

City of Bradford MDC Executive

Amended Budget Recommendation to Full Council

23 February 2016

Leader's Message

One year ago I warned that the Council was approaching a financial cliff because of ongoing Government cuts to its funding. This year we are taking another step closer to the edge. This budget sets out our financial plans up to 2017/18 at which point the Council will have found nearly £270m in cuts and extra income since 2011.

We have all worked hard to protect services under very difficult circumstances. While other parts of the country have seen childrens' centres and libraries closed, youth services cease and voluntary sector support slashed it hasn't happened here. But with cuts averaging £37m a year we are fast approaching a tipping point beyond which we will see valued services stop and those that remain scaled back. The Council will be financially unsustainable without radical changes and reductions in spending on local services. We are seeing some very difficult choices emerge in these proposals.

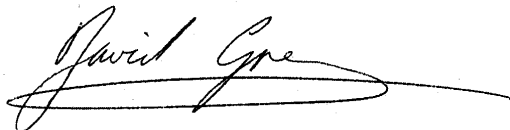
The Executive have been listening to peoples' views on our initial budget since its publication in December. Despite having limited room for manoeuvre, we have tried to respond to calls to alter specific plans or take action to minimise their impact.

The Government expects Council taxpayers to pick up the tab for the social care funding crisis. Ironically, at the same time that the Council has to propose an additional charge on Council tax to invest in social care, Airedale and Wharfedale Clinical Commissioning Group have decided that, because of pressure on NHS budgets, they will cut funding for care in Airedale and Wharfedale by over £800,000. This cut is a false economy that will increase, not reduce, financial pressures on health services.

Along with others I have urged the Government to ensure fairness in the distribution of funding after years in which the richest parts of the country have been getting the best deal; they haven't listened. The Government has found extra "transitional" money in this year's financial settlement to continue to assist the wealthiest areas but Bradford received none of this extra help and once again has to shoulder a disproportionate share of the cuts.

Recent weeks have seen the results of the failure to invest in Yorkshire's flood defences and plans to move HM Revenues and Customs Offices from Bradford with a consequent loss of jobs. Now we have more disproportionate cuts threatening local services.

Bradford District has great traditions of enterprise and ingenuity; it is moving forward and is more than capable of standing on its own two feet given time. But we need Government to play its part and work with us to help us to improve education, deliver good care and generate and sustain jobs and growth. More of the same from Westminster and Whitehall is just not good enough and can only lead to a downgrading of local services, opportunities and democracy.

A handwritten signature in black ink, appearing to read 'David Green', with a long horizontal flourish extending to the right.

Cllr David Green, Leader, City of Bradford Metropolitan District Council

Summary of Principal Amendments

The Executive recommends the following amendments to its Budget and Council Tax Proposals published on 1 December 2015.

Council Tax. The Executive recommends an increase of 1.99% in Council tax raising £600k more than its originally proposed increase of 1.6%. The additional revenue will help to meet some significant new financial pressures and to respond to issues arising from public consultation on the initial budget proposals.

Investment. A limited amount of additional investment is proposed.

- Confirmation of a further £1.5m next year rising to £3m in 2017-18 to meet increasing demand for adult social care.
- An additional £1.5m a year to meet increasing demand, rising costs and increasing complexity of cases relating to Looked After Children.

Time limited investment:

- £400K for two years to cover increasing pressures on budgets delivering the Council's legal obligations to people with no recourse to public funds that are facing destitution.
- £483K to cover the transitional costs of moving to different delivery of Children's Centres.
- £220K a year for two years to deliver transformational change in Children's Services in order to make significant savings.
- £455K to deliver the Local Plan.
- £400K to address budget pressures on Industrial Services Group.
- £300K a year for two years to recruit more travel trainers supporting cost reductions on transport.

Amended Savings Proposals. Savings of £41.5m are proposed. Changes following public consultation are proposed:

- Additional £937K in efficiencies by reducing funding for non pay price increases.
- Proposed savings on library services reduced by £237K in order to deliver fully staffed libraries at Wibsey, Wyke and Laisterdyke and hybrid staff and volunteer libraries at Baildon and Clayton.
- Proposed savings on youth services to reduce by £70K in order to retain a District wide information service.
- Proposed savings target for rent subsidies for tenants of "community facilities" to be revised down by 50% or £150K pending a review of Council support.
- Proposed charges for green waste collection to be revised down from £40 to £35 a year and a 20% early take up discount.

Clinical Commissioning Group. Airedale and Wharfedale CCG have decided to cut £822K funding for Council delivered social care services which will result in cuts to savings in the area served by the CCG and potentially lead to increased NHS costs.

Use of Reserves. The proposals recommend the use of £11.8m reserves (£11.4m in 2016/17) to support transition to much lower levels of Council spending. A further £800K of existing reserves will be deployed to support the acceleration of business rates growth through activity to prepare and bring development land to the market.

Capital. Several additions to the Council's Capital Programme are proposed including additional funding for Disabled Facilities Grant, investment in a public service hub in Keighley and continued support for equity loans to vulnerable home owners.

Shortfall. The proposals leave a forecast shortfall of £7.6M in 2017-18.

1 Introduction

- 1.1 This document is the Executive's amendment to the budget proposals detailed in Document BA "The Council's Revenue Estimates for 2016-17 and 2017-18". It summarises the impact on the Council of the Government's Financial Settlement for Local Government announced in late December 2015 and confirmed in February 2016.

It responds to the principal issues raised during consultation on the Executive's new and amended budget proposals included in the Executive Budget and Council Tax Proposals 2016-17 and 2017-18 published on 1 December 2015. It gives details of recommended amendments to the proposals in light of the consultation and other issues emerging since their publication.

2 Local Government Finance Settlement

- 2.1 The Government published its Provisional Local Government Financial Settlement for 2016 to 2017 on 17 December 2015 and its Final Settlement on 10 February 2016. Both announcements came very late in the financial planning cycle and the very short period provided for consultation gave Councils little time to analyse the potential impact and respond.
- 2.2 The Council responded to consultation on the Provisional Settlement through its membership of the Special Interest Group of Metropolitan Authorities (SIGOMA). SIGOMA argued for a fairer distribution of spending cuts given the hugely disproportionate share that has been consistently imposed on authorities with relatively high levels of deprivation compared to their wealthier counterparts. The Leader of Council also wrote to the Minister for Communities and Local Government making the case for a fairer approach to the distribution of national spending cuts, pointing out that Bradford District once again faced higher than average reductions.
- 2.3 The Final Financial Settlement confirmed that the Government would continue to subject Bradford Council to further significant cuts on top of the £172.6m that have already had to be made since 2011 and that these would once again be higher than the national average.

In total, the settlement announced cuts to the Council's funding of £46.5m over the next two years. Core grants will be cut by £42.95m and Public Health Grant by a further £2.1m. Other grants to be cut in the next financial year are Education Services Grant - £750K, Housing Benefit Subsidy Grant - £565K and Independent Living Grant – £110k.

The scale of these additional cuts along with rising demand for services and increasing costs, vindicate the Council's financial forecasts and its decision to consult on measures to find another £53.3m over the next two years. Since the publication of the initial proposals further pressures have emerged increasing the money that the Council needs to find to £61.5m - this is on top of the £27.4m savings already planned for 2016-17.

- 2.4 Despite our representations and those of others Government policy continues to impose a disproportionate share of national spending cuts on Districts like Bradford which have relatively high levels of need.

Transitional funding has been made available to a number of authorities over the next two years including Councils in some of the wealthiest parts of the country. Bradford, however, has not been allocated any transitional support.

Government figures demonstrate that over the next two years Bradford's core spending power will reduce by 5.3% compared to a national average of 3.6% and just 1.8% among the ten wealthiest comparable authorities. The cuts will be equivalent to £39.87 per person in Bradford, compared to Cuts to Spending Power will equate to £39.87 per person in Bradford compared to £12.75 per person among the ten wealthiest authorities and just £6.15 in Windsor and Maidenhead.

- 2.5 The settlement confirmed the Government's intention, signalled as part of the 2015 Spending Review, to shift responsibility for addressing pressures on social care budgets to local authorities by expecting them to increase Council tax by 2% specifically for this purpose and over and above any other increase.

3 Financial Pressures & Investment

- 3.1 The scale of the financial challenge facing the Council leaves little scope for new investment.
- 3.2 The Executive's recommendations confirm the intention set out in the initial budget proposals to allocate an additional £1.5m in 2016-17 rising to £3m in 2017-18 to meet the costs of rising demand for social care.
- 3.3 Since the publication of the initial budget proposals additional financial pressures have emerged and the Executive is recommending some investment to help to deal with critical issues.
- 3.4 Growing numbers of looked after children who are in residential placements purchased from external providers, the increased costs of their care and the growing numbers of secure placements are placing unsustainable pressure on Children's Services budgets. The average price paid for purchased residential placements has increased by nearly 9% over the last year alone.

The Executive is recommending the allocation of an additional £1.5m to help deal with the pressures and support vital services to some of our most vulnerable children and young people.

- 3.5 Additional investment of £62K is recommended to meet the increase in the levy for the West Yorkshire Transport Fund which will support activity delivering economic growth.

3.6 The Executive is also recommending that the following time limited investment is made in order to address financial pressures:

- £400K p.a. for two years to cover increasing pressures on budgets delivering the Council's legal obligations to people with no recourse to public funds that face destitution. This is effectively an issue arising from failures in national policy for which the Council is left to pick up the bill.
- £483K to cover the transitional costs of moving to a different model of delivery for Children's Centres.
- £220K p.a. for two years to deliver transformational reform of Children's Services and make significant savings.
- £455K to deliver the Local Plan.
- £400K to assist the Industrial Services Group in addressing budget pressures.
- £300K p.a. for two years to recruit more travel trainers which will support the delivery of budget savings on transport costs.

3.7 A national tribunal ruling on the business rates payable for purpose built GP surgeries has led to a number of appeals for the Council to pay back previous years' overpayments. While the full picture is still emerging it is currently estimated that the cost of appeals will run to £7m. The Leader of Council has written to NHS England urging them to ensure that this windfall income is re-invested in frontline health services.

The ruling for purpose built GP surgeries will also have an on-going reduction to the Council's business rates income of £0.9m a year.

3.8 Within the last ten days Airedale and Wharfedale Clinical Commissioning Group (CCG) have indicated that they intend to cut £822K of Better Care Funding that is currently being used to support the delivery of Council services to vulnerable people.

The Executive, having had to budget for significant cuts since 2011, appreciates the pressures on health budgets resulting from Government policy and its re-definition of the scope of NHS services to be protected from spending cuts. Nevertheless the withdrawal of this contribution is a mistake and a significant false economy that will directly impact on services to the people of Airedale and Wharfedale and increase NHS costs.

The Council will be unable to properly support timely discharges of patients at Airedale Hospital, there will be less intervention for people in crisis which will potentially increase hospital admissions and there will be a knock on effect on the levels of mental health care support that the Council can provide. There is a high likelihood that this will result in increased pressure on health services.

Now, more than ever, the health and care systems have to work together recognising their mutual interdependence and the need to maximise the use of all our assets and resources. The Council will continue to talk to Airedale and Wharfedale and the District's other CCGs' about the benefits of their contributions to social care but any withdrawal of funding will

inevitably reduce services to vulnerable people in the areas that they serve leading to minimum levels of provision that will almost certainly lead, in turn, to increased costs to the NHS.

4 Council tax

- 4.1 The Executive's initial budget proposals recommended an increase in general Council tax of 1.6% and the introduction of a new charge or precept as proposed by Government that will be used specifically to contribute to the costs of social care and adds a further 2% to Council tax bills.
- 4.2 The Executive continues to recommend that a 2% precept be added to Council tax in order to support Social Care. This reflects Government policy although the sum that the precept will raise will be insufficient to address the social care funding crisis especially when accounting for the costs of implementing the National Living Wage in the care sector which will dwarf the amount of income raised by the precept.
- 4.3 In the light of the significant financial pressures that have emerged since publication of the initial proposals and in order to respond to some of the issues arising from public consultation the Executive now recommends a 1.99% increase in Council tax next year. This will raise £600K more than the increase recommended in the initial proposals.
- 4.4 Recommending increases to local taxes is not something that the Executive takes lightly. However it is clear that the Government expects local authorities to increase Council tax in order to plug gaps in funding caused by spending cuts and, in particular, to support social care services.

Given the enormity of the ongoing cuts to the Council's budgets and our responsibilities to protect the well being of the most vulnerable children and adults in the District and to build a stable and sustainable financial base for the future the Executive believes that increasing Council tax is the only way to provide some degree of protection to services. Cuts and changes will still have to be made but without the increase the reductions in services would have to be greater.

- 4.5 Bradford Council tax will continue to be the lowest in West Yorkshire. The total increase including the social care precept will be 3.99% adding £3.83 a month to the average Council tax bill.
- 4.6 The recommended increase in Council tax does not include any charges added to Council tax by the Police and Fire and Rescue Services which will be in addition to the increase for Bradford Council services including the social care precept.

5 Savings

- 5.1 The recommended budget identifies savings of £17.3m in 2016-17 and a further £24.2m in 2017-18 in addition to £27.4m of measures already identified and agreed for implementation in 2016-17.

- 5.2 The initial budget proposals provided for 1% inflation on Departmental non-staffing budgets. The Executive is recommending that the initial provision should be reduced to 0.5% saving a further £937K.
- 5.3 In the light of consultation feedback the Executive recommends the following changes to the savings in its initial budget proposals:
- Overall proposed savings to library budgets to be reduced by £237K
 - Savings targets for rent subsidies for tenants of community facilities to be revised downwards by to £150K pending the outcome of a comprehensive review of subsidy and support that will also cover rates rebates, community centre core costs and residual community development funding.
 - Proposed savings to youth services to be reduced by £70K.
 - Income targets for green waste collection to be reduced by £150K on an ongoing basis and an additional £210K for 2016-17.
- 5.4 Since 2011, the Council has had to find £172.6m in savings and additional income in order to balance its books in the face of Government spending cuts, rising demand and increasing costs. In doing so the protection of frontline services has been a paramount consideration and the vast majority of savings, over £112m, have been made through improved efficiency, re-negotiation of contracts, reductions in management and administration costs. Financial contributions from partners have also helped to protect services.

This budget recommendation will deliver further efficiencies and reductions in management and back office costs. However the scope for these measures to continue to be deployed to protect services is reducing and is limited when compared to the scale of the ongoing cuts demanded by Government.

Inevitably, the budget recommendation includes difficult choices about services, how they are provided and who for, to what standard and level of subsidy or whether they are provided at all. It is impossible to protect all aspects of all services in all parts of the District or to provide immunity from the impact to any specific community or group of people.

6 Reserves

- 6.1 The Executive is recommending the use of £11.4m of reserves in 2016/17 and a further use of £475K in future years. The use of reserves will support the transition to much lower levels of spending and changes to the way that services are delivered and provide time limited investment to address financial pressures and priorities.
- 6.2 The recommended use of reserves recognises the fact that the spending cuts continue to be on such a scale that the Council can't do everything it needs to do to secure corresponding reductions in costs and activity over the short-term. The recommendations are consistent with the Council's long standing policy only to use reserves to:

- Provide transitional support to changes in the way the Council works because some changes can't be made in the short-term.
- Fund short-term activity that contributes to priorities.
- Support investment that pays for itself over time
- Meet unexpected costs.

- 6.3 The Council's responsible approach to the management and deployment of its reserves means that some funding is available to support the transition to much lower levels of spending and the different approaches to delivering services and securing positive outcomes that this will demand.
- 6.4 The budget recommendation leaves a forecast balance of unallocated reserves of £13.7m by March 2018. The Council will continue to keep the level and use of reserves under close scrutiny.

7 Budget Consultation – General Issues

- 7.1 The initial budget proposals have been subject to extensive consultation with a wide range of stakeholders including the public, staff and trade unions, public, private and voluntary sector partners and other interested parties. The Executive thanks everyone who has taken part for their contribution to the debate.
- 7.2 As in previous years, the consultation has demonstrated the value that people and partners attach to Council services and investment and the support the Council provides to local communities.
- 7.3 While the proposals raised many concerns few alternative reductions were suggested. Where alternatives were identified these included improving efficiency and reducing management costs, cutting the numbers of councillors and cutting back office support services.

Efficiency and administrative savings of over £112m have been made since 2011 including reductions of over £1.1m in senior management costs. The Council continues to bear down on costs and the amended budget recommendation includes further measures to improve efficiency including a new proposal to further squeeze Departmental budgets by reducing provision for inflation on non staffing costs. There is a limit though to the extent to which efficiency savings can be delivered without adversely affecting services.

The recommendations include reductions to support services on top of the significant savings made in those areas over recent years but it is important to recognise that many of the savings will require significant expertise and support to deliver. Without the retention of in-house expertise the only alternative is to use external consultants and advisers.

The Council is currently undertaking a review of the role of elected members which is taking into consideration the numbers required in the changing local government environment.

- 7.4 **Rationale.** Some people have questioned the underlying rationale behind the budget. In its initial proposals the Executive spelled out the principles

governing the difficult choices it is being forced to make however it is worth repeating them in response to the consultation.

Since the onset of national spending cuts in 2011 we have sought to maximise the savings delivered through efficiencies and to minimise and mitigate the impact on our most vulnerable residents while maintaining our focus on our priority goals:

- Good schools and a great start for all our children
- Better skills, more good jobs and a growing economy
- Better Health and better lives
- Safe, clean and active communities
- Decent homes that people can afford to live in.

This year is no different and the development of the proposals has been guided by the following principles:-

- Strong and transparent leadership looking to the future, not just the present.
- Working closely with other public bodies, local people and communities, business and other organisations to integrate and plan local services, share resources and deliver results.
- Reducing demand for services by changing expectations and behaviour and promoting the involvement of individuals, families and communities in achieving outcomes.
- Investing in prevention and early intervention
- Reducing inequality
- Devolution - taking decisions at the most appropriate level.
- Delivering value for money.

7.5 Impact on vulnerable people. Concerns have been expressed about the cumulative impact of budget cuts on the most vulnerable people. We share those concerns and our initial proposals spelled out the likely impact of large scale ongoing cuts on our communities and vulnerable residents and the action we will take to mitigate them. Spending on the most vulnerable children and adults accounts for a large proportion of the Council's net expenditure so it is impossible to protect those service areas in their entirety when faced with the need to make big savings.

Increasingly, the Council has to focus resources on people with the greatest levels and highest complexity of need while trying to find the capacity to innovate and invest in measures that prevent people developing complex needs in the first place. This presents a dilemma at a time of rapidly reducing resources and rising demand and it is one that the Council cannot solve alone. We need to work closely with individuals, families, communities and partners to make the most of all our resources and all our opportunities if we are going to improve outcomes for all and prevent the most vulnerable from falling through the gaps created by national spending cuts.

7.6 Geographic Distribution of Spending Cuts. Some people have suggested that certain parts of the District have been targeted for a disproportionate share of cuts. This is not the case. The cuts affect all

areas but in different ways. Since 2011, outer areas have been affected more than others by public toilet closures, cuts to floral displays, reductions in town centre management, closure of Manor House museum and the re-location of registry offices. However, the only pool to close has been in Manningham and the only library in Heaton; City Centre events have been cut by over £300,000 while the majority of low income people affected by the need to pay Council tax for the first time live in the inner city and on outer social housing estates; changes to children's centres and mobile library services have affected communities right across the District.

Much of the Council's budget is spent on universal services that are used by everyone like refuse collection, recycling, highways and street cleaning or on services like planning that are available to everyone as and when they need them. The Council has worked hard to ensure that these sorts of services are protected where possible although this is becoming increasingly difficult to achieve and people will feel the impact wherever they live in the District.

Budget Consultation – Service Specific Issues

8 Adult Social Care.

- 8.1 Concerns have been expressed about the need to find savings in social care services. The Executive acknowledges those concerns and, although it has no option but to recommend some measures to reduce costs, it also continues to invest in support for vulnerable adults.
- 8.2 The Executive confirms its intention to invest an additional £1.5m in 2016-17 rising to £3m in 2017-18 to help meet increasing demand for social care services. This will bring the additional funding provided to meet rising demand to around £30m since 2010.
- 8.3 The Executive recommends that a social care precept be added to Council tax bills as outlined in para 4.2. The precept will raise an extra £3m a year for the next two years to be spent only on adult social care. In introducing this measure as a solution to the social care funding crisis the Government is effectively abdicating its responsibilities and shifting the responsibility for addressing that crisis on to local authorities and local taxpayers.

The reality is that the precept alone is wholly insufficient to meet the District's growing needs. It is no solution to funding the National Living Wage in the care sector, the estimated costs of which far outweigh the income raised through the precept.

Furthermore, the measure favours those authorities with the highest local tax bases so that Wokingham Council, serving the wealthiest District in the country, is set to be the greatest net gainer while those places with the largest numbers of people relying on state funded care will raise the least by introducing the precept.

The Association of Directors of Adult Social Services, the NHS confederation, the Care Provider Alliance and the Care and Support

Alliance have made clear their views on the inadequacy of the settlement in a letter to George Osborne, Jeremy Hunt and Greg Clark:

“Ultimately the package put forward for social care will not enable us to fill the current gap in funding, cover additional costs associated with the introduction of the National Living Wage nor future growth in demand due to our ageing population.”

- 8.4 The budget recommendation also retains significant capital investment for the development of improved accommodation for older and vulnerable adults as part of the Great Places to Grow Old programme.
- 8.5 The Local Government Financial Settlement increased the funding available for Disabled Facilities Grants (DFG). This potentially provides the opportunity for the Council to reduce its own contribution and save on capital borrowing costs however, given the importance of the issue locally and our commitments to assisting people to live independently in their own homes, the Executive recommends that it maintains its current levels of commitment to investment in DFG.
- 8.6 **Impact on vulnerable people.** Consultation on the savings proposed for adult social care have identified some concerns that the most vulnerable people would be disproportionately affected, low income groups would be hit worst by increased charges and that measures to promote self care and independent living could lead to inequalities and isolation for vulnerable individuals.
- 8.7 Adult and Community Services is the biggest spending Council Department and given the size of the cuts in Council funding it has to be required to reduce spending and change the ways it delivers services. In its initial budget proposals the Executive acknowledged that there is some level of risk attached to the delivery of these savings.

It is a fundamental principle of all the related savings proposals that they are only implemented after a comprehensive review of individual needs and circumstances is undertaken and action to mitigate risks is identified. Where charges apply they will be based on assessment of the individuals' ability to pay and the emphasis within the proposals on direct payments and personal budgets will promote greater choice for service users over the type of care they receive. Where service levels are reduced for example, in supported housing, safeguards will be in place to protect the most vulnerable people.

- 8.8 **Service Restructure.** Proposals to reduce staffing by 80 full time equivalent posts have led to concerns that there will be a negative impact on service delivery. The Executive understands these concerns and the Council will work closely and consult with all interested parties before any changes to service delivery are made.

- 8.9 The implementation of the recommendations will see Adult and Community Services continue to account for around 30% of net Council spending.

9 Children's Services

- 9.1 Representations have been made about the cumulative impact on children and young people of year on year budget cuts. The Executive has already made clear that ongoing large scale cuts to Council budgets will inevitably have an impact on services across the board forcing some difficult decisions to be made and has repeatedly raised these concerns with Government.

Despite very difficult circumstances the Council has, in recent years, invested in school leadership, in additional resources to tackle child sexual exploitation, in early support to families through Better Start and Families first, in improving services to the point where we no longer have any children awaiting adoption, in retaining a District wide network of Children's Centres and in measures to reduce youth unemployment. We have worked hard to find new models of delivering services that reduce costs while maintaining and improving outcomes.

Children's Services, like Adults and Community Services, is one of the biggest spending Council Departments and it is not possible to make savings on the scale demanded by cuts to Council grants without reducing costs in this area. In proposing savings the Council will continue to place the interests and welfare of vulnerable children and young people first and safeguard and support looked after children ensuring that their needs are assessed on a case to case basis. We will keep seeking solutions that improve outcomes where possible and that minimise the impact on frontline services.

- 9.2 **Looked After Children.** The Executive recommends the investment of and extra £1.5m to address budget pressures relating to Looked After Children (LAC) as explained in para 3.4. The emergence of these pressures demonstrates the necessity of taking appropriate action to reduce the numbers of LAC as a key element of the Council's budget strategy. Consultation has identified some concerns that the proposals to reduce LAC could put vulnerable children at risk.

The proposals for reducing LAC numbers are based on the adoption of an effective system of early intervention that works with children and families at an early stage to help prevent the need for children to become looked after. There is evidence from other authorities that have implemented this approach that LAC numbers can be reduced safely. Costs can also be reduced by taking steps to ensure that more children are cared for within the District and by specialist foster carers rather than in residential homes. The Council will address the issue on a case by case basis with the welfare of children and young people continuing to be its paramount concern. Early help for families will support adults into training and employment with the aim of improving their outcomes and reducing child poverty.

- 9.3 **Special Educational Needs & Disabilities (SEND) Services, Education Social Work, Behaviour Support.** Some responses to consultation have suggested that proposals to change the delivery of SEND would have a detrimental impact on children and families receiving the services. Other concerns were expressed about proposed changes to Education Social Work and Behaviour Support and a perceived lack of clarity about what changes would be made.

The proposed changes to the delivery of SEND services should be seen in the context of the shift to a school led model of improvement and support as opposed to the traditional delivery of services by the local authority. There will be some savings as a result of reduced management costs to the Council but the existing resource for delivery of SEND services will transfer to schools. Schools, children and families will continue to be able to access services.

In relation to Education Social Work and Behaviour Support, the proposal will re-structure services to deliver a more joined-up approach to meeting the needs of vulnerable young people rather than dealing separately with different issues affecting the same individual. Existing expertise will be retained and move into a new model that will build services directly around the needs of the child.

- 9.4 **Impact on young people Not in Education Employment or Training (NEET).** Concerns have been raised that reductions in funding for work with NEET young people could lead to an increase in their numbers and strip out voluntary and community sector (VCS) activity in this area. The initial budget proposals were honest about the potential for NEET numbers to increase as a result of Government cuts. The Council and its partners will continue to invest through Get Bradford Working in support for those young people who are furthest from the Labour market and funding will continue to be available to deliver outcomes through the VCS albeit at reduced levels.

- 9.5 **Programme Support.** The changes required by savings proposals for children's services are transformational and will require high levels of professional expertise to deliver across social care, specialist services, support for educational attainment and employment and skills. Without that expertise there is a high risk that savings will not be delivered on time or on the scale needed. The Executive recommends the allocation of £220k p.a. for two years to support staff in delivering this extensive programme of change.

10 Environment, Sport & Culture

- 10.1 **Alternate Weekly Bin Collections.** Contrasting views have been expressed about proposals to move to alternate weekly bin collections. Some people have raised concerns that the move could lead to increased fly tipping and may also disadvantage larger families. Other people have welcomed the proposal.

The principle behind the proposal is to cut the amount of waste we produce and reduce the amount that goes to landfill by recycling more. By

doing this we save money and reduce the negative environmental impacts of waste disposal. If we can switch 10% of waste from landfill and incineration to recycling we can save taxpayers over £1m a year. The Council will continue to make weekly collections from households but of different materials an alternate weeks.

These changes have been made in many other places and there is no evidence that they have led to increases in fly tipping. Larger families are entitled to larger bins so should not be disadvantaged in any way.

In order for the policy to be successful people need to be able to understand properly what is being proposed and its benefits. This is why we are adopting a phased approach to the introduction of alternate week collections, investing in a campaign of information and awareness and using waste advisers to work together with local people to explain what materials can be recycled and help them to play their part in reducing costs and improving the environment.

10.2 **Green Waste Collections.** Some support has been expressed for the introduction of charges for green waste collection. The service is currently free yet only available to certain households. The Executive proposal will make the service available to all accessible households that want it. Following consultation the Executive is recommending the following changes to its initial proposals:

- The reduction of the annual charge from £40 to £35.
- The introduction of a 20% early take up discount.

10.3 **Libraries.** Proposals to extend the network of community managed libraries to all but seven branches have led to concerns being expressed about the capacity of volunteers to run services particularly in libraries where there are longer opening hours. There have also been perceptions of unfairness in the geographical distribution of staffed libraries and concerns about the potential impact of library closures on educational outcomes. It has been suggested that hybrid models be developed using a mixture of staff and volunteers and that more should be done to generate income.

10.4 Clearly many people value their local libraries. The Executive has listened to their views and, while we are not able to respond to every single concern, we are recommending the following changes to our initial proposals:

- The extension of the proposed network of seven fully staffed libraries to ten based on the principle that there should be two in each constituency. This policy means that Wibsey, Wyke and Laisterdyke libraries, which are open 45 hours or more, will continue to be fully staffed.
- The retention of Wibsey, Wyke and Laisterdyke would leave Baildon as the only library open 45 hours or more that is not staffed. In response to concerns that libraries with longer opening hours should not be wholly run by volunteers the Executive recommends that Baildon becomes a hybrid library run by a mixture of paid staff and volunteers

even though this brings the number of council staffed libraries in Shipley constituency to three. We will continue to work with Baildon Parish Council to secure a sustainable model of provision.

- While the City centre library is technically located in Bradford West Constituency we accept that it serves the whole District and is no closer to the outer parts of Bradford West than it is to many other areas that are in different constituencies. The Executive is therefore recommending that the proposed network in Bradford West should be strengthened by affording hybrid status to Clayton Library.
- Among the responses to the consultation was a detailed alternative proposal that included recommendations to increase charges or to introduce new charges for a range of library services. The Executive wants to ensure that charging policies do not undermine the principle of universal access to library services and for that reason is unable to endorse many of the measures presented in the alternative proposal. We do however recommend the introduction of charges for reservations (free for under 16s and over 60s) and the provision of donation boxes.

These proposed changes will protect services in the specified locations over the two year period of this budget recommendation. The future projections for Council funding continue to be bleak and with more Government spending cuts scheduled after 2018 it would be dishonest to pretend that we can guarantee that services will remain unchanged beyond the period in question.

In order to make these changes the Executive proposes to reduce the savings that the Library Service is required to make over the next two years by £237K through removing proposal 3E17 relating to operational efficiencies and reducing the savings target attached to community management of libraries by £100K.

- 10.5 Over the last five years some Councils have targeted libraries for spending cuts and nationally there were 100 closures of static libraries last year alone. Since 2011, Bradford Council has sought to protect and sustain services where possible with only one static library closure affecting one of its smallest and least used libraries and the cessation of the costly and relatively little used mobile library service. In order to sustain the current network into the future the Council will have to work together with local organisations and communities to move the remainder of the branch library network to community management.

The District has already established successful models of community management and there are many more examples across the country; it can be done and we will work with people to help them on the way. Without the extension of this approach services will not be sustainable. It may also be the case that in order to sustain services they have to be located in different buildings to those that people are used to.

Some of our existing community managed libraries have requested that they are provided with the same offer of Council support that is now being given to communities to help sustain the current network and the Executive agrees that this should be the case.

- 10.6 **Youth Services.** Proposed reductions to youth services budgets have attracted a significant number of comments and some alternative proposals from the public and the trade unions. In particular, concerns have been raised about the potential impact on the Youth Information Service and the potentially disproportionate impact on vulnerable and low income young people who may be unable to access digital information services.

Proposed changes to the balance between full time and part time ward youth workers raised concerns; a number of respondents also raised concerns about changes to provision for the Duke of Edinburgh's Awards.

- 10.7 Having considered the consultation responses the Executive recommends that its original savings proposal for the Youth Service should be reduced by £70K. This will allow the retention of two additional full time youth information posts to support the delivery of a District wide information service.

The Executive also proposes to retain four full time constituency based Youth Workers from a proposed reduction of five posts, with corresponding reductions made to part time budgets.

The Council will work with Regional Duke of Edinburgh Awards Office to find a solution that will be at no cost to the Council and will ensure that some provision remains that is not tied to schools.

- 10.8 A large number of responses related to the future of Shipley Youth Café and asked for it to be retained. The Executive can confirm that the Youth Café will continue to be provided in Shipley from a new location a short distance away from the current building which will make savings on running costs.

- 10.9 **Tourism & Visitor Information Centres.** Some concerns have been raised about proposals to make significant savings by reducing the number or operating hours of Visitor Information Centres. The Council is about to start consulting on an operational review of tourism in Bradford District which will form part of its wider strategic approach to the delivery of tourism services and marketing of the District as a visitor destination including exploring the potential for some services to be delivered digitally. Services will have to deliver savings and so the Executive recommends the retention of a savings target for 2017-18 however no decision has yet been taken on how those savings should be made and we invite all interested parties to take part in the review consultation process.

11 Regeneration

- 11.1 The principal concerns arising from the consultation on proposals relating to the Council's Department of Regeneration were about the removal or reduction of rental subsidies that are provided to tenants of community facilities. The Executive's response to those concerns is detailed at para 12.3.
- 11.2 Some concerns were expressed around the joint impact of reductions to winter gritting routes and to reducing street lighting at certain hours in terms of the risk they may represent to vulnerable people. In both cases the criteria used to identify where changes might be made will take account of locations where there may be high numbers of vulnerable people.
- 11.3 Business rates are going to become an increasingly important factor in financing local services, economic growth and investment in infrastructure. The future well being and prosperity of the District will be dependent on its ability to attract and retain new jobs and investment while supporting home grown businesses and entrepreneurs.

The Council can play a key role in helping to secure that growth and the Executive is recommending that £800K of the Council's reserves should be re-allocated to support work to get strategic sites to the market to attract development and accelerate growth in business rates.

12 Voluntary and Community Sector (VCS)

- 12.1 The Council values the role that the sector plays in the life of the District and remains committed to working together with VCS organisations to develop solutions to the challenge of improving and sustaining positive outcomes for the District at a time when public money is extremely tight.

However, given the scope of Council support and spending with the sector and the size of the Government spending cuts, it is inevitable that VCS organisations and the services that they deliver will be affected by budget cuts. A number of the Executive's initial budget proposals have a direct impact on support for and commissioning from voluntary sector organisations.

- 12.2 A significant number of responses have been received in relation to the following proposals:

- Removal of rent subsidies to tenants of "community facilities.
- Removal of Business Rates Relief to not for profit organisations
- Re-commissioning of advice services.

Some concerns were also raised about the proposal to reduce funding for community development work.

Some organisations would be affected by more than one proposal while others said that the proposals could lead to their closure.

12.3 **Rent Subsidy and Rate Relief.** In response to some of the concerns raised the Executive is recommending that the savings relating to rent subsidy should be reduced by 50% to a revised target of £150K pending the outcome of a proposed review of subsidy and support to community organisations and the associated criteria. The review will cover:

- Rental subsidies and Business Rates relief.
- Financial support for community centre core costs.
- Residual £100K funding for community development which will remain after related savings on community development are made.

It is intended that work on the review should be carried out over the next three months and will assess the qualification for subsidy and support against key criteria which will include the contribution made to the Council's priorities.

12.4 **Community Development.** Current arrangements for the commissioning of Community Development work will cease when contracts expire in 2017. The initial proposals set aside £100K of the current budget to retain some capacity, it is now recommended that this resource is taken into account as part of the review described in para 12.3. The Council will continue to provide support to communities through its Neighbourhoods Service and network of Ward Officers.

12.5 **Advice Services.** The Executive confirms its intention to re-commission advice services. It should be stressed that this is a re-commissioning rather than a de-commissioning exercise. A comprehensive range of services and support to vulnerable people and those on low incomes will continue to be available although the numbers of locations at which they are provided will need to reduce. The Executive urges local organisations to work together and produce a federated approach to bidding for commissions in order to ensure that services continue to be delivered by local providers.

13 **Trade Union Consultation.**

13.1 Trade Unions have played a pivotal role in supporting the Council to maintain effective industrial relations and to deliver change and reduce costs throughout the last five years of unprecedented cuts and upheaval in local government; they continue to do so. During this time they have acted to protect public services and represent the best interests of their members while demonstrating their appreciation of the extremely tight financial parameters within which the Council is being forced to operate.

13.2 The unions have told us of the difficulties they experience when certain proposals lack detail, in particular some of the proposals scheduled for 2017-18. The Executive wishes to make explicit its expectation that management will continue to discuss and negotiate with the unions on the details of the implementation of these proposals.

13.3 During the consultation process the unions raised issues relating to the use of agency staff, expenditure on consultants and around vacancy management. While we appreciate the concerns some agency staff work

in critical roles and cannot be immediately released. We reiterate our expectation that the Council will continue to take a robust and stringent approach to vacancy management.

There will always be occasions when the Council needs to employ consultants to provide external expertise and advice. The Executive does agree though that expenditure on consultants needs to be kept under scrutiny and since 2010, spending on external consultants and advisers has reduced by over £6m a year.

- 13.4 The Executive shares the concerns of the trade unions and all employees about the impact of Government spending cuts on Council jobs and services. Under the circumstances it is not possible to guarantee that there will be no compulsory redundancies in the Council but we reiterate our commitment to continue to work with unions and staff to ensure that this is a last resort when all other options have been exhausted.

14 Capital Programme

- 14.1 The Executive proposes to retain a significant programme of capital expenditure including additions to the existing programme.

Capital expenditure relates to money that is spent on investment in assets and infrastructure not the day to day running of services. It can be financed in different ways, through borrowing over a number of years, selling assets or from Government grants and other grant funding such as the lottery, with the grant provider specifying what it can be used for.

Capital resources and receipts can only be spent on capital investment and not on day to day spending on Council services.

- 14.2 The total value of the proposed capital investment plan is £280.7m over the next four years. Because the plan is funded in different and quite complex ways it would be a mistake to think that the Council has £280.7m of cash it could spend on day to day services instead although by reducing borrowing costs it could release some revenue funding. Generally speaking when considering capital expenditure the Council is able to make choices between different capital investments but not between making these investments and investing in the running costs of services.

The Council has taken action to reduce borrowing costs in recent years and the proposed investment plan will not add to those costs.

- 14.3 The Executive proposes to add the following additions to the capital investment plan:

- Extra Disabled Facilities Grant - £6.4m over four years to support independent living and help reduce costs to social care and health services.
- Equity Loans - £4m over four years to provide loans helping vulnerable householders keep their homes fit for purpose.
- £600,000 for school catering equipment.
- St Georges Hall - £3.988m programme of essential improvements.

- Britannia House - £2m refurbishment that will support reductions in revenue spending by reducing the Council's overall accommodation costs.
- £275K for the strategic acquisition of land to support the redevelopment of Forster Square.
- £19m to develop a Keighley One Public Sector Hub to be paid for through the sale of other buildings and resulting reductions in running costs.

15 Budget Shortfall

- 15.1 The proposed budget leaves a shortfall of £7.6m in 2016-17. Over the next financial year the Executive will continue to seek to identify and implement additional cost reductions in order to work towards a balanced budget position by the year end. The Quarterly Finance and Performance Monitoring Report will be the vehicle through which progress towards the implementation of savings will be monitored and the development of additional savings proposals identified.

16 Outlook

- 16.1 The Executive's budget recommendation proposes measures to help balance the Council's books over the next two financial years. By that time, Government cuts, rising demand and increasing costs will mean the Council will have had to cut spending and increase income by nearly £270m compared to 2011. Beyond 2018 lies the prospect of more funding cuts. Even with the difficult decisions we are being forced to propose there remains an outstanding shortfall and the pressures on budgets are likely to increase.

The Council has already delivered significant efficiency savings and will deliver more. We will continue to work with local people, partners and business to maximise the impact of all our collective resources, assets and creativity on our priorities and we will look to ensure that regional devolution works in the interests of the District.

Central government have unrealistic expectations of the ability of local authorities to make further large scale efficiencies while sustaining services and outcomes or to use surplus assets and reserves to pay for day to day running costs.

While the Government has recognised the challenges facing social care its "new money" is a sticking plaster solution imposed on local taxpayers that will not address the underlying issues of cost and demand.

Subjecting Bradford District to ongoing, disproportionate cuts can only lead to the erosion of services, opportunities and local democracy.

We need greater fairness and transparency in the distribution of Council funding and it is absolutely vital that the Government takes account of this as we move towards local government retention of 100% of business rates. The re-distribution of that resource across local government has to take into account different levels of need, demand and ability to raise local taxes.

The pace of Government cuts needs to slow to allow the Council time to work with others to design and deliver change.

Government action on infrastructure across the North needs to match its rhetoric if we are to build genuinely sustainable local economies that can support high quality services and resilient communities.

- 16.2 Without a significant shift in Government policy scarce resources will have to be focussed more and more on those people who need them most. Many of the services that people have become used to will be unaffordable unless we can find different ways of doing them, charge for them or get people more involved in their delivery. The Council's ability to develop infrastructure and attract investment will be limited.

The Council is looking at a very different future in which it works with others to gather intelligence and insight to shape and influence decisions about resources and investment; connects organisations, communities and individuals to resources and opportunities and advocates for the District rather than providing all the services it does today.

The Executive has had to propose some difficult decisions. We have listened to peoples' views and attempted to respond but this response is within the parameters of what is a two year budget recommendation. Given the trajectory of public spending there can be no guarantees about the future configuration or delivery of any Council services beyond those two years.