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Chancellor of the Exchequer
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Dear Chancellor

Spring Budget 2024

I am writing to present Bradford Council's submission to the Spring Budget.

Council services and resources play a critical role in improving and protecting the health, well-being, and prosperity of our communities. However, Bradford, like many other Councils across the country is in a financial crisis because of increasing demand pressures, rising costs and the impact of austerity. We currently face a funding gap of at least £120m.

Children's social care presents the single biggest pressure with £250m forecast costs this year outweighing the £233m the Council can raise through Council tax and placing other services at risk. Other significant pressures include demand for adult social care, home to school transport and SEND services.

The Council has shouldered a disproportionate burden of austerity having already made £350m in savings since 2011 and the decisions about local services get harder and harder each year. We have now reached a tipping point beyond which the damage to our communities and our prospects for growth threatens to be irreversible with a consequent impact on other public services such as the NHS, Police, and criminal justice system.

The local government finance system is broken and needs to change. We require urgent investment and market reform to meet the pressures in social care, but we must also see a fairer system of funding for local authorities, one which recognises differing levels of need and local resources and doesn't expect council tax-payers to pick up the lion's share of the tab for what are national and systemic issues. We need sufficient funding to cover the costs of school transport and SEND and the retention of the Household Support Fund without which demand for services will spiral even higher.

The Government has collaborated with us on key regeneration projects and a devolution deal that will help to transform the District's prospects and we must continue to build on that work to unlock our full productive potential. But the scale of the financial challenge is such that the Council's ability to support and deliver growth is compromised.

The current outlook is bleak and without immediate additional investment we face the prospect of deep cuts to services valued by local people and of re-trenching to a statutory minimum level of provision. The Spring Budget provides the chance for Government to fund Bradford fairly with the resources that it needs to care for vulnerable children and adults, to sustain good services and to continue our work to unleash the District's potential.

Yours sincerely



Cllr Susan Hinchcliffe, Leader, Bradford Council

City of Bradford MDC Submission to the Spring Budget 2024



Summary

Bradford Council is working with Government on a pipeline of projects designed to unlock the District's potential of the UK's youngest city.

Council resources are key to realising our plans but are under unsustainable pressure because of increasing demand for social care, rising costs and the impact of austerity which are placing the District's well-being and prospects for growth at risk. The budget offers the opportunity for investment and reform to enable Bradford Council and local government to secure a financially sustainable future.

1. Funding and reform in Children's Social Care.

Urgent investment is needed to meet demand pressures alongside a cap on agency and residential care costs.

2. Adult social care funding and workforce reform. Deliver sufficient funding to meet demand and accelerate a long-term workforce plan.

3. Financial reform. Commit to the fair funding review and business rates re-set as soon as possible.

4. Fund home to school transport and SEND support at levels needed to meet demand.

5. Restore the Household Support Fund. This provides £11m a year to support vulnerable households without it demand pressures will increase.

6. Deeper Devolution. Bradford is supporting an ambitious West Yorkshire submission for a level 4 devolution deal.

7. Support our growth plans. Continue to support our growth pipeline recognising the critical role that Council resources play in its delivery.

8. Public sector reform, Work with Bradford to build on our pioneering work on prevention and early help and place-based approaches to maximising the impact of all public spending.

Bradford District offers unrivalled growth potential.

Bradford is the fifth biggest metropolitan District, the UK's youngest city and among its most diverse. It offers considerable opportunities for growth and the Council has an ambitious pipeline of transformational projects designed to unlock its full productive capacity. Our plans have been backed by Government decisions on City of Culture 2025, a new city centre rail station, the Towns Fund, Levelling Up Fund, and the West Yorkshire devolution deal.

Council finances are under unsustainable pressure.

Council services and investments are key to the realisation of our ambitions for growth and to the well-being and quality of life of the District's 547,000 residents. However, Bradford is among the growing number of councils across the country experiencing unprecedented financial pressures and faces a structural funding gap estimated to be at least £120m while nationally, the Local Government Association (LGA) reports a £4bn gap.

Bradford's position arises from a combination of factors including increasing demand for and costs of children's and adults' social care; high inflation, the impact of national pay awards and national austerity measures, a low council tax base and significant deprivation which helps to drive demand. Since 2011, the Council has already had to find £350m to meet cost and demand pressures in addition to deploying reserves which are now all but exhausted.

As a measure of the pressures, forecast spend on Children's Services which is delivered by Bradford Children and Families Trust, and Adult Social Care would be equivalent to over 87% of the Council's approved budget in 2023-24 and without additional resources these costs can only be met at the expense of other Council services.

The Council has identified further savings which will require difficult decisions to be taken and service quality and delivery will inevitably be much reduced. We are developing a wide-ranging transformation programme, seeking to increase income, progressing a package of asset disposals designed to raise £60m and proposing to raise Council tax by the maximum allowed without a referendum. These measures are however insufficient to bridge the funding gap over the short term and the Council has requested Exceptional Financial Support from Government without which it would have to make sudden changes that would not be in the interests of residents or businesses.

The current financial position not just of Bradford but of the entire sector, is unsustainable. Unless the Council can access sufficient additional resources there is a high likelihood that services will reduce to a statutory bare minimum providing crisis support only. This will reduce frontline services to communities, our ability to deliver growth and the provision of prevention and early help all of which will lead to further pressure on the NHS and other public services. Additional funding along with reform is required on several fronts.

The Spring Budget provides an opportunity for government to commit to additional investment and accelerate reforms.

1 Additional funding and reform in Children's Social Care.

Children's social care in Bradford is delivered by Bradford Children and Families Trust (BCFT), an independent company owned by the Council which was established in April this year following a direction from the then Secretary of State for Education Nadhim Zahawi. The DfE appointed the trust board after a period since 2021 during which a DfE appointed commissioner had been in place. BCFT has become operational in challenging and volatile circumstances. Bradford has seen big increases in demand for children's social care, more complex cases, rising costs and challenges in recruitment and retention. The numbers of children in care rose by 61% between 2012 to 2022 and the rate of children in need increased by more than 60% over a similar period. Residential fees are up from £3,600 a week per child in 2020-21 to over £6,000 now. Issues in recruitment and retention require us to hire agency staff. These factors combine to represent Bradford's principal financial pressure which is set to account for almost half of Council expenditure.

The position reflects a national trend which is particularly acute in Bradford where 39% of children live in poverty. Recently published Government statistics demonstrated that nationally, Council spending on Children's Social Care doubled in the decade to 2022-23 from £6.6bn to £12.8bn. The Children's Funding Alliance have identified a £1.6bn annual shortfall in funding, while the Independent Review of Children's Social Care has called for an additional £2.6bn to deliver reform and highlighted a system under extreme stress. The Competitions and Markets Authority identified a dysfunctional market for children's residential care in which providers can make excessive profits as local authorities compete for limited spaces.

Bradford Children and Families Trust deliver children's social care and they tell us that they need £250m this year which is more than the Council's entire £233m take in Council tax and demonstrates the misalignment between need and resources. Protecting these services through existing resources is unsustainable and comes at the cost of funding for other Council services. For example, Councils are being forced to cut back the prevention and early help that keeps people out of expensive crisis interventions. The Children's Funding Alliance estimates that spending on early help reduced by £1.9bn since 2011 and that for every £1 spent on crisis interventions just £0.23 goes on prevention. Without sufficient funding from Government non-statutory prevention and early help services could face further cuts. Consequently, more people will need crisis support and pressure will mount on social care and on the NHS. Urgent investment and market reforms are needed.

Provide urgent additional funding to stabilise Children's Social Care, meet demand, deliver reform, and ensure that Councils can keep providing the support that children and families need without having to cut other vital council services. We would welcome the introduction of Safety Valve funding for Children's Social Care as is the case for SEND.

Cap the costs of agency social work and residential care.

Work with the sector on the rapid expansion of residential capacity.

Invest in prevention and early help.

2 Funding and workforce reform in Adult Social Care.

Bradford's adult social care services are relatively low cost but there is considerable rising demand driven by population growth, complexity of cases and deprivation. Large numbers of people are making the transition from Children's to Adults Services with high care and support needs. Increasing demand sits alongside challenges in recruitment and retention as competitive wages for care workers are increasingly unaffordable for cash strapped Councils. The use of the social care precept to fund adult social care is regressive favouring areas with higher levels of council tax and higher property values and risks a postcode lottery in care. Bradford supports the LGA's call for additional funding and a long-term workforce plan for adult social care equivalent to that for the NHS.

Sufficient funding is needed to meet demand and complexity and deliver change in adult social care including acceleration of a workforce plan.

3 Deliver Financial Reform.

Bradford faces a widening gap between demand and resources. While the Local Government Financial Settlement increased the spending power of local authorities by 6.5% this is dependent on them raising council tax and is not enough to meet demand pressures. The approach reflects an ongoing shift in funding council services from government grants to local resources. Council tax and reserves account for 63% of total net funding this year with 37% coming through Government grant in a reversal of the ratio in 2011. However, Bradford's local tax base is low; Band D is £135 lower than the Metropolitan average and Council tax receipts £20m lower; 80% of households are below Band D with 40% in Bands A and B. Along with the Government's cap on council tax increases this limits the amount that can be raised through Council tax and favours places with higher property values and greater affluence. Bradford has high levels of deprivation which drives demand for services and the shift in the burden of funding to local taxpayers is deeply regressive, unrelated to need and will potentially lead to postcode lotteries in service quality and outcomes. Financial reforms which would take greater account of need and local resources have been put on hold.

Government must commit to the Fair Funding Review to account for relative levels of need and resources when distributing Local Government funding and to re-setting business rates. Independent analysis demonstrates that the implementation of these measures would over time, benefit Bradford by around £32m a year.

4 Provide Resources to meet demand for school transport and SEND.

Home to School Transport. In Bradford, the number of children requiring home to school transport has increased by over 40.6% over the three years to Autumn 2023. This represents a further unsustainable pressure on budgets in the region of over £1m in this fiscal year which is likely to increase in future if the trend of increasing demand continues.

SEND. Councils nationwide are struggling to fund their responsibilities to children with SEND needs due to increasing demand and changes in legislation. This is also a looming problem in Bradford given what we know about our future demand profile which will simply add further pressure to already stretched budgets.

Fund home to school transport and SEND support at levels sufficient to meet demand.

5 Restore the Household Support Fund

There has been no commitment from the Department of Work and Pensions or the Treasury to a continuation of the Household Support Fund (HSF) beyond March 2024 yet people in Bradford District continue to face hardship. HSF provides a lifeline for our most vulnerable households to meet their basic needs and was worth over £11m in 2023-24, were it to cease this would place local services under even greater demand.

Restore the Household Support Fund to protect our most vulnerable residents.

6 Ongoing support for Bradford's growth agenda.

Levelling up the country means levelling up Bradford District and we are working with Government, regional partners, and NGO's such as Home England on a series of major projects which will generate sustainable growth including City of Culture, 2025, plans for a new rail station, thousands of new city centre homes and workspaces and delivery of the West Yorkshire devolution deal.

Ongoing Government support is critical if we are to unlock the District's full potential, but this will require recognition of the key role of adequately funded Council services and that given the financial pressures on councils funding streams such as the Levelling Up Fund and Towns Fund should recognise and account for the need for local capacity to deliver.

The Government should award regeneration funds according to evidence of need and impact rather than per capita formulae and expensive, time-consuming, and competitive bidding with no certainty around the outcomes.

Work with Bradford to deliver growth including a clear plan for the delivery of Bradford City Centre through station.

Recognise the need to support local capacity to deliver on regeneration funding.

End competitive bidding for major regeneration funds.

7 Deeper devolution for West Yorkshire

Bradford plays a key role in West Yorkshire Combined Authority (WYCA) and helped to secure the biggest devolution deal to date. We have influenced the measures proposed in the WYCA submission to the Spring Budget which are critical to levelling up the national economy. We are supporting a **Level 4 Devolution Deal for West Yorkshire**, as set out in WYCA's application to the Secretary of State for Levelling Up, Housing and Communities, plus additional powers and funding including:

- A single settlement
- Support to continue delivery of the integrated transport system West Yorkshire needs including:
 - Revenue funding for buses
 - Assurance of the Government's continued commitment to Mass Transit in West Yorkshire.
 - Delivering strategic rail infrastructure to connect West Yorkshire.
 - Long-term flexible devolved funding and powers for net zero.
 - Full devolution of all adult employment, skills, and careers funding.
 - Long-term sustainable funding to ensure continued support to businesses.
 - Full devolution of the final year of the Brownfield Housing Fund programme
 - Confirmation of the Investment Zone funding to start in April 2024.

Implement the proposals submitted by West Yorkshire Combined Authority.

7 Public Sector Reform.

The whole of the public sector faces challenges in delivering better outcomes within tight resource constraints. We have an opportunity to do things differently recognising the key role of local councils and their partners in service delivery, leadership, and collaboration and in understanding their communities. Bradford has a long-standing record of innovation and pioneering reform. We invite Government to collaborate with us on flexible approaches to place based public service delivery that maximises the impact of the totality of public spending in the District and provides flexibility around the use of existing resources across organisations and systems.

Work with Bradford to deliver better and more cost-effective outcomes