs and increasing income in 2024-25, however, Exceptional Financial Support will be required for 2024-25 and it will be in addition to the c£58m request in 2023-24.
- 8.9 Based on the estimates outlined in the report, the Council would seek Exceptional Financial Support of c£58m in 2023-24, and with the amount of support requested in 2024-25 to be agreed following completion of the work to shape the transformation programme and the revised projections from the BCFT. This will be subject to discussions and agreement with DLUHC.

### **Asset Disposal Programme**

- 9.1 To pay for transformation costs and minimise borrowing, the Council is developing an asset disposal programme that could generate c£60m. However, this requires considerable work on due diligence. A significant proportion of this will however be required to fund transformational activity under the flexible use of capital receipts directive, with the remaining amounts to be used to reduce any borrowing required under the Exceptional Financial Support request.

- 9.2 It should however be noted that c£30m of the assets are currently rent generating, and disposing of these would mean that the Council would also lose c£2m of annual rental income, which would then become a pressure to add to the gap, which underlines the importance of further due diligence.
- 9.3 A report outlining the Asset Disposal Programme will be provided to the Executive in February 2024.

### Capital Investment Plan and new Capital Investment Proposals

- 10.1 The Capital Investment Plan (CIP) shows budget spend on infrastructure items, such as housing, roads, Council land and buildings, sports centres and vehicles. Technically, the definition for inclusion in the CIP is that the spend delivers a service benefit lasting more than one year: for example, a new-build sports centre or school extension.
- 10.2 The CIP differs from the other (revenue) budget items listed in this report, which relate to day to day spend. An example of day to day spend are the salaries of employees who run sports centres. Being periodic, these costs fit easily into an annual budget cycle.
- 10.3 In contrast, individual projects in the CIP tend to be one-off and sometimes the build phase cuts across annual budget cycles so are planned over multi-year periods, updated incrementally at each annual budget for any changes. The current CIP position (prior to any update for the 2024-25 budget cycle), was reported in the Council's 2023-24 quarter 2 Finance Report and is shown below:

**Table A – Capital Investment Plan Quarter 2 2023-24**

Directorate	Budget	Budget	Budget	Budget	Total
	23-24	24-25	25-26	26-27 onwards	
	£m	£m	£m	£m	£m
Adult Social Care	4.3	5.3	5.7	1.7	17.0
Children's Services	19.8	15.8	10.1	3.9	49.6
Place - Economy & Development Services	51.4	32.2	26.2	4.1	113.9
Place - Planning, Transport & Highways	68.5	39.6	20.9	104.1	233.1
Place – Other	18.6	29.9	15.8	1.1	65.4
Corp Service – Estates & Property Services	19.3	12.4	4.9	2.0	38.6
<b>TOTAL</b>	<b>181.9</b>	<b>135.2</b>	<b>83.6</b>	<b>116.9</b>	<b>517.6</b>
Reserve Schemes & Contingencies	30.4	98.8	41.3	36.2	206.7
<b>TOTAL – General Fund Services</b>	<b>212.3</b>	<b>234.0</b>	<b>124.9</b>	<b>153.1</b>	<b>724.3</b>
HRA	2.8	14.5	10.0	8.2	35.5
<b>TOTAL CIP</b>	<b>215.1</b>	<b>248.5</b>	<b>134.9</b>	<b>161.3</b>	<b>759.8</b>

- 10.4 The CIP is funded from several different sources, with the remainder leaving a borrowing requirement, as set out below:

**Table B – Capital Investment Plan Quarter 2 2023-24 Funding**

	Grants, sec 106, reserves £m	Capital Receipts £m	Borrowing £m	Total £m
Total	439.0	0	320.8	759.8

- 10.5 Some funding sources, such as specific capital grants and capital receipts, directly fund the expenditure in the CIP; this avoids borrowing and has no implication for the revenue budget. However, a small element of the CIP is funded directly from Revenue budget, which does have direct cost implication for the revenue budget. Revenue budgets funding capital spend have been removed in 2023-24 and this will continue in 2024-25.
- 10.6 A larger funding element is provided from borrowing which generates Capital Financing costs. It is here that there are additional costs within the revenue budget - allocated to Nonservice, in other lines of this report.
- 10.7 Capital Financing costs include the allocation of the borrowing amount across revenue budget years: the borrowing amount is usually apportioned over future revenue budgets in equal amounts, for as long as the building or vehicle is expected to be in use - this is known generally as depreciation but is called the Minimum Revenue Provision (MRP) within Local Government.
- 10.8 Capital Financing costs also include interest on the borrowing amount. These costs are time specific and charged to revenue as they fall.
- 10.9 Incremental changes to the CIP for the 2024-25 budget cycle will include the continuation of on-going capital programmes. The changes also include new proposals relating to priority outcomes in the Council Plan.
- 10.10 Proposals for inclusion in the Council's revised Capital Programme comprises:
- The rolling programme - this includes the on-going investment that is needed to continue existing services and commitments. The following amounts have been included in the 2027-28 programme:
- General contingency for unforeseen capital expenditure - £1m
  - IT Device Refresh Programme - £2m
- 10.11 Although there are no new schemes to be added to the CIP, there are other possible schemes that are at a very early stage of development. The budget position means only invest to save schemes should be considered for further capital investment. Further work and investigations will be completed during 2024-25 and they will be brought to Executive for approval.

- 10.12 Also, the Council could consider foregoing some further capital investment and take a revenue saving instead. Previous analysis of the CIP has indicated that there are several schemes that have either not started or have only partially progressed. There is the potential to free up resources in the CIP by either deleting or delaying some of these projects.
- 10.13 The current proposals include the removal / reduction of budget for several schemes. A description of these schemes is provided in the table below and further work is required to identify any others.

<b>Scheme</b>	<b>Proposed Budget reductions £'000</b>	<b>Current Position</b>
<b>Children's Service</b>		
Area office accommodation	800	Remove in full. Originally included to invest in a new office accommodation. Now being considered as part of the full Estate Strategy review.
Laptops	400	Remove in full. Originally included to invest capital funding in Digital Inclusion for Disadvantaged Children & Young People by investing in an infrastructure to support the programme.
<b>Place</b>		
Goitside	178	Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP.
City Centre Growth Zone	1,300	Remove in full. Will be considered as part of the development of the City Centre scheme.
Bradford Beck	1,891	Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. It will be revisited once plans are developed.
Canal Road Land Assembly	450	Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP.
Depots	3,000	Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. It will be revisited once plans are developed.
Electric vehicles/ New street cleansing	300	Reduction in budget for new street cleansing plant and equipment.
<b>Total</b>	<b>8,319</b>	



## Housing Revenue Account

- 11.1 The Housing Revenue Account is a ring fenced account that sits outside the Council's General fund and is subject to HRA regulations. One of the main regulations is that the HRA is self sustaining via rents.
- 11.2 An increase in accordance with the Government's Rent Standard of CPI (6.7% as at September 2023) +1% is proposed across the stock. This overall 7.7% rise equates to approximately £174K in additional rental income, when taking into account stock reductions for Right to Buy sales (RTB).
- 11.3 The Council is still committed to replacing homes lost through RTB, but any planned investment in new homes will be in the longer term when interest rates and business case demonstrates it is affordable.
- 11.4 Although income is forecast to increase with rent increases in line with the rent standard, there are inflationary pressures and significant variations as outlined in the key movement areas outlined below. Legislation requires that the HRA balances. In order to do this, all budget headings have been examined to achieve efficiencies and improved targeting of resources together with the use of reserves, RTB receipts and borrowing to fund the HRA capital programme.
- 11.5 In addition to rent increases, Service Charges apply for Tenants in Extra Care for additional services such as cleaning and maintenance of communal areas, lounges, dining rooms, heat and lighting of communal areas, lifts, and management overheads of 10%. These are on a cost recovery basis only. It is proposed that an increase of CPI (September 2023 rate) is made to those service charges for extra care.
- 11.6 Capital investment and Council House Growth Programme. The Council remains committed longer term to replace homes lost through RTB by the planned investment in new homes when interest rates and business case allows.

### HRA Reserve

- 11.7 The HRA has a revenue reserve of £503k, some of this will be used in 2023-24 to help with the transition to establishing a sustainable HRA.
- 11.8 The void level has been identified as a key area for improvement.

## 12 BUDGET ENGAGEMENT AND CONSULTATION, AND EQUALITY IMPACT

- 12.1 The intention of this consultation is to provide the people of the district and other interested parties with opportunities to provide their views on the budget proposals, to help shape and inform final decisions. The budget consultation will seek comments on proposals for the financial year 2024-2025.
- 12.2 This report sets out clearly the context in which budget proposals for 2024-2025 have been developed. Since 2010 Bradford Council has had to take out £350m from services. During this time the Council has continued to prioritise

front line services to all communities across the district. The reduction of this scale, and the further proposals contained within this report mean that difficult decisions must be made, and these decisions will have an impact on the lives of Bradford's residents.

- 12.3 Even when difficult decisions need to be made, it is important they remain underpinned by an understanding of who will be affected, and how. Equality Impact Assessments have been undertaken on all budget proposals to understand the potential equality impact of the proposed changes on different groups of residents and to reduce these as much as is possible.
- 12.4 Initial equality impact assessments have been developed on all proposals. Those showing , potential negative impacts against the protected characteristics, and the locally agreed protected characteristics of low income and care leavers, will be published on the Council's website here [Equality Impact Assessments | Bradford Council](#). A link will also be available to the [budget consultation survey questionnaire](#).
- 12.5 The process of the budget consultation will provide the people of the district, staff and other interested parties, with opportunities to provide their views on the budget proposals, to help shape and inform final decisions and to understand the impact that these proposals may have. The budget consultation will seek comments on proposals for the financial year 2024-2025.
- 12.6 Where possible arrangements will be made to reduce any negative impacts of the proposals. These mitigations are set out in the equality impact assessments and the Council will continue to look for ways to reduce negative impact from the proposed changes.
- 12.7 The consultation will be open from 11 January 2024 to 17 February 2024. The consultation will comprise of a survey enabling individuals and organisations to comment on the proposals and direct engagement with focus groups from the voluntary and community sector and other stakeholders.
- 12.8 Responses can be provided online or by writing to the Council using a freepost address. Social media (X (formerly known as Twitter and Facebook) and the Council's app will also be used to promote the consultation.
- 12.9 Consultees will be encouraged to comment on the proposals and any impacts they believe might be felt by particular groups of people (in line with the Public Sector Equality Duty).
- 12.10 The outcome of the consultation will be presented to the Council's Executive on 20 February 2024. The Executive will then give consideration to the feedback and any equality impacts as they finalise their budget proposals on 20 February 2024 in advance of Budget Council on 22 February 2024. In addition to the current formal budget consultation, other engagement and consultation activities will continue to be run separately by Council services on budget changes agreed in previous years.

- 12.11 For proposals accepted at the Council's Budget meeting on the 22 February 2024, equality impact assessments will continue to be reviewed as part of their delivery. Additional consultation may also be required against some accepted proposals prior to their implementation.
- 12.12 The Council is applying for Exceptional Financial Support from Government, and this will be required to set a balanced budget for 2024-25. The EFS process may mean that the date of Budget Council would need to be revised.

### **13. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 13.1 The financial plan assumes that remaining savings that are currently behind plan and do not feature in these proposals will be either fully back on track by 2024-25 or mitigated through proposals in this report.
- 13.2 The Final Local Government Financial Settlement will have an effect on the current assumptions underpinning this financial plan. There could be changes to the assumptions about the value of specific grants or a revision to the assumptions.
- 13.3 Investment into Children's Social Care to fund the Bradford Children's & Families Trust remains subject to negotiation and agreement with both the Trust leadership and the Department for Education.
- 13.4 The budget proposals include a number of amendments to financing, including using capital funding flexibilities to cover qualifying costs previously funded by revenue expenditure. An Asset Disposal plan has been developed, however the Council will have to dispose of sufficient assets through its disposal programme to fund the transformation activity planned to be funded by using capital receipts flexibilities.
- 13.5 Additionally, the impact of any changes to international trading conditions and the national economy could feed through into additional pressures for the Council.
- 13.6 Consultation outcomes may mean that specific proposals cannot be delivered or need adjusting.
- 13.7 The planned Schools budget currently estimates that the majority of the existing Dedicated Schools Grant (DSG) surplus will be used in 2024-25 and that there is a substantial risk that our DSG will be cumulatively in deficit at the end of the 2025-26 financial year. The cause of this is forecasted overspending within the High Needs Block. This is a national issue as outlined in prior reports. A statutory accounting override is currently in place meaning that deficits do not impact on the councils' general fund.
- 13.8 Setting a balanced budget for 2024-25 is dependent on a request for Exceptional Financial Support request that has been made to DHLUC.

## 14. LEGAL APPRAISAL

- 14.1 The Council is under a duty to calculate the budget in accordance with Section 32 of the Local Government Finance Act 1992 and must make three calculations namely: an estimate of the Council's gross revenue expenditure; an estimate of anticipated income; and a calculation of the difference between the two. The amount of the budget requirement must be sufficient to meet the Council's budget commitments and ensure a balanced budget. The amount of the budget requirement must leave the Council with adequate financial reserves. The level of budget requirement must not be unreasonable having regard to the Council's fiduciary duty to its Council Tax payers and non-domestic rate payers.
- 14.2 Failure to make a lawful Council Tax on or before 11 March could have serious financial results for the Council and make the Council vulnerable to an Order from the Courts requiring it to make a specified increase in Council Tax.
- 14.3 Information must be published and included in the Council Tax demand notice. The Secretary of State has made regulations, which require charging authorities to issue demand notices in a form and with contents prescribed by these regulations.
- 14.4 Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for 'the proper administration of their financial affairs'.
- 14.5 The Local Government Act 2003 s25(2) imposes a duty on authorities when making a budget calculation to have regard to a report of the chief finance officer as to the robustness of the estimates and the adequacy of the proposed reserves. This is the "S151 officer report" which will be presented to Executive on 20 February 2024.
- 14.6 Authorities are required to monitor and review from time to time during the year their income and expenditure against their budget, using the same figure for financial reserves. If having conducted this review, it appears to the authority that there has been a deterioration in its financial position, it must take such action, if any, as it considers necessary to deal with the situation, and be ready to take action if overspends or shortfalls in income emerge. This is a statutory duty. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary.
- 14.7 Section 114(3) Local Government Finance Act 1988 provides that the chief finance officer of a relevant authority shall make a report if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. The chief finance officer is required to send a copy of the report to the Council's auditors and to all elected members, and a meeting of Council must take place within

21 days to consider the report. Section 115 provides that during that period the Council may not enter into any new agreement which may involve the incurring of expenditure at any time unless the chief finance officer authorises it to do so. The chief finance officer may only give such authority if he considers that the agreement concerned is likely to prevent the situation that led him to make the report getting worse, improve the situation or prevent the situation from recurring.

- 14.8 There is also a duty under Section 65 of the 1992 Act to consult persons or bodies appearing to be representative of persons subject to non-domestic rates in each area about proposals for expenditure (including capital expenditure) for each financial year.
- 14.9 Section 149 of the Equality Act 2010 (the public sector equality duty) provides that:
- (1) A public authority must, in the exercise of its functions, have due regard to the need to—
    - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
    - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
    - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
  - (2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).
  - (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
    - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - (4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) tackle prejudice, and
- (b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are—

age;  
disability;  
gender reassignment;  
pregnancy and maternity;  
race;  
religion or belief;  
sex;  
sexual orientation.

Officers have prepared equality impact assessments on those proposals which may have an impact on people with particular protected characteristics to assist elected members in having regard to this duty.

14.10 Section 3(1) Local Government Act 1999 imposes a duty on local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Section 3(2) requires local authorities to consult representatives of

- persons liable to pay any tax in respect of the authority.
- persons liable to pay non-domestic rates
- persons who use or who are likely to use services provided by the authority,
- persons appearing to the authority to have an interest in any area within which the authority carries out functions

for the purpose of deciding how to fulfil the duty imposed by Section 3(1).

14.11 Pursuant to Section 188 Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA 1992) the Council as employer is required to consult the recognised Trade Unions where there is a proposal to dismiss by reason of redundancy (which includes voluntary redundancy) 20 or more employees at an establishment within a period of 90 days or less. If 100 or more employees are at risk of dismissal by reason of redundancy at any one establishment within



a period of 90 days or less the consultation must begin at least 45 days before the first of the dismissals takes effect . The consultation must include ways of avoiding the dismissals, reducing the numbers of employees to be dismissed, and mitigating the consequences of the dismissals.

## **OTHER IMPLICATIONS**

### **15 EQUALITY & DIVERSITY**

#### **SUMMARY OF THE EQUALITY IMPACTS OF THE PROPOSED CHANGES.**

- 15.1 The Council's budget will continue to prioritise the delivery of services to the most vulnerable children and adults in the district.
- 15.2 Overall, when the impacts are looked at together, people on low incomes and with disabilities are subject to the largest numbers of medium and high equality impacts. There are also high and medium impacts noted on some proposals in relation to impacts on age and race.
- 15.3 Bradford's council tax remains lower than in other areas, but the proposed increases will impact disproportionately on low income households. There are arrangements in place to support residents who are on low income with council tax bills.
- 15.4 There are proposals in the budget that will potentially impact on both older and younger residents. Changes to the adult social care budgets will have more services in place earlier to prevent adults needing expensive care at a later date. Bradford continues to invest in a youth service while many other areas have not done so, but there are proposals that will reduce some of the sessions offered across the district.
- 15.5 There are proposals which may impact more on some communities in the district. This includes some reductions in culture grants, in neighbourhood teams and in the Stronger Communities Team. There is a proposal to reduce funding for the voluntary sector organisation who provide support to many charities in the district, and this may impact smaller groups who work with them.
- 15.6 There is a proposal to review swimming pools, sports centres and libraries in the district. This may inevitably impact a number of communities that share a protected characteristic. We will develop Equality Impact Assessments further as this review progresses and firm proposals are developed.
- 15.7 There are proposals to reduce the time that the household waste sites are open and to reduce the number that are in the district. There will be sites available to all residents, but these may be further to travel, and this may have an impact on older residents and those who are on lower income.
- 15.8 There are proposed reductions in staff numbers at the council and in some of the services that the council offers to staff such as long service and counselling. Depending on which services are reduced there may be a

disproportionate reduction for staff from some groups in terms of staffing reductions. The equality impact of changes will be reviewed throughout the process.

- 15.9 Detail on these impacts and mitigations for each proposal are set out in the Equality Impact Assessments. Initial equality impact assessments have been developed on all proposals. Those showing , potential negative impacts against the protected characteristics, and the locally agreed protected characteristics of low income and care leavers, will be published on the Council's website here [Equality Impact Assessments | Bradford Council](#). [A link will also be available to the budget consultation survey questionnaire.](#)

## **16 SUSTAINABILITY IMPLICATIONS**

Addressing and prioritising investment and action on the Climate Emergency is central to creating a more prosperous, healthy and resilient district. This reflects one strand of the Council and District's response to the UN Sustainable Development Goals. Ensuring the long-term well-being of the district is a central objective of the Council.

Significant transformation will be required across the organisation, in our partnership working and across the district's communities to act rapidly and wisely over the next five to 20 years. We will need to learn to live and work differently, to create a district fit for our children and grandchildren. The Council is committed to partnership working that supports and protects the most vulnerable in our society as we build an inclusive and prosperous district. The budget and the resources it allocates to our core priorities and services and the specific allocation for environmental action is part of the Council's commitment to community involvement and supporting a more just and resilient district.

## **17 COMMUNITY SAFETY IMPLICATIONS**

Where there are any community safety implications arising from individual budget proposals these will be covered in the consultation exercise. Any implications arising from the consultation will be presented to subsequent meetings of the Executive.

## **18 HUMAN RIGHTS ACT**

There are no direct human rights implications arising from this report.

## **19 TRADE UNION**

- 19.1 The Leader will brief the recognised Trade Unions on 3 January 2024 on the budget proposals.
- 19.2 A HR1 form to Government and a S188 letter to the recognised Trade Unions detailing which posts are at risk of redundancy because of the budget proposals

will also be issued on 3 January. This will be in addition to the S188 issued on 5 December as a result of departmental restructures.

- 19.3 All staff directly impacted by the proposals will be briefed by service managers on 3 January and an all staff briefing will take place on the same day.
- 19.4 The Executive will meet on 11 January 2024 where the decision will be made as to which proposals will go forward to formal consultation. This will be followed by an extraordinary OJC1 meeting with the recognised Trade Unions. Consultation on the proposals will then continue at OJC2 (department level) and/or OJC3 (service level) meetings until 17 February. The purpose of the consultation is to examine ways of avoiding dismissals, look at how to reduce the numbers affected and mitigate the consequences of redundancy/dismissals. The council is committed to working with the Trade Unions to mitigate the impact of the proposals on staff.
- 19.5 The proposals will then be considered by the Council Executive Committee on 20 February, taking into account all Trade Union and staff feedback, including any alternative proposals. The final budget proposals will be approved at a Full Council meeting on 22 February.
- 19.6 All employees will be briefed on the budget proposals through line management and key communications/Bradnet that will be cascaded accordingly.

## **20 WARD IMPLICATIONS**

In general terms the impact will typically be felt across all wards. Some proposals could potentially have a more direct local impact on individual organisations and/or communities. It is expected that the consultation process will allow an analysis of local impacts to inform final decisions.

## **21. NOT FOR PUBLICATION DOCUMENTS**

None.

## **22. RECOMMENDATIONS**

- 22.1 It is recommended that Executive, having considered the Council's public sector equality duty as set out above:
  - Approve for consultation as required with the public, interested parties, staff and Trade Unions the proposed Council Tax and Social Care precept for 2024-25 set out in section 5.1.
  - Note the recurring pressures as set out in Appendix B
  - Note the savings previously consulted on as set out in Appendix C
  - Approve for consultation as required with the public, interested parties, staff and Trade Unions the new savings proposals as set out in Appendix D
  - Note the Financing and central budget adjustments Appendix E.

- Note the proposed new capital schemes and removals from the Capital investment plan as set out in section 10.
- Approve a HRA rent increase in accordance with the Government's Rent Standard of CPI (6.7% as at September 2023) + 1%, in total 7.7%, for Council housing stock from 1 April 2024
- Approve an increase to HRA service charges for Tenants in Extra Care of CPI (6.7% as at September 2023) that is 6.7% from 1 April 2024
- Approve the consultation mechanisms and processes set out in section 12.
- Approve to join the LCR Business Rates pool as outlined in section 5.10, noting that the continuation of the Pool will be dependent on none of the member authorities choosing to withdraw within the statutory period after designation.

## **19. APPENDICES**

Appendix A: Proposed Council Revenue Budget 2024 – 25

Appendix B: Recurring pressures

Appendix C: Existing approved savings

Appendix D: Schedule of proposed savings for consultation

Appendix E: Schedule of financing and central budget adjustments

## **20. BACKGROUND DOCUMENTS**

- Budget Update – Exceptional Financial Support Request 21<sup>st</sup> December 2023
- Qtr. 2 Finance Position Statement 2023-24– Executive - 5th November 2023
- Medium Term Financial Strategy 2024-25 to 2026-27 – Executive – 5<sup>th</sup> November 2023
- The Council's Revenue Estimates for 2023-24 – updated – Budget Council 23<sup>th</sup> Feb 2023

**Appendix A- REVENUE BUDGET 2024-25**

1.1 The table below shows the 2024-25 budget requirement based on the budget proposals outlined within this report and an analysis of changes since the Medium-Term Financial Strategy was reported to the Executive in November 2023. Further detail explaining the changes are provided in Table 1

**Table 1**

	<b>2024-25 Per MTFS</b>	<b>Changes Since</b>	<b>2024-25 per Budget Proposals</b>
Cumulative gap			
2023-24 Net Expenditure Requirement	453,159		453,159
Recurring Pressures	4,000	32,300	36,300
Time limited Transformation investment		10,000	10,000
Reversal of time limited investment CoC25 & Regen Op	(3,250)		(3,250)
Inflation and Pay	20,099	4,794	24,893
Demographic Growth	2,054		2,054
Funding Changes	(24,060)	10,145	(13,915)
Base Net Expenditure Requirement	452,002	57,239	509,241
Capital financing and central budget adjustments	4,403	(120)	4,283
Full year impact of savings approved in 2023-24	(1,159)	120	(1,039)
Proposed Savings for 2024-25		(15,810)	(15,810)
Time limited Savings - Flexible use of Capital receipts		(10,000)	(10,000)
<b>2024-25 Net Expenditure Requirement</b>	<b>455,246</b>	<b>31,430</b>	<b>486,676</b>
<b>RESOURCES</b>			
Localised Business Rates	(59,653)	(4,817)	(64,470)
Top Up Business Rates Grant	(76,365)	(2,214)	(78,579)
Revenue Support Grant	(42,723)	(252)	(42,975)
Approved use of reserve (CoC25)	(1,000)	1,000	0
Council Tax Income	(246,208)	(188)	(246,583)
Council Tax Surplus from 2022-23 and 2023-24		(3,394)	(3,394)
<b>Total resources</b>	<b>(425,950)</b>	<b>(10,052)</b>	<b>(436,001)</b>
<b>Council MTFS Gap excl Children's Trust</b>	<b>29,297</b>	<b>21,378</b>	<b>50,675</b>
Bradford Children's Trust Business Plan MTFS Gap	30,000		30,000
Bradford Children's Trust inflation	12,100		12,100
<b>Total Children's Trust MTFS Gap</b>	<b>42,100</b>		<b>42,100</b>
<b>Council MTFS Gap including Trust Gap to be filled by EFS or other</b>	<b>71,397</b>	<b>21,378</b>	<b>92,775</b> <b>(92,775)</b> <b>0</b>

\*EFS = Exceptional Financial Support

## Reconciliation of major changes from the MTFS

1.2 The table below provides a reconciliation of the major changes from the £71.4m Financial gap outlined in the MTFS in November 2023.

£71.4m	Financial Gap per the MTFS in November 2023.
+£32.3	Recurring Pressures – Treasury Management costs, Ongoing costs of Pay and Grading review, Adult Social care Pressures, Children’s Social Care Transport and Legal Costs, Street Lighting Prudential Borrowing costs and other pressured highlighted in section
+£4.8m	Inflation and Pay - The estimated impact of National Living Wage increases on contract prices
+£10.1m	Funding Changes. – reduction due to changes in the way that funding will be received in the Provisional Local Government Settlement. There will be reductions to Services Grant (£4.7m), and lower S31 grants (c£5m), and other grants that have been rolled into Core Spending Power. Note that these reductions will be offset by c£7.5m of higher Top up Grant, RSG and Localised Business Rates shown in the Resources section.
-£15.8m	New Proposed Savings as outlined in Appendix D
-£6.3m	Resources – Higher locally raised Business Rates resulting from increase in multiplier by CPI for larger organisations(c£4.8m), this will however be revised again when the Council submits the NNDR1 form to Government in early January. Higher Top Up Grant linked to CPI (£2.2m), Higher Revenue Support Grant (£0.3m), £1m assumed reduction in reserve use,
-£0.2m	Resources – the Council Tax base is higher than previously estimated as outlined in the Council Tax base setting report in early January 2024.
-£3.4m	Resources – Prior year Council Tax has transpired to be higher than previously budgeted, meaning that the Council had a higher prior year surplus which would impact in 2024-25
-£92.8m	Gap required to be filled by Exceptional Financial Support or other
£0	2024-25 Financial Gap after above.



## Appendix B – Existing pressures (for reference only)

Appendix Costs and Savings are shown for both 2024-25 and 2025-26 in comparison to the 2023-24 Budget

Existing Pressures not for consultation		2024-25
		£'000
	Adults Pressures	4,000
	Grading review	10,000
	Additional Treasury Management Costs (subject to EFS)	8,400
	Street Lighting Prudential Borrowing	1,000
	Museums & Libraries undelivered savings	900
	Vacancy and Abatement undelivered savings	5,000
	Elections	200
	Markets	600
	Home to school transport (unmitigated amount)	1,100
	Children's Social Care Transport	1,000
	Children's Social Care Legal costs	1,500
	Reduced Rent Roll following Investment Estate Asset Disposals	2,000
	Winter Maintenance pressures	600
	<b>Total</b>	<b>36,300</b>

## Appendix C - Schedule of agreed savings previously consulted on (for reference only)

Recurring Savings for 2022-23 previously consulted on (For reference only)		2024-25	2025-26
		£'000	£'000
	Estates - Closure of Argus and Margaret Macmillan Tower	-561	-561
	Car Parking - Implement consistent parking regime	-90	-90
	Waste Review - Development of Mechanical Recycling Facility (pending government consultation), review of food waste, recycling processing, consistent collections, fuel, re-routing of rounds and some reduced weekend opening hours at all HWRCs	-388	-388
	<b>Total</b>	<b>-1,039</b>	<b>-1,039</b>

## Appendix D - Schedule of proposed savings open for Consultation until 17 February 2024

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>ADULT SOCIAL CARE (not including mitigations)</b>					
ASC1	OP	ASC Prevention Strategy - Older People's Services	-2,500	-5,000	-7,500
ASC2	ADS	ASC Prevention Strategy - Adults with Disabilities	-2,500	-5,000	-7,500
ASC3	ASC	Transforming Our Service Offer	0	0	-5,000
<b>TOTAL</b>			<b>-5,000</b>	<b>-10,000</b>	<b>-20,000</b>

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>CHILDREN'S (not including mitigations)</b>					
CH1	Children's	Outdoor Centres – Closure or Sale	-200	-400	-400
<b>TOTAL</b>			<b>-200</b>	<b>-400</b>	<b>-400</b>

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>CORPORATE RESOURCES</b>					
CR1	Estates & Property	Further Estate Rationalisation to deliver Estate Running Cost Savings	-385	-1,387	-1,387
CR2	Estates & Property	Renewable energy - Solar PV building installations on retained estate (NB not Solar Farms)	0	0	-300
CR3	Estates & Property	Traded Services. Catering/Cleaning & Other Catering	-518	-1,118	-1,118
CR4	Estates & Property	Continue to charge rent during Community Asset Transfer application process	-10	-10	-10
CR5	Estates & Property	Allotments – removal of subsidy	-27	-27	-27
CR6	FITP	Expand the Purchasing Card Rebate Scheme with Lloyds	-180	-180	-180
CR7	HR	Sustaining workforce and learning development by bringing in house the staff survey and optimising internal L&D provision.	-100	-100	-100
CR8	HR	Increase income in HR Traded Services through delivery of service to Schools - based on volume increases rather than rate increases.	-20	-20	-20
CR9	HR	Remodel annual Long Service Awards (seek sponsorship)	-18	-18	-18
CR10	HR	Review Staff Network Budget and RESPECT	-49	-49	-49

CR11	HR	Cease the paid-for Council Counselling Service when the contract ends (Nov 2025), and optimise use of other free counselling service provisions in operation.	0	-125	-125
CR12	Legal	Increased charges for external (non-Bradford) residents for non-invasive scans at the mortuary: Increase charges from £450 to £550 from 24-25	-8	-8	-8
CR13	Revs, Bens & Customer	Funding for Assisted Purchase Scheme & Fuel top ups to be entirely externally funded (both the delivery of support and the staffing resource required to administer it) – otherwise cease service or offer to partners to deliver. No current external funding has been identified for 2024-25. The £140k represents staff resourcing costs.	-140	-140	-140
CR14	Revs, Bens & Customer	Increase court costs for Business Rates and Council Tax from £110 and £85 respectively to £125 and £100.). <b>This increase will be reported as normal in the Qtr 4 budget report and is set out here for information only.</b>	-400	-400	-400
CR15	Revs, Bens & Customer	Empty Homes Premium - <b>The £840k has now been factored into estimates for the Council Tax Base for 2024-25 and is here for information only.</b> Apply local discretion to allow for a 100% premium for long term empty and unoccupied properties after the property has been empty for 1 year rather than the current 2 years.			
<b>TOTAL</b>			<b>-1,856</b>	<b>-3,583</b>	<b>-3,883</b>

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>OFFICE OF THE CHIEF EXECUTIVE</b>					
OCX1	OCX	OCX Efficiencies (staff & print)	-205	-255	-255
OCX2	OCX	Better Use of Grants - One off only in 24-25	-575	0	0
OCX3	OCX	Sponsorship	-30	-30	-30
OCX4	OCX	HDRC Substitute base positions	-150	-150	-150
OCX5	OCX	Public Health – Tobacco reduction fund	-150	0	0
<b>TOTAL</b>			<b>-1,110</b>	<b>-435</b>	<b>-435</b>

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>DEPARTMENT OF PLACE</b>					
P1	E&D	Mandatory HMO Licensing covering staff costs	-160	-160	-160
P2	E&D	Economic Development Service – Service review	-200	-200	-200
P3	NCS	Stronger Communities team – Service review	-220	-445	-445
P4	NCS	Car Parking – revised staff parking scheme (completed as of Jan 24)	-140	-140	-140
P5	NCS	Car Parks Standardisation of Charges: Towns and villages High demand car parks Extend charging from 8-10pm Additional car parks	-57	-285	-285
P6	NCS	Car Parking Permits - Standardisation of Charges: Charges for resident and visitor parking permits Business and workers permits / Health visitor permit costs	-34	-352	-352
P7	NCS	Car Parking Charges – Review of on-street charges		-657	-657
P8	NCS	VCS Infrastructure Support Contract - full withdrawal	-322	-460	-460
P9	NCS	Youth Services Teams – Service review	-50	-100	-100
P10	NCS	Neighbourhood Teams – Service review (relationship to locality working transformation programme)	-109	-218	-218
P11	PTH	Capitalisation of staff support for Transport Fund Schemes in PTH	-236	-236	-236
P12	PTH	Highways Services - Discretionary Fees Increase	-42	-42	-42
P13	S&C	Sports & Leisure Fees and Charges increase	-200	-200	-200
P14	S&C	Strategic Review of Libraries	0	-175	-175
P15	S&C	Bradford City Centre Visitor Information Centre Closure and move tourist information to City Library *subject to due diligence on energy, FM, disposal, security costs etc.	-41	-50	-50
P16	S&C	Strategic Review of Sport & Leisure Facilities	-60	-1,250	-1,250
P17	S&C	Car parking - Ilkley Lido car park - introduction of charges	-25	-25	-25
P18	S&C	Review of Cultural Grant Funding	-155	0	0
P19	S&C	Museums - 'pay what you think' admission charge (implemented Dec 23)	-63	-63	-63
P20	S&C	Museums - review of schools learning charges	-12	-12	-12
P21	S&C	Booking fee uplift - theatres (implemented from 1st Dec 2023)	-200	-200	-200

P22	Waste Services	3 x Household Waste Recycling Centre - full closures of Sugden End, Ford Hill and Golden Butts HWRCs	-900	-900	-900
P23	Waste Services	Household Waste Recycling Centre - Monday closures (Trial) (commenced pilot Dec 2023)	-225	-225	-225
P24	Waste Services	Permit Refresh – HWRC sites	-500	-500	-500
P25	Waste Services	Fly Tipping Fees and charges increase (change in national policy July 2023)	-25	-25	-25
P26	Waste Services	Recycling Disposal - Dry Mixed Recycling New Contract	-200	-200	-200
P27	Waste Services	Bulk collection - fees and charges increase.	-200	-200	-200
P28	Waste Services	Garden waste- fees and charges uplift and amended discounts	-486	-486	-486
P29	Waste Services	Charity bulk collection - change of operation and funding	-20	-20	-20
P30	Waste Services	Waste collections - reduction of rounds	-300	-300	-300
<b>TOTAL</b>			<b>-5,182</b>	<b>-8,126</b>	<b>-8,126</b>

Ref	Service Area	Proposal Detail	2024-25 (£000k)	2025-26 (£000k)	2026-27 (£000k)
<b>CROSS-CUTTING &amp; CENTRAL BUDGET ADJUSTMENTS</b>					
X1	OCX	Maximising Grant Funding	-200	-200	-200
X2	OCX	Departmental advertising	-150	-150	-150
X3	HR	Stop Placing Recruitment Adverts - costs based on Media.com spend only	-75	-75	-75
X4	HR	Review of workforce T&Cs and benefits. Streamline and simplify workforce allowances and benefits.	-63	-814	-814
X5	Revs, Bens & Payroll	Contact Management	0	-1600	-1600
X6	MTFS	Business Rates Related Distributions	-500	-500	-500
X7	MTFS	LCR Revolving Investment Fund Dividend	-50	-50	-50
X8	MTFS	Reduced added years pension contributions	-800	-900	-1000
X9	MTFS	Capital Scheme Review (outcome from 13th July Review)	-624	-624	-624
<b>TOTAL</b>			<b>-2,462</b>	<b>-4,913</b>	<b>-5,013</b>

**Appendix E – Financing and central budget adjustments (for reference only)**

<b>Financing and Central budget adjustments (For reference only)</b>		<b>2024-25</b>	<b>2025-26</b>
		<b>£'000</b>	<b>£'000</b>
	Additional MRP and Interest Costs (excludes capitalisation directive cost)	4,000	4,000
	Maximise funding from WYCA – add back of underachieved saving from 2023-24	380	380
	Pension Pre Payment - add back of underachieved saving from 2023-24	500	500
	Reduce Pension contribution rate per WYPF	-597	-1,194
	<b>Total</b>	<b>4,403</b>	<b>3,806</b>