Have your say on Council spending

Budget 2014-16
Public consultation

www.bradford.gov.uk/budget
Over the next three years, Bradford Council will be taking the most important decisions in its history.

National public spending cuts have meant that Council spending has been reduced by £100 million since 2010. Now we have to do the same again over the next three years and save up to £115 million more, over a quarter of the current net budget, as the Government has made it clear that there will be further big reductions in financial support to councils.

At the same time the District has a growing population with rapidly increasing numbers of younger and older people and continues to experience high levels of unemployment and deprivation, all of which place additional pressures on Council services.

Up to now, while things have been by no means easy, we’ve worked hard to make big efficiency and productivity gains. For example, we’ve saved £20 million through reducing management and administrative costs, £2 million on communications and £3 million a year in building costs. This has helped us to provide some protection to your most important Council services.

But we can’t make the same savings over and over again. We’ll carry on improving efficiency and streamlining the organisation. However these measures alone will be insufficient given the scale of the funding gap that looms ahead of us.

We are now at the stage where further cuts to frontline services are inevitable however unpalatable that may be. To pretend otherwise would be to mislead.

That’s why I’m asking members of the public, businesses, Council employees, trade unions and local organisations to take part in an honest and open conversation about what Council services should look like, what’s most important and what’s less so given the massively reduced resources at our disposal and our responsibilities to the most vulnerable people.

Whatever decisions we make we have a responsibility to understand and take into account their consequences for the long-term future of the District, its people and prosperity. Our obligations don’t end with the here and now and we have to do all we can to secure a stable, successful and sustainable future for local services and the economy and a fair deal for local people.

This is the latest step in an ongoing conversation between the Council and the people, communities and businesses we serve, about the future of local services. It won’t just stop when we set a budget in February 2014.

The scale of the task ahead should not be underestimated. The Council will no longer be able to afford all the services that people are used to and we will have to make tough decisions about what to reduce in frequency or quality, what to charge for and what to stop doing altogether. That’s not hype, scaremongering or exaggeration, it is the reality.

In February 2014 the Council will decide on its spending plans for the first two of the next three years.

In recent years many of the issues raised in budget consultations have helped to inform our final decisions. So, I would urge you to take part because your views do count, do matter and they do influence decisions.

I want as many people as possible to have their say and I hope that you will take this and other opportunities to tell us what matters most to you.
The budget consultation

Over the last three years Bradford Council has had to reduce expenditure by £100 million, due to Government cuts in public spending, combined with the increasing costs of inflation and rising demand for care services.

Now we have to do the same again over the next three years, starting with an immediate funding gap of £38 million next year and a further £50 million in the year after. By 2016-17 Council resources will have reduced by over a third since 2010.

The Chancellor of the Exchequer has announced that councils will face further big cuts in the financial support provided by Government up to 2016-17. At the same time prices and demand for services continue to rise.

The Council originally estimated that the Government’s 2013 Spending Review would leave us facing a £100 million funding gap over the next three years. However £1 billion of new funding, which councils will have to either compete for or undertake additional duties for, was announced in the review. It has since emerged that these funds will be taken from councils’ general grants and we have no way of knowing how much funding, if any, will be returned to Bradford via the new funding arrangements.

The overall impact of this announcement means that the Council will have to save £115 million more by 2016-17 to balance the books. That’s over a quarter of its current budget. This money can only be found by cutting spending on services and increasing income.

In February 2014 we will be setting a budget for the next two years. Council Budgets are set by full Council for the financial year ahead (1 April to 31 March).

We have had to make some difficult choices in the past three years to save the first £100 million, but we have worked hard to save as much as we can by improving efficiency and productivity and reducing ‘back office’ support services. This has helped to provide some protection to the day to day services directly used by the public (‘front-line services’).

There may be some scope for making some further efficiency savings and the Council will be relentless in its pursuit of value for money, but we can’t make the same savings over and over again and it is no longer possible to make savings on anywhere near the scale required without affecting services.

Cuts to front-line services are inevitable because the Council won’t have enough money to pay for all the services people currently use. If we offer protection to some services it means we will have to take more from others.

Councillors will therefore have to make very difficult decisions about which services and facilities to cut back on, which to charge or charge more for, and which to stop providing altogether. We want you to have your say in those decisions and this document is part of an ongoing conversation between the Council, the public, businesses, local organisations, Council employees and trade unions about the future of local services.

It sets the financial context in which we are operating and the tough decisions that will have to be taken about Council spending. It explains some of the national and local issues that will affect budget decisions and it states current Council priorities and the ways in which they have influenced previous spending decisions. Information is provided on Council income and expenditure, Council services, the savings already made and some of the challenges councillors will face in setting the budget for the next two years.

Finally, it tells you how to have your say on the most important spending decisions that the Council has ever had to take.
Savings we’ve already made

Since 2010 we have been working hard to cut costs and make the Council much more efficient and productive in order to offer some protection to front-line services from public spending cuts. Savings of over £20 million a year have been made through reducing management, administration and back office support, streamlining processes and improving commissioning, rather than slashing front-line services.

- We have renegotiated major contracts and significantly reduced the amount of money we spend on procurement by working with our partners and making savings from buying in bulk.

- Cutting the number of Council buildings has saved over £3 million a year and helped us to avoid more than £25 million in maintenance costs.

- Nearly £2 million has been saved on communications by reducing the number of publications such as Community Pride, controlling spending on printed materials, effective management of print and advertising contracts, increased productivity, staffing efficiencies and making more use of the internet and social media for Council communications.

- The Council’s spending on external consultants has fallen by £3.8 million to £1.1 million since 2009-10. Overall spending on consultants (which includes money from other organisations) has gone down by £6.5 million from £9.9 million to £3.4 million.

- The Council has worked with other councils to share expertise and resources including legal services, environmental health, trading standards, licensing and building control. Sharing legal resources with other West Yorkshire councils has delivered more than £1 million of savings.

- There have been reductions in expenditure on councillors and in the number of Council committees.

- The Council is working closely with the NHS to pool resources and lower costs.

- Money held in contingencies (money set aside to deal with unforeseen events or emergencies) has been reduced.

While we’ve tried hard to make savings through efficiencies we’ve also had to save money from front-line services and charge people more for certain services. We have:

- increased charges for certain social care services
- passed the Government’s £5 million reduction in support for Council Tax benefit on to claimants
- reduced the frequency of cleansing and highways maintenance
- reduced opening hours at some libraries and sports facilities
- made cuts to voluntary sector funding
- reduced the number of Council jobs by almost 1,500, the vast majority through voluntary redundancy.

So, significant savings have already been made, including millions of pounds in support services, but the same savings can’t be made over and over again. While the Council is determined to continue finding ways to be even more efficient there is a limit to what can be achieved before cuts have to be made to front-line services. Many more very difficult decisions are imminent.
Introduction

The Government’s 2010 Spending Review cut Government grants to local government by an average of 28% over four years, a bigger and faster reduction than for most other Government departments. Subsequent announcements have made clear the Government’s intentions to continue to pursue austerity measures and to reduce budgets further in 2015-16 and beyond.

The Chancellor’s 2013 Spending Review announced an additional headline reduction of 10% to local government funding in 2015-16. Research by the Local Government Association indicates that in reality, because of Government changes to the way it will distribute grants, local authorities will need to plan for a real-terms reduction of 15% in 2015-16.

Changes to business rates and Council Tax benefit have introduced additional uncertainty into financial planning.

Bradford has been hit harder by national austerity measures than many other authorities. Government grants for the Council’s day to day expenditure have reduced by £100 million since 2010 and there have been big reductions in capital grants. The Council has also had to meet the costs of inflation and increasing demand for social care, forcing it to make savings of over £100 million on its day to day spending as well as scaling back capital investment.

The Council estimates that it will have to save another £115 million by 2016-17 to balance the books, starting with £38 million next year and £50 million in the year after. By 2016-17 the Council’s resources will have reduced by more than a third over six years.

Local government funding

In terms of income and employment Bradford is ranked among the ten most deprived places in England and the gap between the richest and poorest parts of the District is wider than in any other local authority.

Economy

The national economic outlook remains uncertain but what is clear is the Government’s intention to continue to cut public spending.

The local economy is worth £8.3 billion, among the biggest in the region, and is growing faster than the UK average. However levels of skills and wages remain relatively low and there are relatively high levels of unemployment.

- In June 2013 claimant unemployment in the District was 5.8%, compared to 3.5% nationally.
- The proportion of claimants who had been unemployed for over a year was twice the national rate.
- Nearly 11% of young people were claiming Jobseekers’ Allowance compared to 6% nationally.
- The number of claimants for each Jobcentre vacancy was double the national average.
- In parts of the District nearly 30% of young people were claiming Jobseekers’ Allowance.

Increases in the number of people of working age mean that the District needs to create around 3,000 new jobs a year to provide sufficient employment.

The rate of company growth, however, is strong with recent research placing Bradford 22nd among the top 100 cities in the UK for company growth.

Population growth

At 522,500 the District’s population is big, youthful and among the fastest growing in the country. Between 2001 and 2011 the population grew by 11% and it is expected to grow at a similar rate over the next 10 years.

At 22% the proportion of 0-14 year olds is the highest of any metropolitan district. The number of children in primary school is expected to increase by over 4,000 by 2017.

In particular, there are increasing numbers of children and young people in areas of greatest deprivation.

Deprivation and need

Bradford is the 26th most deprived of 326 English local authorities. Nearly a third of people live in areas among the 10% most deprived in the country and 26% of children in the District live in households defined as being in poverty, significantly higher than the English average of 21%.

Despite this, Bradford Council has received a £147 per head cut in funding; compared to an average reduction per head of £20.29 for the ten least deprived authorities.
The number of older people is also growing. The number of people aged over 65 is predicted to increase by over 20% between 2011 and 2021; the number aged 85 and over is forecast to increase by over one third. By 2020 the number of people suffering from dementia is predicted to rise by 16%.

Big increases in the numbers of adults with physical and learning disabilities and mental health problems are also predicted.

While a youthful and growing population brings opportunities, it also increases demand for services to children and families. More older and disabled people will generate greater demand for care services.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2012</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>65-69</td>
<td>20,700</td>
<td>23,400</td>
<td>22,400</td>
<td>24,700</td>
<td>26,700</td>
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<tr>
<td>70-74</td>
<td>16,100</td>
<td>16,500</td>
<td>21,200</td>
<td>20,300</td>
<td>22,600</td>
</tr>
<tr>
<td>75-79</td>
<td>14,100</td>
<td>14,300</td>
<td>14,300</td>
<td>18,600</td>
<td>18,000</td>
</tr>
<tr>
<td>80-84</td>
<td>10,500</td>
<td>10,800</td>
<td>11,500</td>
<td>11,800</td>
<td>15,600</td>
</tr>
<tr>
<td>85-89</td>
<td>6,400</td>
<td>6,700</td>
<td>7,500</td>
<td>8,300</td>
<td>8,800</td>
</tr>
<tr>
<td>90+</td>
<td>3,500</td>
<td>4,000</td>
<td>4,800</td>
<td>6,000</td>
<td>7,500</td>
</tr>
<tr>
<td>Total population aged 65+</td>
<td>71,300</td>
<td>75,700</td>
<td>81,700</td>
<td>89,700</td>
<td>99,200</td>
</tr>
</tbody>
</table>

Localism Act

The Localism Act introduced measures likely to affect financial planning and services including:

- A requirement for councils to hold a referendum on proposed Council Tax increases above a certain level. The Government has set that level at 2%.

- Greater powers for councils to charge for some services in order to recover their costs.

- A requirement for councils to maintain a register of assets of community value preventing owners of those assets from selling them before community groups have had time to bid for them.

- The Community Right to Challenge enables voluntary or community groups, charitable organisations, a Parish or Town Council or two or more Council employees to express an interest in running a service. If that expression of interest is accepted by the Council it triggers an open procurement contest in which any potential provider from the private, public or voluntary and community sector can compete to run that service.
Public Health

The Council has taken responsibility for public health services and has been allocated budgets of £31.5 million for 2013-2014 and £34.7 million in 2015-16. For these two years the funding can only be used for public health purposes however, work is being undertaken to identify opportunities to work closely with other Council services.

Regional arrangements

Regional arrangements with other councils are growing in importance as the Government makes provision to transfer powers from Whitehall to local authorities and combined authorities.

Leeds City Region (LCR) brings together 11 local authorities to promote business, innovation and enterprise. The LCR recently secured a City Deal giving it greater control over economic investment and decision making. A £1 billion West Yorkshire Plus Transport Fund is under development and a city region investment fund of £20 million will be created to be used to attract much more private investment.

A key requirement of the City Deal is the establishment of a West Yorkshire Combined Authority to help grow the economy through a joint approach to strategic investment and transport. The purpose of this activity is the creation of economic growth and jobs.

The Council will ensure that all parts of the District can benefit from regional arrangements, but will also maintain an independent voice pushing Government for investment, support, resources and greater autonomy.

Schools

The Government wants to delegate as much funding as possible directly to schools. While national policy statements envisage a strong strategic role for local authorities in education, the overall direction is to reduce their direct influence over schools.

As more schools move to academy status the Government is reducing the resources available to local authorities for education services to maintained schools, transferring them to academies. For example, in 2013-14, Bradford Council’s grant for education support services was reduced by £2.9 million. This reduction was absorbed by the Council making savings in other budgets but clearly this is not a situation that is financially sustainable over the longer term.

Social Care

The financial pressures of meeting the costs of social care amid increasing demand and rapidly growing numbers of older people is a nationally recognised issue.

The current system is widely acknowledged to be unsustainable and the Government is proposing that, in future, a higher proportion of people eligible for care will be expected to pay for their needs. The Care Bill will require local authorities to promote wellbeing and set a national minimum level at which all local authorities must meet someone’s care and support needs. The Government is proposing that the national minimum level should be set at the ‘substantial’ level and aimed at:

- people who are unable to carry out most of their personal care and domestic routines
- people unable to sustain the majority of their social relationships
- individuals who have minimal control over their environment
- people who cannot sustain involvement in work or learning
- individuals who are at risk of abuse or neglect.

Welfare Reform

The Government expects to save £18 billion nationally by reducing payments of tax credits and benefits and the numbers of people able to claim them. Because almost all tax credits and benefits for people of working age are affected in some way and Bradford has relatively high numbers of people claiming them, the reforms are affecting thousands of local people.

There is evidence that the changes are leading to increasing pressure on Council services and on services providing financial advice and counselling. Demand for one bedroom social housing is increasing but the District has an insufficient supply of one bedroom accommodation to meet demand from all those people affected by changes to Housing Benefit.

Changes to welfare include a £5 million reduction in the money the Government provides to help people on low incomes with their Council Tax. Because of the financial pressures on services caused by other reductions in funding, the Council has had to pass this reduction on to claimants so many low income working age people are now making a contribution to their Council Tax for the first time.
Our priorities

The Council’s top priorities for the District have been reflected in spending decisions over the last three years. Despite the impact of unprecedented reductions in public spending we have continued to target the resources at our disposal at priorities which have been informed by extensive consultation with the public and with our public and private sector partners. We are proposing that the following priorities continue to underpin our budget decisions for the medium term.

**Improving education**

The Council is determined to play its part in making sure that all our children get the education they need to allow them to get the best possible start in life. Education has been improving, but the gap between achievement in Bradford and the national average remains too wide so there is a lot more to do, starting from an early age. Increasing numbers of children are placing pressure on school places so securing sufficient places at the right schools is a key challenge.

One in four of the District’s children live in poverty, which we know can have a significant negative effect on a child’s achievement so we need to work on all fronts to tackle this.

**Promoting prosperity by driving regeneration to support the District’s economy, jobs and skills**

The Council has invested in support to local businesses so that they are able to thrive and survive. We must work to attract new businesses and ensure that local and regional infrastructure is up to the job. We have made big financial investments to support the regeneration of the city centre and are also re-locating staff to the city centre as we reduce the numbers of buildings that the Council uses.

With unemployment above average and youth unemployment of particular concern we need to help people develop the skills to get into work. The District’s low levels of skills and qualifications are a barrier to employment and growth in jobs which is why the Council is investing significant sums in improving skills.

**Supporting the most vulnerable adults, children and families**

Helping and safeguarding those people least able to help themselves is one of the Council’s most important responsibilities. But we face rising demand, and care services account for a big share of the Council’s budget, so we must find ways to cut costs while ensuring the most vulnerable people keep getting good services.

The Council must work closely and share resources with partners, identify more efficient ways of working, maximise value for money from our contracts, help people before problems become acute and costly, and hold an honest debate with the public about what services it should be expected to provide.

**Securing an adequate supply of decent and affordable homes**

There is an urgent need to increase the supply of quality, affordable homes across the District. A growing population is increasing demand, too much of the existing housing stock is not of a decent standard, there are high numbers of empty homes and too many households are experiencing fuel poverty.

We need to see more specialist older people’s housing and support for people to be able to go on living in their own homes for as long as possible.

**Reducing health inequalities**

There are big differences in the health of people living in different parts of the District. Men in the wealthiest areas can expect to live 12 years longer than those in the most deprived areas, for women the difference is 8.3 years. There are long-standing issues related to obesity, heart disease and infant mortality; and poverty has a seriously detrimental impact on health in some parts of the District.

The Council has taken responsibility for public health and improving health in the most deprived areas is a priority. The benefits of better health include a more productive economy and reduced costs to tax payers so it is in everyone’s interest to make it a priority.

**Safe, clean and welcoming neighbourhoods**

Making communities safer is a top priority for the public and a clean, well maintained environment that people can take a pride in is also highly prized. We are committed to playing our part, but local people also have a big part to play in making their neighbourhoods better places to live. We want to continue providing our citizens with the skills and opportunities to work with us in shaping the future of their communities.
Our approach to setting budgets is based on some key principles.

## Value for money
Services should be cost effective, efficient and deliver value for money. We will ensure that services, including when they are commissioned from or contracted out to other organisations, maximise benefits to the District through local jobs and business opportunities, wherever possible.

## Innovation and improvement
We will explore innovative ways of delivering services and using resources. We will learn from other organisations and sectors, including how we can make better use of business intelligence and management information to reduce our overheads and focus resources on front-line services. We will encourage ideas from Council employees, trade unions, partners, and the public on how we can do things differently.

## Fairness and equality
The Council will adopt a fair, open and transparent approach to deciding how to spend money, make savings and generate income and will take into account people’s needs in reaching those decisions.

All budget proposals will be assessed to ensure that they do not have a disproportionately negative effect on any single group of people of a particular age, gender, faith, ethnic group, sexual orientation, or who have a disability, are pregnant or new mothers or have changed gender. Where any potential negative effect on those groups is identified, consideration is given to action that can be taken to lessen or remove that negative effect. We will also assess the impact of proposals on people on low incomes.

## Sustainable use of natural and financial resources
We must consider the future impact of decisions that we take now on the environment and on the Council's financial position to ensure that we use natural resources efficiently and money wisely.

## Honesty and transparency
We will be open and honest about the choices that we face and the decisions that we take.
## Investing in priorities

The Council has been working hard to become more effective and lower costs which have helped us to improve performance in some areas and to protect and invest in some of our priorities even in difficult times. There can be no guarantee, however, that spending priorities will remain the same in the future. Over the last three years, our spending decisions have reflected these priorities:

### Improving education
- supported innovation in schools
- invested in building two new special schools
- absorbed the Government’s £2.9 million reduction to funding for education services and over £5 million of a £7 million plus reduction in grants for early years services.

### Promoting prosperity by driving regeneration to support the District’s economy, jobs and skills
- invested £17 million in the £35 million City Centre Growth Zone
- put £7.7 million of funding into Get Bradford Working – the biggest local authority employment and skills scheme of its kind
- invested £1.25 million of reserves in advanced manufacturing skills training and jobs
- made substantial investment in local and regional transport and economic infrastructure.

### Supporting the most vulnerable adults, children and families
- invested in the provision of improved accommodation and housing for older and vulnerable residents
- funded increased demand for social care services
- invested more in mental health services
- kept all children’s centres open
- protected children’s social work from budget reductions
- invested to speed up adoptions
- protected voluntary sector funding for advice services and domestic violence.

### Reducing health inequalities
- made commitments to close working and pooling of resources with the NHS
- helped tackle poverty through investment in financial advice services
- kept charges for sport and leisure services affordable.

### Safe, clean and welcoming neighbourhoods
- retained Council warden services and financial support for police community support officers
- maintained the district-wide network of clean teams after the loss of the government grant used to fund them
- kept weekly bin collections
- invested more in road safety measures to make up for the loss of government grants.

### Securing an adequate supply of decent and affordable homes
- allocated over £3 million to reducing the numbers of empty homes
- supplied an extra £3.8 million in 2012 to develop new affordable housing in addition to the £3.4 million already allocated. The funds will attract additional investment from Government agencies.
- invested in building the first new Council houses for 30 years.
Council income

Although over a billion pounds of funds pass through the Council’s books each year, the majority of that is provided by Government for specific purposes over which the Council has no control such as schools (£489.4 million) and housing grants (£178.2 million). A further £31.5 million has been provided for Public Health this year and can’t be spent on anything else.

A big chunk of spending is on services that pay their way by charging customers. The viability of some services depends on fees and charges, so if spending on those services is reduced then income can also be expected to reduce.

The proportion of the budget over which the Council has direct control is known as the net budget.

The current net budget is £453 million which is funded via Government grants, Council Tax, business rates and the use of some Council reserves.

### Council income

<table>
<thead>
<tr>
<th>Source</th>
<th>£ Millions</th>
<th>% Net Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Grants</td>
<td>237.3</td>
<td>52.3</td>
</tr>
<tr>
<td>Business Rates</td>
<td>66.6</td>
<td>14.7</td>
</tr>
<tr>
<td>Council Tax</td>
<td>138.2</td>
<td>30.5</td>
</tr>
<tr>
<td>Reserves</td>
<td>11.3</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>453.4</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### Government grants

Since 2010 Government grants to the Council have reduced by £100 million. This, combined with inflation and increasing demand for care services, has forced the Council to reduce spending by over £100 million.
**Council Tax**

This year Council Tax was increased for the first time in three years.

Less than half the Council’s income is raised locally through Council Tax and its share of business rates so Bradford is more reliant on Government funding than many other places and is therefore particularly vulnerable to reductions in Government support.

Bradford’s Council Tax is relatively low compared to other West Yorkshire authorities.

The Police, Fire Service and Parish Councils can place an extra charge called a precept on to the Council Tax. In this document we are only concerned with the share charged by Bradford Council.

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**Band D Council Tax West Yorkshire Authorities 2013-14**

<table>
<thead>
<tr>
<th>Authority</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calderdale</td>
<td>£1,251.43</td>
</tr>
<tr>
<td>Kirkles</td>
<td>£1,242.91</td>
</tr>
<tr>
<td>Leeds</td>
<td>£1,123.49</td>
</tr>
<tr>
<td>Wakefield</td>
<td>£1,116.55</td>
</tr>
<tr>
<td>Bradford</td>
<td>£1,116.11</td>
</tr>
</tbody>
</table>

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**Business rates**

Business rates are set nationally, not by the Council. The Council now keeps 49% of the rates it collects instead of passing them all on to the Government, as was previously the case. Local growth in business rates could help to deliver a greater degree of financial independence from Government over time.
Council spending

This year the Council’s total net spending will amount to £453.4 million after income from fees and charges and grants for specific purposes such as schools have been taken into account.

<table>
<thead>
<tr>
<th>Department</th>
<th>£ Millions</th>
<th>% Net Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult and Community Services</td>
<td>129.6</td>
<td>28.6</td>
</tr>
<tr>
<td>Children’s Services</td>
<td>89.9</td>
<td>19.8</td>
</tr>
<tr>
<td>Capital Investment Repayments</td>
<td>58.5</td>
<td>12.9</td>
</tr>
<tr>
<td>Regeneration and Culture</td>
<td>46.9</td>
<td>10.3</td>
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<tr>
<td>Environment and Sport</td>
<td>39.4</td>
<td>8.7</td>
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<tr>
<td>Non Departmental Spending</td>
<td>33.7</td>
<td>7.5</td>
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<tr>
<td>Finance and ICT</td>
<td>27.8</td>
<td>6.1</td>
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<tr>
<td>Human Resources</td>
<td>13.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Legal and Democratic Services</td>
<td>6.0</td>
<td>1.3</td>
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<tr>
<td>Chief Executive’s Office and Strategic Support</td>
<td>4.9</td>
<td>1.1</td>
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<tr>
<td>Public Affairs and Communications</td>
<td>1.7</td>
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<tr>
<td>Property Programme</td>
<td>1.7</td>
<td>0.4</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>453.4</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The table shows how expenditure is distributed between Council departments, capital debt repayments and non-departmental spending.

Council investments and services make a real difference to the District and people’s lives.
Adult and Community Services  £129.6m

The Adult and Community Services works to meet the social care needs of vulnerable adults. It does this through a combination of advice, information, facilities and services run by the Council or bought from other organisations.

It works closely with health, care and housing organisations. It agrees with people how much they will pay towards their services and, in some cases, provides a ‘direct payment’ to people so they can make their own arrangements.

The service also supports the District’s growing number of carers. The focus of activity will continue to shift towards supporting people to live in their own homes for as long as possible, preventing the need to enter high cost care, providing short-term support and helping people while they recover from illness and injury.

Over 30,000 people contacted adult social care services last year; the overall number of contacts with these services is increasing by about 2% a year. The proportion of people assisted at the first point of contact is increasing, up to 80% last year.

Last year the Council provided more than 2,000 people with short-term assistance and support to help them regain and maintain independence, health and wellbeing.

11,600 people received longer-term care and support services, over 80% in their own homes and 18% in care homes.

The Council currently helps 4,000 carers to look after vulnerable adults.

Children’s Services  £89.9m

Children’s Services, working with the District’s schools, is responsible for education support and early years services, including school places planning, admissions, special educational needs services and family and children’s centres.

It supports young people to make the transition from education into employment and also provides specialist services for looked after children, child protection, services for children with disabilities and youth services.

The department works closely with its 29 secondary schools, 157 primary schools, seven nursery schools and seven special schools through the partnerships that the schools have developed.

Between August 2012 and May 2013 the proportion of primary school children attending a school that was good or better increased from 64% to 81%. Similarly the proportion of secondary school children attending a school that was good or better increased from 28% to 48%.

The proportion of our young people not in education, employment or training is now at an all time low.

A network of 41 children’s centres delivers services to more than 50% of families across the District.

The Council runs 13 children’s homes that are all rated as good or outstanding and is responsible for 900 looked after children. Specialist services also work with 3,700 children in need.

There are 400 children subject to formal child protection plans.

Youth services worked with 13,021 young people last year.
### Environment and Sport

<table>
<thead>
<tr>
<th>£39.4m</th>
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<tr>
<td>The Environment and Sport department runs waste collection and cleansing services and environmental health. It provides sport and leisure services, parks and open spaces. The department also runs a neighbourhoods service working with residents and communities, promoting safe and strong communities, managing the Council’s uniformed wardens service, working closely with the police and contributing £1 million a year to the costs of police community support officers. The service is also responsible for the Council’s customer services.</td>
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<tr>
<td>Rubbish is collected from over 200,000 households and over 100,000 tonnes of waste is recycled each year. Between 2010 and 2013 the amount of waste going to landfill has dropped from 67% to 23%.</td>
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### Regeneration and Culture

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<th>£46.9m</th>
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<td>The department’s key objectives are: to revitalise the city centre including managing the £35 million regional Growth Zone, City Park and city centre events; to support economic growth and promote jobs and skills across the whole District; to help to secure an improved and increased supply of housing; to make better use of the Council’s property and improve energy efficiency; and to deliver a range of cultural services including libraries, museums and theatres. The regeneration and culture department also delivers planning services and maintains and improves the District’s roads and transport infrastructure.</td>
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<td>The award winning City Park has generated an estimated £2.6 million additional spend in the city centre in its first year with estimated attendance of 223,600 at City Park events between March and December 2012.</td>
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<td>The £9 million Get Bradford Working programme, helping people into employment as well as providing skills for work training and apprenticeships, is the biggest local scheme of its kind in the country. Only 5% of the funding has been spent to date but it is already delivering results. We have worked with 460 unemployed young people, securing ongoing employment for 148 of them, supported 137 disadvantaged people into employment and launched an Apprenticeships Training Agency.</td>
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<td>Since November 2012 the City Centre Growth Zone scheme has approved 48 applications for business rates rebate at a value of over £2 million, created 79 jobs with a total commitment to date of 213 in the next three years and provided 64 businesses with support.</td>
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<td>Over the last three years the Council has delivered 721 new homes and there are now over 3,000 fewer empty homes than there were in 2009.</td>
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<td>The Council maintains 2,000km of road, 57,000 street lights, 400 road bridges, and 337 traffic light junctions.</td>
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<td>Our planners deal with over 4,000 planning applications every year.</td>
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<td>Our library service issued 1,364,402 books last year through a network of 26 libraries, three mobile libraries, a home delivery service and four community-managed service points.</td>
</tr>
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</table>
Support services (back office functions)

The Council also delivers a range of support services that are essential for the effective management of the Council’s business, resources, employees and technology. They support the delivery of front-line services and play key roles in supporting decision making. These services have been subject to significant financial reductions and reorganisation over the last three years as the Council has sought to improve efficiency, reduce back office costs and protect front-line services.

### Finance and ICT £27.8m

The Finance and ICT department delivers some services directly to customers including the collection of Council Tax and other sources of Council income and the assessment and payment of benefits. The department also provides financial management and audit, insurance and is responsible for the information systems that underpin the entire operation of the Council and its services and for buying and commissioning goods and services.

£18.3 million of the department’s net expenditure relates to the contract with a private company for information and communications systems that was signed in 2005 and will offer limited opportunities to deliver savings until it expires in September 2015.

Finance manages gross expenditure of over £1 billion a year.

Last year the department collected over £400 million in Council Tax and business rates and other charges and income.

In 2012-13 the Council’s benefits service handled 140,817 enquiries in person, answered 222,318 telephone enquires and responded to 3,736 letters and emails.

### Legal and Democratic Services £6m

Legal and Democratic Services supports Council decision making and elected members, administers elections, and runs the Lord Mayor’s office, registrar’s office and services to HM coroner and the forensic mortuary. A team of lawyers provides essential legal advice to Council departments and other public bodies in the District, such as schools.

Sharing legal expertise with other councils is saving £1 million a year.

### Chief Executive’s Office and Strategic Support £4.9m

Working with political leaders, senior managers and key partners, the Chief Executive’s Office oversees organisational change and the management of the Council. Strategic support services oversee and implement change, improving business processes to deliver improved efficiency and providing critical research and analysis in support of decision making.

The Council’s change programme is delivering savings of over £20 million a year.

### Human Resources £13.3m

Human Resources is responsible for services involving the support and management of the Council’s employees.

Responsibilities include professional advice and support, statutory obligations relating to issuing employee contracts, industrial relations and health and safety. The service also provides occupational health advice, staff training and development and manages the Council’s administrative functions.

### Public Affairs and Communications £1.7m

Public Affairs and Communications manages public information, informing people about the services of the Council and partners.

As part of its work the communications team dealt with more than 1,500 media enquiries last year, and carried out more than 2,000 design and print assignments.

Support services now constitute around 12% of net Council expenditure. The Council will be reviewing again how it can reduce spending on support services. However no organisation can run without some level of overhead, and back office services play a key role in supporting Council priorities and front-line service delivery.

Cutting back office support to the bone can prove to be a false economy if we then have to buy it in at a higher cost and even if it were possible to eliminate support costs completely this would not deliver anywhere near the level of savings needed. Nevertheless, we will continue to review and improve processes to reduce costs.
The difference between the Council's income and the money it needs to deliver services is called the funding gap. The gap can be filled either by increasing income or finding savings or through a combination of the two.

The Council’s estimates are based on the following assumptions:

- there is no increase or decrease in levels of Council Tax
- Council employees’ pay increases, in line with assumed national pay awards, by 1% in each of the first two years and by 2% in the third year
- inflation increases by 2% a year
- employer contribution rate to pensions stays at 15%
- the Council contributes £0.3m, £1.9m and £3.1m over the next three years towards the West Yorkshire Transport Fund
- all scheduled budget savings are achieved
- apart from provision for increasing demand for social care, there are no other costs arising from increased demand for services
- the Council does not receive a share of the money that the Government has taken back from its general grants to fund specific additional activities.

Setting the Council’s Budget

There will be an immediate need to find £38 million savings in 2014-15 and £50 million the year after. A small change in these assumptions can make a big difference to the funding gap.

Projected funding gap

In setting the budget, both councillors and Council officers need to think about how the Council will invest its resources and run services over the longer term, not just the next two financial years or even the next three.

The decisions that councillors will have to make include choices about the level of Council Tax, where to invest resources to make the maximum impact on priorities, which services to offer some protection from reductions in spending, what to charge for services, which services to reduce in quality and frequency, which can be done differently and which to stop providing.

Funding gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding Gap £m</th>
<th>% of Net Budget</th>
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<tr>
<td>2014-15</td>
<td>38</td>
<td>8.4%</td>
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<tr>
<td>2015-16</td>
<td>88</td>
<td>19.4%</td>
</tr>
<tr>
<td>2016-17</td>
<td>115</td>
<td>25.4%</td>
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</table>
For 2014-15 the Government says it will offer a grant to authorities that freeze Council Tax. It is currently proposed that the grant will be the equivalent of a 1% increase in Council Tax and will be paid for two years after which councils will have to find the money themselves. The Government is making a similar proposal in 2015-16 but the grant will only be paid for one year. In the past, however, the Government has changed the rules on how long the grants will be paid for after councils have set their budgets.

If Bradford Council chose to accept the Government’s proposal and freeze Council Tax while accepting the grant in return, it would have no overall effect on the funding gap over three years. By year three the grants would have expired and the Council would have to make up the difference.

To help bridge the £115 million funding gap and balance the books by 2016-17 the Council could consider increasing Council Tax. This would bring in more money to help protect local services from reductions or closure and provide more local control over income, making the Council more self-reliant and less susceptible to changes in funding from Government.

The Government has said a Council cannot increase Council Tax by more than 2% in any particular year unless it holds a local referendum the results of which show that a majority of people are in favour of a rise.

The estimated cost of a referendum on Council Tax in the Bradford District is over £500,000.

**Options for Council Tax**

Increasing Council Tax reduces the funding gap, while cutting Council Tax increases the gap. Our current forecasts assume no changes to the levels of Council tax over the next three years.

1. **Increase Council Tax**
   - Each 1% increase in Council Tax would raise an additional £1.4 million every year. Increasing Council Tax by 1% each year for three years would close the £115 million funding gap by £4.2 million. If the Council wanted to increase Council Tax by more than 2% to pay for services which it could otherwise not afford then it would need to hold a local referendum and demonstrate the proposal had the support of local people.

2. **Freeze Council Tax**
   - If we freeze Council Tax, our current understanding is that we would receive a Government grant equivalent to a 1% increase for two years in 2014-15 and one year for 2015-16. However, the grants would expire in 2016-17 and the Council would then have to make up the difference somehow so the effect on the overall three year funding gap would be neutral although the annual saving profile would change slightly.

3. **Reduce Council Tax**
   - If the Council chose to cut Council Tax next year it would have to find an extra £1.4 million a year in reductions to services for every 1% it decided to reduce Council Tax by. If it cut Council Tax by 1% each year for three years it would add another £4.2 million to the funding gap by 2016-17.
Reserves

The Council holds money in the bank called cash reserves. Of these, over £40 million belongs to schools; £11 million is held in a central fund in line with auditors’ requirements; and over £70 million has already been put aside for specific priority purposes such as helping young people into work, providing apprenticeships, skills and training, city centre regeneration, support for homelessness and housing initiatives, and payments for new schools built under the Building Schools for the Future programme.

At the time of writing the unallocated reserves available to the Council for spending without taking money from other priorities were £17 million.

It is sometimes suggested that the Council should use reserves to deal with reductions in Government grants, but reserves can only be spent once. When they are gone, they are gone, and relying on them for day to day spending just stores up even bigger problems later on.

If the unallocated reserves of £17 million were used to plug holes in funding for day to day spending they would run out within six months. Even if the Council used all its reserves to plug the funding gap they would be exhausted in under two years. For this reason, the Council’s policy is only to use reserves to:

- provide transitional support to changes in the way that the Council works because some changes can’t be made in one financial year or over the short-term

- fund short-term, time-limited activity that contributes to our priorities, helping to produce the results we want the District to achieve

- support investment that pays back over time in the form of savings, for example, investment in new equipment or systems might increase efficiency and lower costs

- to meet unexpected costs.
Improving efficiency

We will continue to focus effort and activity on improving efficiency, renegotiating contracts and lowering costs while maintaining good standards of services. However, it is unrealistic to expect to be able to absorb the level of reductions facing the Council solely through efficiency savings and cuts to ‘back office’ services.

Working together with our partners

The Council is already working hard with partner organisations to maximise the impact of our joint resources on the District’s priorities. For example, the Families First initiative brings different agencies together to provide joined-up support to troubled families, avoiding duplication of activity and information.

Nevertheless, we will have to find ways of getting even smarter in the way we work together. In particular, continued close collaboration with the NHS on health and social care issues will become increasingly important.

Different ways of doing things

In some instances it might be possible to reduce costs by providing services in a different way and the Council will explore alternative ways of delivering services that are proved to be cost-effective and will contribute, and not be detrimental, to the District’s economy. These could include community-managed services, employee mutuals, outsourcing and increasing trading.

Community-managed services

We have already worked with a small number of communities to assist them in running services on a voluntary basis for example, library services.

Where there are issues about the ongoing sustainability of local services and facilities the Council will enter into a mature and open conversation with residents and staff about alternative ways of delivering services and whether we can provide resources to support transitional arrangements.

Outsourcing

Under the right circumstances, outsourcing services so that they are delivered by another organisation, for example by the private or voluntary and community sector, may provide good services at lower cost and, where it makes sense, the Council will give it consideration. However, it is not always the case that outsourcing either lowers costs or improves services, and quality can sometimes be compromised. There are associated risks of losing local flexibility and control and sometimes rigid contractual arrangements can make it harder, not easier, to deliver savings.

Employee ownership

Mutuals are owned by members, who can be employees or customers or a mixture of both. Potentially they can improve efficiency and quality by giving staff a personal stake and say in how the business is run. Initially they may require transitional support and expertise from the Council. Commissioning services from mutuals carries the potential risk of reduced local flexibility, control and influence.

Sharing services

The Council is already making savings by working collaboratively with other authorities and public sector partners and will continue to look at shared and joint services where they make sense and reduce transactions, deliver economy of scale and make functions more stable if otherwise they would be too small to be effective.

However shared services are not always appropriate. They can lead to reductions in local control and accountability and do not necessarily offer additional savings, for example where an organisation is already operating a service at
a high level of efficiency or already has economies of scale due to its size. Nor is sharing a quick fix, it takes time to deliver.

Whilst we will continue to explore the options for shared service delivery the scale of the financial challenge is such that it cannot be met solely through shared services which would have a relatively small impact in bridging the £115 million funding gap.

**Difficult decisions**

While doing things differently may help to reduce costs, there are no ‘no cost’ options. Services, however they are delivered, still have to be paid for.

The Council intends to leave no stone unturned in its efforts to balance the books while maintaining services and will be reviewing all expenditure. But the reality is that there are no magic bullets to reduce spending by £115 million without affecting everyday Council services.

There is a limit to the savings that can be made before big reductions have to be made to services and we are fast approaching the critical point. Difficult decisions will have to be made about what the Council can no longer afford to do.

**Trading**

The last couple of years has seen the Council trading more of its services, for example with schools. Moving to more commercially-orientated approaches in some areas may secure increased income. However, there is evidence to suggest that some Council services are struggling to meet income targets in the current economic climate.

**What happens next?**

This document is part of an ongoing engagement and consultation programme that will continue through the budget setting process.

The Council is committed to consulting with local people, businesses, groups, trade unions, staff and other interested parties throughout our budget setting process to:

- be as open, fair and transparent as possible
- meet our responsibilities under best value statutory guidance
- ensure we meet our specific duties under the public sector equalities legislation
- and, most importantly, to provide councillors with more information to help them to come to a judgement on the difficult decisions to be made when setting the budget.

The engagement and consultation programme will be phased, so that as options are developed and the Council moves through its budget setting, further information will be made available and greater detail consulted upon. Detailed initial proposals will be published on 28 October 2013 and the Council’s Executive will meet to consider them on 5 November 2013 and agree a package of proposals to be subject to ongoing consultation with the public, local businesses, organisations and groups, and the Council’s employees and trade unions.

Information will be made available through the Council’s website at [www.bradford.gov.uk/budget](http://www.bradford.gov.uk/budget) and in libraries and we will highlight and publicise consultation events.

Throughout the engagement and consultation programme, you can give us your views through our website or by writing to us, free of charge, at our Freepost address.

The feedback from this consultation will be analysed and used to inform the budget setting process.

All budget proposals will be subject to assessments to ensure that groups identified as having protected characteristics in the Equalities Act 2010 are not disproportionately affected and, where any potential negative effect on those groups is identified, consideration is given to action that can be taken to mitigate or remove that negative effect.

In addition to the groups identified in the Equalities Act we will assess and consider the potential impact and any means of mitigating or removing any disproportionate impact on people who are on low incomes or living in low wage households.

Feedback from the consultation process will inform the development of the Executive’s final budget recommendation which will be published in February 2014.

The Council will meet to set its budget for 2014-16 on Thursday, 20 February 2014.
Nevertheless, as our financial analysis shows, there will be some stark and difficult choices to be made in the next few years that will inevitably affect the scope and scale of local services and the relationship between the Council and citizens. The Council is committed to engaging local people and organisations in an honest and mature debate about those choices.

We want as many people as possible to have their say on how we set our budget and this is just the start of a programme of consultation leading up to Council setting its budget for 2014-16 in February next year.

You might want to think about some of the following questions and issues.

- What are the most important things the Council should target resources at?
- Are we allocating resources to the right priorities and should we continue to protect certain services? If so, which ones?
- Should we increase, reduce or freeze levels of Council Tax?
- Are there services that you think we could cut back on where people would accept less frequent or lower quality services than they get now?
- Are there services that you think we should stop providing altogether?
- Are there services you think we should charge more for or could introduce new charges for?
- Are there some services that should be rationed so that they are only provided to the people in the greatest need?
- Are there things that you think people could and should be doing for themselves instead of relying on the Council?
- Are there different, innovative ways of providing services at lower costs that you think should be considered?
- Are there any investments that we could make now to save money in future?

A range of further information about Council budgets and spending, including information on this year’s budget (2013-14), spending over £500, spending on consultants, members allowances and the Council’s pay policy can be found at www.bradford.gov.uk/budget

You can also make your comments online at www.bradford.gov.uk/budget

The wording in this publication can be made available in other formats such as large print and Braille. Please call 01274 434290.
My comments on
Council spending 2014-16

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Please write your comments on the previous page, enter your name and address in the box above, cut along the dotted line and return in an envelope (no stamp required) to:

Freepost RTLC-KEGA-JGRX
Bradford Council, Budget Consultation
Britannia House, Hall Ings
Bradford BD1 1HX

(optional)

Name: ...........................................................................
Address: ...........................................................................
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Postcode: ...........................................................................

City of Bradford MDC