

## Report of the Director of Finance to the meeting of the Executive to be held on 9<sup>th</sup> April 2024.

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### **Subject: Qtr 4 Finance Position Statement for 2023-24**

#### **Summary statement:**

This report provides Members with the forecast year-end financial position of the Council for 2023-24 and sets out the unprecedented scale of its financial challenges. It outlines the revenue and capital budgets and the year-end forecast financial position based on information at the end of February 2024. It states the Council's current reserves and school balances.

The Council's forecast overspend has a net decrease of £1.2m from Quarter 3/ Period 9 to £74.2m as outlined in the report. This is subject to the actual outturn, closure of the accounts and the pending balance sheet review. A final 2023-24 Finance Position Statement will be provided in July based on outturn data at the 31<sup>st</sup> March 2024.

The report outlines the unprecedented overspend, and the ongoing action being undertaken to address the current challenges and further urgent action that will be required to secure a sustainable financial position. The Council has now effectively run out of reserves, and consequently it applied for, and has now had approved, Exceptional Financial Support from Government of £80m for 2023-24 and £140m for 2024-25.

A capitalisation directive approved is however only an interim solution. To achieve a financially sustainable position, the Council and the Trust will need to deliver a combination of; significantly higher level of savings than is currently proposed; additional income, further asset disposals and further capital expenditure reductions.

A continuous cycle of identifying new savings and other measures to reducing the gap will need to be embedded in 2024-25.

#### **Equality & Diversity:**

Services delivered and commissioned through Council resources play a significant part in addressing inequality, improving well-being, and widening access to opportunities. The COVID pandemic and cost of living crisis have had a disproportionate impact on the district, amplifying existing inequalities and threatening to generate new ones. The Council's response has sought to mitigate the disproportionate impact on our most disadvantaged and vulnerable groups of people wherever possible, and resources continue to be deployed in support of that objective.

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Steven Mair  
Director of Finance

**Portfolio:**  
**Leader of the Council and Corporate**

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**Overview & Scrutiny Area:**  
**Corporate**

## INTRODUCTION

1.0 This report is the fourth monitoring report presented to Members on the Council's 2023-24 financial position. It provides the forecast revenue and capital financial position of the Council at the 31st of March 2024 based on information available on the 29<sup>th</sup> February 2024. A final 2023-24 Finance Position Statement will be provided in July 2024 based on outturn data at the 31<sup>st</sup> March 2024.

This report covers:

- The forecast outturn of the Council's revenue budget in 2023-24
- The forecast delivery of budgeted savings in 2023-24
- An update on the Bradford Children & Families Trust
- A statement on the Housing Revenue Account
- A statement on the Council's reserves
- An update on the Council Tax and Business Rates collection funds
- An update on the Capital Investment Plan.
- Benchmarked spend and income comparators.

1.1 A growing number of Councils across the country are reporting severe financial pressures. Bradford also faces financial challenges on an unprecedented scale and the Council, including the Bradford Children and Families Trust (BCFT), is forecast to overspend its £453m net revenue budget for 2023-24 by £74.2m at March 31<sup>st</sup> 2024 based on forecasts calculated at the end of February 2024.

### Council Forecast Outturn of the revenue budget in 2023-24

	Gross Budget £ms	Net Budget £ms	Total Variance £ms
Adult Social Care	237.2	141.4	11.4
Children's Services excl BCFT* variance	387.1	29.6	6.6
Department of Place	158.0	78.4	0.9
Corporate Resources	216.3	58.7	4.9
Chief Executive including Public Health	62.3	6.7	-0.6
Non-Service Budgets	6.9	6.1	-0.3
General Fund	57.2	-46.6	6.6
Net Budget Funding	-48.5	-453.2	0
<b>Total Council</b>	<b>1,076.5</b>	<b>0</b>	<b>29.6</b>
<b>BCFT*</b>	<b>187.6</b>	<b>178.8</b>	<b>44.6</b>
<b>Total Council and Trust</b>	<b>1,264.1</b>	<b>0</b>	<b>74.2</b>

\*Bradford Children and Families Trust – See section 10 for details

1.2 It should also be noted that the Council 2023-24 budget is being supported by £48m of one-off reserves. The structural gap in 2023-24 is consequently c£120m.

1.3 The £74.2m variance is made up of £29.6m that relates to Council provided and commissioned services, and c£44.6m that relates to the costs associated with Bradford Children & Families Trust as detailed in section 10.

- 1.4 The main issues are
- An £11.9m overspend in Adult Social Care due to underdelivered savings and additional demands.
  - £6.6m of forecast overspends in the non BCFT part of Childrens Services, which is mainly driven by overspends in Home to School Transport, and Children’s Social Care related Transport and Legal Services.
  - £4.9m of overspends in Corporate Resources caused mainly by underdelivered savings and energy costs
  - £6.6m of overspends in the General Fund caused mainly by a higher than budgeted pay award and Treasury management costs with some other offsets.
- 1.5 The departmental commentaries in sections 4-8 provide additional detail on the above, and other smaller scale variances. The forecast Council overspend is a best estimate of the 2023-24 year-end position based on current trajectories, but there are a number of material items that could impact the final year end outturn variance as outline in section 3.
- 1.6 It should also be noted that the Council departmental overspends are inclusive of c£10.5m of underdelivered savings out of the £38m of budgeted savings, due mainly to underdelivered vacancy and abatement factor savings (c£5.3m), Adults demand management savings (£2.6m), and others as outlined in section 9.
- 1.7 BCFT is forecast to cost c£44.6m more than the Councils £178.8m net revenue budget for Children’s Social Care. Key pressures on the Trust’s finances include high levels of agency staff, and ongoing increases in expensive residential care placements which run counter to budgeted reductions as detailed in section 10 of this report. The £44.6m overspend is mainly due to
- A £5.6m forecast overspend on staffing budgets.
  - a £33.6m forecast overspend on Placement costs.
  - £5m on other items – staff transport £0.2m, direct / home support payments £2m, Section 17.6 (unregulated placement costs) £2.8m, offset by additional income of £1.4m.
  - £1.8m of additional inflationary costs associated with Foster Care fees and the 2023-24 pay award being higher than was assumed in the original contract sum.
- 1.7 BCFT is an independent company wholly owned by the Council and managed by respected leaders in the sector. It was established following a directive from the then Secretary of State Nadhim Zahawi and the Department for Education (DfE) following a period since 2018 where the Council had been supported by a government appointed advisor; a Commissioner and the DfE. The Trust is therefore a new company operating in a particularly challenging environment in which unprecedented market pressures for residential placements are leading to high costs across the sector.
- 1.8 BCFT has developed a Business Plan that will see it reduce costs over time, but significant immediate pressures remain. An in-year mitigations plan to seek to address the significant areas of pressure is outlined in section 10.40.

### Material Changes since Quarter 3

2.1 The Council's forecast overspend has a net decrease of £1.2m from Quarter 3/ Period 9 to £74.2m as outlined in the table below.

Department £000s	Variance at last report	Variance	Variance from last Exec Report
	£000	£000	£000
Childrens Services (excl BCFT)	5,400	6,614	1,204
Adult Social Care	10,474	11,409	936
Non Services	-770	-280	490
Corporate Resources	4,613	4,884	270
General Fund	6,329	6,584	255
Chief Executive	-649	-560	89
Dept of Place	2,585	973	-1,612
<b>Total Council</b>	<b>27,982</b>	<b>29,624</b>	<b>1,632</b>
BCFT*	47,493	44,609	-2,874
<b>Total Council and Trust</b>	<b>75,475</b>	<b>74,234</b>	<b>-1,242</b>

2.2 The main changes since Qtr 3/ Period 9 include.

- The non-Trust related part of Children's Services forecast overspend has increased by £1.2m to £6.6m due primarily to increases within Home to School Transport caused by increased costs and demand across transport budgets, as outlined in section 5.
- The Adult Social Care forecast overspend has increased by £0.9m to £11.4m. This is primarily due to increased activity across both Older People and Learning Disabilities packages of care; the forecast includes payments to providers which have been backdated to earlier in the financial year. More detail is outlined in section 4.
- The Non Service forecast underspend has reduced by c£0.5m to £0.3m as the costs for pension contributions for former employees is not as low as previously anticipated. They will cost c£3.3m rather than the £3.0m previously anticipated. Costs continue to reduce annually as numbers of recipients reduce. Additionally, we have recently received notification that the expected dividend from YPO is expected to be c£0.2m less than previously expected.
- The General Fund forecast variance has increased by £0.3m to £6.6m due mainly to
  - +£1m increase in Treasury Management/ capital financing costs resulting from higher interest rates and higher overall borrowing.
  - +£0.9m resulting from lower forecast contributions from the Leeds City Region Business Rates pool.
  - £1.2m from additional National Levy Account Surplus

-£0.5m lower than forecast overspend associated with the 2023-24 pay award.

- The Department of Place forecast overspend has reduced by c£1.6m to £0.9m. This is mainly due to
  - A remaining £0.6m of CAZ substitution which was shown as mitigation, is now included in the forecast as undelivered.
  - Recognition of Museum's £0.5m rates rebate, within the outturn position
  - £0.3m improvement in the Markets due to the centralisation (to Corporate Services) of the utilities and Building Services forecasted pressure.
  - £1.4m of additional income in Waste Services resulting from an energy generation gain share from our Waste Disposal contract. This is likely to generate significant additional benefit over the upcoming financial years also.
  
- The BCFT related part of Children's Services has reduced by c£2.9m to £44.6m. The movements mainly relate to a reduction in the staffing forecast of £0.5m linked to a lower number of agency staff; an increase in placement income of £3.4m which is split across additional contributions from DSG £1.3m, education £0.7m, health £0.6m and the home office for Unaccompanied Asylum Seeker Children £0.8m. In addition, the direct payment and home care forecast has also reduced by £0.6m. These are partly offset by other inflationary Social Care related costs that add to the contract price that were not budgeted.

#### **Material issues not currently factored into the forecast.**

- 2.3 The c£74.2m forecast variance does not include the following which could impact on the variance by year end.
- 2.4 The Trust are seeing reductions in Looked After Children numbers, and this could improve the forecast before year end.
- 2.5 There are costs that are planned to be covered by the flexible use of capital receipts where the Council can use capital receipts gained from the disposal of assets to cover qualifying revenue costs. Following recent asset disposals, the Council is now likely to exceed the £3m that was previously forecast. The implications are currently being assessed.
- 2.6 The Council has been incurring costs associated with weak concrete (RAAC) in schools. It is currently hoped that these costs will be reimbursed by Government, but this is not yet assured.
- 2.7 There is likely to be some Public Health grant that can be utilised on qualifying expenditure not currently factored into forecasts. This will benefit the overall position at year end.
- 2.8 Some planned capital expenditure may have to be funded from revenue on the grounds that it is not capitalizable – the extent of this is currently being assessed.

## Reserves

- 3.1 As outlined in section 12, The Council has previously used its reserves to help cover the acute financial pressures associated with inflation and Children's Social Care, and remaining available reserve levels will not be sufficient to cover the forecast year-end overspend in 2023-24, and consequently the Council has requested and had approved Exceptional Financial Support from Government.

### Exceptional Financial Support request.

- 3.2 In recognition of the scale of its financial challenges including the depletion of reserves, the Council has been in dialogue with the Department for Levelling Up Housing and Communities (DLUHC) and the Department for Education (DfE) for some time to explore potential solutions including access to additional sources of funding which would help to secure a sustainable financial position. The Council and Trust have requested additional grant support from the DfE to support the Trust, and the Council also submitted a request for Exceptional Financial Support to DHLUC for 2023-24 and 2024 -25 initially as outlined in the Budget Update – Exceptional Financial Support request report.
- 3.3 In principle approval of £80m in 2023-24, and £140m in 2024-25 was received from Government on the 29<sup>th</sup> February, and this has enabled the S151 Officer to not issue a Section 114 notice at this time.
- 3.4 As outlined in the S151 report on the robustness of the 2024-25 budget, though an S114 notice has not been issued at this time, if the Council deviates from the plan, or it is not delivered, a S114 report would be issued.
- 3.5 It should also be noted that a capitalisation directive is only an interim solution. To achieve a financially sustainable position, the Council and the Trust will need to deliver a combination of;
- significantly higher level of savings than is currently proposed,
  - additional income,
  - further asset disposals and
  - further capital expenditure reductions.
- 3.6 A continuous cycle of identifying new savings and other measures to reducing the gap will need to be embedded in 2024-25.

## Departmental Commentaries

### Adult Social Care

- 4.1 Adult Social Care are forecast to overspend the £141.4m net expenditure budget by £11.4m.
- 4.2 The forecast overspend is mainly derived from continued demand and cost pressures within Learning Disabilities long term support, particularly from young people transitioning from the Children's Trust with high care and support needs.

- 4.3 The department had unachieved LD demand management savings carried forward from previous years of £11.989m. In recognition that the savings are behind schedule, an additional £5m budget has been provided through the 2023-24 budget process to alleviate some of the pressure, leaving an outstanding target of £6.9m for 2023-24. Work has commenced to reduce expenditure and additional budget has been re-directed to this area, therefore at this stage in the financial year it is forecast that £2.6m will be unachieved. The department is working hard to reduce this further through contract negotiations that do not affect the quality of life of people, with further full year effect expenditure reductions in 2024-25.
- 4.4 In September, Adult Social Care took part in a 3-day Peer Review which was undertaken by the Association of Directors of Adult Social Care (ADASS) and the feedback received was very positive about the service.

**Older Peoples Services**

- 4.5 Older Peoples Services are forecast to overspend the £55.9m net expenditure budget by £3.7m.
- 4.6 Older Peoples purchased care budgets are forecast to overspend the £25.6m net expenditure budget by £5.1m, reflecting increased demand across both Residential and Nursing and Home Support. Within this £5.1m pressure, Home Support budgets are forecast to be £0.8m overspent by the year end driven by increased activity; an additional c38,000 home care hours have been delivered in 2023/24, compared to the previous year.

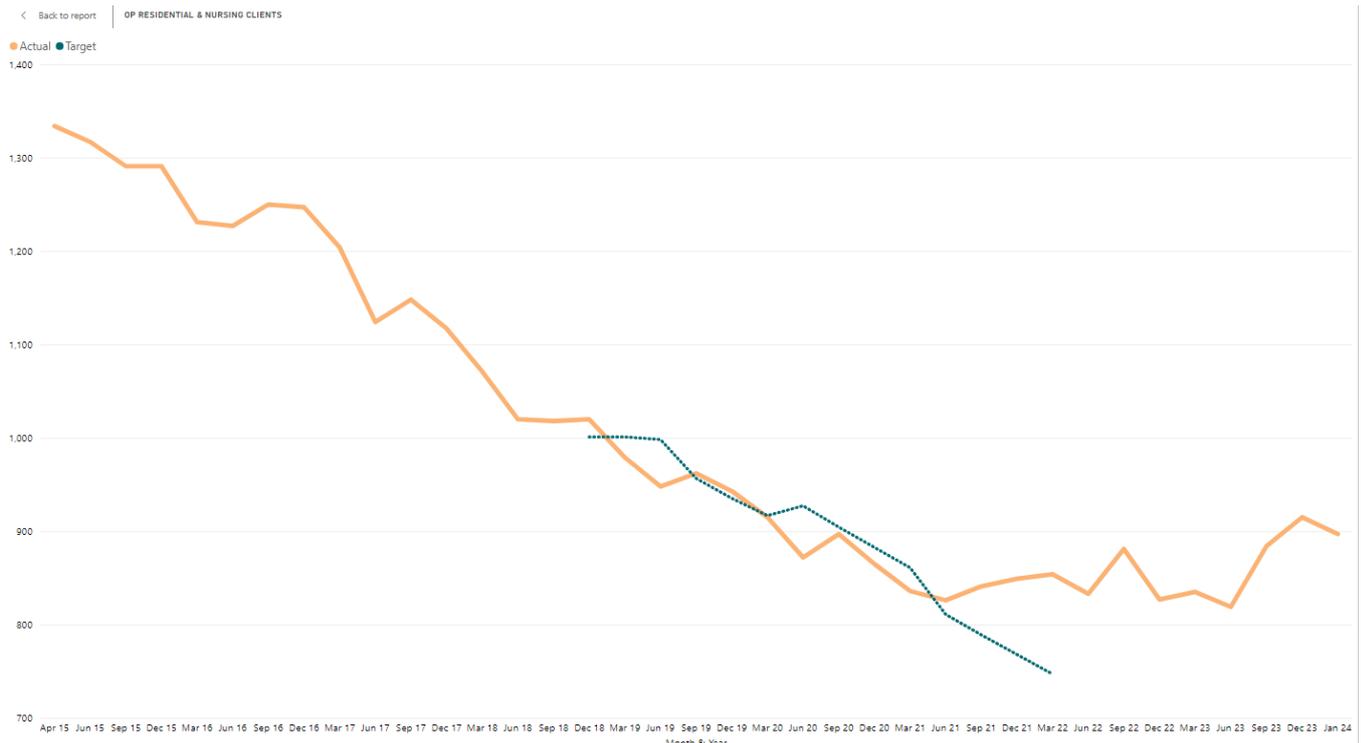
Level 5 Desc	Year Before Last	Last Year	This Year
OP Home Care - Purchased	838,909	690,044	816,630
OP ISF's (Home Support)	294,746	471,860	383,205
<b>Total</b>	<b>1,133,655</b>	<b>1,161,903</b>	<b>1,199,835</b>

- 4.7 Older People Residential and Nursing budgets are forecast to overspend the £12.9m net expenditure budget by £3.3m. The department has seen significant reductions in the use of costly residential and nursing placements, from 1,403 in 2016 to 892 as at February 2024. However, 2023/24 has seen an increase in placement activity resulting in the reported budget pressure, suggesting that there is now reduced scope for even further reductions. Within the £3.3m overspend is a c£0.5m pressure relating to Discharge to Assess Residential beds, purchased from the independent sector, to assist in timely discharge from hospital.

	31.02.22	31.02.23	31.02.24
Total Older People Residential and Nursing Clients	838	801	892

- 4.8 Although Adults Social Care are starting to see some growth in residential and nursing care client numbers, it should be noted that the service transformation away from residential and nursing care and towards community services has been very successful. Back in April 2015 for example there was 1,334 clients in

these types of care settings.



4.9 Non-Residential income is forecast to result in a £0.5m pressure, due to a higher number of credit notes processed than expected.

4.11 The above forecast financial pressures are being supported by a £1.7m underspend as a result of the closure of Woodward Court and Thompson Court Residential Home. This underspend is partially non-recurrent as a proportion (c£1.1m) will be required to fund the revenue costs of the recently approved Saltaire Residential Scheme.

#### **Mitigation Actions to reduce the overspend.**

- 4.12 Older Peoples Services will pursue the following actions to reduce the forecast overspend.
- Additional capacity in the BEST service will result in increased outcomes for people, which should reduce the long-term costs on home support.
  - Increase reviewing capacity across the service.
  - Seek additional income from health towards the Councils in-house residential homes. £1.45m has been agreed for 2023/24.

#### **Adults with Disabilities**

4.13 Adults with Disabilities is forecast to overspend the £75.3m net expenditure budget by £11.6m. The overspend is primarily within Learning Disabilities purchased care, which is forecast to overspend the £56.7m net expenditure budget by £11m. The service has a recurrent pressure on long term care budgets but is also experiencing additional pressure as a result of people transitioning from the Children's Trust with complex needs and high-cost

packages. The service also has a £2.6m pressure as a result of previous years unachieved demand management savings.

- 4.14 The service also has a £1.4m forecast pressure on staffing budgets, some of which has been funded by reserves in previous years. £0.5m of the overspend relates to the new Emergency Duty Team service; previously EDT was managed by Children's Services and following the creation of the Children's Trust a new service has been established for Adult Services, without the associated funding.
- 4.15 The above pressures are partially offset by a £0.8m underspend within Mental Health purchased care budgets as a result of reduced activity across both Residential and Nursing and community care services.

#### **Mitigations to reduce the forecast variance.**

- 4.16 Adults with Disabilities will pursue the following actions to reduce the forecast overspend.
- Work is underway on transforming the remaining Residential and Nursing block contracts and re-commissioning the Respite residential contract.
  - As the new EDT service is established, the service is looking at potential options to reduce expenditure going forward.
  - Reviewing Transport arrangements to ensure all expenditure is appropriately recharged for health funded clients.

#### **People Commissioning and Integration**

- 4.17 People Commissioning and Integration is forecast to underspend the £13.6m budget by £0.6m, a favourable movement of £0.3m from Q3. The forecast underspend is primarily on staffing, due to holding vacancies and utilising grants and reduced forecast expenditure within commissioned services.

The service has a £0.2m pressure as a result of the new People, Commissioning and Contracting function established to support Children's Services, including the Children's Trust. Although initially a cost pressure, this investment in staffing will enable future efficiencies and savings to be delivered. This pressure is currently being offset by non-recurrent staffing underspends elsewhere with the service.

#### **Strategic Director**

- 4.18 The Strategic Director budget area overall is reflecting a £3.1m underspend, which is partially offsetting the reported pressures across the department. This £3.1m contribution is a result of an additional £1.45m income contribution from the ICB towards the cost of Intermediate Care services provided by the Council, £3.493m of Market Sustainability and Improvement Fund, (as per the grant conditions this has been used to increase fees to providers and to support reduced waiting times by contributing to additional unbudgeted demand and staffing pressures) and a further £0.3m of forecast underspends, linked to maximising grant income.

- 4.19 Within this area is a £2.2m non-recurrent pressure due to the departments backdated pay-award costs as a result of the JEGS process. It was initially planned that this would be funded from reserves, however the reserve has now been fully utilised and therefore the additional costs in 2023-24 have been factored into the revenue position for ASC.
- 4.20 The department has been allocated £2.2m of the vacancy review and abatement factor saving and it is forecast that this will be achieved full.

### **Children's Services – excluding the Trust.**

- 5.1 Children's Services, are forecast to overspend the £29.7m net expenditure budget by £6.6m. This position does not include the overspend associated with the Bradford Children's & Families Trust which is outlined in section 10, but does include £2.5m of pressures due to Children's Social Care budgets (Transport and Legal) transferring back from the Children's Trust.
- 5.2 £4.3m of the overspend is due to Taxi Transport where numbers of children transported are increasing. There has also been a rise in exclusions being transported to Out of Area provisions which is more expensive. The Q4 position includes a £1m pressure on Transport due to the Children's Social Care Transport budget transferring back from the Trust.
- 5.3 The Q4 position includes £0.5m of 2022-23 legal costs which were not accrued and a further £1.5m legal costs, following the Social Care Legal budgets transferring back from the Children's Trust.
- 5.4 The Q4 forecast assumes that the £0.9m vacancy and abatement factor will be unachieved.

### **Mitigating Actions**

- 5.5 The Home to School transport service is continually reviewing transport arrangements to reduce the need to use single use taxis where this is possible and appropriate.
- 5.6 Children's Services are also seeking to increase income generation to help mitigated demand led variances.

### **Department of Place**

- 6.1 The Department of Place is forecast to overspend its £78.4m net expenditure budget by £0.9m.

### **Strategic Director**

- 6.2 The service is currently showing an overspend position of £2.9m due to the vacancy abatement factor of £3.5m. For the purposes of presentation, the departments activity to offset its overall staffing costs is reflected via the individual service areas. £0.6m of CAZ substitution has been included within forecast. These have been offset by a one-off drawdown from reserves of £1.2m.

## Neighbourhood and Community Services

- 6.3 The Service is forecast to underspend the £5.2m net expenditure budget by £0.1m. Underspends in the AD area, Neighbourhood Service and Environmental services, totalling £0.2m are offset by pressures within Uniformed Services (£0.1m). The Service also continues to manage costs, taking prudent financial decisions to make a positive contribution towards those areas that are currently overspending elsewhere.

## Economy & Development Services

- 6.4 Economy & Development Services is forecast to breakeven the £7.4m net expenditure budget. The main pressure still comes from the Markets Service who are forecasting an underachievement of £0.6m income due in part to being unable to fill vacant spaces as current occupants leave, to note that in CP10 this dropped by £0.3m through the centralisation of the utilities and buildings services forecasted spend. There is a continuing pressure from Housing Development (for-runner to the HRA), due to rental repayments due back to tenants to be repaid at £0.3m.
- 6.5 The overall pressures in Economy and Development are being offset by favourable positions in Regen, Client Services, Economic Development, Housing Operations and Housing Strategy.

## Planning, Transportation & Highways

- 6.6 Planning Transportation & Highways are forecasting a £0.5m pressure against a net budget of £19.9m. The £0.5m pressure in the main is due to an under recovery in Planning Fees, Land Charges income, Street Lighting Energy and Building Control Fees.
- 6.7 Transportation & Highways are forecasted to overspend it's £16.2m net budget by £0.5m, which is mainly due to a pressure of £0.5m in Street Lighting Energy. Favourable movements in energy costs are expected towards the year end as the street lighting inventory is updated as part of the Smart Street Lighting Project. Delays in the billing process from N Power are preventing a more accurate forecast until revised invoices and credit notes are issued.
- 6.8 Planning & Transport Strategy is forecasted to underspend its £2.4m net budget by £0.3m. Increase in budget for planned capitalisation.
- 6.9 Development Services are forecasted to overspend the £1.0m net budget by £0.4m. This is due to the under recovery of Planning Fees as a result in a decreasing number of planning applications and low numbers of major applications. This is following the trend nationally where applications are down 13% from the previous year. There is also a pressure in Land Charges income of £0.2m. This is partially offset by staffing vacancies within the Service.

## Sport & Culture

- 6.10 Sports & Culture are forecasting a £1.2m pressure against a net budget of £6.4m. This is mainly due to the following:-
- 6.11 A £0.6m forecast overspend in Sports Facilities is mainly driven by a £1.2m pressure on casuals and a £0.2m pressure on rates, which is currently being offset by a £0.5m forecast overachievement of income and a £0.3m favourable position against permanent staff.
- 6.12 Within Bereavement Services there is a £0.3m pressure in Woodlands, due to the increase in the level of statutory work needing to be undertaken for Ash Dieback.
- 6.13 Undelivered savings of £1.0m is included in the forecast, in the following Services, whilst plans are developed to either achieve or mitigate the required saving.
- £0.5m – Museum’s deferred 2020/21 savings  
This is currently mitigated by a one-off benefit that has arisen due to the back dated rates rebate received in respect of the revised rateable values of the premises occupied by the Museum’s Service.
  - £0.4m - Library’s deferred 2020/21 savings
  - £0.1m – Sports Facilities Casual Staff savings

## Clean Air Plan

- 6.14 The Clean Air Programme is forecasting a balanced budget at year end, against its net budget of £(0.1m). All service costs for 2023-24 (c£3.8m) will be covered through a combination of funds held in a ring-fenced reserve and Clean Air Zone proceeds. Clean air zone funds can only be used on qualifying areas of expenditure in line with the Clean Air Zone charging scheme order.

## Waste, Fleet & Transport

- 6.2 The Waste, Fleet & Transport service is forecasting to underspend the £43.8m net budget by £3.6m, Underspends across the Waste, Fleet and Transport Service totalling £4.0m are offset by pressures within Licensing and Street Cleansing and Parks of £0.4m.
- 6.3 Waste Services are forecasting to underspend the £33.1m net budget by £3.6m, this in the main is comprised of a £2.8m underspend in Waste Disposal which includes a £1.4m benefit resulting from a power generation energy price gain share, a £0.5m underspend in Trade Waste, a £0.5m underspend in Kerbside Waste & recycling, and a £0.3m underspend in Garden Waste collection. There are pressures of £0.4m within Admin & Depots, and £0.1m in household waste sites.
- 6.4 Environmental Health transitioned into Department of Place on the 23<sup>rd</sup> of July 2023. The service are forecast to underspend the net £1.1m budget by £0.3m due mainly to an underspend on staffing.

- 6.5 Fleet Services are forecasting to overachieve the £0.1m net income budget by £0.1m which is mainly due to a more realistic income alignment. There is currently a transformation programme in place looking at fleet efficiencies that include reducing grey fleet, centralising budgets, reducing the use and costs of hire vehicles and value for money vehicle replacement plans.

## Corporate Resources

- 7.1 Corporate Resources are forecast to overspend the £59m net budget by £4.9m, up slightly from £4.6m at Qtr 3. The main pressures remain as previously identified, namely mainly relating to vacancy abatement and the reduced scope to make savings in non-employee costs to offset both the pressure on resulting from a reduction in Estates rent roll income, now expected to be £0.85m and in District Elections costs, £0.3m. This overspend contains the impact of ongoing extraordinary inflationary impacts relating to utilities costs for Council buildings.
- 7.2 The forecast for employee's expenditure allows for £1.8m having been achieved via actions taken in respect of vacancy control and abatement, leaving a remaining shortfall of £1.45m against the original savings figure of £3.26m. This has been further reviewed and updated and allows for the impact of the pay award and the corresponding budget updates.
- 7.3 It also assumes that within Revenues & Benefits the impact of re-grading can be managed within existing budget. At present this includes both further actual one-off backdated payments made in cp11 and a forecast for further outstanding sums to a combine value of £350k. In total the value of potential further mitigating savings to achieve this forecast position has been reduced to zero, assuming that there is no further scope to achieve more in the remainder of the financial year. Additionally forecast annual agency costs have risen by £1m since Qtr 2 due to the need maintain/increase numbers up to financial year end due to the difficulties in recruiting to key positions.
- 7.4 In respect of utilities, the forecast overspend remains at £1.8m. Additional peak price costs during 2023-24 were initially anticipated to be funded from a dedicated reserve. However, this is currently shown directly as an in-year service overspend. This assumes the drop in usage levels achieved over spring/summer is maintained over autumn/winter.
- 7.5 The cost of utilities in 23-24 is after the end of the price cap. The expectation is that by 2024-25 prices and costs will return to a level below the base 23-24 budget, after allowing for normal inflationary pressures. Current estimates are based on forecast prices from April 23 now the price cap has been replaced with a discount scheme and YPO reported levels for pre-purchased gas & electric. However, this is still a best estimate as the eventual cost will depend on several factors, including the relative increase in standing charges compared to unit rates, the purchase prices to be paid by Yorkshire Purchasing Organisation (YPO) for later tranches, and usage levels, especially over the winter period.

- 7.6 Additionally, the impact of high food price inflation is still affecting the school catering service in year. This has been, and will be, partially mitigated by changes to menus, and a re-pricing on contracts for the academic year 2023-24. Overall, there is expected to be a cost pressure on catering services of £0.6m, reduced by £0.3m by other mitigating one off savings.
- 7.7 Excluding the extraordinary inflationary impacts and the vacancy abatement budgeted for saving, the Department would be forecasting a broadly balanced position. Underspends in Revenues & Benefits, HR and ICT are expected to offset overspends within Estates (rental income), Catering (Traded) and Democratic services (Elections costs). ICT forecast is allowing for pressures (increased staffing levels, data & licensing costs) being managed down via a combination of offsetting savings and a reduction in agency. It should be noted that the Revenues & Benefits forecast position allows for a pressure from an increase in unsubsidised Housing Benefit and assumes that revised court costs fees put in place for 2023-24 bring income levels back in line with budget.
- 7.8 These forecasts also include the net impacts of pre-existing and ongoing pressures, including on trading with schools such as ICT (£0.4m), rental income within Estates (£0.8m) and City Centre Catering (£0.1m). ICT Education trading service and City Centre Catering have been subject to review. Estates rent roll is likely to remain a substantial pressure, due to economic conditions, both for 2023-24 and beyond. ISG forecast for 2023-24 is for a small surplus, compared to budget, from a previously forecast overspend, as sales levels have risen year on year. However, it should be noted that costs have also risen significantly due to inflationary pressures, and it is not always been possible to immediately recoup these by re-pricing existing contracts.

### **General Fund & Non-Service**

- 8.1 The General Fund and Non-Service budget areas that provides budgets for the West Yorkshire Combined Authority, Capital Financing, and contingencies amongst others is forecast to overspend by £6.3m. This results mainly from the following.
- 8.2 A c£5.5m overspend on the 2023-24 pay award (c6.3% vs 4% budgeted). The accepted employer offer was £1,925 for all staff below a PO6 paygrade, and 3.5% for all staff above.
- 8.3 A £0.5m under delivery of a budget savings plan associated with prepaying employee pension contributions to the West Yorkshire Pension Fund, as the Council doesn't have available cashflow to enable this without additional borrowing which would negate the benefit.
- 8.4 A £0.2m underachievement of the dividend budget associated with YPO following recent notification.
- 8.4 A c£3.5m forecast overspend on Treasury Management costs. The Council is having to borrow more than previously, and this comes at a time of higher interest rates.

- 8.5 A £0.9m reduction in forecast contributions from the LCR Business Rates pool. c£800k of this is due to a lower share of the previously estimated levy contribution for 2022-23, with the remaining c£100k resulting from a lower estimates pool distribution from 2023-24. Notification of this has only recently been received following pool members completion of Business Rates related returns.

These are partly offset by.

£1.2m from Bradfords share of the redistribution of the National Levy Account Surplus for 2023-24 following notification via the Local Government financial settlement in February 2024.

£1m from planning to use additional capitalisation/ capital flexibilities.

£1.0m Corporate Contingency

£0.5m from a lower than budgeted cost of pensions associated with former employees due to lower numbers. No former employees' pension entitlements are affected. This is however c£0.3m lower than previously forecast following recent notification from WYPF.

### Budget Savings Tracker

- 9.1 The combined budget savings of £30m in 2023-24 brings the total savings the Council has had to approve following the 2010 Comprehensive Spending Review (CSR) to c£350m.
- 9.2 The 2023-24 budget includes £30m of new budget reductions, however £8.0m of prior year underachieved savings have carried forward into 2023-24, meaning that £38m of savings are budgeted to be delivered in 2023-34. This excludes £6m that relates to BCFT and is included within the Trusts forecasts.
- 9.3 In tracking progress made against each individual saving proposal, £27.5m of the £38m of Council savings is forecast to be delivered, leaving £10.5m that is forecast not to be delivered.

	Prior year underachieved Savings outstanding at 31/3/23	2023/24 New Savings	Total Savings 2023/24	Forecast Variance 2023/24 at Period 10
Adult Social Care & Public H	7.0	1.3	8.2	2.6
Children's Services exc BCFT Place	0.0	0.5	0.5	0.0
Corporate Resources	1.0	5.7	6.7	2.0
General Fund	0.0	0.7	0.7	0.0
Cross Cutting	0.0	11.8	11.8	0.5
Total	0.0	10.0	10.0	5.3
	8.0	30.0	38.0	10.5

- 9.4 The savings that have to be delivered this year are significantly higher than prior years. Many of the savings are expected to be delivered in full however there are still risks associated with some, and currently £10.5m is not expected to be delivered as planned.

	Underachieved Savings in year £ms
2013/14	4.4
2014/15	2.3
2015/16	4.9
2016/17	7.9
2017/18	22.6
2018/19	13.4
2019/20	7.9
2020/21	6.5
2021/22	10.9
2022/23	13.3
2023/24 Forecast	10.5

- 9.5 The main forecast underachieved savings are £2.6m of underachieved Learning Disability Demand Management savings in Adult Social Care. There has however been good progress, and the department are confident that further improvements will be delivered in future periods.
- 9.6 The £2.0m forecast underachievement in the Department of Place is mainly due to delayed implementation of savings plans which has resulted in a part year effect for 2023-24. The £3m saving associated with the Clean Air Zone is forecast to be underachieved by £0.6m due to difficulties identifying qualifying expenditure in Council services. Museums and Libraries savings of £0.9m are also forecast to be underachieved and work continues to consider opportunities to diversify funding sources. There is a delay in savings for several services which are not expected to fully deliver until 2024-25, these include Fleet Services £0.2m, Car Parking £0.2m and PTH improvement Plan £0.1m
- 9.7 The £0.5m forecast underachievement in the General Fund is due to the underachievement of a plan to save £0.5m by prepaying employer pension contributions to the West Yorkshire Pension Fund as the Council doesn't have the necessary cash balances to do this without further borrowing. To do so would result in additional costs of borrowing and would largely negate the financial benefit.
- 9.8 The £5.3m forecast underachievement in Cross Cutting is linked to the forecast under delivery of the £10m Vacancy & Abatement Factor saving. Significant effort has been put into place to cleanse structures of vacant posts, and an effective vacancy freeze has been put in place for non-statutory/ essential posts. Agency staff, Overtime and other staffing related costs are also being reviewed and reduced, and this could have some further impact between now and year end. The table below tracks Council FTE numbers and Agency staff numbers across the year. So far there has been a net increase in Full Time Equivalent posts and a reduction in Agency staff.

	1 May	1 June	1 July	1 Aug	1 Sept	1 Oct	1 Nov	1 Dec	1 Jan 24	1 Feb 24	1 Mar 24
<b>Total FTEs</b>	5,730	5,750	5,784	5,796	5,807	5,849	5,876	5,871	5,858	5,857	5,853
<b>Total Headcount (HC)</b>	7,274	7,301	7,337	7,345	7,340	7,385	7,411	7,402	7,381	7,379	7,361
<b>Agency Staff numbers.</b>	304	277	305	304	217	227	304	208	230	255	196

	1 May	1 June	1 July	1 Aug	1 Sept	1 Oct	1 Nov	1 Dec	1 Jan 24	1 Feb 24	1 Mar 24
<b>Total FTEs</b>	5,730	5,750	5,784	5,796	5,807	5,849	5,876	5,871	5,858	5,857	5,853
<b>ASC</b>	1,307	1,315	1,317	1,195	1,219	1,235	1,243	1,241	1,239	1,235	1,231
<b>Children's</b>	824	829	841	744	749	761	773	776	774	777	782
<b>Dept of Place</b>	1,861	1,865	1,883	1,826	1,820	1,831	1,836	1,827	1,827	1,825	1,826
<b>Corp Resource</b>	1,481	1,484	1,486	1,578	1,564	1,559	1,558	1,560	1,551	1,544	1,535
<b>CXO</b>	257	257	258	453	455	462	466	466	468	476	479
<b>Total FTEs</b>	5,730	5,750	5,784	5,796	5,807	5,849	5,876	5,871	5,858	5,857	5,853

### **Bradford Children's & Families Trust**

- 10.1 In line with Councils across the country, Bradford, over the last few years has seen increasing workload pressures in Children's Social Care, with more children entering care leading to subsequent pressure on staffing levels and budgets. There has been an increasing dependency on agency staffing and an increased dependency on high-cost external placements. These factors, alongside dysfunctional market conditions for residential care and the need to drive improvements locally have led to increasing pressure on the Children's Social Care budget and required new investment to be made to keep pace.
- 10.2 Since 1<sup>st</sup> April 2023 Children's Social Care provision has been provided by the Bradford Children's and Families Trust following a directive from the then Secretary of State Nadhim Zahawi and the Department for Education (DfE) that this would be the most appropriate vehicle to drive improvement. The Council has made significant additional investment to secure those improvements both prior to, and in preparation for the formation of the Trust.
- 10.3 Overall, the gross expenditure (the total amount spent before deducting income from non-Council sources) for Children's Social Care provision in Bradford increased by over £100m per year between 2018-19 and 2022-23, and it is forecast by the Trust to increase by a further £67m to £253.9m in 2023-24. For comparison, the total amount raised from Council Tax is £233m.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 per BCFT forecast
	Actuals £ms	Actuals £ms	Actuals £ms	Actuals £ms	Actuals £ms	
Gross Expenditure	83.9	99.5	114.7	139.5	186.8	253.9*
Income	-7.6	-12.5	-28.4	-31.5	-14.0	-30.6
<b>Total</b>	<b>76.3</b>	<b>87.0</b>	<b>86.3</b>	<b>108.0</b>	<b>172.7</b>	<b>223.3</b>
Non-Service Managed costs	3.7	5.3	6.0	11.6	8.6	
<b>Total incl Non-Managed costs</b>	<b>80.0</b>	<b>92.3</b>	<b>92.3</b>	<b>119.6</b>	<b>181.3</b>	

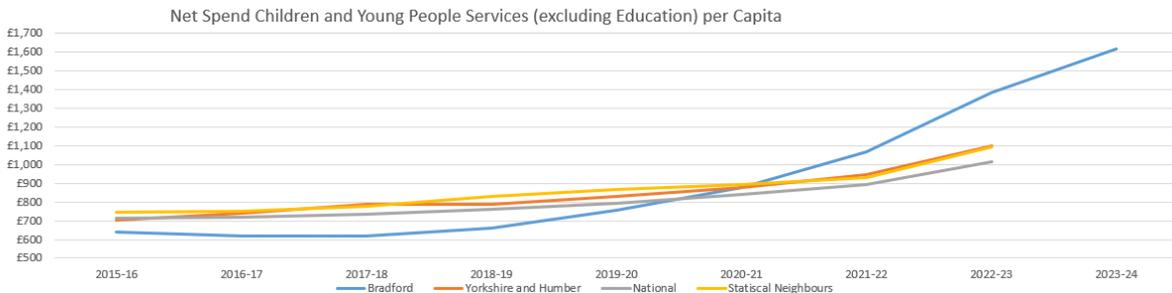
\*Includes £10.8m funded by one off DfE grant. Excludes SLAs.

10.4 The considerable continued increase in expenditure has resulted in benchmark spend per head of children population going from low to very high over recent years and is now higher than other similar benchmark Councils.

### Net Spend on Children and Young People Service per Capita

As a result of high Agency staff costs, and the growth in Child Looked After placements (particularly Residential Care placements), net spend on Children and Young People per capita, has grown significantly in recent years.

Local Authorities	16-17	17-18	18-19	19-20	20-21	21-22	22-23	% Growth 16-17 to 22-23	Estimated 23-24
Bradford	£619	£621	£659	£756	£877	£1,067	£1,386	117.60%	£1,614
Yorkshire and Humber	£742	£753	£785	£832	£875	£946	£1,101	56.20%	
National	£718	£735	£762	£794	£834	£895	£1,013	41.70%	
Statistical Neighbours	£752	£776	£829	£867	£887	£928	£1,091	46.50%	



10.5 Indicatively, based on the c142,000 children in the district, if Bradford’s net spend on Children and Young people per child in 2022-23 (£1,386) were at the same level as Statistical Neighbours in 2022-23 (£1,091), the Council would have spent c£42m less per year in 2022-23. As estimated spend per child has since increased by a further £228 per child population in 2023-24 to £1,614, it is now very likely that in 2023-24 the spending gap against Statistical Neighbour averages will have increased significantly beyond the £42m in 2022-23.

10.6 With the active engagement of the DfE, and agreement between the Council and the Trust Board, an initial contract price for Childrens Social Care services of £170.3m was agreed for 2023-24, and the DfE also provided £10.8m of one-off

grant to help the Trust pay for the additional running costs of becoming a company and increasing improvement capacity, giving a net total of £181m. This has since been increased to £185.4m for specific items including inflation and costs of staff TUPE’s from the Council, which were not included in the original contract price termed ‘true up’ items.

10.7 Against the original £185.4m budget the Trust is now forecasting an overspend of £42.8m. It should however be noted that there are other related costs that take the Council overspend on Children’s Social Care to c£47.7m in 2023-24.

Description	£m
BCFT Overspend Excluding Change Notice	42.8
Add Children Social Care Transport Overspend	1.0
Add Children Social Care Legal Overspend	2.1
Add Pay Award & Contract Inflation True Ups	1.8
<b>Total Council Children Social Care related variance</b>	<b>47.7</b>

10.8 The £42.8m BCFT variance against the original budget is mainly due to agency staffing levels, and residential care placements, with specific details outlined below.

- £5.7m forecast overspend on staffing budgets due to agency workers.
- £33.5m forecast overspend on placement costs, mainly linked to external residential placements.
- £5.0m on other items – staff transport £0.2m, direct / home support payments (£2.0m) Section 17 (unregulated placement cost) (£2.8m).
- Less £1.4m overachievement of income,

**Detailed analysis is outlined in the sections below.**

**Staffing**

10.9 A £5.7m variance on the staffing budget is due largely to the complexity of agency arrangements from 2022-23 to manage higher workloads, staffing pressures and the need to keep children safe. The continued use of agency staff since the Trust went live due to a shortage of permanent staff and the need to transition to new staffing arrangements, which to some extent reflects national challenges around recruitment.

10.10 The amounts incurred on Agency staff have increased significantly over recent years (£4.3m in 2018-19, £11.7m in 2019-20, £17.4m in 2020-21, £20.1m in 2021-22 and £28.5m in 2022-23) and are currently forecast at c£33m for 2023-24. This relates not just to the actual numbers of staff but the use of agency Managed Teams which are significantly more expensive but were brought into Bradford prior to the Trust going live due to the urgency of need for sufficient staffing.

10.11 The movement in agency social workers is shown over the page. When the contract model was being developed in December 2022, a number of actions were planned to reduce the number of agency Social Workers including the recruitment of International Social Workers and trainee social workers (AYSEs), and hence the number of agency Social Workers was planned to reduce to 201 by contract start date, with further reductions as additional International Social Workers and AYSEs were recruited and took on increasing caseloads. However, the modelling was in the Trust’s view was over-optimistic as to how quickly this could be achieved, especially in light of the complexity of removing managed teams which requires preparation for a group of staff to leave together, with backfill in place to avoid unallocated cases. As it involves a transition from staff with experience of those specific cases and therefore, temporarily, higher levels of support are required to effect handover.

10.12 The table below shows however that at contract start date (1<sup>st</sup> April 2023) there were 43 more Level 2 and 3 agency Social Workers than had been assumed in the contract model, and that agency staff numbers have continued to see a small rise, rather than fall as planned. The small rises in October and December were to enable the exit of managed teams where duplication of staffing was needed for a short time. Ten managed have now left Bradford, one team is due to leave at the end of March with plans for remaining two to leave by end of April. Many of those roles have been replaced by individual agency staff as the Trust continues to work on more rapid recruitment of permanent staff. The cost of the agency staff will reduce but no saving is visible in year due to the necessity of the double running for around four weeks.

Month	Apr 20	Apr 21	Mar 22	Sep 22	Dec 22	Mar 23	Jun e 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	BP* Mar 24
Number of Agency L2/L3 Social Workers	129	170	164	204	233	244	250	253	246	253	239	212	<b>235</b>
Contract Model						201	146	139	143	143	143	146	<b>146</b>
Difference						43	104	114	103	110	96	66	<b>90</b>

\*Revised Business Plan assumptions

10.13 The contract value also included amounts for other agency staff as outlined below. In short there were a total of 68.5 extra agency staff at contract commencement than had been included in the contract model. Planned reductions were also included in the contract model, and they have not come to pass to the planned extent and as explained above there is some (temporary) increase related to the swapping out of managed teams.

## Agency Staff

Role	Contract Model					Actuals 31.03.23	Actuals (Q1) 30.06.23	Actuals (Q2) 31.08.23	Actuals (Q3) 31.12.23	Actuals M10 31.01.24	Actuals M11 29.02.24
	31.03.23	30.06.23	30.09.23	31.12.23	31.03.24						
Service Managers/Other Manager roles	13	9	6	3	1	14	16	14	13	11	9
Team Managers	27	20	17	13	10	38	40	42	42	44	38
Child Protection Co-ordinator/IRO	3	0	0	0	0	3	2	2	3	3	3
Practice Supervisor	14	11	8	5	1	17.5	19	17	19	20	21
L2/L3 Social Worker	201	146	139	143	146	244	250	256	253	239	212
Other Roles (Court Consultant etc)	5	3	2	1	1	5	6	7	6	6	5
<b>Subtotal Agency Social Work Roles</b>	<b>263</b>	<b>188</b>	<b>172</b>	<b>165</b>	<b>159</b>	<b>321.5</b>	<b>333</b>	<b>338</b>	<b>336</b>	<b>323</b>	<b>288</b>
Assistant Director	1	1	0	0	0	1	1	0	0	0	0
Head of Service	1	1	1	0	0	0	1	2	2	1	1
Support Workers/CRW/PA	25	18	15	12	10	35	30	28	28	18	13
Residential Practitioner	5	5	0	0	0	9	2	3	2	1	1
BSO/Minutetaker	10	5	0	0	0	7	9	6	10	5	2
<b>Subtotal Other Agency Children Social Care Roles</b>	<b>42</b>	<b>30</b>	<b>16</b>	<b>12</b>	<b>10</b>	<b>52</b>	<b>43</b>	<b>39</b>	<b>42</b>	<b>25</b>	<b>17</b>
<b>Subtotal Children Social Care Agency Staff</b>	<b>305</b>	<b>218</b>	<b>188</b>	<b>177</b>	<b>169</b>	<b>373.5</b>	<b>376</b>	<b>377</b>	<b>378</b>	<b>348</b>	<b>305</b>

10.14 The table below demonstrates that although significant effort was being made to recruit new Social Workers, the numbers of leavers exceeded the numbers of new starters both in 2021-22 and 2022-23. As a result of a recruitment drive to appoint Assessed and Supported Year in Employment (ASYE) newly qualified Social Workers and International Social Workers prior to the Trust formation, a number of these have now been appointed, and overall, there has been more new Social Worker starters than leavers since the formation of the Trust.

Social Worker Starters and Leavers											
Description	2021/22 Total	Apr - Jun 22	Jul - Sept 22	Oct - Dec 22	Jan - Mar 23	2022/2023 Total	Apr - Jun 23	Jul - Sept 23	Oct - Dec 23	Jan - Mar 24	23/24 Total
Starter	43	12	20	3	24	59	28	10	10	11	59
Leaver	64	15	22	19	13	69	12	22	6	2	42
Net	-21	-3	-2	-16	11	-10	16	-12	4	9	17

10.15 The table below shows that although there had been some progress in increasing the numbers of permanent Social Workers up to September 2021 the numbers then reduced to December 2022, and have since increased following a number of new appointments, and this is planned to continue in the coming months. A revised recruitment plan is now being embedded in the Trust and the impact will be closely monitored. Recruitment of new senior staff on a permanent basis, together with further work on what makes Bradford a great place to work and more streamlined recruitment processes will hopefully impact on bringing more new staff to Bradford in addition to the further attention to the pipeline of new starters that is well developed. Work is also taking place on the support and development offer to encourage staff to stay and build their careers in Bradford.

	Apr 21	Sept 21	Apr 22	Sept 22	Dec 22	Mar 23	Jun 23	Sept 23	Dec 23	Feb 24
No of Permanent Social Workers	293	303	283	281	265	276	292	280	284	293

- 10.16 Benchmarking data demonstrates that the percentage of agency Social Work staff in Bradford has increased significantly over the past 5 years and is significantly higher than comparators.

<b>Agency staff as % of Social Work Workforce</b>										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bradford	4	3	4	4	12	30	34	39	46	50
Yorkshire and Humber	8	6	9	8	8	10	11	13	16	16
National	15	16	16	16	15	16	15	16	18	18
Statistical Neighbours	17	15	17	16	15	16	16	18	19	18
<b>West Yorkshire</b>										
Bradford	4	3	4	4	12	30	34	39	46	50
Calderdale	7	3	0	5	2	7	3	9	14	8
Kirklees	4	3	26	18	6	2	0	0	0	0
Leeds	8	4	4	1	1	1	0	0	3	4
Wakefield	19	-	9	6	29	32	22	14	14	16

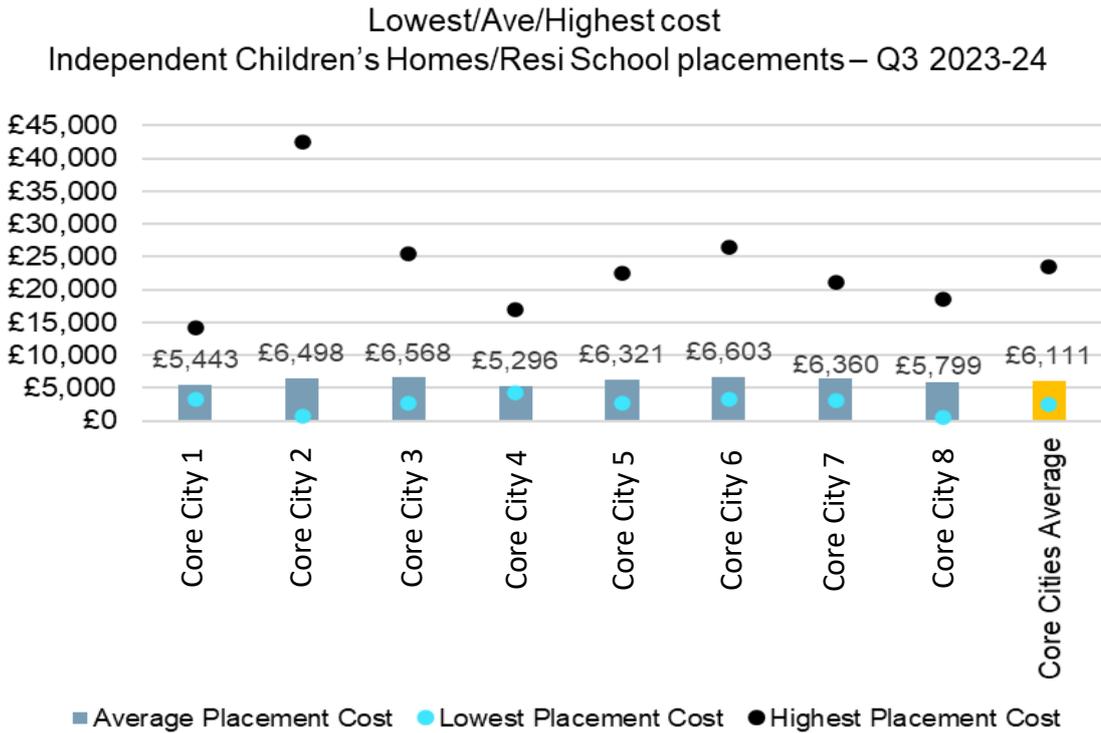
- 10.17 In addition to demonstrating that agency use is particularly acute in Bradford, the table also demonstrates that agency use has reduced from high levels in other West Yorkshire Councils that have also previously been assessed as inadequate (Kirklees & Wakefield), suggesting that there is clear scope for Bradford to follow a similar trajectory over time.
- 10.18 The 3-year business plan from the Childrens Trust also identified the need to reduce reliance on agency staff, with commitments to reductions in agency staff as a % of all Social Work roles to 20% of the workforce by March 2026.

## Placements

- 10.19 Despite a positive reduction in the numbers of children needing to be in care, adverse budget variances are also occurring in placement costs due to a lack of suitable placements with family, in foster care or in our own residential care, which is resulting in a placements budget pressure. This is resulting in a disproportionate use of high cost external residential and Independent Fostering placements for those who do need to come into care or where placements break down, which impact on the budget pressure at a greater level than the actual numbers in care might suggest.
- 10.20 Work to increase local placements is underway through the implementation of the Sufficiency Strategy and a reduction in those coming into care as a result of more effective support work are having an impact for children, but this does not yet show in the budget outturn.

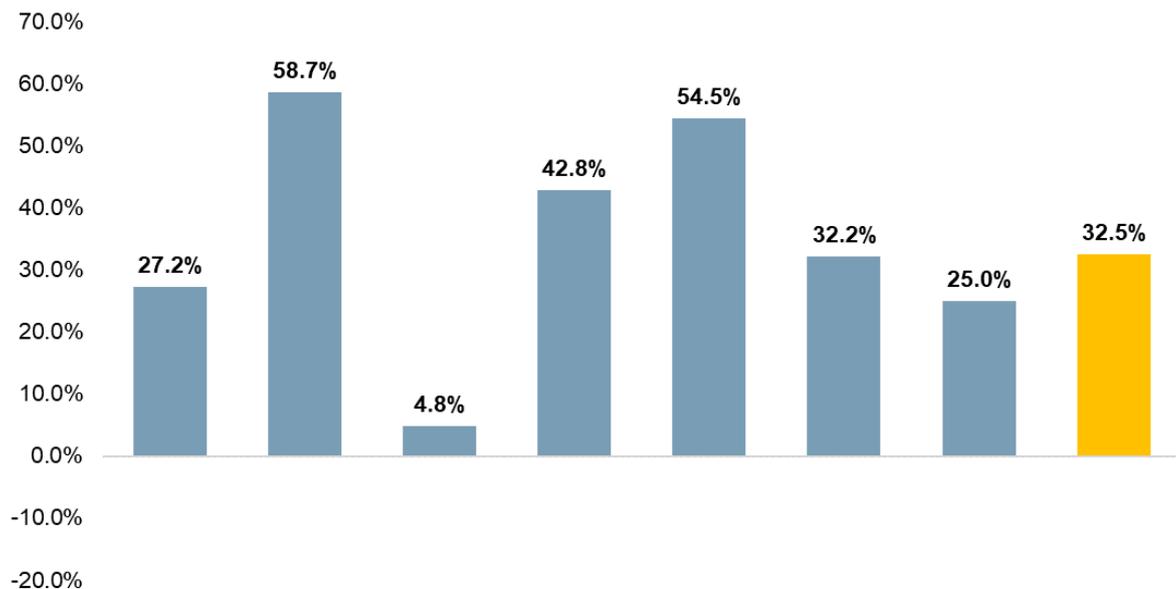
10.21 Residential placements are costing on average close to £338k per year per child each, and the average cost of a placement has risen dramatically from c£3,600 per week per child in 2020-21 to current average cost of £6,517 in 2023-24. The £6,517 includes inflation uplifts for 2023/24 from the White Rose Framework (implemented 1 August 2023) and from other providers off framework that will not be included in the residential unit costs in the table below.

10.22 Regional data from Core Cities (Birmingham, Leeds, Liverpool, Manchester, Newcastle, Nottingham, and Sheffield) in Dec 23 date provide an average cost of £6,111 for external residential placements, see table below for details



10.23 In addition to a growth in unit costs most other core cities have seen a significant increase in spend on residential care in 2023-24 in comparison to 2022-23 as outlined in the table below.

Residential Spend: 2022/23 compared to Q3 2023/24 Projection



10.24 A recent Competition and Markets Authority report has found the purchased placements market to be dysfunctional and subject to profiteering by suppliers. The Trust is working with the Council Commissioning and Contacts team on reviewing high-cost placements to seek value for money price reductions where possible and to plan moves for children where appropriate for their welfare needs in the short to medium term.

10.25 The numbers of children in placements had never been higher as outlined in the table below. There has been intensive work in the current financial year to secure discharges from care orders and on 29<sup>th</sup> February, 182 discharges of care had been secured.

Type of Placement	17-18	18-19	19-20	20-21	21-22	22-23	Feb 23-24 per BCFT	Avg Cost per week 2022-23	Avg Cost per week 2023-24
Placed with Parents	117	129	150	162	166	171	115	£0	£0
Placed for Adoption	25	26	24	35	52	31	29	£0	£0
Friends and Families	235	301	357	372	394	405	379	£354	£383
Foster Parents	371	354	368	393	375	390	328	£546	£593
Fostering Agencies	57	88	131	164	191	274	312	£950	£925
Residential Care (Internal)	51	45	51	45	38	26	21	£4,472	
Residential Care (External)	42	42	60	70	105	169	204	£5,086	£6,517
Other*	62	68	90	107	125	120	127	£1,951	£1,894
<b>Sub Total (Number of Children Looked After)</b>	<b>960</b>	<b>1,053</b>	<b>1,231</b>	<b>1,349</b>	<b>1,446</b>	<b>1,586</b>	<b>1,515</b>		
Residence Orders	46	40	37	33	30	29	26	£164	£193
Adoption Orders	247	239	237	226	214	204	212	£168	£187
Special Guardianship Orders	320	338	364	435	473	523	602	£164	£196
<b>Sub Total (Chd in Permanent Arrangements)</b>	<b>613</b>	<b>617</b>	<b>638</b>	<b>694</b>	<b>717</b>	<b>756</b>	<b>840</b>		
<b>Total Children Receiving Support</b>	<b>1,573</b>	<b>1,670</b>	<b>1,869</b>	<b>2,043</b>	<b>2,163</b>	<b>2,342</b>	<b>2,355</b>		

, \* Includes Supported Living placements, Hospital Placements and Mother/Baby placements.

10.26 The table below outlines how the monthly placement numbers compare to those included in the contract model and the difference between the actuals and the contract price assumptions provide a crucial understanding of the variance in the costs despite the actual numbers of children in care reducing. The Sufficiency Strategy work is crucial to change this balance over time. At contract start date, the numbers of placements were similar to the total numbers that had been assumed at that point (2,342 actual vs 2,328 per the contract model).

10.27 Although the actual numbers were slightly higher than the contract model, it should be noted that the actual numbers included significantly higher numbers of children placed with parents that have a £0 placement cost. (171 actual vs 99 in the contract model).

10.28 As the numbers of children in expensive residential care placements was already so much higher than benchmarks in 2022-23, reviews of costly placements; improvements in Social Care practice, and investment into Internal Residential

Care were already planned when services were being run by the Council. However, the assumptions as to the speed at which this would impact on costs were optimistic and the pace of growth in internal sufficiency has not happened as assumed. The work now progressing through the multi-agency Sufficiency Board will increase the placement types we need over time. Phase 1 and Phase 2 of the Residential Homes strategy was agreed in July 2023.

## Placement Numbers – 29th February 24 vs Budget Models

Type of Placements	Actual												£170m Model					
	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Average
Placed with Parents	171	162	174	163	149	144	130	120	110	117	116	115	99	99	99	99	99	99
Placed for Adoption	31	31	30	29	29	33	30	32	34	28	29	29	43	45	45	44	44	44
Friends and Families	405	393	397	413	426	422	426	409	406	396	382	379	444	453	449	444	440	447
Foster Carers (Internal)	390	388	377	367	362	347	349	344	339	351	352	328	391	394	396	400	396	393
Fostering Agencies (Ext)	274	280	281	288	293	295	296	300	285	277	275	312	245	247	241	236	230	258
Residential Care (Internal)	26	26	24	25	25	23	23	25	26	22	22	21	30	35	40	44	53	41
Residential Care (Ext)	169	170	179	187	190	196	203	208	211	216	208	204	174	147	141	134	128	145
Supported Accommodation	109	114	116	115	123	122	132	135	128	126	121	120	123	124	122	120	118	122
Other *	11	15	17	13	13	12	9	11	9	8	7	7	8	8	8	9	9	8
<b>Subtotal</b>	<b>1586</b>	<b>1579</b>	<b>1595</b>	<b>1600</b>	<b>1610</b>	<b>1594</b>	<b>1598</b>	<b>1584</b>	<b>1548</b>	<b>1541</b>	<b>1512</b>	<b>1515</b>	<b>1557</b>	<b>1552</b>	<b>1541</b>	<b>1530</b>	<b>1517</b>	<b>1557</b>
Child Arrangement Order	29	29	29	29	29	27	27	28	26	26	24	26	26	26	26	26	26	26
Adoption Order	204	211	209	209	209	203	209	211	211	213	214	212	222	222	222	222	222	222
Special Guardian Order	523	538	552	559	555	548	559	571	575	579	587	602	523	526	530	535	539	533
<b>Subtotal</b>	<b>756</b>	<b>778</b>	<b>790</b>	<b>797</b>	<b>793</b>	<b>778</b>	<b>795</b>	<b>810</b>	<b>812</b>	<b>818</b>	<b>825</b>	<b>840</b>	<b>771</b>	<b>774</b>	<b>778</b>	<b>783</b>	<b>787</b>	<b>781</b>
<b>Overall Total</b>	<b>2,342</b>	<b>2,357</b>	<b>2,385</b>	<b>2,397</b>	<b>2,403</b>	<b>2,372</b>	<b>2,393</b>	<b>2,394</b>	<b>2,360</b>	<b>2,359</b>	<b>2,337</b>	<b>2,355</b>	<b>2,328</b>	<b>2,326</b>	<b>2,319</b>	<b>2,313</b>	<b>2,304</b>	<b>2,338</b>

10.29 As individual residential placements cost on average £6,517 per week (£338,000 per year), growth in these types of placement results in very significant financial pressures.

10.30 Indicatively, the cost of 1 placement for a year is broadly equivalent to the net operating cost of a small leisure centre, and so far this year there have been **35** additional external residential placements made. This compares to an increase in the same period in the previous financial year of 56 additional external placements to end of February 2023. The cost implications are compounded as the contract model which assumed that residential placements would have reduced by 20 by now for the reasons outlined in 10.28. New projections have now been developed by the Trust as part of the medium-term financial plan and the work to achieve them is being implemented.

10.31 The average cost per week of an external residential care placement has increased very significantly in recent years as outlined below.

2019-20	2020-21	2021-22	2022-23	2023-24 per Contract	2023-24 per Trust Period 11 forecast
£3,326	£3,600	£4,800	£5,086	£5,429	£6,517

- 10.32 Children needing residential care often demonstrate acute distressed behaviour and their needs are unable to be met in larger homes with a lower cost per week. This has resulted in an increase in smaller homes at an increased cost, with tight monitoring by Ofsted as to whether the homes meet the needs of those placed there. The dysfunctional and profiteering care market has accentuated placement costs and this remains a national as well as local issue. The solution is to need fewer such placements over time by reducing the number of children who need to be in care and meeting their needs in more family-based arrangements where appropriate.
- 10.33 Over 16 provision has also been bought into the regulated sector since October 2023 with the aim of improving quality which can be variable. There was a requirement for provisions to register with Ofsted, and inspections of those provisions start in April 2024. The anticipated additional cost pressure of placements is being monitored closely but will fall to Councils without the provision of an associated increase in recurrent funding.
- 10.34 Benchmarking data shows that over recent years the numbers of Children Looked After supported by Children's Social Care increased from a relatively low number per 10,000 to a relatively very high number in comparison to other Councils, and growth in numbers has been significantly higher than other comparators, but the latest number shows that those numbers are starting to reduce in accordance with the Trust business plan work and projections.

	2016	2017	2018	2019	2020	2021	2022	2023	% Gro wth	Mar 23	Feb 24
Bradford	61	66	70	82	87	94	103	113	85%	113	108
Yorks and Humber Avg	63	67	71	74	77	78	81	81	29%		
Statistical Neighbour Avg	84	87	84	87	88	90	88	89	6%		
National Avg	60	62	64	65	67	67	70	71	18%		

- 10.35 Bradford is also spending highly disproportionate (approximately double) amounts on high-cost placements like Residential Care. The table demonstrates very significant growth in costs since 2020-21 to 2022-23, and further very high increases are expected in 2023-24. The work led by the Trust but working with the Council Commissioning and Contracts Team is essential to understand and reduce this differential.

Local Authorities – Spend per head of Child Population on Residential Care	16-17	17-18	18-19	19-20	20-21	21-22	22-23	% Increase 15- 16 to 22-23	23- 24
Bradford	£111	£105	£114	£145	£181	£236	£376	251.40%	£500
Yorkshire and Humber	£100	£112	£120	£126	£140	£163	£205	113.54%	
National	£96	£111	£117	£126	£143	£159	£197	121.35%	
Statistical Neighbours	£120	£134	£158	£157	£163	£163	£219		

**Children with Disability Service**

10.36 The Children with Disability Service also has a forecast variance on the direct payment/home support budget of £2.0m (before contract change requests (£2.1m)). This is being reviewed by the Trust with a steering group established for short breaks to plan the future. Whilst the budget has not increased since 2022/23, the number of children in need of short breaks has increased significantly and a flexible solution is needed to meet their needs going forward.

**Section 17**

10.37 The Section 17 preventative assistance budget has a variance of £2.8m (£1.0m after contract change requests) mainly due to growth in alternative placements costs. Work on these costs has now been undertaken and it is expected that this pressure will reduce for the future. This is being closely monitored.

**Income**

10.38 The Trust is forecast to overachieve the placement income budget by £1.4m, which reflects additional income of £2.1m this period linked to UASC, health and education contributions, see table below.

Description	Budget	Forecast	Variance
Health Income	£6,370,100	£2,125,800	£4,244,300
Education Income	£714,100	£4,611,100	-£3,897,000
UASC Income	£1,074,000	£2,913,000	-£1,839,000
<b>Total</b>	<b>£8,158,200</b>	<b>£9,649,900</b>	<b>-£1,491,700</b>

10.39 This is despite the income pressures and underachievement of the £6m budgeted Continuing Care contributions from Health partners which was set in the initial contract price assumptions. This budget was established in 2023/24 as part of the initial contract price. A joint working protocol has been agreed with health partners to seek to secure appropriate contributions; embedding of the protocol is continuing.

**Trust Mitigations**

10.40 During the nine months of operation, BCFT worked to understand the reasons for the scale of the continuing budget pressures and developed a comprehensive financial mitigations plan which is fully linked to the overarching business plan for the Trust. The benefit from the 21 mitigations workstreams has been included in the forecast.

- 10.41 The mitigations plan included.
- a strong focus on reducing the need for children to come into care through intensive earlier support, strengthening support to families and practice improvements across a range of activities.
  - increasing the sufficiency of family and local placements for those children who do need to be in care by implementing the Sufficiency Strategy already agreed by the Council and making sure that children only stay in care for as long as they need to with effective long term and permanence planning. Over time this will reduce the numbers of children in care and realign the placements for those in care which will deliver better outcomes and reduce costs.
  - tighter commissioning and contracting arrangements, plus clearer financial decision-making processes, approvals of expenditure and revised practices in relation to the recording of key areas of expenditure which supports a stronger focus on value for money as well as seeking the right placements and support for those children and young people who need them.
  - a clear workforce plan is in place to reduce the need for the volume of agency workers over time which will support a greater level of permanent staffing and a reduction in the cost of agency staffing over time.
  - a reduction in the cost of agency staffing over time.
- 10.42 As BCFT is a wholly owned company of the Council and provides statutory services it must remain solvent. As the Trust will overspend the contract sum as previously outlined, the Council has consequently approved change requests during the year to reimburse them for costs above the contract sum. The final change request will be submitted by the Trust in May 2024, and an interim payment of £10m was made on the 28<sup>th</sup> March 2024.

### **Impact to date and future implications**

- 10.43 The focus on intensive early and family help, building our restorative practice approach and working with greater confidence to meet children's needs at home is resulting in a reduction in children needing to come into care. Combined with a strong focus on permanence and discharging of care orders, plus returning some children home, our overall numbers in care have reduced significantly. We are averaging 15 children fewer in care per month currently and at the end of February we had 1,515 children in care which is lower than our end of year forecast of 1,552. In light of this progress BCFT are doing the following:
- Reviewing the end of year forecast and the likely continued reduction of children in care for 2024-25. BCFT have drafted a projected end of year number of 1,495 and are building a forecast of an average monthly reduction of 9 and 12 per month for the next two years.
  - BCFT are developing a needs assessment for new placements based on ages of those coming into care and those we know will exit, plus those we want to move. This will translate into a placement sufficiency plan linked to anticipated changes to numbers of placements needed of each type against which we can set average costs.
  - BCFT have now removed 10 managed teams, with 1 more due to leave in

March and the remaining two in the first quarter of 2024/25. This work led to some small increases in individual agency numbers as they worked through the swap out of the teams. Not all teams were replaced in full and recruitment of permanent staff is on-going. The full impact of the changes to budgets will come in 2024-25.

- BCFT are in active dialogue with the council about future commissioning and contracting arrangements and the first stage of work on VFM has produced a very limited return from the time invested so we are focusing on how to do this more effectively for new placements and options to review current placement costs in accordance with reviews of children's needs.

## Housing Revenue Account (HRA)

	Gross Expenditure Budget £000's	Gross Expenditure Forecast £000's	Income Budget £000's	Income Forecast £000's	Budget £000's	Forecast £000's	Variance £000's
<b>Housing Revenue Account</b>							
HRA Extra Care	576	554	-632	-548	-56	6	62.3
Housing Revenue Account	1,489	1,483	0	-6	1,489	1,477	-11.7
Affordable Housing (inc New)	588	772	-2,020	-1,964	-1,432	-1,192	240.5
<b>Total</b>	<b>2,652</b>	<b>2,810</b>	<b>-2,652</b>	<b>-2,519</b>	<b>0</b>	<b>291</b>	<b>291</b>

- 11.1 The Council's Housing Revenue Account (HRA) accounts for all Council Housing related revenue expenditure and income in a separate statutory (ring-fenced) account. The forecast revenue outturn is a £0.3m overspend in 2023-24.
- 11.2 There are significant pressures on the income budget due to a high level of voids (empty properties) at Fletcher Court and under recovery of service charges. Repairs and maintenance are forecast to overspend, due to the current pressures caused by inflationary increases and the difficulties arising from the management and maintenance of these facilities. A full review of all budgets has been undertaken and it is proposed to reduce the repairs and maintenance expenditure and bring efficiency through re-letting voids quicker.
- 11.3 The Council is in the process of procuring a new housing management and maintenance contract in relation to the council's 'General Needs' housing stock as the current provider contract ends 31 March 2024.

## Reserves

- 12.1 As a result of planned reserve use, and unplanned use of reserves to cover high inflation and significant variances in Children's Services in 2022-23, the Council's non schools reserves reduced by £110m in 2022-23 to c£120m. After a further c£48m reduction to balance the budget in 2023-24 approved by Budget Council

was transacted, this left c£73m of non-Schools reserves going into the 2023-24 year which was an historic low.

- 12.2 The £73m of reserves were inclusive of Grant reserves for specific purposes (c£16.4m), c£34m of currently earmarked reserves, and the £22m General Fund reserve that is the minimum amount of un-ringfenced reserves that it is recommended to be held to fund unforeseen events. Any use of the General Fund reserve would however require it to be replenished for next financial year in line with recommended practice.
- 12.3 A recent successful exercise to repatriate West Yorkshire + Transport Fund reserves has resulted in a c£11.8m increase in General Fund reserve levels which has been partly offset by remaining amounts required to balance the budget.

Reserve Type	Total Reserves Opening Balance £s	In year reserve Movements £s	Total Reserves Closing Balance £s
General Fund Balance	22,001,000	10,732,911	32,733,911
Service Earmarked Reserves	45,345,686	-19,998,309	25,347,377
Grant Reserves	17,400,500	-4,245,900	13,154,600
Corporate Earmarked Reserve	35,274,080	-29,279,202	5,994,878
Corporate Capital Reserves	442,700	0	442,700
<b>Total</b>	<b>120,463,966</b>	<b>-42,790,500</b>	<b>77,673,466</b>

- 12.4 It should however be noted that available reserve levels will not be sufficient to cover the forecast year-end overspend in 2023-24, and consequently the Council has requested Exceptional Financial Support from Government.

### School Balances

- 13.1 The table below shows the School Reserves (including Schools Contingencies) position at 31 March 2023. Schools do not report their quarter three financial positions for 2023-24 until the end of January. Therefore, the forecast figures for 31 March 2024 that are shown in the table below use quarter two forecasts for schools that were maintained at 1 January 2024.

	Balance 31 March 2023		Forecasted Balance 31 March 2024		Movement	
	Nos	£000	Nos	£000	Nos	£000
Nursery	7	1,259	7	1,162	0	(97)
Primary	61	6,569	51	3,243	(10)	(3,326)
Secondary	4	2,971	2	1,769	(2)	(1,202)
Special	2	1,077	1	270	(1)	(807)
Pupil Referral Units (PRU)	1	497	1	181	0	(316)
<b>Subtotal</b>	<b>75</b>	<b>12,373</b>	<b>62</b>	<b>6,625</b>	<b>(13)</b>	<b>(5,748)</b>
School Contingency		37,080		29,975	0	(7,105)
Other Activities/Closed Schools		267		267	0	0
<b>Total</b>	<b>75</b>	<b>49,720</b>	<b>62</b>	<b>36,867</b>	<b>(13)</b>	<b>(12,853)</b>

- Ten schools (one maintained nursery school and nine primary schools) at quarter two forecasted cumulative deficit revenue balances at 31 March 2024, with a combined forecasted deficit value of £0.360m.
- Thirteen maintained schools have converted to academy status so far during 2023-24: 10 primary schools, 2 secondary schools and 1 special school.

## Capital Expenditure

14.1 The Council continues to seek to deliver a large capital programme across the District, which will provide improved facilities and infrastructure to support the delivery of the Council Plan.

14.2 The profiled resource position for 2023-24 for the Capital Investment Plan stands at £219.1m. To the end of February there has been total spend of £149.3m. A summary by service is shown below with a detailed monitor in Appendix 3.

Directorate	Q3 Budget	Changes	Re profiled Budget 23-24	Spend 29 Feb 2024	Budget 24-25	Budget 25-26	Budget 26-27 onwards	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Health and Wellbeing	4.7	0.1	4.8	1.6	6.1	6.1	1.7	18.7
Children's Services	19.9	0.8	20.7	14.2	15.8	10.1	3.9	50.5
Place - Economy & Development Services	52.6	0.1	52.7	39.3	37.9	26.9	6.1	123.6
Place - Planning, Transport & Highways	69.0	-1.4	67.6	53.3	39.8	20.9	104.1	232.4
Place – Other	20.0	0.0	20.0	11.3	41.9	16.6	1.1	79.6
Corp Service – Estates & Property Services	32.6	-0.1	32.5	25.8	15.4	7.0	2.0	56.9
<b>TOTAL - Services</b>	<b>198.8</b>	<b>-0.5</b>	<b>198.3</b>	<b>145.5</b>	<b>156.9</b>	<b>87.6</b>	<b>118.9</b>	<b>561.7</b>
Reserve Schemes & Contingencies	18.9	-0.8	18.1	0.0	77.8	34.0	45.2	175.1
<b>TOTAL – General Fund</b>	<b>217.7</b>	<b>-1.3</b>	<b>216.4</b>	<b>145.5</b>	<b>234.7</b>	<b>121.6</b>	<b>164.1</b>	<b>736.8</b>
Housing Revenue Account	1.8	0.0	1.8	3.8	4.5	0.0	0.0	6.3
Reserve HRA	1.0	0.0	1.0	0.0	10.0	10.0	8.2	29.2
<b>TOTAL – HRA</b>	<b>2.8</b>	<b>0.0</b>	<b>2.8</b>	<b>3.8</b>	<b>14.5</b>	<b>10.0</b>	<b>8.2</b>	<b>35.5</b>
<b>TOTAL</b>	<b>220.5</b>	<b>-1.3</b>	<b>219.2</b>	<b>149.3</b>	<b>249.2</b>	<b>131.6</b>	<b>172.3</b>	<b>772.3</b>

14.3 Overall, there has been a reduction in the total budget of £3.2m to £772.3m. The main changes relate to:

- £8.6m budget for schemes have been removed / reduced because of the 2024-25 Budget review.
- £3.0m budget increase in the 2024-25 Budget including £1.0m contingency and £2.0m for IT in future years.
- £1.3m New grant funding, including £0.6m DfE grant for Connecting the Classrooms and £0.7m grant increase for the UKSPF project.
- £0.5m additional for capital costs transferred from revenue.

## 14.4 Other changes since Qtr 3 are:

- £1.4m Darley St Food and Beverage Court approved, £1m funding moved from reserves and £0.4m from the main Darley St Market project.

14.5 Considering the significant financial challenges faced by the Council, the current Capital Plan and the Plan for all future years are currently subject to a rigorous review with a view to reducing debt charges as a contribution to the Council's savings target in subsequent years. This will mean some capital schemes will be reprofiled, deferred or even stopped entirely.

14.6 Subject to the review referred to above, Officers will continue to review capital budget profiles in year as part of future financial monitoring. Any changes would reflect the affordability, sustainability, and prudence of the Capital Programme in the context of the Council's financial challenge as well as growing complexities and challenges over the next 5 years in delivering to this scale of ambition.

### Capital Programme 2023-24 Update

14.7 The latest forecast for expenditure for 2023-24 is £185.6m, compared to a revised budget of £219.1m. Spend to the end of February is £149.3m. A summary by service is shown below with a detailed monitor in Appendix 3.

#### Budget, forecast and spend to date as at 29 February for 2023-24

	Revised Budget 2023-24 £m	Annual Spend Forecast £m	Variance £m	Spend 29 February 2024 £m	Spend to date as a % of forecast %
Health and Wellbeing	4.8	3.2	1.6	1.6	50.0%
Children's Services	20.7	18.8	1.9	14.2	75.5%
Place - Economy & Development	52.7	45.3	7.4	39.3	86.8%
Place - Planning, Transportation & Highways	67.6	69.9	-2.3	53.3	76.3%
Place – Other	20.0	13.9	6.1	11.3	81.3%
Corporate Resources – Estates & Property	32.5	28.2	4.3	25.8	91.5%
Reserve Schemes & Contingencies	18.1	0.7	17.4	0.0	0.0%
<b>TOTAL – General Fund</b>	<b>216.4</b>	<b>180.0</b>	<b>36.4</b>	<b>145.5</b>	<b>80.8%</b>
Housing Revenue Account	2.8	5.6	-2.8	3.8	67.9%
<b>TOTAL - All Services</b>	<b>219.2</b>	<b>185.6</b>	<b>33.6</b>	<b>149.3</b>	<b>80.4%</b>

14.8 There is a forecast capital programme variance of £33.6m between the budget and the latest expenditure forecast. In the HRA forecast spend is higher than budget due to acquiring LAHF properties in 23-24. Budget from future years will be used to fund this. Also in Planning, Transportation & Highways forecast spend is higher than budget due to acceleration on Transforming Cities Fund.

14.9 Spend is higher than at this time in the previous two years but 2022-23 was impacted by delays due to Covid and this year there has been several significant schemes that have been in their full construction stage. Scheme phasing will continue to be monitored to ensure that it is accurate and realistic.

## New Capital Schemes

- 14.10 New schemes for the 2024-25 programme have been included in the 2024- 25 Budget Proposals Report and included in this Q4 CIP.
- 14.11 The following scheme has been approved under Section 1.7 of the Financial Regulations. Executive are asked to note.
- **Children's Residential Homes** – £0.075m for capital works on the garden and internal works to replace three hoists at a Children's Residential Homes. Upon completion the project will provide a safe, reliable home area for the children, enabling staff to demonstrate that the Council and BCFT provide a service that meets their needs. The work is required to meet Ofsted regulatory requirements and to ensure that the home is fit for purpose. This was an emergency decision as assurance needed to be provided to Ofsted that the works had started as soon as possible. It will be funded from the 2023-24 General Contingency budget included in the CIP.

## Capital Resources / Treasury Management

- 14.12 Capital receipts from the sale of fixed assets are £1.6m to date and the Council is expected to achieve a budget of £3.5m in capital receipts for the year. The Council has received an additional £76.6m in capital grants and contributions so far this year.
- 14.13 A £6.484m PWLB (Public Works Loan Board) matured in January 2024 with a rate of interest of 9.125%. Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement CFR) new PWLB borrowing undertaken to date is £140m with an average interest rate of 4.98%.
- 14.14 In recent years the Council has been able to minimise its need to borrow to fund capital expenditure as it has held significant reserves; this is termed under-borrowing. As those reserves reduced significantly during 2022-23 and are forecast to continue to reduce in 2023-24 the Council will now need to borrow to finance capital expenditure. The Council has taken out a mixture of short-term and long-term borrowing. These borrowing requirements, combined with high interest rates will create a budget pressure of £3.5m.
- 14.15 It is now a requirement of the CIPFA Prudential Code that Prudential and Treasury Management Indicators are reported on a quarterly basis. These indicators are shown in Appendix 5.
- 14.16 As indicated above, considering the financial challenge faced by the Council and, specifically, the forecast overspend on the Council's debt charges, work is underway to review the debt charges budget. This is being undertaken in conjunction with the review of the Capital Programme, the crux of which is to determine to what extent the Council can reduce the amount of Prudential Borrowing.
- 14.17 At the same, given the change in interest rates over the last 12 months and the deterioration in the Council's reserves and with it the extent to which the Council

can internally borrow, a review of the Treasury Management Strategy is underway with a view to ensuring the Council's Strategy focuses on optimising its debt portfolio in support of its Capital Programme.

### **Council Tax and Business Rates Collection Fund**

- 15.1 Council Tax and Business Rates are paid into a separate account, from which precepts (distributions) are paid to Bradford Council, the Government, the police and fire authorities will be paid over its budgeted Council Tax precept (£233m) in 2023-24. The Councils forecast share of the Council Tax collection fund surplus for 2023-24 in year collection, is £880k. This has been included in the 2024-25 budget.
- 15.2 Regarding Business Rates, the Council will be paid its budgeted Business Rates of £58.2m in 2023-24. A Business Rates collection fund deficit of c£2m from 2022-23 will also have to be repaid in 2023-24 as budgeted. The Councils forecast share of the Business Rates collection fund surplus for 2023-24 in year collection is £390k. This has been included in the recently submitted NNDR1 form which sets the Business Rates budget for 2024-25.
- 15.3 The Council applies costs to Council Tax and Business Rates accounts to cover the sum reasonably incurred in taking action through to the Magistrates Court in line with legislation. The charges for these are recommended to rise from £85 in 2023-24 to £100 in 2024-25 for Council Tax and from £110 in 2023-24 to £125 in 2024-25 for Business Rates. The charges remain broadly comparable with those charged across other West Yorkshire Councils.

### **16.0 RISK MANAGEMENT**

- The financial risks of future known, and uncertain liabilities are being addressed through contingencies and provisions outlined in this report.
- The Council's Strategic Risk Register is included in Appendix 4. This shows the position at the half year. There has been very little change from the first quarter where a significant number of risks were categorised as red. This highlights the capacity issues that the Council has to implement the required changes to reduce risk. The risk environment will continue to be monitored through the year.

### **17.0 LEGAL APPRAISAL**

- This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules. There are no other legal implications arising from this report.

**18.0 OTHER IMPLICATIONS**

**19.0 EQUALITY & DIVERSITY**

None

**20.0 SUSTAINABILITY IMPLICATIONS**

None

**21.0 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS**

None

**22.0 COMMUNITY SAFETY IMPLICATIONS**

None

**23.0 HUMAN RIGHTS ACT**

None

**24.0 TRADE UNION**

None

**25.0 WARD IMPLICATIONS**

None

**26.0 IMPLICATIONS FOR CHILDREN & FAMILIES**

None

**27.0 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None

**28.0 NOT FOR PUBLICATION DOCUMENTS**

None

## **29.0 RECOMMENDATIONS**

### **That the Executive**

- 29.1 Review and comment on the Qtr 4 Finance Position Statement for 2023-24
- 29.2 Note the following has been approved under Section 1.7 of the Financial Regulations for inclusion in the Capital programme:
- £0.075m for capital works on the garden and the purchase of three hoists at a Children's Residential Homes. This will be funded from the 2023-24 General Contingency budget included in the CIP.
- 29.3 Approve the charges for court costs in respect of Council Tax and Business Rates as outlined in section 15.3.

## **30.0 APPENDICES**

- Appendix 1 Benchmark Spend by Service
- Appendix 2 Reserves Statement
- Appendix 3 Capital Investment Plan
- Appendix 4 Prudential & Treasury Management Indicators

## **31.0 BACKGROUND DOCUMENTS**

- Qtr 3 Finance Position Statement – Executive 6<sup>th</sup> February 2024
- Budget Update Report – Exceptional Financial Support request – Executive 21<sup>st</sup> December 2023.
- Qtr 2 Finance Position Statement – Executive 7<sup>th</sup> November 2023
- Qtr 1 Finance Position Statement – Executive 13<sup>th</sup> July 2023
- 2022-23 Finance Position Statement – Executive 13<sup>th</sup> July 2023

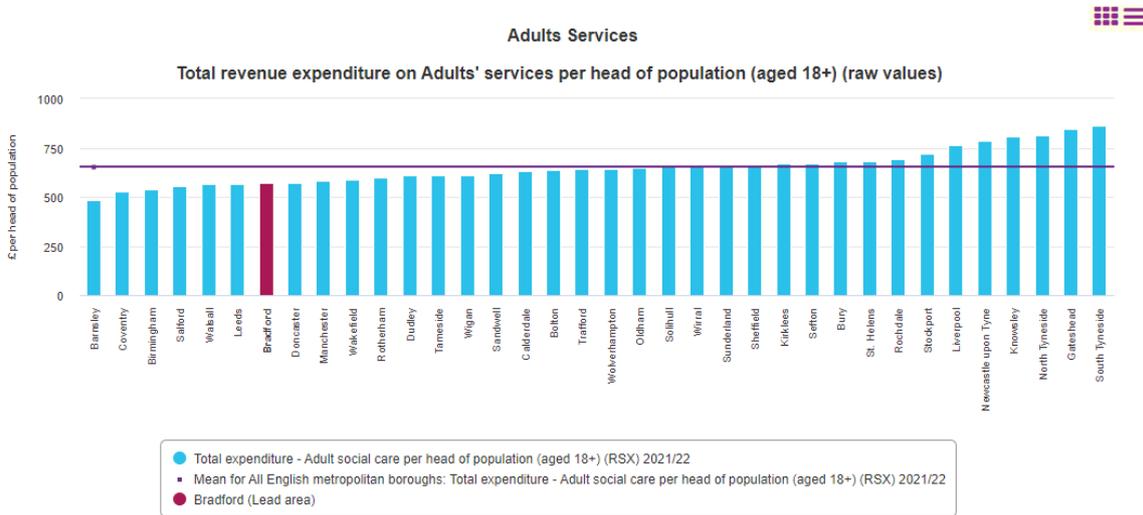
# Benchmark Spend data

# Appendix 1

## Adult Social Care & Public Health

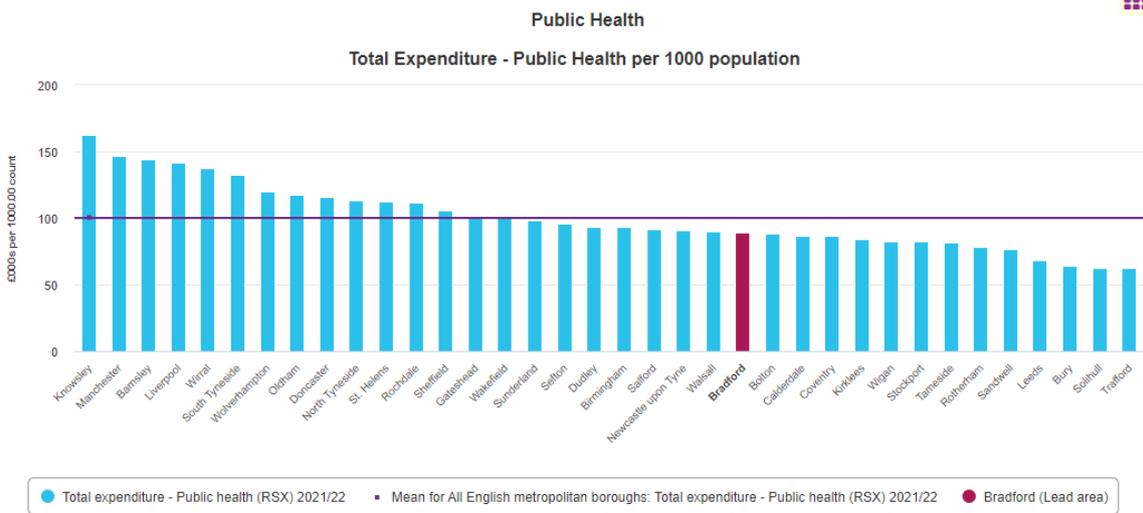
### Adult Services

Spend on Adult Services per head of adult population in Bradford has been low for many years. The Service has a good record of prevention, and there have been improvements in inspection outcomes in recent years.



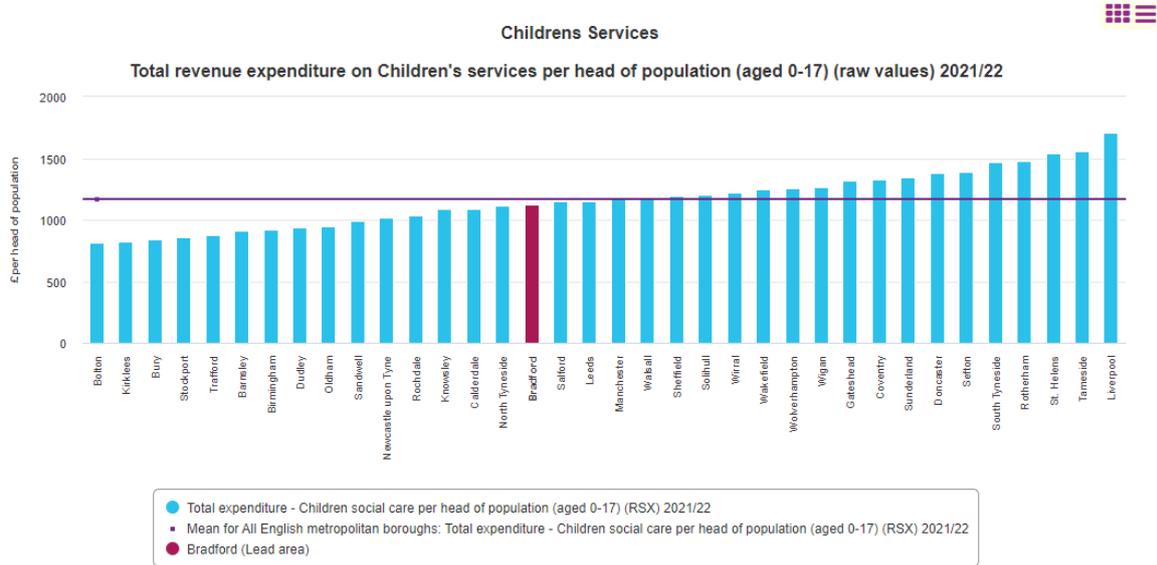
### Public Health

Public Health spend is driven by the Public Health grant which is based on a national formula and distributed by Government. Spnd per 1,000 population is close to benchmark averages.



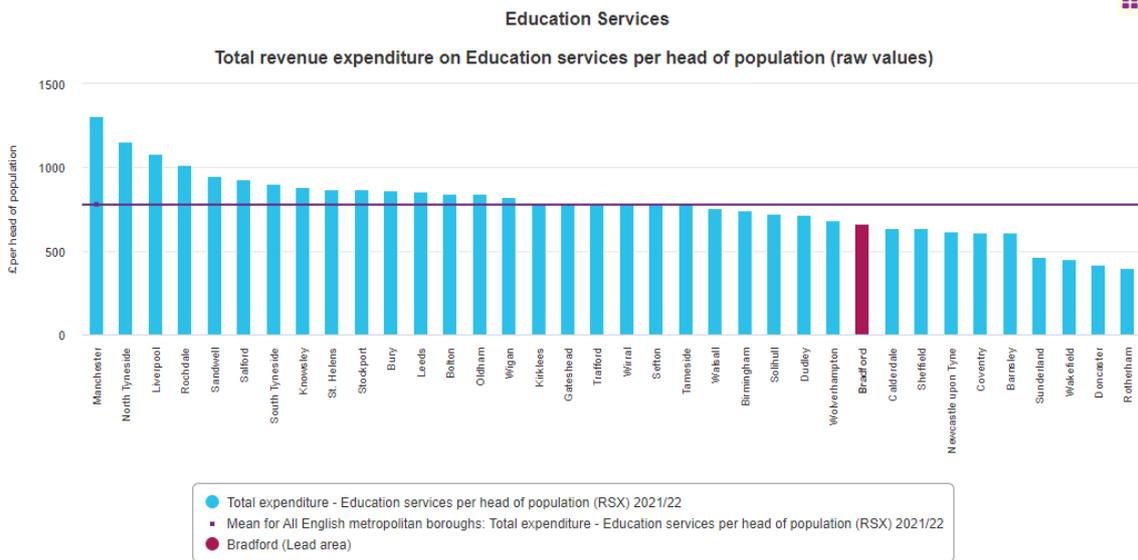
### Children's Services

Spend per head (aged 0-17) on Children's Services was relatively low in 2021-22. As a result of growth in spend in Children's Social Care as outlined in Section 10, this will likely have increased since then. The below benchmark group is in comparison to Met Councils. When compared to Childrens Statistical Nearest Neighbours, spend on Children's Services was above benchmarks in 2021-22.



### Education Services

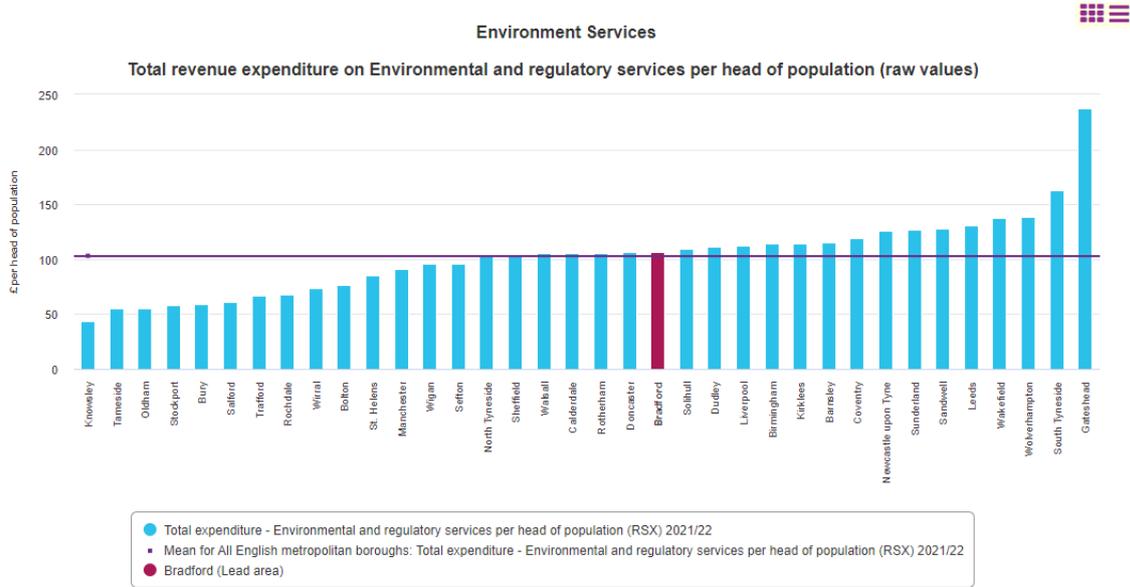
Spend per head on Education Services is relatively low in Bradford.



## Department of Place

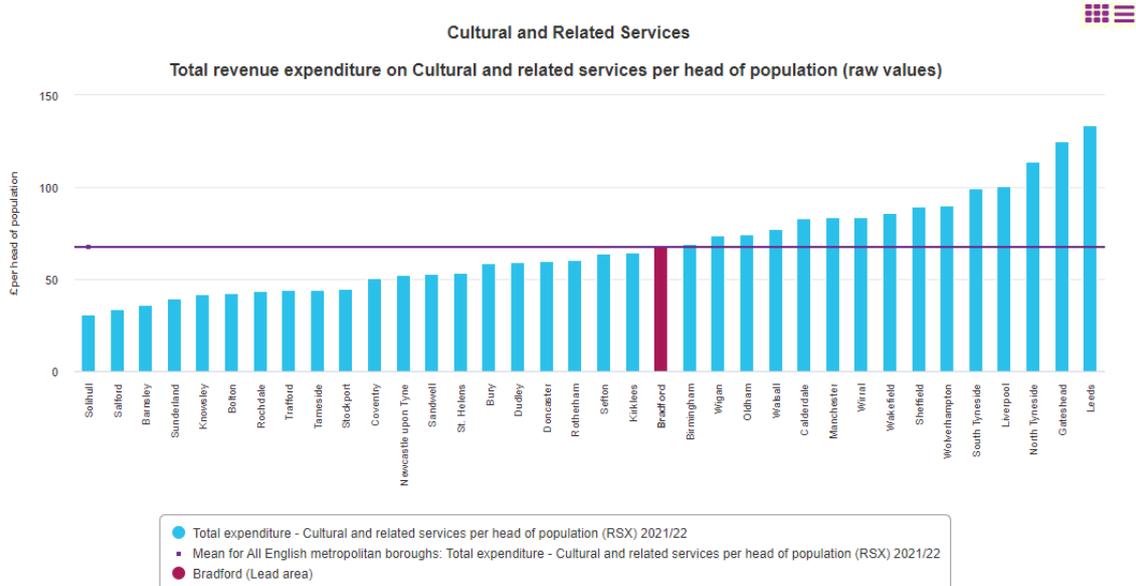
### Environment Services

Spend on Environment Services includes Waste Services, Bereavements, Environmental Health, Housing Standards and other regulatory services. Spend per head of population was close to the benchmark average in 2021/22.



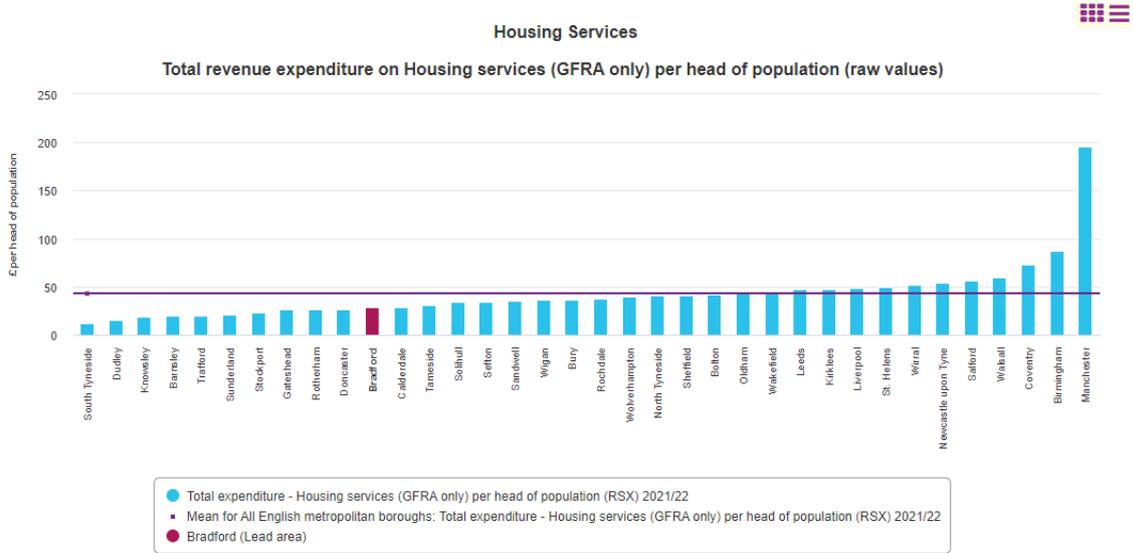
### Cultural and Related Services

Spend on Culture Related services is relatively low.



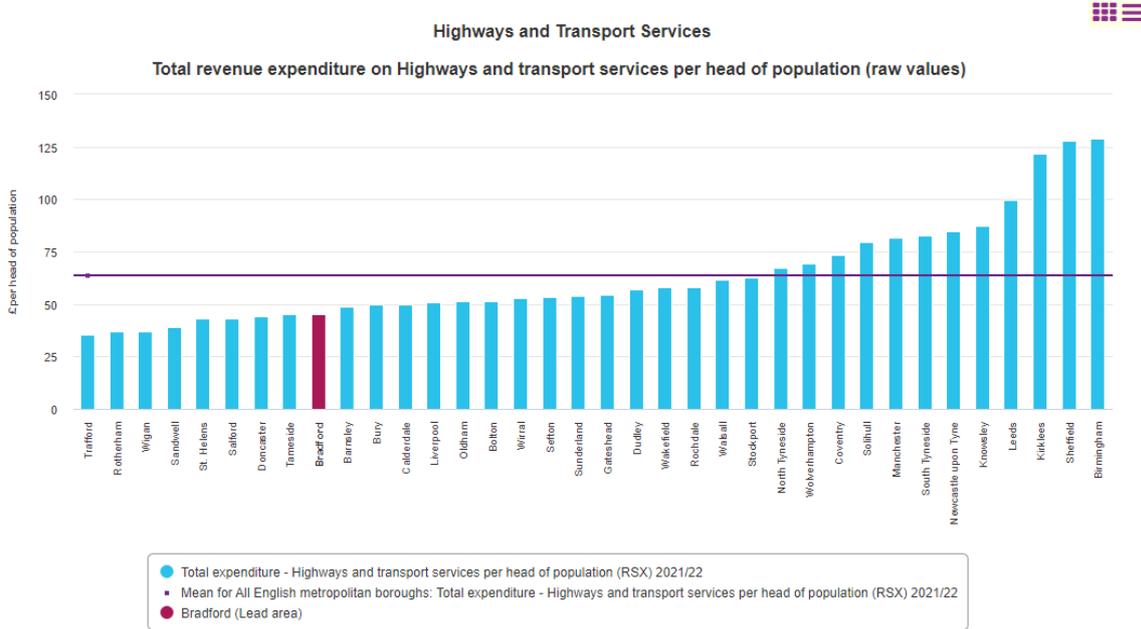
### Housing Services

Spend per head of population on general fund related Housing Services per head of population is relatively low in Bradford



### Highways and Transport Services

Spend on Highways and Transport Services is relatively low in Bradford in comparison to benchmarks

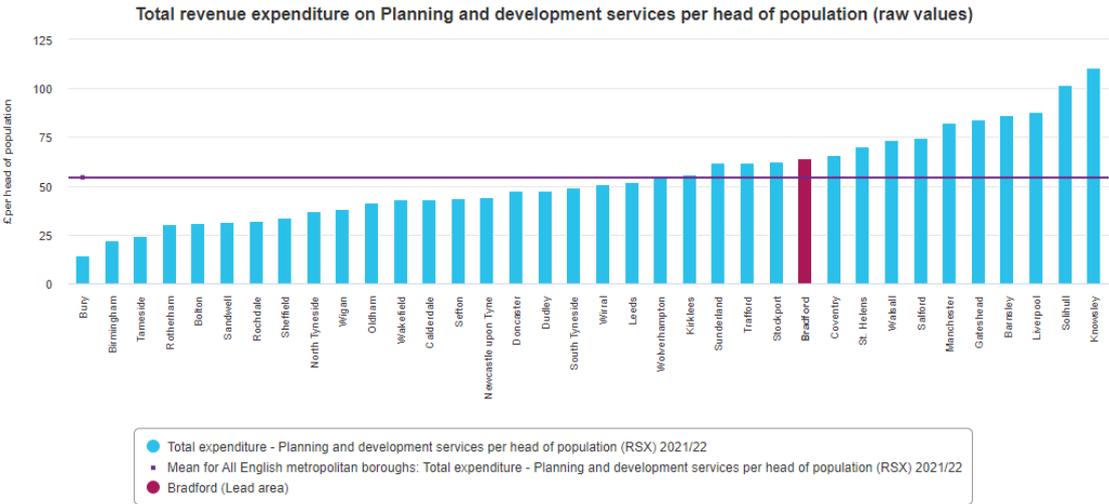


### Planning and Development

Planning and Development includes Planning, Building Control and Economic Development. Spend per head of population was slightly above the average of benchmarks in 2020-21.

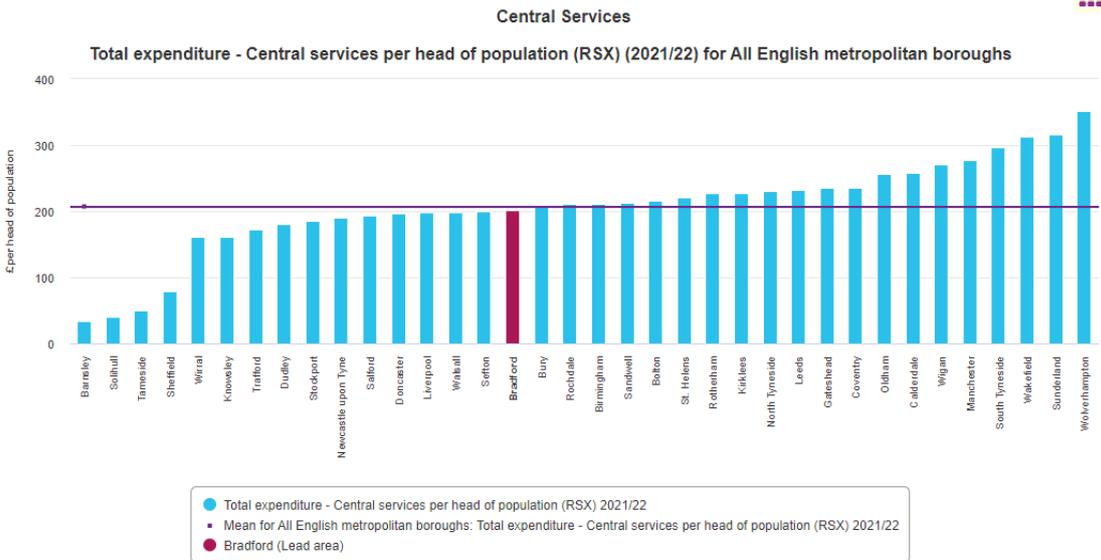


Planning and Development Services



Central Services

Spend on Central Services (mostly Corporate Resources and Chief Execs) per head of population was slightly lower than the average of benchmarks.



## Reserves Statement at 29th February 2024

## Appendix 2

	Opening Balance £000	Movement in 2023-24 £000	Closing Balance £000	Comments
<b>A. Reserves available to support the annual revenue budget</b>				
Unallocated Corporate Reserves	0	0	0	
<b>Total available Unallocated Corporate Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>B Corporate Earmarked Reserves to cover specific financial risk or fund specific programmes of work.</b>				
ESIF – STEP	746	-463	283	Funding to support young and disadvantaged people into employment
PFI credits reserve	490	-490	0	Funding to cover outstanding potential Building Schools for the Future liabilities.
Regional Growth Fund	1,588	-1,588	0	To support strategic plans within Department of Place
Discretionary Social Fund	456	0	456	To fund a replacement local welfare scheme following the government ending its Local Welfare Assistance grant programme on 31 March 2015.
Dilapidation & Demolition	412	0	412	At the end of a lease on a building, the Council will be liable for any dilapidations of the building. The Council also plans some demolition work.
Implementation Reserve	1,504	-1,504	0	To fund Projects associated with delivering savings plans.
Redundancy Reserve	1,045	-258	787	To provide for the costs of future redundancies
Leeds City Region Economic Development	1,407	-201	1,206	Match fund for urban centre regeneration
Financing Reserve	22,378	-22,378	0	Drawn down in 2023-24.

	Opening Balance £000	Movement in 2023-24 £000	Closing Balance £000	Comments
Markets Compensation	890	-640	250	Statutory compensation obligation for terminating tenancies
Finance Works Reserve	154	-154	0	Reserve to fund additional project Finance Work including Collection fund improvements and CCAB apprentices
S31 Business Rate Grants Reserve	2,600	0	2,600	Will be used in 2023-24.
Project Feasibility Reserve	1,604	-1,604	0	To fund feasibility work associated with major projects
<b>Sub Total</b>	<b>35,274</b>	<b>-29,280</b>	<b>5,994</b>	
<b>C. Reserves to support capital investment</b>				
IT Renewals and replacement	443	0	443	See above
<b>Sub total</b>	<b>443</b>	<b>0</b>	<b>443</b>	
<b>D. Service Earmarked Reserves</b>	<b>45,346</b>	<b>-19,998</b>	<b>25,348</b>	See over page
<b>E. Revenue Grant Reserves</b>	<b>17,401</b>	<b>-4,246</b>	<b>13,155</b>	
<b>F General Reserves</b>				
General Fund	22,001	<b>10,733</b>	32,734	The GF balance acts as a necessary contingency against unforeseen events. The balance represents a minimum of 5% of the Council's net budget requirement in line with guidance.
Schools delegated budget	49,720	0	49,720	Represents in the main balances held by schools as part of delegated budget responsibility. These balances are <b>not</b> available for Council use but are balances attributable to individual schools.
LA Education Reserve	915	-58	857	

	Opening Balance £000	Movement in 2023-24 £000	Closing Balance £000	Comments
LA Admission Appeals Reserve	13	0	13	
<b>Sub Total General Fund Reserve &amp; School balances</b>	<b>72,649</b>	<b>10,675</b>	<b>83,324</b>	
<b>Grand total</b>	<b>171,113</b>	<b>-42,849</b>	<b>128,264</b>	

Departmental Earmarked Reserves Statement as at 31<sup>st</sup> December 2023

	Opening Balance £000	Movement in 2023-24 £000	Latest Balance £000	Comments
<b>Adult and Community Services</b>				
Integrated Care	8,152	0	8,152	NHS and Council monies used to support ring fenced projects and integration of health and social care
Great Places to Grow Old	112	-112	0	Funding to cover management and staffing costs linked to the transformation of services for older people.
Transforming Systems	2,610	-683	1,927	To support the implementation of the Care Act
Health Improvement Reserve	249	-49	200	
H&WB Covid Reserve	53	-53	0	Remaining Covid related funding.
<b>Total Adult and Community Services</b>	<b>11,176</b>	<b>-897</b>	<b>10,279</b>	
<b>Children Services</b>				
BSF Unitary Charge	9,576	-9,576	0	These reserves are being built up to ensure that in the future there is sufficient money available to meet the cost of BSF annual contract payments when the PFI grant the Council receives reduces
BSF Unitary Charge Phase 2	6,421	-6,421	0	See above
Retail Academy (Skills for Employment)	51	-51	0	Skills for work
One Workforce Reserve	463	0	463	Workforce development schemes funded from Leeds City Region business rates pool.
Creative Skills	27	-27	0	Workforce development schemes funded from LCR business rates pool.
ICE Advanced Skills	308	-308	0	Training for post 16 Children through Industrial Centres of Excellence.
Raising Attainment - Language Learning, Phonics, Maths & English	497	-497	0	Covid funded.
<b>Total Children</b>	<b>17,343</b>	<b>-16,880</b>	<b>463</b>	

Department of Place

	Opening Balance £000	Movement in 2023-24 £000	Latest Balance £000	Comments
Taxi Licensing	602	0	602	Statutory requirement to set aside any taxi licensing surplus when setting future fees.
HMO Licencing Scheme	619	0	619	A statutory requirement that fees can only be generated and retained within the HMO licensing function.
VCS Transformation Fund	165	0	165	Developing peer to peer solutions to building capacity within the VCS
PT&H - Local Plan Reserve	645	0	645	For Local Plan
City Park Sinking Fund	150	-150	0	Funding set aside to meet the future maintenance costs of City Park.
European Structural Investment Programme	912	-912	0	Match funding for ESIP
Private Housing Rented Option	200	0	200	Incentives to private landlords.
Homelessness prevention	283	-283	0	To fund initiatives to prevent Homelessness.
Longfield Drive Housing Scheme (Council Housing Reserve)	503	0	503	
District Tenants Federation	30	0	30	Funding committed to provide support to District Tenants Federation
Fresh Start	412	0	412	Housing project focussing on offenders
Complex Needs Project	280	-280	0	Project to support hard to place vulnerable homeless people
Ad:venture & community enterprise Reserve	60	-44	16	Match funding for a Leeds City Region business support project.
Economic Strategy Reserve	132	-132	0	For delivery of the Economic growth strategy.
Bereavement Strategy	272	0	272	Reserve to fund the Prudential Borrowing element of the Crematoria Investment Programme.
Housing CPNI Reserve	895	0	895	A statutory requirement that fees can only be generated and retained within the Housing enforcement function.

	Opening Balance £000	Movement in 2023-24 £000	Latest Balance £000	Comments
New Projects (Parks, Open Spaces and Libraries) Reserve	78	0	78	
Traffic Management Permit Scheme	764	0	764	
PT6 Implementation Traffic Enforcement Powers	86	0	86	
Matching Towns Fund for Shipley and Keighley	324	0	324	Match funding for Towns Fund
Climate change initiatives	235	0	235	
CAZ Revenue Ring Fenced Reserve	2,514	0	2,514	
City of Culture - Bradford Culture Company Reserve	2,500	0	2,500	
Culture Policy & Events - WYCA Reserve	91	0	91	
Cultural & Sporting Events Reserve	203	0	203	
City of Film Reserve	125	0	125	
<b>Department of Place</b>	<b>13,080</b>	<b>-1,801</b>	<b>11,279</b>	
<b>Corporate Resources</b>				
HR - Learning & Development Reserve	354	-44	310	Changing the organisation - vision & values, recruitment & selection, development of managers, performance management, leadership & succession planning.
District Elections	176	0	176	To smooth the cost of District Elections over a four-year period.
Subsidy Claim	250	-250	0	Contingent support set aside to address the fluctuations in the subsidy claims.
ISG over achievement trading reserve	51	-51	0	To support ISG
Emergency Planning Reserve	10	-10	0	To cover costs of covering emergency/critical alert requirements
Corporate Resources - Covid Impacts	1,591	0	1,591	Remaining Covid related monies
Regen Opportunity - Kirkgate Reserve	1,250	0	1,250	
5yr invest in Child friendly Dist up to & incl 2024/5	65	-65	0	
<b>Total Corporate Resources</b>	<b>3,747</b>	<b>-420</b>	<b>3,327</b>	
<b>Total Service Earmarked Reserves</b>	<b>45,346</b>	<b>-19,998</b>	<b>25,348</b>	

Capital Investment Plan

Appendix 3

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adult Social Care</b>														
CS0237a	Saltaire Residential Care Home	2,051	0	2,051	500	268	4,500	4,961	1,657	0	0	4,033	9,136	13,169
CS0237c	Kghly Rd Residential Care Valley View	293	0	293	293	0	0	0	0	0	0	293	0	293
CS0373	BACES	848	0	848	848	821	750	750	0	0	0	0	2,348	2,348
CS0239	Community Capacity Grant	206	0	206	206	127	0	0	0	0	206	0	0	206
CS0311	Autism Innovation Capital Grant	31	0	31	31	31	0	0	0	0	31	0	0	31
CS0312	Integrated IT system	44	0	44	44	0	0	0	0	0	44	0	0	44
CS0532	Changing Places Toilets	514	0	514	469	10	0	0	0	0	212	0	302	514
CS0535	Beckfield Resource Centre	237	0	237	237	201	0	0	0	0	0	0	237	237
CS2000	DDA	81	0	81	65	0	80	10	0	0	0	0	171	171
CS0567	MH Crisis House	70	0	70	70	70	0	0	0	0	70	0	0	70
CS0570	Adults Technology Enabled Care	400	0	400	400	25	807	344	0	0	151	0	1,400	1,551
CS0546	Capitalise Items Adults 23-24	0	63	63	63	63	0	0	0	0	0	0	63	63
<b>Total - Adult Social Care</b>		<b>4,775</b>	<b>63</b>	<b>4,838</b>	<b>3,226</b>	<b>1,616</b>	<b>6,137</b>	<b>6,065</b>	<b>1,657</b>	<b>0</b>	<b>714</b>	<b>4,326</b>	<b>13,657</b>	<b>18,697</b>

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Children's Services</b>														
CS0249	Schools DRF	1,500	0	1,500	1,500	0	0	0	0	0	1,500	0	0	1,500
CS0022	Devolved Formula Capital	568	0	568	537	1,959	0	0	0	0	568	0	0	568
CS0030	Capital Improvement Work	100	0	100	227	189	100	100	0	0	300	0	0	300
CS0240	Capital Maintenance Grant	6,239	0	6,239	4,946	4,012	2,500	0	0	0	8,739	0	0	8,739
CS0244a	Primary Schools Expansion Programme	342	0	342	100	10	0	0	0	0	342	0	0	342
CS0244b	Silsden School	1,900	0	1,900	200	161	0	0	0	0	1,900	0	0	1,900
CS0362	Secondary School Expansion	371	0	371	262	163	1,000	0	0	0	1,371	0	0	1,371
CS0244c	SEN School Expansions	4,000	0	4,000	3,440	3,167	4,000	6,000	1,900	0	15,900	0	0	15,900
CS0550	SEND Expansion Capital Works	4	0	4	0	0	3,990	0	0	0	0	0	3,994	3,994
CS0531	Bingley Grammar Expansion	1,500	0	1,500	2,750	2,317	3,700	4,000	2,000	0	11,200	0	0	11,200
CS0421	Healthy Pupil Capital Grant	32	0	32	36	36	0	0	0	0	32	0	0	32
CS0436	Children's Homes	17	0	17	17	0	0	0	0	0	0	0	17	17
CS0488	Digital Strategy	80	0	80	80	40	100	0	0	0	0	0	180	180
CS0500	TFD	13	0	13	13	8	0	0	0	0	0	0	13	13
CS0338	Ingleborough Hall	81	0	81	81	0	0	0	0	0	0	0	81	81
CS0568	Children's Residential Care	1,900	0	1,900	1,900	0	401	0	0	0	0	0	2,301	2,301
CS0559	Connect the Classroom	1,235	578	1,813	2,500	2,031	0	0	0	0	1,813	0	0	1,813

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0580	Resilient Schools Project Funding	0	200	200	200	0	0	0	0	0	200	0	0	200
CS0364	Capitalise Items Childrens 23-24	0	34	34	34	96	0	0	0	0	0	0	34	34
<b>Total - Children's Services</b>		<b>19,882</b>	<b>812</b>	<b>20,694</b>	<b>18,823</b>	<b>14,188</b>	<b>15,791</b>	<b>10,100</b>	<b>3,900</b>	<b>0</b>	<b>43,865</b>	<b>0</b>	<b>6,620</b>	<b>50,485</b>
<b>Place - Economy &amp; Development Services</b>														
CS0136	Disabled Housing Facilities Grant	5,900	0	5,900	6,000	5,559	7,097	4,058	4,058	0	8,902	0	12,211	21,113
CS0137	Development of Equity Loans	770	0	770	480	375	700	700	0	0	0	0	2,170	2,170
CS0144	Empty Private Sector Homes Strat	498	0	498	700	357	1,000	1,000	1,000	1,000	498	0	4,000	4,498
CS0496	Towns Fund Keighley & Shipley	68	0	68	19	8	0	0	0	0	68	0	0	68
CS0527	Towns Fund Keighley P2	8,234	0	8,234	5,000	4,237	12,745	11,519	0	0	32,498	0	0	32,498
CS0526	Towns Fund Shipley P2	4,905	0	4,905	2,500	2,349	9,597	9,598	0	0	24,100	0	0	24,100
CS0577	UKSPF hyper-local programme	309	248	557	309	140	1,350	0	0	0	1,907	0	0	1,907
CS0084	City Park	192	0	192	192	0	0	0	0	0	0	0	192	192
CS0085	City Centre Growth Zone	350	-350	0	0	0	0	0	0	0	0	0	0	0
CS0291	One City Park	15,531	0	15,531	15,350	15,281	2,902	0	0	0	3,294	15,134	5	18,433
CS0408	City Village - stage one	750	0	750	27	52	0	0	0	0	500	0	250	750
CS0228	Canal Road	100	0	100	0	0	0	0	0	0	0	0	100	100



CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0172	Saltaire R/bout Cong& Safety Works	4	0	4	4	0	0	0	0	0	4	0	0	4
CS0293	West Yorks & York Transport Fund	1,509	0	1,509	1,882	1,717	12,937	0	0	89,897	104,343	0	0	104,343
CS0396	WYTF Corr Imp Projects	4,879	0	4,879	4,516	3,412	2,100	2,000	943	0	9,922	0	0	9,922
CS0512	Bradford Beck	1,441	-1,441	0	0	0	0	0	0	0	0	0	0	0
CS0306a	Strategic Transport Infrastructure Priorities	1,188	0	1,188	716	0	0	0	0	0	223	0	965	1,188
CS0323	Flood Risk Mgmt	71	0	71	206	277	0	0	0	0	71	0	0	71
CS0386	Cycling & Walking Schemes LTP3	0	0	0	17	0	0	0	0	0	0	0	0	0
CS0398	Bfd City Ctre Townscape Heritage (grants)	592	0	592	592	154	1,613	0	0	0	2,205	0	0	2,205
CS0398b	Top of Town Public Realm	1,037	0	1,037	1,037	959	0	0	0	0	0	0	1,037	1,037
CS0430	Hwys Maint Fund Oct18	97	0	97	97	98	0	0	0	0	97	0	0	97
CS0432	Steeton/Silsden Crossing	7	0	7	358	367	0	0	0	0	7	0	0	7
CS0434	Smart Street Lighting	20,710	0	20,710	10,000	11,034	5,261	2,933	0	0	0	28,904	0	28,904
CS0455	IP4 projects	511	0	511	0	251	0	0	0	0	511	0	0	511
CS0464	Ben Rhydding Railway Station Car Park	0	0	0	0	0	1,042	750	259	0	2,051	0	0	2,051
CS0467	Transforming Cities Fund (TCF)	8,120	0	8,120	24,656	17,142	0	0	0	0	6,882	0	1,238	8,120
CS0469	IP4 Safer Roads 20-21	0	0	0	39	78	0	0	0	0	0	0	0	0
CS0470	IP4 Safer Roads 21-22	601	0	601	148	30	0	0	0	0	601	0	0	601
CS0529	Safer Rds 22-23	1,652	0	1,652	175	658	1,164	1,164	1,164	0	5,144	0	0	5,144

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0562	CRSTS - Safer Roads 23/24	1,232	0	1,232	1,164	527	0	0	0	0	1,232	0	0	1,232
CS0483	Motorcycle Parking	40	0	40	40	0	0	0	0	0	40	0	0	40
CS0486	Active Travel Fund Programme	861	0	861	788	239	0	0	0	0	861	0	0	861
CS0502	Corridor Improvement Prog (CIP2)	75	0	75	500	-265	0	0	0	0	75	0	0	75
CS0477	CCTV Infrastructure	485	0	485	485	134	0	0	0	0	0	0	485	485
CS0533	UTMC – CRSTS Traffic Mgmt System	0	0	0	1,315	910	1,150	1,150	1,150	0	3,450	0	0	3,450
CS0539	Traffic Management	230	0	230	230	0	0	0	0	0	0	230	0	230
CS0542	UTMC – CRSTS Traffic Mgmt System22-23	12,423	65	12,488	13,420	11,433	10,892	10,657	10,657	0	44,694	0	0	44,694
CS0555	Moorland Restoration for Climate Emergency	250	0	250	90	8	150	0	0	0	200	0	200	400
CS0556	CRSTS - Kings Rd & Wakefield Rd	684	0	684	468	298	0	0	0	0	684	0	0	684
CS0575	City Centre Ducting	450	-150	300	450	0	450	0	0	0	0	0	750	750
CS0582	LUF2 Bus Hotspots	0	114	114	114	5	0	0	0	0	114	0	0	114
<b>Total Place - Planning, Transportation &amp; Highways</b>		<b>60,786</b>	<b>-1,412</b>	<b>59,374</b>	<b>65,208</b>	<b>49,798</b>	<b>36,759</b>	<b>18,654</b>	<b>14,173</b>	<b>89,897</b>	<b>184,598</b>	<b>29,134</b>	<b>5,125</b>	<b>218,857</b>
<b>Dept of Place - Clean Air Zone</b>														
CS0471	Clean Air Zone	8,225	0	8,225	4,623	3,558	3,080	2,265	0	0	13,570	0	0	13,570

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total Place - Clean Air Zone</b>		<b>8,225</b>	<b>0</b>	<b>8,225</b>	<b>4,623</b>	<b>3,558</b>	<b>3,080</b>	<b>2,265</b>	<b>0</b>	<b>0</b>	<b>13,570</b>	<b>0</b>	<b>0</b>	<b>13,570</b>

<b>Dept of Place - Waste, Fleet &amp; Transport</b>		<b>0</b>												
CS0060	Replacement of Vehicles	2,500	0	2,500	3,000	3,538	1,541	0	0	0	0	4,041	0	4,041
CS0517	Electric vehicles	520	0	520	0	125	355	18	0	0	0	197	696	893
CS0435	Sugden End Landfill Site	22	0	22	22	8	0	0	0	0	0	0	22	22
CS0359	Community Resilience Grant	3	0	3	3	0	0	0	0	0	3	0	0	3
CS0497	Climate Change Initiatives – Vehicles	105	0	105	0	0	0	0	0	0	105	0	0	105
CS0503	Environmental Delivery Works	22	0	22	22	15	0	0	0	0	0	0	22	22
<b>Total Place - Waste, Fleet &amp; Transport</b>		<b>3,172</b>	<b>0</b>	<b>3,172</b>	<b>3,047</b>	<b>3,685</b>	<b>1,896</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>108</b>	<b>4,238</b>	<b>740</b>	<b>5,086</b>

<b>Dept of Place - Sports &amp; Culture</b>														
CS0487	Alhambra Theatre Lift	2	0	2	2	2	0	0	0	0	0	0	2	2
CS0162	Capital Projects - Recreation	105	0	105	23	19	0	0	0	0	105	0	0	105
CS0530	LDP (Active Bradford)	358	0	358	450	382	50	0	0	0	408	0	0	408
CS0004	S106 Recreation	50	0	50	0	0	0	0	0	0	50	0	0	50

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0501	Parks Development Fund	275	0	275	100	75	0	0	0	0	275	0	0	275
CS0404	SPIP Phase 1	1,715	0	1,715	1,840	1,868	0	0	0	0	1,683	0	32	1,715
CS0576	SPIP - Phase 2	625	0	625	535	56	11,000	0	0	0	7,125	0	4,500	11,625
CS0537	Silsden Park Section 106 Projects	224	0	224	85	29	0	0	0	0	224	0	0	224
CS0489	Playable Spaces	537	0	537	705	256	1,500	1,337	1,081	0	1,035	0	3,420	4,455
CS0541	Levelling Up Parks – Grosvenor Park	85	0	85	90	77	0	0	0	0	85	0	0	85
CS0543	Corn Mill Green Improvements, Steeton	49	0	49	46	41	0	0	0	0	49	0	0	49
CS0549	Allerton Cricket Clubhouse	0	0	0	100	1	0	0	0	0	0	0	0	0
CS0560	Marley Tip Top Land Slip	500	0	500	200	32	1,000	500	0	0	0	0	2,000	2,000
CS0564	Bolton Woods Play equipment	27	0	27	27	25	0	0	0	0	27	0	0	27
CS0403	Bereavement Strategy	7,481	0	7,481	3,440	2,628	8,000	1,055	0	0	0	7,000	9,536	16,536
CS0552	New Cemetery Extension	2,565	0	2,565	1,000	264	1,000	800	0	0	0	0	4,365	4,365
CS0508	Theatres Website	45	-45	0	0	0	0	0	0	0	0	0	0	0
CS0245	Doe Park	27	0	27	27	8	0	0	0	0	27	0	0	27
CS0461	ShIPLEY Gym extension & equipment	51	-51	0	0	0	0	0	0	0	0	0	0	0
CS0572	Gym Equipment Keighley & Sedbergh	300	0	300	300	242	0	0	0	0	300	0	0	300
CS0356	Sedbergh SFIP	46	0	46	46	21	0	0	0	0	0	0	46	46
CS0354	Squire Lane	1,000	0	1,000	1,600	1,520	17,437	12,866	0	0	16,403	0	14,900	31,303

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0498	Libraries IT Infrastructure	165	0	165	25	25	0	0	0	0	0	60	105	165
CS0519	CILS Libraries	191	0	191	0	0	0	0	0	0	191	0	0	191
CS0509	Libraries (Equipment/Shelving)	21	0	21	0	0	0	0	0	0	21	0	0	21
CS0534	Libraries as Locality Hubs (LIF)	222	0	222	26	26	0	0	0	0	222	0	0	222
CS0571	Victoria Hall Seating	140	0	140	140	0	0	0	0	0	0	0	140	140
CS0545	Capitalise Items Place - sports 23-24	0	13	13	13	18	0	0	0	0	0	0	13	13
CS0578	Capitalise Items Place - libraries 23-24	0	75	75	75	0	0	0	0	0	0	0	75	75
<b>Total Place - Sports &amp; Culture</b>		<b>16,806</b>	<b>-8</b>	<b>16,798</b>	<b>10,895</b>	<b>7,615</b>	<b>39,987</b>	<b>16,558</b>	<b>1,081</b>	<b>0</b>	<b>28,230</b>	<b>7,060</b>	<b>39,134</b>	<b>74,424</b>

**Corp Resources - Estates & Property Services**

CS0333	Argus Chambers / Britannia Hse	150	0	150	0	0	0	0	0	0	0	0	150	150
CS0511	Property Programme 21-22	292	0	292	369	346	0	0	0	0	0	0	292	292
CS0528	Property Programme 22-23	2,381	0	2,381	1,650	1,031	0	0	0	0	0	0	2,381	2,381
CS0554	Property Programme 23-24	2,000	0	2,000	1,400	1,042	2,000	0	0	0	0	0	4,000	4,000
CS0460	Mitre Court CPU Property & Equip	0	0	0	0	1	0	0	0	0	0	0	0	0
CS0230	Beechgrove Allotments	0	0	0	0	0	0	148	0	0	148	0	0	148
CS0565	CILS-Allotments Refurbishment	150	0	150	0	0	0	0	0	0	150	0	0	150

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0476	Carbon and Other Mgmt. Efficiencies P2	780	0	780	400	359	500	750	0	0	0	0	2,030	2,030
CS0420	Electric vehicle charging Infrastructure (Taxi Scheme)	56	0	56	166	16	0	0	0	0	56	0	0	56
CS0495	Bradford LAD Scheme	1,835	0	1,835	1,835	1,359	0	0	0	0	1,835	0	0	1,835
CS0381	Godwin St	18,000	0	18,000	18,000	17,953	4,986	2,000	0	0	0	6,986	18,000	24,986
CS0381b	Culvert	0	0	0	30	0	0	0	0	0	0	0	0	0
CS0409	Coroner's Court and Accommodation	350	-220	130	95	115	0	0	0	0	0	0	130	130
CS0520	Regeneration Opportunity	534	0	534	228	80	5,500	4,000	2,000	0	0	0	12,034	12,034
CS0408	City Village (pre 21 St Johns St)	0	0	0	23	23	74	0	0	0	0	0	74	74
CS0573	Newhall Park – BHT site	127	0	127	127	123	0	0	0	0	0	0	127	127
CS0522	Children's Homes Capital Works	121	0	121	197	191	0	0	0	0	0	0	121	121
CS0525	Baildon Library	929	0	929	80	75	0	0	0	0	929	0	0	929
CS0445	Core IT Infrastructure	3,867	0	3,867	2,500	2,060	2,360	0	0	0	0	0	6,227	6,227
CS0551	Future Security Strategy	965	0	965	965	892	0	0	0	0	100	0	865	965
CS0378	Customer Services Strategy	50	0	50	10	0	0	0	0	0	0	0	50	50
CS0544	Capitalise Items Corporate 23-24	0	134	134	134	134	0	0	0	0	0	0	134	134
<b>Total Corp Resources – Estates &amp; Property Services</b>		<b>32,587</b>	<b>-86</b>	<b>32,501</b>	<b>28,209</b>	<b>25,799</b>	<b>15,420</b>	<b>6,898</b>	<b>2,000</b>	<b>0</b>	<b>3,218</b>	<b>6,986</b>	<b>46,615</b>	<b>56,819</b>
<b>Reserve Schemes &amp; Contingencies</b>														
CS0395z	General Contingency	235	0	235	235	0	1,000	1,000	0	0	0	0	2,235	2,235



CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0395f	Children's Residential Care	0	0	0	0	0	2,899	0	0	0	0	0	2,899	2,899
CS0395i	Inflation Contingency	350	0	350	0	0	4,000	0	0	0	0	0	4,350	4,350
CS0395j	Area office accommodation	800	-800	0	0	0	0	0	0	0	0	0	0	0
CS0395m	Bereavement Strategy – Phase 2	0	0	0	0	0	1,620	0	0	0	0	0	1,620	1,620
CS0445f	IT Programme	0	0	0	0	0	0	0	2,000	0	0	0	2,000	2,000
CS0060f	Vehicles	0	0	0	0	0	0	0	3,000	0	0	3,000	0	3,000
CS0397f	Property Programme	0	0	0	0	0	0	0	4,000	0	0	0	4,000	4,000
CS0395g	Contingency	0	0	0	0	0	0	0	1,000	0	0	0	1,000	1,000
CS0566g	City of Culture	1,000	0	1,000	500	0	1,500	500	0	0	3,000	0	0	3,000
CS0574z	New Towns Fund Keighley	0	0	0	0	0	500	1,500	1,500	6,500	10,000	0	0	10,000
<b>2024-25 Schemes</b>														
CS0395h	Contingency	0	0	0	0	0	0	0	0	1,000	0	0	1,000	1,000
CS0445g	IT Programme	0	0	0	0	0	0	0	0	2,000	0	0	2,000	2,000
<b>Total - Reserve Schemes &amp; Contingencies</b>		18,872	-800	18,072	735	0	77,807	34,094	31,890	13,377	92,413	37,662	45,165	175,240
<b>TOTAL - General Fund</b>		217,707	-1,320	216,387	179,985	145,571	234,800	121,527	59,759	104,274	440,409	105,540	190,798	736,747

CS Ref	Scheme Description	2023-24 Budget	Q4 Service change	Revised 2023-24 Budget	2023-24 Forecast Spend	Spend at 29/02/24	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027 onwards	Specific Grants, cap receipts, reserves	Funding		Budget Total
												Invest to Save Funding	Corporate Borrowing	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Place - Housing Revenue Account (HRA)</b>														
CS0237b	Keighley Rd Extra Care Fletcher Court	62	0	62	0	-182	0	0	0	0	0	0	62	62
CS0407	Property Acquisition – Local Authority Housing Fund (LAHF)	1,580	0	1,580	5,516	3,962	4,471	0	0	0	4,931	1,120	0	6,051
CS0558	HRA Disabled Adaptations	160	0	160	50	13	40	20	0	0	0	220	0	220
<b>Total - Housing Revenue Account (HRA)</b>		<b>1,802</b>	<b>0</b>	<b>1,802</b>	<b>5,566</b>	<b>3,793</b>	<b>4,511</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>4,931</b>	<b>1,340</b>	<b>62</b>	<b>6,333</b>
<b>Reserve Schemes &amp; Contingencies</b>														
CS0407z	Affordable Housing	1,000	0	1,000	0	0	10,000	10,000	8,224	0	14,430	14,794	0	29,224
<b>TOTAL - HRA</b>		<b>2,802</b>	<b>0</b>	<b>2,802</b>	<b>5,566</b>	<b>3,793</b>	<b>14,511</b>	<b>10,020</b>	<b>8,224</b>	<b>0</b>	<b>19,361</b>	<b>16,134</b>	<b>62</b>	<b>35,557</b>
<b>TOTAL - All Services</b>		<b>220,509</b>	<b>-1,320</b>	<b>219,189</b>	<b>185,551</b>	<b>149,364</b>	<b>249,311</b>	<b>131,547</b>	<b>67,983</b>	<b>104,274</b>	<b>459,770</b>	<b>121,674</b>	<b>190,860</b>	<b>772,304</b>

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**Prudential & Treasury Management Indicators Quarter 4 2023-24 Appendix 4**

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

**Prudential Indicators****Capital Expenditure**

The Council has undertaken and is planning capital expenditure as summarised below.

Capital expenditure	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m
General Fund	-	216	234	122	60	104
HRA*	-	3	15	10	8	-
<b>Total</b>	<b>154</b>	<b>219</b>	<b>249</b>	<b>132</b>	<b>68</b>	<b>104</b>
Capitalisation direction (EFS)	-	80.0	140	106	88	52
<b>TOTAL CAPITAL SPEND</b>	<b>154</b>	<b>299</b>	<b>389</b>	<b>238</b>	<b>156</b>	<b>156</b>

\* Separate HRA applies from 01-04-2023

**Capital Financing Requirement**

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, loan repayments and capital receipts used to replace debt. The actual CFR is calculated on an annual basis.

	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m
General Fund	-	904	1,099	1,195	1,242	1,277
HRA*	-	33	39	44	49	49
Capital Financing Requirement	769	937	1,138	1,239	1,291	1,326
Movement in CFR		168	201	101	52	35

**Movement in CFR represented by**

Net financing need for the year (above)		189	226	133	89	75
Less MRP/VRP and other financing movements		-21	-25	-32	-37	-40
Movement in CFR		168	201	101	52	35

The effect from the change in the accounting for leases has not yet been reflected in the CFR.

**Gross Debt and the Capital Financing Requirement**

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m
<b>Capital Financing Requirement</b>	<b>769</b>	<b>937</b>	<b>1,138</b>	<b>1,239</b>	<b>1,291</b>	<b>1,326</b>
General Fund - Private Finance Initiative	-139	-130	-121	-111	-101	-90
<b>External Borrowing</b>	<b>-465</b>	<b>-668</b>	<b>-885</b>	<b>-995</b>	<b>-1,115</b>	<b>-1,137</b>
<i>Under-borrowing</i>	165	139	132	133	75	99

## Treasury Indicators

### Debt and the Authorised Limit and Operational Boundary

The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower Operational Boundary is also set as a warning level should debt approach the limit.

	2022-23 £m	2023-24 Estimate £m	2024-25 Estimate £m	2025-26 Estimate £m
Operational boundary	840	860	1,140	1,250
Authorised limit	860	880	1,160	1,270

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt did not go above the operational boundary.

### Proportion of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

Prudential Indicators	2023-24 Budget £m	2023-24 Revised Estimate £m
Capital expenditure (Revised Q4 Budget)	219.0	186
Capital Financing Requirement (CFR)	854.0	937
Ratio of financing costs to net revenue stream	13.0%	13.1%

### Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

<b>Maturity structure of fixed interest rate borrowing 2023-24</b>		
	<b>Lower</b>	<b>Upper</b>
<b>Under 12 months</b>	0%	20%
<b>12 months to 2 years</b>	0%	20%
<b>2 years to 5 years</b>	0%	50%
<b>5 years to 10 years</b>	0%	50%
<b>10 years to 20 years</b>	0%	90%
<b>20 years to 30 years</b>	20%	90%
<b>30 years to 40 years</b>	20%	90%
<b>40 years to 50 years</b>	20%	90%

<b>Maturity structure of variable interest rate borrowing 2023-24</b>		
	<b>Lower</b>	<b>Upper</b>
<b>Under 12 months</b>	0%	20%
<b>12 months to 2 years</b>	0%	20%
<b>2 years to 5 years</b>	0%	20%
<b>5 years to 10 years</b>	0%	20%
<b>10 years and over</b>	0%	20%

**Long term Treasury Management Investments**

The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

<b>£m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>	<b>2024-25 £m</b>
<b>Principal sums invested for longer than 365 days</b>	<b>£20m</b>	<b>£20m</b>	<b>£20m</b>

