The Chartered Institute of
Public Finance & Accountancy

City of Bradford Metropolitan District Council

External Assurance Review

September 2024

A Report by:

The Chartered Institute of Public Finance and Accountancy

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1.1 Summary of Findings, Issues, Evidence and Analysis

The review focused primarily on providing assurance on the progress made by the council since the last CIPFA review in 2023 and in particular the overall financial sustainability of the council and the relationship between the council and Bradford Children and Families Trust (BCFT) (the Trust).

The council has made good progress towards the key recommendations and the addressing of key risks since the 2023 review. Dr Lorraine O'Donnell took up the post as the new chief executive of the council in October 2023 and has provided clear leadership and focus to address a number of critical areas including further discovery of key issues relating to the council's financial position; re-setting the fractured relationship with BCFT; and setting the council on a clear course of recovery.

In February 2024, the Ministry of Housing, Communities and Local Government (MHCLG and formerly, the Department for Levelling-Up, Housing and Communities - DLUHC) issued a Best Value Notice to the council and provided confirmation that Government was minded to agree, in full, the council's request for Exceptional Financial Support (EFS). The council's request for EFS was for £80 million in 2023-24, and £140 million for 2024-25.

Bradford faces an underlying structural deficit of around £120 million as at 31 March 2024. As the council's MTFS identifies, the committed EFS requests for the financial years 2023-24 and 2024-25 will not be enough to enable the council to set a balanced budget in 2025-26. The requests for support will currently continue to be needed up to and including 2029-30 although this may change. The council has created significant management focus around a financial recovery programme referred to in the organisation as Bradford Budget Emergency Response Team (BBERT). BBERT is one of the tools used by the council to get financial grip; to challenge the organisation around its spending; and to ensure that all service and corporate areas of the council are contributing to the savings programme, thus enabling the council to deliver its savings for this financial year. There is a lot of activity in the production of business cases and a clear line of sight for around £40 million of savings to be delivered in 2025-26. These business cases will be recommended to members by Corporate Management Team (CMT) at the end of September 2024.

As part of the Best Value Notice, the council was required to establish a voluntary Improvement Panel which met for the first time in August 2024. Whilst the Best Value Notice is in place for one year, the council's longer term improvement is expected to take at least five years. The continuation (or not) of the Best Value Notice will be subject to review by Ministers ahead of its expiry in February 2025.

The Improvement Panel has two main aims. First, to challenge the rationale behind the improvement plan and ensure that the council adequately captures the scale of the challenge and presents a realistic and deliverable route map for Bradford. Second, to challenge the implementation of the improvement plan and assure the council that there is evidence to progress at sufficient pace.

It is without doubt that the underlying characteristics of the council have changed in the last 12 months. The new CEO (and interim S151 Officer) have brought focus, rigour, pace, attention to detail and a formalised set of programmatics that have set the organisation on a different course.

There is a laser focus on addressing the underlying aspects of financial fragility in Bradford. Everyone we spoke to in the top four tiers of management is very clear on the council's focus to not only balance the books year on year, but also to create a new culture of financial awareness and depth at service level across the organisation. The CEO orientates the top team around a "high challenge, high support" culture where all managers are expected to take responsibility and be accountable for their respective fiduciary duties. Key messages are percolating down (through the senior management chain) to the rest of the organisation but it will take time for this culture change to embed itself and this is work in progress.

Bradford is one of the largest metropolitan districts in England, but it is clear that it needs to transition to a smaller organisation in the future. Whilst we have seen some early evidence of technology and business-enabled change, the council is only at the start of its journey of transformation and will need to ensure that it has the right structures, skills, competencies and experience to transform large swathes of the council's functions in the future.

We commend the council, and in particular the new CEO and the interim Finance Director (S151 Officer) for the drive, determination and attention to detail they have brought in establishing a new focus and culture for Bradford. The management team are clearly behind this programme and the culture at the top of the organisation has moved from a "tight knit" decision making culture to one of everyone in a senior position being part of a new "democratically involved" council. This is in stark contrast to 2023 when we evidenced pockets of denial and a culture of "learned helplessness" about the predicament the council found itself in: there was too much focus on looking back rather than looking ahead to solve the council's financial problems.

The establishment of a spending control panel has yielded significant benefits. Preparatory work to establish the process/systems etc took place in February and March 2024 and the process was effective from 1 April 2024. In the first five months, the council has seen a £10.5 million reduction in comparative spending for the first five months of this financial year – these reports are produced monthly and shared with the management team. Introducing this panel was the right thing to do for the council but this is only the start. Work is now underway to set a longer term course for real and sustained transformation across the organisation. Whilst there is a risk that current financial grip and control could be counter to creativity and innovation for longer term financial sustainability, the CEO recognises that there is an inflexion point at which strong and underlying financial management (along with increasing levels of financial literacy across Bradford) will allow for more focus on the longer term. The council recognises that fixing short term issues must sit alongside an incremental mobilisation of longer-term projects and programmes.

The underlying drivers of financial fragility in Bradford remain largely unchanged from the 2023 CIPFA review which was published earlier this year, with the structural gap of £120 million identified within 2023-24 only adding to that pressure. Although there is a good awareness of the drivers and financial challenges, these factors are likely to be in play for a number of years. The new controls implemented are reported to be having a positive impact on spend, but it is too early to review that impact. The impact of all the controls and new processes etc are shown below demonstrating that the council is making very significant progress on its improvement journey. To address the exceptional financial challenges that the council has, the council is operating a seven part financial strategy covering revenue savings, asset sales, capital programme reductions, expenditure grip and control, income generation, technical and due diligence review and selective investment all of which are having extensive positive benefits including:

- £90m of revenue savings in the two years 23/24 and 24/25.
- £44m of savings identified for 25/26 with others in the pipeline.
- A £97m reduction in the capital programme.
- A 2 year £100m asset sales programme.
- An extensive expenditure control panel process.
- Income generation forming part of the above revenue savings.

Although subject to planned reviews later in the year, the S151 Officer has delivered a five-year recovery plan. However, the situation will remain challenging year on year, requiring the delivery of revenue savings averaging £40 million. Despite the programme of measures being delivered (e.g. savings programme, asset sales, transformation to reduce the cost of services, reductions in the capital programme, review of council charges etc) the Council will require further capitalisation in future years to balance the budget. The EFS of £220 million over 2023-24 and 2024-25 is being used to balance the budgets for these financial years and we are satisfied that the application of EFS is being used appropriately.

Bradford features a number of competing dynamics: it is the fifth youngest city in the country, yet it has some of the worst deprivation levels too. It must be commended for becoming the UK City of Culture 2025 and for securing significant Government investment for a new train station. It must also fully exploit the legacy created by the City of Culture and use this as a platform to inspire and involve as many in the community as possible. We understand that the CEO has a strong desire to deliver further growth for the city and this is to be commended.

In our last review, we commented on the difficult and sometimes counter-productive relationship between the council and the Trust. Relationships at all levels are now very much improved. The new CEO made it a priority to reset the relationship with the Trust. The Trust is now an integral part of the council's change programme and is a full member of BBERT. Strong and trusting relationships have been established between the council's S151 Officer and the Trust's finance director. We have also evidenced strong and productive working relationships at other levels too.

Bradford is changing. The longer-term prize for the council is focused around the setting of a longer-term vision that seeks to inspire the organisation to become *consistently* different and better; to do different things and to transform to provide services that are aligned to 21st century public service standards and practices enabled by technology. This will be achieved by progressively moving the organisation to a new operating model from the one it recognises today – the council will be smaller, more financially literate and acting with a consistent culture to enable the council to be more financially sustainable in the future.

In the immediate term the following timeline is being followed and the council's approach is based on best practice models used elsewhere:

1. **Identify the Programme(s) – scoping between Oct and Dec 2024**
   – Design the Target Operating Models
   – Agree governance and controls
   – Develop the Programme Plan and Benefits Plan
   – Initial stakeholder engagement

2. **Define the Programme(s) – analysis and Business Cases between Jan and March 2025 (and continuous process thereafter)**
   – Baseline and undertake analysis
   – Further stakeholder engagement
   – Develop Business Case
   – Deliver quick wins

3. **Delivery the Programme(s) – start to deliver from Apr 2025 (with quick wins earlier)**
   – Monitoring, control, resource planning and communication
   – Deliver projects and workstreams and associated outputs
   – Realise programme benefits

The medium term plan is shown in the diagram below:

Figure 1: Council's high level improvement phases (Source: BMDC)

We have heard much of the ambitious work being delivered under the "transformation" banner and this is to be encouraged, but some of this activity is not transformation in the purest sense: it is delivering change (e.g. in customer services) to bring Bradford in line with where other local authorities have been operating for many years. We make this point in the context of the significant financial challenges that face the council over the next five years and thus the council has a significant job of recovery, turnaround, improvement, investment, savings and transformation all at the same time. The key question centres around how the council's leadership will pivot the organisation to focus on the things that matter in the years to come, ensuring that all of the above characteristics (improvement, recovery etc) are in balance to ensure that the council can succeed in its vision to become more financially sustainable in the future.

The longer term outlook for the council is, in our view, positive and achievable but requires much of the organisation and its people to align, at pace, to a different set of values and culture to enable it deliver for the longer term. Despite the recovery environment that Bradford finds itself managing currently, there is a real sense of the organisation developing a picture of what it could be in the future.

Update as of January 2025: This report was written at a point in time and therefore the financial and other data contained in the report was correct at the time of writing. Some of the data will have changed with the passage of time as the council's financial data is subject to constant change. We understand from the first report of the Best Value Improvement Panel (BVIP) and the Council's financial monitoring reports that the pace of improvement has continued in the four months since the work was completed for this report.

1.2 Key Risks and Recommendations

This table provides the improvement plan and roadmap that we recommend the council follows with priority actions indicated by the RAG rating and the recommended timeline included with the recommendations.

Update as of January 2025: Since the report was originally drafted, the council's risk profile has changed. Red risks 5 and 7 refer (rightly at the time) to the council's track record of achieving savings to date being a key risk. These are now green – all but £2m of the current year's savings have been delivered or are assured for delivery. The BVIP is sighted on this too.

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
1. Organisational inertia. That the council and its management team become fatigued with the activity and focus around the recovery plan. We think this is a small risk, but nonetheless, the CEO and the management team need to think about how they are going to refresh the recovery plan such that it stays relevant and continues to create urgency, agency and pace across the organisation.	3	1. Undertake a comprehensive programme of organisational and cultural development, linked to the development of the new council plan, to set out a clear, outcome-based vision behind which the whole organisation can be motivated to deliver. MARCH 2025 for a review of progress noting that the cultural change programme will take much longer.
2. That the wider recovery and improvement programme is overloaded and therefore becomes undeliverable.	3	2. Linked to the development of the council plan, prioritise improvement activity to ensure that delivery is focused on areas of greatest significance and potential impact. MARCH 2025
3. That the culture and organisational design programme is focused on the current council operating environment as opposed to it creating the "bridge" between the current and future operating states.	4	3. Focus organisational development on the transitional activity required to deliver a future/target operating model. MARCH 2025
4. The focus on structural factors, especially those outside of the council's control, means that cost pressures within services are not identified and responded to promptly.	3	4. Ensure that the positive steps taken to deliver stronger financial control, including BBERT and the spending panels, continue to promote the positive sharing and solutioning of financial issues and pressures. DECEMBER 2025
5. The failure to achieve in-year savings.	6	5. Hold those responsible for savings to account and ensure that progress/performance monitoring is suitably robust to enable

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		appropriate intervention when/if in-year slippage does occur. As soon as possible
6. Control over spend in the Trust vs risk for underwriting overspends.	3	6. Continue to promote joint working and the Trust's continued adherence to council financial control processes including its attendance at BBERT. A much closer working relationship has been established between the council's S151 and the Trust's Finance Director. They meet regularly to discuss progress and the Trust is now part of the council's savings programme governance too. The Trust is within £0.1 million of its budget as at January 2025. ONGOING
7. Record of delivery on planned savings, especially in the context of increasing demand pressures in Children's (placements), Adults (LD and older people), SEND (especially transport) and homelessness has not always yielded the expected results.	6	7. Please refer to recommendation 5 above.
8. Long term adoption of stringent financial controls limits the organisation's ability to embrace transformation and innovation.	4	8. Please refer to recommendation 2 above. ONGOING
9. Extent of borrowing required to support the capitalisation directive (minimum £473 million) is not able to be funded through revenue. This figure may also change over time.	4	9. Please refer to recommendations 4, 5 and 6 above.
10. Market fluctuation on valuation limits the ability to meet target receipts income.	6	10. Monitor market conditions/valuation factors and consider contingencies if valuations limit the achievement of council income/asset realisation targets. ONGOING
11. Better integration of the Capital programme governance with the overall Council Plan.	3	11. Ensure that the Capital programme algins to council ambition and any future council plan development.

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		MARCH 2025 (when the budget reports are agreed by council). The council has removed £97m from the General Fund element of the programme which is line with the council's overall plan and is consistent with the council's improvements in governance (which includes a detailed review and update of the financial regulations, a newly created Growth Board for major schemes.
12. Short term savings in capital investment have long term implications which are not fully understood.	3	12. Make sure that both short and long term implications of changes/savings within the capital programme are fully understood and appraised as part of the decision-making/control process. NOW
13. The companies' review is not moving at sufficient pace to realise benefits or stop activity no longer meeting the ambition of the council.	2	13. Appraise the results of the companies' review, identifying both short term (quick wins) and longer term strategic opportunities that it identifies. NOW
14. The success of Bradford Live is impacted negatively by competition from venues within Leeds, Halifax and Manchester.	4	14. Deliver a Bradford-centric offer that provides a demand-driven programme of events occupying a potentially different space to its competitor venues. As soon as possible
15. Political opposition to the sale of certain assets.	4	15. Provide clear business case information and briefings for elected members as part of the wider disposals and asset-specific disposal process. COMMENSURATE WITH THE ASSET DISPOSAL PROGRAMME
16. Estimates/perceptions of asset values fall short of statutory valuations and/or market appetite and market fluctuation on valuations limits the ability to meet target receipts income, especially over a two-year disposal timeframe.	6	16. See recommendation 10 above.
17. That the current grip and control brought about by the financial recovery programme	4	17. Use the Council Plan refresh as an opportunity to set out the council's longer term strategic outcomes and ensure that

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
will create an over-dependency on the sustained need for stricter governance and control in the future thus having the potential to stifle creativity and impede the very culture of accountability sought by the CEO with regard to “high challenge, high support”.		organisational transformation activity is aligned, suitably timetabled and resourced. 2025-26 FINANCIAL YEAR
18. The council’s constitution is not reflective of the current organisation, routinely understood or accessible (this recommendation also refers to the financial regulations).	2	18. As a CMT, to decide on the next steps with regard to the updating of the council’s constitution. To explore the impact and opportunities the updating of the constitution would bring by making the constitution more user friendly and more easily accessible. BEING ADDRESSED AS PART OF THE WORK TO REFRESH THE FINANCIAL REGULATIONS
19. The council lacks a longer term vision and a signalling from the senior leadership team that at some point in the future the council will pivot to a longer term, outcome-focused strategy which will deliver sustainability for the council.	3	19. Please refer to recommendations 1, 2 and 3 above.
20. The internal audit plan does not suitably reflect the council’s current exposure to risk.	6	20. The internal audit plan is now being reviewed on a quarterly basis to ensure there is greater emphasis and focus on council risks. There is an agreed challenge that to be fully effective, there is a need to invest in Internal Audit staff to undertake some of the more significant reviews. As soon as possible
21. The council is unable, financially, to maintain investment in sufficient Adult Social Care preventive strategies.	4	21. Noting that Bradford’s position as England’s fifth most income-deprived area affects its capacity to generate increased income from charges, it should identify and explore potential opportunities to invest in preventive strategies. ONGOING
22. That financial stability and control is seen as a short-term measure and organisational complacency starts to creep in.	4	22. Ensure that the culture of staff being open and challenging continues and becomes embedded into the psyche of the organisation. As important as delivering changes of this

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		nature is an appetite by senior management to measure it from time to time to ensure that change is being delivered. ONGOING

2 Introduction

2.1 Background

Bradford is the ninth largest council in England with a population of 560,200 and it is the fifth largest metropolitan authority. However, given its size, diversity, levels of need and the scale of its financial pressures, it presents a greater level of complexity than other local authorities. Bradford is a major economic centre with 16,600 businesses and a £12 billion economy; its growth potential has seen it named as one of the UK's leading growth opportunities. Bradford will be UK City of Culture 2025 and local leaders are progressing an ambitious pipeline of projects that are designed to unleash the district's potential. Central to those plans is a new rail station which would unlock significant regional growth.

The Council employs a workforce of approximately 8,400, has a net budget for 2024-25 of £575 million, an annual gross budget including resources for schools and housing benefit of around £1.5 billion, and a capital investment programme of £611 million (relating to the period 2024-25 through to 2027-28).

Bradford's assets include enterprising, globally connected businesses and a strong manufacturing base; innovative public services; a vibrant voluntary and community sector; and a university at the forefront of thinking on the circular economy and boasting the highest numbers of AI students in the country. A powerful data and analytics development includes Born in Bradford's unique evidence base of the factors affecting the wellbeing of children and families.

The city does though, face significant challenges in achieving its full potential. Bradford has persistently high levels of deprivation and is England's 5th most income deprived local authority district with 36% of children living in low-income households[1]. Weekly wages are £70 below the national average (as of 2024, the average weekly wage in the UK is approximately £640, based on nominal (not adjusted for inflation) total pay figures. This average includes both public and private sector earnings and accounts for bonuses as well as regular pay)[2], and unemployment is above average. An educational attainment gap between Bradford and the rest of the country persists and the number of people with good qualifications is relatively low.

In the face of these major challenges and the need to secure the financial sustainability of the council given its current reliance on Exceptional Financial Support, the council will be focusing on three key objectives: securing its financial sustainability, improving Children's Services (including via the Trust) and outcomes, and developing and delivering plans for inclusive growth.

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[1] Approximately 29% of children in the UK live in households classified as being in relative low income after housing costs are considered. This measure is based on households with an income below 60% of the national median, adjusted for housing costs. The rate varies significantly across regions, with some areas seeing higher rates due to factors like housing affordability and local economic conditions.(*Source: DWP, "Households below average income: an analysis of the UK income distribution: FYE 1995 to FYE 2023, March 2024.)*

[2] *Source: Average weekly earnings in Great Britain, Office for National Statistics, 2024.*

Bradford is one of the UK's major opportunity areas with c.£5 billion of transformational transport schemes announced (Rail: Network North and Mass Transit). The city centre has also been designated as a major part of the West Yorkshire Investment Zone and the towns of Keighley and Shipley are benefiting from investment through the Towns Fund.

These developments have vastly increased Bradford's overall development capacity and are the pre-cursors to boosting the overall productivity of the district and the wider North. To capture and sustain this productivity and GVA (gross value add) enhancement, the council is applying a much stronger focus on delivery alongside its public sector and private sector partners. Development Frameworks for the city centre and principal towns, Concept Plans have recently been developed and a governance model has been established including the new Southern Gateway Board which incorporates key delivery partners such as DfT, MHCLG (formerly DLUHC), Network Rail, Homes England and the Combined Authority.

Bradford has re-committed to completing its Local Plan in 2025 and, as part of a large asset disposal programme, is actively reviewing its approach to developing strategic housing sites. Pro-active work has also been undertaken to identify potential opportunities for new communities along the proposed West Yorkshire Mass Transit route(s) and other local transport hubs including the planned new Bradford city centre rail station.

The Southern Gateway is shortlisted as West Yorkshire's single largest spatial priority area (SPA) and will deliver housing growth for neighbouring inner-city areas, alongside large housing site designations within the city centre. The market-making City Village scheme plans to deliver 1,000 new residential units in the core-city centre, is a partnership with English Cities Fund and is soon to receive a determination on a substantial application to Homes England for Brownfield, Infrastructure and Land funding. This is a long term programme that is currently subject to the planning process.

Services are commissioned and delivered through four main departments each of which is led by a Strategic Director. These are: Corporate Services, Children's Services, Adult Services and Place. The Office of the Chief Executive provides strategic support including the Public Health function, policy, performance and communications.

The council operates an Executive model of key decision making with each of the six Executive Members holding responsibility for a key portfolio. Responsibility for Corporate Services, including Finance, lies with the leader of the council. The Corporate Overview and Scrutiny Committee has lead responsibility for the scrutiny of finance.

The Council Plan 2022-25 sets out the council's approach to achieving its overarching ambition of an inclusive and sustainable district that works for everyone. The priority outcomes identified as being key to the realisation of this ambition are:

- better skills, more good jobs and a growing economy
- a great start and a good school
- better health, better lives
- safe strong and active communities
- decent homes that people can afford to live in
- a sustainable district
- an enabling council

The Bradford District Plan 2021-25 will be updated in 2025.

The vision for Bradford's year as UK City of Culture, approved by Government through the selection process, is that by 2026, Bradford will have come of age and mobilised a new young generation of leaders and changemakers. It is hoped that Bradford's reputation will be transformed, and a new and coherent identity will drive a destination of choice for national and international visitors to experience exceptional cultural activity and for artists to create outstanding work.

The council received an in-principle capitalisation direction of £220 million from MHCLG for the financial years 2023-24 and 2024-25 to support the council to maintain and deliver a balanced budget.

The council and the Trust have turned a corner in terms of their relationship and the council has established a voluntary Improvement Panel which will be focused on supporting the council as a critical friend over the coming years.

The Executive is also on-board with the new priorities set by the council's CEO. Executive members now fully understand the scale of the problems and they have confidence in the leadership team to drive forward change with a laser focus on reducing spend, saving money and facilitating lasting culture and behavioural change across the organisation.

The Trust's CEO and Finance Director are also core members of the council's BBERT forum and, as such, play a full part in delivering their own efficiencies that, in turn, contribute to the council's financial sustainability.

2.2 Requirement

MHCLG asked CIPFA to undertake the external assurance review on which the EFS is conditional. They invited us to provide an assessment of the council's transformation plans, financial resilience, financial management, governance arrangements, capital programme, debt position, and service delivery, with a view to providing recommendations for improvement.

To provide this assessment, we were asked to look at six key themes:

- *overall progress:* a review of the council's progress in implementing the recommendations from the previous CIPFA review

- *financial management and sustainability:* an assessment of the council's financial management and management of risk to reach a view on the council's overall financial resilience and sustainability

- *capital programme, debt, investments and assets:* an assessment of the council's capital programme / overall debt position including short- and long-term borrowing, and approach to investment / asset management to reach a view on the suitability, VfM and risk exposure of the council in this space, and how this may impact on the overall financial resilience / sustainability of the council

- *governance:* an assessment of the council's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the council is operating in line with the Nolan Principles and in a way to secure continuous improvement

- *service delivery:* an assessment of the effectiveness of council service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the council's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of service

- *improvement plan and roadmap:* in consideration of the findings of the review areas, targeted, tangible and timely recommendations to assist the council in designing and implementing an improvement plan to address the identified risks and issues

2.3 Methodology

In our approach, we were mindful of the assessment requirements. On the review themes, we took a proportionate approach and focused particularly on:

- the council's progress with regard to the previous CIPFA review recommendations (and the addressing of key risks), including a commentary on the council's future change trajectory including an assessment of how well the council is organising itself to deliver longer term change and transformation

- financial sustainability including a focus on getting financial grip and ensuring that the underlying processes around financial control and wider financial literacy and understanding across the council is starting to be embedded

- governance, decision-making and programme management, including a focus on the council's specific plans to review its asset base and the mobilisation of a disposal plan which will yield around £100 million in capital receipts over the next two financial years

- the key improvements made in BCFT against some of the key measures set out in its business plan and the extent to which it is delivering on its own change programme referred to as "turning the curve".

We do not dwell on a detailed performance of the Trust in this report. We have reviewed the relevant papers from the recent monitoring visit by the new Department for Education (DfE) Children's Commissioner who summarised their findings in July 2024. This was the fourth monitoring visit since the council was judged inadequate (in Children's Services) in November 2022.

Companies, commercial assets, and the council's associated debt proved less pertinent to the specific question of the capitalisation direction. They are nevertheless addressed more generally in the final sections of the report.

Our approach comprised the following elements:

Desktop analysis

MHCLG provided appropriate background. We reviewed the material and made supplementary document requests to the council. The team has analysed a large number of documents and other artefacts that have been shared by the council as being relevant for the review. We also examined relevant comparator material. We would like to record our thanks to officers for their ready compliance with our request for reports and data and we are also especially grateful to all of the officers (and elected members) that gave up their time to talk to us.

Specialised inputs

Comparative data analyses were conducted to assess the council's position across top level statistics, financial resilience and service expenditure. This included analysis against CIPFA's Financial Resilience Index.

Interviews

The bulk of the fieldwork comprised of interviews. These provided the invaluable 'triangulation' of our analysis. Council officers, members, and other experts were invited to give views and respond to queries provoked by documentary evidence. We would like to thank everyone involved for their courtesy and constructiveness.

Report drafting, feedback and fact-checking

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It is not a comprehensive audit of the council's finances. Consequently, the conclusions do not constitute an opinion on the status of the council's financial accounts. Our review of the council's Minimum Revenue Provision (MRP) considers the reasonableness of the council's MRP policy and does not constitute an audit of the full application of the policy. Similarly, our review of the council's productivity does not constitute an audit of the council's productivity plan but represents an overview of the arrangements in place to consider productivity and take account of any publicly available information on historic or relevant performance.

CIPFA's review team consisted of two experienced consultants with relevant backgrounds in all areas of the review's scope. We also sought input from consultants with specialist expertise in Children's Services and Adult Social Care respectively. CIPFA would like to take this opportunity to thank the council and the Trust for being so amenable and open to meeting with the review team and for the considerable effort that has been expended in collating and sharing key documents. We also thank everyone involved for the openness, tact, and honesty in what is a sensitive issue for the council.

Report structure

The key findings and analysis, together with supporting evidence, are set out under each of the review areas requested (as detailed in the commission). Risks and recommendations are detailed under each of the review areas.

3 Areas Reviewed

3.1 Review Area 1: **PROGRESS**

A view on the progress made by the Local Authority to implement the recommendations from its previous CIPFA review in October 2023.

This should include a view of the Council's CIPFA recommendations tracker and target timeframes for implementing the recommendations.

Key findings and analysis

Since the review undertaken in 2023, we are pleased to report that the council is in a much stronger position in 2024. This is largely driven by a new CEO and Interim Director of Finance (S151) who have taken the time to undertake a carefully co-ordinated programme of listening and due diligence to unearth the true financial picture within the council.

The senior management team and the Executive are fully aligned to the strategy and are involved in the delivery of the recovery plan. The CEO and the Leader have made it clear to internal staff and external partners and key stakeholders alike, that there is a lot of hard work to do to return the council to a sound and sustainable financial position.

The council remains in financial distress and will do so for the foreseeable future but it has developed and is working towards the delivery of a recovery plan that spans the whole organisation. It is evident, from interviews, that the key messages around recovery are being heard and executed against, at assistant director level. This is less the case in other parts of the organisation, but we are confident that in an organisation of over 8000 staff, getting messages to land and then changing behaviour is a much longer aspiration.

Core to the recovery is a clear recognition that the council has to do things differently. It has to manage its way out of the financial situation it finds itself in and this requires:

- consistent leadership from the top
- support from the Executive
- a senior leadership team who are truly aligned to the strategy and are purveyors of the key messages to their management teams and staff
- a recognition that key partners, including the Trust, have a material role to play in the council's recovery
- a clear programme of work focused on identifying savings for 2025-26
- a clear medium term programme of reviewing all key aspects of council services, with a critical focus on challenging how things are done along with a real understanding of what things cost
- an embedded sense of challenge within those who are responsible for discharging services in that they understand and can challenge "value add" from "non-value add" resulting in processes and activities that can be discontinued thus designing a new portfolio of services for the future to support the emergence, design and delivery of a new operating model for the council
- separation of (true) transformation from service improvement

Both transformation and service improvement are required in different measure and the council needs to be mindful of where it places its focus and investment. Effort in the form of staffing and investment needs to be divested reflective of return on investment. We are pleased that the council is adopting portfolio management which should help manage this aspect in terms of design and delivery. On the same note, the council is considering investing in additional expertise relating to benefits identification, management and realisation.

Quite rightly, the CEO and the Interim Director of Finance (S151) have created a serious narrative around financial discovery and awareness. The Finance team had been under-staffed for a number of years and lacked some of the skills expected for a council of the size of Bradford. By early 2025, the council's finance function will be organised differently with more focus on delivering financial literacy across the organisation, while at the same time, elevating the impact of the Finance team on the organisation and the recovery programme more widely.

Appendix A4 provides further details on the council's progress against the key recommendations in the 2023 report.

One of the big issues facing the council in 2023 was the relationship with the Trust. We are pleased to report that the relationship is very much improved on all levels and we triangulated this view with a wide range of stakeholders. The council and the Trust are to be commended for the work done to achieve such a positive outcome.

Risks

1. Organisational inertia. That the council and its management team become fatigued with the activity and focus around the recovery plan. We think this is a small risk, but nonetheless, the CEO and the management team need to think about how they are going to refresh the recovery plan such that it stays relevant and continues to create urgency, agency and pace across the organisation.

2. That the wider recovery and improvement programme is overloaded and therefore becomes undeliverable.

3. That the culture and organisational design programme is focused on the current council operating environment as opposed to it creating the "bridge" between the current and future operating states.

Recommendations

1. Undertake a comprehensive programme of organisational and cultural development, linked to the development of the new council plan, to set out a clear, outcome-based vision behind which the whole organisation can be motivated to deliver.

2. Linked to the development of the council plan, prioritise improvement activity to ensure that delivery is focussed on areas of greatest significance and potential impact.

3. Focus organisational development on the transitional activity required to deliver a future/target operating model.

3.2 Review Area 2: **FINANCIAL POSITION**

This should consider and provide a view on the following areas as appropriate:

The council's financial management, governance processes including the effectiveness of the audit and scrutiny committee(s), as well as compliance with Local Government accounting codes and international finance reporting standards.

Key findings and analysis

Compliance with the CIPFA Accounting Codes and Standards

The council assess themselves against the financial management code. The accounting policies applied by the council in preparing and presenting its financial statements confirm that the authority complies with the Accounting Code and relevant statutory reporting requirements.

Audit sign-off for the 2022-23 accounts is completed and there are no significant issues raised in respect of the statement of accounts by the auditors

Audit committee effectiveness

This is considered later in the report under the governance section.

The underlying drivers of any financial fragility

The underlying drivers of financial fragility in Bradford remain largely unchanged from the 2023 CIPFA review. The 2023-24 outturn demonstrates an overall structural gap in financial sustainability of £120 million, £48 million of which was budgeted for, supported by one-off reserves.

There is a focus on understanding these underlying structural reasons for the financial challenges and drivers of fragility. The council's financial reporting on the budget and discussions with the S151 Officer and CEO indicate a good awareness of these factors.

The following is a graphical representation of the service expenditure for Bradford, including total expenditure, total income and Net Current Expenditure.

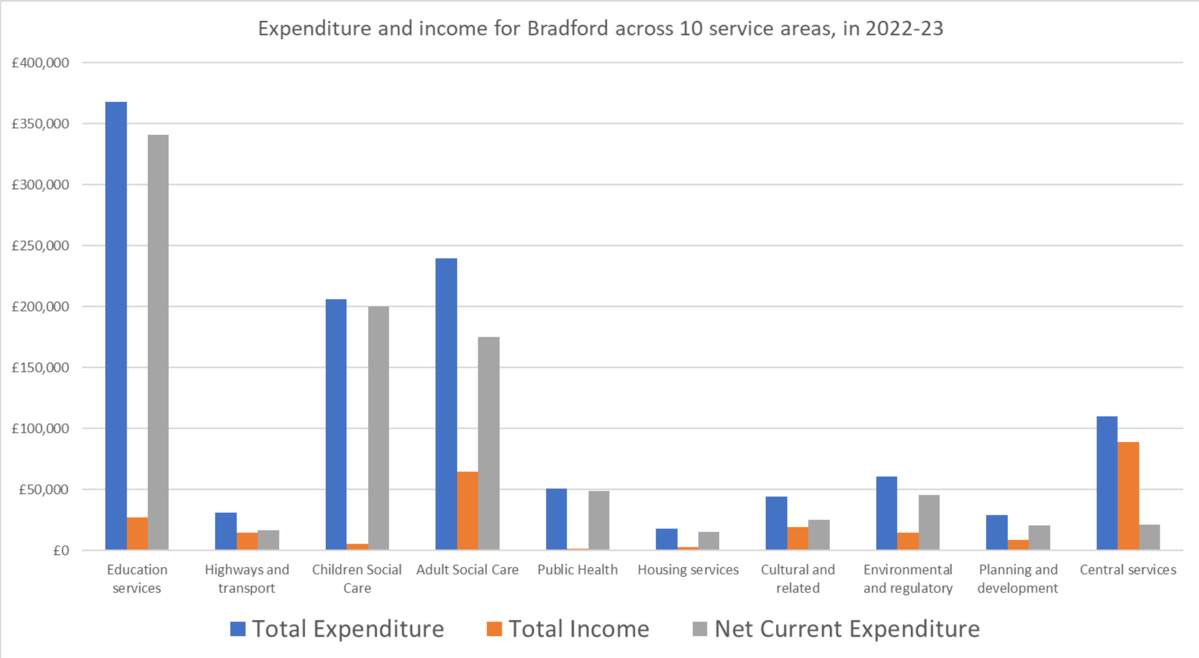

Figure 2: Expenditure of income summary (Source: CIPFA)

Bradford's Band D Council tax is £145 lower (jn 2024-25) than the average for metropolitan authorities and 80% of its households are below Band D. In addition, land and property values are relatively very low and the district experiences high levels of income deprivation. The council therefore faces higher challenges than other areas in raising income. Nevertheless, measures to look at all sources of income are currently being considered. Other financial drivers are outside of the direct control of the council and include national reforms to funding and market pressures in the Children's Residential Care sector.

The largest proportion of the financial pressures relate to the BCFT budget pressure of £42.3 million compared to the original contract price in BCFT in 2023-24. As reported previously, the key driver for the overspend was the increasing cost of residential placements for looked after children, the number of children still needing to be in care and spend on agency staff.

There were both higher numbers of looked after children[3] than estimated prior to the Trust going live and higher costs per placement. These cost drivers are well understood, and a slightly favourable 2023-24 outturn, linked to a reduction in children needing to be in care in Q4 compared to forecasts, indicates that financial mitigations and increased management grip are having an impact. The numbers of children needing to be in care and therefore the cost of placements has reduced in the current business year, with associated reductions in the budget pressure but this remains a key priority area of work.

Other drivers of financial fragility relate to Adult Social Care, where there was a budget overspend of £14.2 million. This increased by £2.7 million from the 2023-24 Q3 forecast

[3] When the Trust was established the number of Children in Care (CIC) was 1586, increasing to a high of 1610 in July 2023 but reduced to 1395 at the end of July 2024 and to 1398 at the end of August 2024.

primarily due to increased activity across both Older People and Learning Disabilities long term packages of care. Overall, £9.4 million of the total overspend is understood to be related to additional demand and much of that relates to people transitioning from BCFT with complex needs, resulting in high-cost packages. Overall, Adult Social Care is low-cost relative to benchmarks, with expenditure over nine percentage points lower than its nearest statistical neighbours and performs well in many areas including prevention and early help, reablement and discharge.

Below are the values for various key indicators, and the ranks against the nearest statistical and geographic neighbours of Bradford. A higher percentage value indicates a higher rank relative to the comparator group.				
Metric	Raw value	Statistical neighbours rank	Geographic neighbours rank	Combined percentile rank
Council Tax Requirement	£224,310	100%	75%	88%
Net Current Expenditure	£1,039,811	100%	75%	88%
NRE / Population	£904.53	67%	100%	83%
Reserves Sustainability Measure	4.11	0%	0%	0%
Level of Reserves	4.47%	20%	25%	23%
Change in Reserves	-42.17%	0%	0%	0%
Interest Payable / NRE	2.91%	27%	38%	32%
Gross External Debt / NRE	113.48%	13%	13%	13%
Social Care Ratio	75.15%	67%	63%	65%
Fees & Charges to Service Expenditure ratio	10.43%	27%	38%	32%
Council Tax Requirement / NRE	44.87%	13%	0%	7%

Table 2: Key metrics: Bradford versus statistical and geographic neighbours (Source: CIPFA)

The table shows the areas in which Bradford council is a high performer (Green), low performer (Red) or an average performer (Yellow). Bradford has the lowest Reserve Sustainability Measure among both groups of comparators. This suggests that the council needs to increase its reserves to ensure sustainability. The indicator provides a measure of how long (in years) it will take for a council to completely denude its reserves, if they continue to use reserves at the same rate as in the previous three years. A low value suggests that there is a risk that the authority will run out of reserves. A high value says, that on current trends, they are unlikely to deplete their reserves.

The pressures seem to be well understood and there are reported plans in place to reduce costs this year. However, there are recurrent unachieved savings (from last year) included in these numbers which are understood to have arisen due to overly ambitious savings plans developed with external advisers. We are confident that the savings plans for this year have been well formulated and are widely understood across the council.

There are a number of emerging in-year pressures. In 2023-24 there was a £5.2 million overspend in relation to SEND transport which is an ongoing pressure and there are financial risks in relation to the homelessness contract retendering, where demand is known to have significantly increased.

Risks

4. The focus on structural factors, especially those outside of the council's control, means that cost pressures within services are not identified and responded to promptly.

5. The failure to achieve in-year savings. This is more a reflection of the historical achievement of savings.

6. Control over spend in the Trust vs risk for underwriting overspends. The Trust is on course to deliver £20.1 million savings in 2024-25 despite £3.6 million unmet income, £2 million from health funding, £1 million from DfE and £600k from their Dedicated Schools Grant (DSG). The Trust is currently forecasting a budget pressure of £1.3 million for year end.

Recommendations

4. Ensure that the positive steps taken to deliver stronger financial control, including BBERT and the spending panels, continue to promote the positive sharing and solutioning of financial issues and pressures.

5. Continue to hold those accountable for savings to account and that progress/performance monitoring is suitably robust to enable appropriate intervention when/if in-year slippage does occur.

6. Continue to promote joint working and the Trust's continued adherence to council financial control processes including its attendance at BBERT.

An assessment of steps the Local Authority is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans, income generating activity, and ensuring activities that are no longer required are being scaled back (e.g. teams that were previously expanded during COVID) etc.

The council has established strong financial management processes since the CEO and the interim Section 151 Officer have been in post. The extent of the structural deficit was not fully understood in October 2023.

Bradford's BBERT forum has been established, is chaired by the CEO, meets fortnightly and includes representatives of BCFT amongst its invitees. Key work areas are split into cells that focus on delivering improvements in specific areas with a focus on delivering the 2024-25 budget savings, planning the 2025-26 savings and overseeing the associated transformation.

The council's strategy was agreed at Full Council in March 2024. The areas for action are:

- achieving significant revenue savings averaging approximately £40 million per annum from 2024-25 to 2029-30
- asset sales, initially targeted at £100 million over the next two financial years
- reductions in the capital programme, target pending outcome of the ongoing review
- income increases – pending Member and MHCLG considerations
- a complete grip on revenue expenditure through expenditure control panels
- a full review of the financial management and finances of the council
- investment in core functions to facilitate the recovery of the council

A priority focus has been on improving management's grip on spend and Spending Control Panels have been introduced which meet three times a week, which have been reinforced by letters of intent outlining standards required and the consequences of not conforming. The Trust have their own version of these in place. Panels oversee all purchasing transactions covering spending, procurement and recruitment. This is recognised as a significant shift in the organisation but is widely supported and understood.

The controls are reported to be having a positive impact on spend. However, this is not yet showing in the financial reporting thus far. In-year Q1 reporting is expected in September 2024.

The shift from a focus on control to transformation is not clearly mapped out at this stage. The rigour being introduced marks a step change and solid basis to implement the change needed to create a smaller more financially stable organisation. However, the transformation plan, beyond the MTFS savings targets, is not clear. There is a £20 million planned investment in IT and transformation but, other than bolstering the Programme Management Office (PMO) and introducing agile automation workflow, it is unclear what impact this investment will have on the wider organisation.

Capacity issues in the finance function are in the process of being addressed to further strengthen the understanding of the financial challenges and pressures. This includes additional investment in the function, as part of a wider investment in core functions, and plans to review the current operating model. We note that it will take time to fully recruit the additional permanent staff and upskill the team.

The 2023-24 savings plan was under-delivered by £10.5 million out of a budgeted £38 million. The reasons for under-delivery, including inflationary and demand pressures, are understood and have been addressed in the 2024-25 budget.

There is a five-year recovery plan for the Council which is subject to planned reviews and refreshes in October and December of 2024. These plans include future required revenue savings which are ambitious and average around £40 million every year. These include targets for 2024-25 of £40 million and a similar amount for 2025-26.

The tighter financial grip, especially BBERT, provides more confidence to the CEO and S151 Officer that agreed savings will be realised but it is also recognised that there is a long way to go. Officers are clear on their own individual responsibilities and acknowledge the controlling impact that BBERT and the spending panels has had.

Risks

7. The council's record of delivery on planned savings, especially in the context of demand pressures in Children's (placements), Adults (learning disabilities and older people), special educational needs and disabilities (SEND), especially transport and homelessness. However, the Trust had now deployed improved sufficiency management and there has been a significant reduction in children coming into care. One off placement prices continue to be a pressure, but the Trust are rebutting these more robustly.
8. Long term adoption of stringent financial controls limits the organisation's ability to embrace transformation and innovation.

Recommendations

7. Please refer to recommendation 5 above.

8. Please refer to recommendation 2 above.

An assessment of the Local Authority's efforts to maximise productivity and minimise waste This should include consideration of the local authority's approach to EDI activity.

The council has produced a productivity plan which has been sent to Government and will shortly be published on the council's website. This outlines the Council's strategic approach to maximise productivity, control spending and minimise waste.

The Productivity Plan makes the case for EDI as a driver of improved productivity and efficiency by ensuring that the council better understands the communities that it serves and is therefore better able to align delivery to needs and generate improved outcomes. The Productivity Plan also sets out some of the ways in which changes to national policy and practice could help to secure improvement in productivity.

The council has a small transformation team in place to ensure that the key ambitions, as stated within the Productivity Plan, are delivered. However, it is clear from a number of officers, including the Head of Transformation, that the scale of reset and management grip that has been and will continue to be required by the council is the key transformation activity in the short to medium term. The introduction of BBERT and the spending panels has enabled some of this grip and the emergence of organisational behaviour will provide a more stable basis on which to improve delivery, productivity and culture over the longer term.

The council has recently appointed an experienced Head of Procurement on a permanent basis. A revised improvement plan is in draft and there is a clear direction of travel for:

- the introduction of category management, with two newly appointed Strategic Procurement Managers
- the opportunity to drive efficiencies (savings) through a review and negotiation of existing contracts
- Procurement Act readiness, utilising the CIPFA checklist and actively participating in the West Yorkshire & Humber Strategic Procurement Group
- Linked to BBERT and the spending panels, stronger enforcement of policy such as No Purchase Order (PO), No Pay

Whilst we are clear that the focus is on the right things, it is too early to judge the impact of the improvement plan. The Head of Procurement is confident of realising £280,000 of target savings in 2024-25.

Given Bradford's multi-cultural/multi-lingual demography, the CEO, on behalf of the wider council, has expressed her commitment to the continuing support of all its communities.

Risks

None identified

Recommendations

None identified

An overall view on the ability of the Local Authority to manage identified budget pressures through its own resources. This should include a view on whether the council could and should take further action to minimise the need to use / seek a capitalisation direction. If it is apparent the Local Authority requires capitalisation to manage its budget, an assessment of how the council expects to 'fund' the capitalisation (i.e. through external / internal borrowing or through capital receipts), and the viability / risks of their proposed approach.

The 2023-24 outturn position, as reported in the Finance Position Statement in July 2024 to the Executive, has resulted in a reduction of unallocated reserve levels to £42.7 million which are insufficient. Bradford has the lowest Reserve Sustainability Measure when compared to both statistical and geographic comparators. This suggests that the council needs to increase its reserves to ensure greater sustainability. The council has been using significant and inappropriate amounts of one-off reserves in recent years without any plan to deal with this in future years. It is clear that general reserves are not at a level to support longer-term stability.

The revised Medium Term Financial Strategy (MTFS) is focused on:

- reduced reliance on borrowing
- delivering average annual savings of £34 million
- increasing income
- the sale of capital assets
- securing further exceptional financial support

The council strategy is focused on improving its reserves position to reduce the amount of borrowing required to fund the capitalisation direction.

As part of the strategy, a target is in place for asset sales of £100 million to generate capital receipts over the next two financial years. This programme has been set up with clear targets and oversight by the S151 Officer and clear ownership within the directorate. The £100 million is focused on approximately 180 assets ranging from leaseholds and small pockets of land up to large city centre commercial buildings. Estimates are based on statutory valuations and subject to market fluctuations meaning there is a risk that statutory valuations may not be realised. Good progress is reported with over £50 million of assets either on the market or a clear route to market identified, with another £30 million of assets being assessed for sale.

West Yorkshire Combined Authority (WYCA) is in the process of working with the constituent authorities to consider funding options to support the councils where it can. WYCA and the five WYCA councils have agreed cashflow improvements for capital projects and gainshare investment in capacity to ensure delivery of priority projects.

Risks

9. Extent of borrowing required to support the capitalisation direction (minimum £473 million) is not able to be funded through revenue. This figure is subject to ongoing change as a result of ongoing work on next year's budget, the outcome of the local government settlement and the council's potential application for council tax with modelling (the latter cannot be made public until the end of February 2025). The amount and period is still subject to further change.

10. Market fluctuation on valuation limits the ability to meet target receipts income.

Recommendations

9. Please refer to recommendations 4, 5 and 6 above.

10. Monitor market conditions/valuation factors and consider contingencies if valuations limit the achievement of council income/asset realisation targets.

3.3 Review Area 3: **CAPITAL PROGRAMME / DEBT / INVESTMENTS / ASSETS**

CAPITAL PROGRAMME / DEBT / INVESTMENTS / ASSETS: An assessment of the Local Authority's capital programme / overall debt position including short and long term borrowing, and approach to investment / asset management to reach a view on the suitability, VfM and risk exposure of the Local Authority in this space, and how this may impact on the overall financial resilience / sustainability of the Authority. This review area should consider and provide a view on the following areas as appropriate:

Key findings and analysis

The Local Authority's management / governance of its capital programme, major projects (whether delivered in house or via companies) and investments including the adequacy of internal processes, scrutiny of investment decisions, use of external expertise where required, risk management and capacity and capability to deliver. This should include an assessment of the Local Authority's exposure to refinancing and any other risks identified as a result of its chosen borrowing strategy.

In 2023-24 the capital programme was subject to a number of reviews and changes through the year. A number of large programmes (One City Park, Smart Street Lighting, Darley Street Market, Bradford Live and Transforming Cities 2023-24) meant that spend increased by £154 million from the previous year. However, there was a £44.6 million underspend compared to planned spend and schemes with a capital cost of £76.5 million were taken out of the Capital programme in the 2023-24 and 2024-25 budgets.

The council's current capital programme is £610.9 million, of which £226.7 million is externally funded. For 2024-25 the capital programme review (led by the S151 Officer) has seen £40 million identified for potential removal subject to further analysis. A reported step change has been implemented in the application of rigour, challenge and robustness of business cases (to deliver savings). However, a five-year capital investment plan needs to be developed which may increase costs of the programme and place pressure on the revenue budget.

Capital project approval is in accordance with section B (5) of the council's Capital Strategy 2024-25. This includes a requirement for mandatory business cases to identify the projected running costs and financing costs of the relevant asset and assess its affordability. A Project Appraisal Group (PAG) chaired by the S151 Officer assesses unfunded capital expenditure proposals. Investment assets are subject to specific approval processes, involving the Investment Advisory Group (IAG).

At 31 March 2024, the council had £743 million of external borrowing (including interest). This comprised of £648.6 million of PWLB borrowing (including LOBOs, and other loans) and PFI borrowing of £128.9 million (including interest). Short-term borrowing (mostly other local authorities), was £57 million, £37.7 million of Lender Option-Borrower Option (LOBO) loans, £13.1 million of interest free loans from SALIX for street lighting energy improvement and £0.4 million of borrowing from WYCA for One City Park. The Council has a wide range of maturity dates for external borrowing, so has relatively low exposure to this risk.

The council meets the requirements under the CIPFA Prudential Code reporting. The cost of capitalisation will increase the costs on the revenue budget through increased cost of borrowing in future years. However, the council is under borrowed but still has a relatively high ratio of financing costs to net revenue stream, higher than the 10% generally recommended but the council is closely monitoring this. The council is making use of the flexible use of capital receipts (FUCR) regulations. Risks and capacity and capability are clearly set out in the Capital Strategy and specialist advisors support the council.

Risks

11. Integration of Capital programme governance with overall Council Plan.

12. Short term savings in capital investment have long term implications which are not fully understood.

Recommendations

11. Ensure that the Capital programme algins to council ambition and any future council plan development.

12. Make sure that both short and long term implication of changes/savings within the capital programme are fully understood and appraised as part of the decision-making/control process.

Where applicable, an assessment of the Local Authority's approach to any part or wholly owned companies and any associated risk these companies expose the Local Authority to.

The council is responding to earlier findings in relation to best practice governance of wholly owned companies and are undertaking full reviews. The reviews have a wide remit and include rationale for the company continuing, governance and financial stability and risk. The results of the company reviews were not available at the time of this review but we understand that the council is establishing a shareholder committee which is in line with sector best practice.

However, in the interim, BCFT has committed to the same financial rigour as the rest of the council. The Trust is an active participant in the BBERT meetings and has adopted the same spending panel review process. Management grip and control is much improved and is due, in no small part, to the role played by the CEO in fostering a more collaborative approach to joint working with the Trust and the rigour of the CEO and Finance Director in the Trust working with their Trust Board. This includes the Strategic Joint Working Group chaired by the Lead Councillor for Children and Families.

Bradford Live is an ambitious project to restore the former Odeon cinema as an entertainment venue. It was brought back under the council's full control in August 2023, with construction practically completed in July 2024. Capital expenditure was incorporated within the Council's Group Accounts in 2023-24. At the time of writing, CIPFA understands that there are contractual negotiations ongoing with the venue operator.

The council has also created a small company for the provision of Learning Disability Day Care services which is intended to have a short life span whilst services are transformed.

Risks

13. The companies' review is not moving at sufficient pace to realise benefits or stop activity no longer meeting the ambition of the council.

14. The success of Bradford Live is impacted negatively by competition from venues within Leeds, Halifax and Manchester. (Note: The financial model is for Bradford to lease the building to the event operator and they will be the ones who will decide on the event scheduling.)

Recommendations

13. Appraise the results of the companies' review, identifying both short term (quick wins) and longer term strategic opportunities that it identifies.

14. Deliver a Bradford-centric offer that provides a demand-driven programme of events ensuring that delivery risk is appropriately transferred to the venue operator.

A view on the alignment of the capital programme with the broader strategic direction of the council including an assessment of the deliverability and affordability of its capital programme including consideration of how the council plans to fund its programme (i.e. grants, borrowing etc.) set against the overall debt position and potential impact on longer term sustainability, including liability benchmarking.

The council's capital programme has been subject to an initial review that has resulted in almost £40 million being removed during 2024-25. A more intensive financial review is scheduled for autumn 2024. All capital programmes/projects irrespective of funding sources, are required to have a full business case, are subject to ongoing review and this aligns with the council's greater financial grip and control.

The priority focus is on an overall Capital Financing Reduction Plan in line with the financial strategy which, alongside reducing spend, includes improved cashflow management and an on-call facility with WYCA.

The council is clear that its capitalisation direction is a shorter-term solution necessary to achieve financial stability. The council will need to deliver significant savings, averaging £40 million per year[4], and generate additional income to fund this alongside the realisation of receipts from the sale of capital assets. The council has engaged external consultants to

[4] Based on the following savings profiles: 2023-24 £49 million, 2024-25 £40 million, 2025-26 £40 million and 2026-27 £50 million.

support asset disposal and, as previously stated, has set an ambitious target of £100 million receipts over the next two years.

The Local Authority's approach to asset management and valuation, the appropriateness of its asset portfolio, and a view on a proposed asset disposal plan set against broader Value for Money considerations.

As previously stated, a target is in place for asset sales of £100 million to generate capital receipts. This programme has been set up with clear targets and oversight by the S151 Officer and clear ownership within the directorate. The focus is also on achieving best value and not a fire sale approach. The £100 million is focused on approximately 180 assets ranging from leaseholds and small pockets of land up to large city centre commercial buildings. Estimates are based on statutory valuations and subject to market fluctuations with a risk that actual receipts may not realise the statutory valuation. Good progress is reported with over £50 million of assets either on the market or with a clear route to market identified, with another £30 million of assets being assessed for sale.

Risk

15. Political opposition to the sale of certain assets.

16. Estimates/perceptions of asset value fall short of statutory valuations and/or market appetite and market fluctuation on valuations limits the ability to meet target receipts income, especially over a two-year disposal timeframe.

Recommendations

15. Provide clear business case information and briefings for elected Members as part of the wider disposals and asset-specific disposal process.

16. See recommendation 10 above.

The Local Authority's commercial investment portfolio (property, bonds etc.) and forward strategy, including dependence on commercial income, exposure to debt costs and whether, in CIPFA's view, it is prudent to reduce the Authority's exposure and over what timeframe.

At the end of July 2024, the council had £80.5 million in debt with over half of this (£44.3 million) being council tax-related. Of concern is that over £12 million of the total debt is over 365 days old with no arrangement in place. An improvement plan for the debt recovery, along with a request for additional resources to support this, will be considered by corporate management team (CMT) in late September 2024 and forms part of the Finance improvement plan. The review will focus on:

- increasing debt awareness through enhanced reporting via Power BI

- increased pre-payment for services

- the development of a debt charter, clearly setting out roles and responsibilities, including prompt dispute resolution

- consideration of the centralisation of all debt as parking, clean air and trade waste currently collect their own debt

Although the review and associated changes are likely to bring similar control and grip to that of expenditure, it is too early to indicate how quickly and over what total timeframe the council's exposure to risks associated with debt can be reduced/minimised.

As reported in the 2023 CIPFA report, the council's income and dependence on commercial income are both low. A review and potential uplift of current fees and charges is expected to be reported at the November Executive, initially as policy but then incorporated into the 2025-26 budget.

Whether and to what extent the Local Authority is complying with statutory guidance / following best practice with regards its capital programme, wholly / part-owned companies and investments including but not limited to investment guidance, minimum revenue provision guidance and accounting codes.

The council's Capital programme is approved as part of the budget process and recognised as being key to delivery of the Council Plan outcomes, strategic priorities and ambitions. The council states that the impact of inflation on the costs of capital projects has had a negative impact on the capacity and resources to deliver what were previously viable and affordable projects based on sound assumptions. The need for capital programme reduction to support the CFR reduction plan is the key to the strategic direction, currently.

Compliance with Investment, MRP guidance and accounting codes were considered in the previous review. The MRP position (which was an issue for the council last year) has now been resolved.

Risks

None identified

Recommendations

None identified.

3.4 Review Area 4: **GOVERNANCE**

An assessment of the council's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the council is operating in line with the Nolan Principles and in a way to secure continuous improvement.

The adequacy of the council's decision-making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the council. This should include a view on the effectiveness of the adopted Governance model and whether it is suitable to drive the right outcomes for the area.

Key findings and analysis

Our overall findings are that the council has increased its grip on governance in the last 12 months. We are confident that the council has the right approach to its governance model and the wider governance architecture to provide the appropriate levels of financial grip/control and to embed a sustained culture of increasing financial awareness and literacy across the organisation. We are also satisfied, based on interviews, that BCFT have taken a similar approach, which is welcomed.

All areas of the council demonstrate more focus on improving governance while at the same time reducing bureaucracy. Risk management at corporate and directorate level has improved with more focus on the senior team managing the core strategic risks that affect the council's medium term performance. The council has, more recently, taken a more pragmatic and dynamic approach to the management of the in-year Audit Plan with this Plan now being reviewed and updated on a three-month rolling basis, reflective of the changing risk environment. It is important that the council's newly developed Risk Action Plan is seen through.

There is good understanding across the council of the Executive and scrutiny model, and relationships between officers and members are good. There is good communication between statutory officers and the Executive, and relevant Committees. There is clear direction from senior management and the officers and members are pulling in the same direction. Members are supportive of the decisive action and the current strategy as executed by the CEO and her team. Opposition is effective, citing more openness and the council facing up to its key issues. They have regular access to the CEO and the strategic Corporate Directors and have access to Assistant Directors and other staff as required to help resolve queries etc.

The CEO has introduced a "high support, high challenge" culture within the top tier of the council which is having a positive effect on senior managers and other key decision makers within the organisation. This model promotes creativity and accountability in decision making and imbues the organisation to ask for help when they need it.

Within the current operating environment, there is a small risk of over-governance with the introduction of a new layer of boards (e.g. BBERT) but in our view, the extra layers of governance and control are commensurate with and proportionate to the council's current financial position. We recognise that the council will consider its future governance needs and will signal any changes to the organisation. We have spoken to the CEO and the S151 Officer about this issue and we are satisfied with their approach for the future.

The architecture and processes around financial recovery are strong and consistently applied. BBERT has clear terms of reference which are fully understood by its members and by the wider organisation, including by representatives of BCFT. BBERT is chaired by the CEO. The financial recovery programme is sub-divided into key focus areas referred to as "cells" and there is an accountable cell owner for each who is accountable for providing feedback on progress at weekly intervals. In addition to a savings "totaliser" which is reviewed regularly, the forum also reviews an asset disposal totaliser too.

The Director of Legal and Governance is fulfilling the post on an interim basis and has a good grasp of his area's work programme.

The Governance and Audit Committee appears to be strong and there is a competent and committed chair in place. We also understand that both the Leader of the council and the Chair of Governance and Audit have requested the recruitment of an independent member(s) to the Committee, which will provide valuable expertise and strengthen the Committee's ability to provide effective oversight – this is to be welcomed and is in line with wider public sector best practice. The council undertook a review of the Governance and Audit Committee in March 2023 against the CIPFA guidance on Effective Audit Committees and will be delivering a further training programme to support them in areas that were identified as weaker (internal audit, treasury management and statement of accounts). These sessions are voluntary but are recorded and shared with members. The Chair also attends the regional forum of audit chairs to share current themes and best practise.

The council has a small number of local authority-owned companies and has recognised the need to establish a Shareholder Committee to oversee its commercial interests. We have discussed this matter with the Head of Legal and Governance as well as reviewing key documentation and we are content that the council is taking the right approach in line with wider sector guidance.

Capacity and capability is being addressed through the work being done by HR/OD and the senior management team. The council has successfully recruited a new substantive Head of Procurement and their direct reports are now all filled with substantive posts. The Transformation team is increasing capacity by bringing more expertise in programme and projects, portfolio management and benefits realisation.

The Finance team is planning a full re-structure which will pivot the financial adviser role to become business partners. All staff will go through an assessment centre and competency-based interview process to seek new positions in the new structure. The new structure will be complemented for a specific period by a number of interims who bring expertise in finance recovery, finance standards and commercial aspects. All of these changes are fully funded and signed-off.

Some strategic directors have established their own stricter governance arrangements along the lines of weekly "gold command" style meetings with their direct reports where there is an opportunity for managers to surface issues in a safe environment. This was cited by one senior manager as a “massive culture change”. There is also a more structured cadence to meetings (this applies to meetings and the finance reporting cycle) yielding a more robust rhythm to discussion, decision making and the delivery of broader outcomes. Another manager commented that they were now more empowered to “take bold decisions more quickly”.

Managers’ briefings, accompanying briefing notes, are held monthly. Briefings are also provided by the CFO/Deputy 151 Officer directly to c.120 senior budget holders to ensure that the council’s financial position is widely understood, and budget holders understand their financial management responsibilities and the role they play.

The above meetings and reports build on the Power BI suite of reports which enable all council budget holders/service managers to access real time financial information any time on a self-serve basis. Information is reported in a clear and accessible way utilising graphics where appropriate and enabling users to drill down to granular detail. Monthly budget monitoring reports include mitigating actions to address underlying budget variances.

Quarterly finance reports to the Executive built on the processes outlined above provide regular updates on the overall financial position against delivery of the annual budget.

Alongside BBERT and other changes to internal governance, the council has also established a Staffing Resources (Establishment) Panel to bring all establishment controls into one place and to ensure that the council stops non-essential establishment spend, that establishment costs are within associated staffing budget provision, and that establishment spend is prioritised to support and sustain delivery of essential services to residents.

The council-wide staffing resource process has been set up to ensure and demonstrate financial grip and control and to prevent non-essential establishment spend. The process generates important management information on establishment spend for use in all settings.

The additional aim is to drive culture change across the organisation. Specifically, this is to ensure that all spending is considered carefully by every officer before it happens, and that there is an understanding that all spending is being monitored and checked for compliance.

Risks

17. That the current grip and control brought about by the financial recovery programme will create an over-dependency on the sustained need for stricter governance and control in the future thus having the potential to stifle creativity and impede the very culture of accountability sought by the CEO with regard to “high challenge, high support”.

Recommendations

17. Use the Council Plan refresh as an opportunity to set out the council’s longer term strategic outcomes and ensure that organisational transformation activity is aligned, suitably timetabled and resourced.

The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the council and whether this is clearly

set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and Medium Term Financial Plan). This should include an assessment of the extent to which the strategic direction of the council is present throughout operational implementation or whether it exists in 'name only'.

Key findings and analysis

Council plans, strategies and performance measurement / management all appear to be aligned. There was common messaging across interviewees and an understanding among officers of 'bigger picture' issues, rather than just individual roles and responsibilities.

The District Plan and the Council Plan are due for a refresh for 2025 at which point the strategic priorities of the organisation will be updated. The Plan update will also enable the CEO to put her stamp on the future direction of the organisation, from the now more stable position, by setting out a clear and meaningful vision for the council over the next five years.

Governance is well-structured within the council and compliance is high. Governance processes are clearly and consistently described.

The MTFS was updated and refreshed earlier in the year coinciding with the arrival of the new Interim S151 Officer. This clearly sets out the council's financial challenges and strategy for the coming years.

A review of the constitution was initiated prior to the arrival of the CEO with a view to making it more user friendly. A number of member/officer working groups were established but given the worse than expected position of the financial health of the council, as unearthed by the new CEO, this work was deferred. The other reason for deferral was that the early part of the constitution work was externally funded but this funding has dried up. Othe related work includes an update to the financial regulations which will be complete by March 2025. Other work is also ongoing However, the aim is to ensure greater governance competence and literacy so that the council is a better commissioner in the future. For example, as the council reduces in size and does less itself it will need to commission and *contract manage* more, hence the need to upskill commissioning and contract management skills and capabilities.

The Health and Social Care Overview Committee was established prior to the establishment of BCFT and as such needs to update its position with regard to the Trust's contractual and strategic relationship with the council. The Committee is responsible for scrutinising the council's strategies, plans and functions in relation to the priority outcomes of the council's plans as they related to "Better Health, Better Lives".

Updated guidance on the role of scrutiny was issued in April 2024 and, as a council, Bradford are broadly compliant. Strategic directors of the council are now more closely aligned to the various scrutiny committees. The CIPFA team also reviewed the council's recent review of scrutiny practice which accords with our expectations.

There is much more focus around the quality and depth of the council's Forward Plan. Prior to the arrival of the CEO, the Forward Plan was updated on an ad hoc basis and did not always include some of the key matters being dealt with by CMT. A new (and automated) system has been rolled-out to enable the Forward Plan to be updated more systematically and in line with the council's prevailing priorities and downstream decision making policies. This, coupled with more rigour around improved consideration of legal and finance implications, has strengthened practice.

Overall, CMT is now much more open and progressive about the key risks facing the council. CMT members are encouraged to speak up and speak out so as to avoid group think and optimism bias. Increasingly, the CMT forum is sought as a platform to raise, discuss and resolve key risks facing the council as well as continuing with a mantra of being open about the challenges facing the council and, as other issues are being unearthed, to promote a more collegiate approach to problem sharing and solving.

Risks

18. The council's constitution is not reflective of the current organisation, routinely understood or accessible and that the constitution is not in line with the current financial control processes as implemented by the new CEO.

Recommendations

18. As a CMT, to decide on the next steps with regard to the updating of the council's constitution. To explore the impact and opportunities the updating of the Constitution would bring by making the Constitution more user friendly and more easily accessible.

A view on the effectiveness of council leadership including their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.

Key findings and analysis

The view of interviewees, including lead and opposition councillors, of council leadership was positive and encouraging. The CEO has only been in post since October 2023 and the Interim Director of Finance (S151) joined full time from March 2024. There is a sense that the council is a genuinely caring organisation, and that CMT members are approachable and visible. The CEO sends regular vlogs to all staff and regular CEO-led "town hall" sessions attract over 1,500 staff.

Interviewees spoke highly of the leadership provided by both the CEO and the S151 Officer and noted a clear understanding of the issues facing the council at a senior level and amongst elected members. CMT provides a focused approach to working together to address the challenges. We were consistently impressed by the interviewees in terms of knowledge, understanding of the council's priorities, and commitment to one, successful organisation, clearly led by the CEO and CMT.

There is no doubt that the CEO's immediate priorities are understood across the organisation. Interviewees were unanimous in their view that the CEO (and the S151 Officer) are administering the medicine required by the organisation. We consistently evidenced a more cohesive organisation built on cooperation, trust and respect.

Risks

19. The council lacks a longer term vision and a signalling from the senior leadership team that at some point in the future the council will pivot to a longer term, outcome-focused strategy which will deliver sustainability for the council.

Recommendations

19. Please refer to recommendations1, 2 and 3 above.

A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff.

Key findings and analysis

Relations between the leadership and the political Executive appear strong and consistent. There are good levels of genuine trust between the Leader and the CEO. The Leader and the Executive more generally, have welcomed the unearthing of a range of issues surfaced by the new CEO and have supported the council's leadership team to take the most appropriate courses of action.

The key statutory officers (Head of Paid Service, Monitoring Officer and S151 Officer) meet on a monthly basis as the "golden triangle". Standing agenda items include the potential for a S114 notice and the overall financial recovery/stability of the council, member complaints, whistleblowing and key risks.

Internal Audit (IA) have tended to "look back" rather than "look forward" and, given the council's current financial predicament, it is not clear how strategic risk was driving the development of the Internal Audit Plan. However, the council has recently taken the step of reviewing the Plan on a rolling three-month period alongside a review of corporate risk management. The council also recognises that the IA team will need support and development to fully enable it to deliver such a fully risk based programme.

There is no Code of Conduct document between members and officers (and we are not suggesting that this is a missing link either). The Head of Legal and Governance meets with (political) group leaders on a monthly basis as does the CEO. The Executive and CMT meet monthly to agree exec papers and, separately, also meet monthly to discuss strategic issues – this being a key part of the council's governance framework. On the basis of interviews, the Executive appears on-board with the general direction of the CEO and CMT.

Risks

20. The internal audit plan does not suitably reflect the council's current exposure to risk.

Recommendations

20. The internal audit plan is now being reviewed on a quarterly basis to ensure there is greater emphasis and focus on council risks. There is an agreed challenge that to be fully effective, there is a need to invest in Internal Audit staff to undertake some of the more significant reviews. (This is in train at the date of the report.)

The council's capacity and capability to improve and transform at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change, delivery with local partners, and collaboration with sector support).

Key findings and analysis

There is, without doubt, a broad spectrum of acknowledgement within the council of the problems it finds itself in. The council's management team and senior managers are encouraged to surface issues that require addressing and action. Staff feel more confident and empowered to speak up and offer their ideas for change and improvement. The CEO meets with all key partners on a regular basis: this being part of a programme of ongoing dialogue.

Culture change is beginning to take shape, and the organisation acknowledges that this will take time.

The CEO holds regular in-person and virtual sessions that reach a significant number of staff across the organisation. Managers are encouraged/expected to hold regular meetings with staff by way of cascading information, reviewing workloads, priorities and general tasking and allowing staff an opportunity to influence overall council strategy.

The council still has a lot more to do on changing the culture of the organisation: it still has a strong culture of hierarchy but this is changing. The state of the council's financial predicament is now well understood and a number of staff interviewed cited that there was more of a recognition of honesty. Middle managers believe they are further ahead in their work around culture than is the case, but more work is being taken forward. This will facilitate a longer term programme to change the culture of the organisation alongside a new District Plan, a new Council Plan and a new operating model that will define how the council will deliver services in the future. The council recognises that new skills and competencies will be required to deliver these plans.

The Director of HR People has well developed plans to overhaul a whole suite of council people-related policies over the coming months. These include policies on re-deployment, retraining and redundancies; managing poor performance; and managing workforce change. A review of pay, grading, allowances and terms and conditions is also under way. There is also a big "cleansing" exercise under way with regard to casual workers and those on fixed term contracts, and the last 600 weekly-paid staff are to move to monthly pay with more up-to-date terms and conditions.

The apprenticeship programme is strong with around 250 apprentices at any one time and success rates are very good, although current systems do not allow the council to track end-state destinations.

A business case for a new Head of Service for organisational design has been approved. A new Workforce and Learning Development Manager has been appointed recently and, at the time of writing, the CEO has appointed an interim role to lead a specific suite of work around organisational development and transformation.

Performance appraisal rates are improving (currently around 60% of staff complete them) but the council recognises there is more work to be done in this area.

Risks

None identified.

Recommendations

None identified.

3.5 Review Area 5: **SERVICE DELIVERY**

An assessment of the effectiveness of council service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the council's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of service.

The efficiency of service delivery, including against comparator Local Authorities, sector metrics and wider public sector metrics.

Key findings and analysis

Adult Social Care

Summary of overall effectiveness

Senior managers present as open, self-aware, and receptive to internal challenge and the findings of various reviews over recent years. Although spend is relatively low, they recognise the importance of contributions to reduced overall council spend levels. The major savings target areas are based on reconfiguring how care and support is provided, by prioritising and investing in early help, prevention, enabling services and strengths-based and rights-based social work. If this better value approach continues to be planned and implemented well, people's experiences and outcomes will be improved at the same time as costs reduced.

The evidence from a range of documents, senior management interviews and the LGA peer review is that Adult Social Care knows its strengths, opportunities and challenges, and has the capacity and capability to deliver on its ambitions and supporting strategies. However, in this financial climate it is critical that Adult Social Care demonstrates that its strategies are effective in reducing cost and demand over time, and that spend is properly and transparently accounted for and controlled at every level.

Efficiency and cost/quality balance

Adult Social Care (ASC) is not nationally assessed and rated by periodic inspection reports as is children's by Ofsted. However, it is clear that Bradford ASC has a strong national profile and is a high performer based on the range of measures in the Adult Social Care Outcomes Framework (see below). The LGA Peer Review of September 2023 was very complimentary and for example made reference to: "Wonderful capacity, innovation and culture; commitment to rights based social work and social justice; fabulous examples of deep connections with schools, the arts sector and the business community; the creation of a people commissioning function with potential to extend to health; a good safeguarding partnership in place; a joined up hospital discharge system; a strong governance and oversight of adult social care; and a permissive culture that enables creative thinking and promotes continuous improvement and learning."

The review also noted that "pride and connectedness to Bradford Council ASC ran through every conversation heard, the passion for working in Bradford was very evident". So, given relatively low cost (see below), Bradford ASC demonstrates a strong cost/quality balance, and offers good value for money.

Budget background

In 2023-24 ASC overspent by £14.2 million. This included £2.2 million one off non-recurring spend, £0.9 million as a consequence of an NHS CHC (Continuing Health Care) backlog being resolved and the transition to Adult Social Care of 120 young people from Children's Services with a combined impact of £3 million. The remainder of the overspend was unachieved savings from previous years.

A £10.5 million mitigation package was agreed in October 2023 to bring the budget back to balance, and has all been delivered other than £1.2 million where NHS responsibilities are still being addressed pending the closure of a short stay resource. This enabled the 2024-25 budget to be set at 2023-24 level plus £4 million to allow for demographic and fees pressures, though with £5 million savings on long term care to be achieved through prevention strategies and investment, rising to £10 million in 2025-26 and £15 million in 2026-27.

However, additional pressures that have arisen are:

- additional young people transferred from Children's (£2 million),
- the CHC shortfall (£1 million), and
- the impact of the budget build up profile not fully allowing for additional winter pressures (£4 million), i.e., £7 million in all.

£4 million of mitigations have been found, leaving a current 2024-25 overspend risk of circa £8 million according to the Quarter 1 Finance Position Statement for 2024-25.

Relative spend

CIPFA's data set shows Bradford's social care ratio in 2022-23 (i.e., proportion of net revenue expenditure on Children's Services and Adult Social Care) at 75.15%, around 65th percentile amongst geographic and statistical neighbours, so higher than average overall across social care. However, this combined Children's Services and Adult Social Care figure masks net current expenditure for adults of 4.91% per person below statistical neighbours' average and 9.12% below geographic neighbours.

For statistical neighbours, the net 4.91% figure arises from being 11% below average total expenditure alongside 24.19% below average total income. For geographic neighbours, the net 9.12% arises from being 12.02% below average total expenditure alongside 19.03% below average total income. Therefore, if income were closer to the averages then the net current expenditure would be even lower compared to neighbours.

Relatively low income is likely to be a consequence of Bradford having persistently high levels of deprivation (England's fifth most income-deprived area) and service charging levels which were described as relatively generous. It is recommended that opportunities for increasing income through a review of the charging system are explored.

Prevention as investment in efficiency

Critical to overall efficiency, i.e. best use of resources to achieve goals, will be the investment in early help and prevention, which the council has achieved through recruitment of dedicated social workers and allied professionals, and a range of staff support, communication and training.

The impact appears to be demonstrated by fewer adults and elderly people being admitted to long term residential care, where the service is now nearing top quartile performance. It is essential that in the understandable search for rapid savings the council does not risk greater expenditure in years to come by short term reductions to this investment.

2024-25 to 2026-27 savings strategy

The 2024-25 ASC savings are predicated on reducing the use of expensive long term care and other more intense care and support as a product of successful prevention and early help strategies. This is a significantly more people-focused and outcomes-based budget strategy than an alternative service cuts approach would be. The strategy is well-designed but the savings targets are challenging and have three elements:

- Prevention Strategy - Older People's Services (£2.5 million in 2024-25 rising to £7.5 million by 2026-27). This three-year programme of work is aimed at ensuring that all older people who are eligible for adult social care have those needs met and all opportunities for promoting their health and wellbeing, rehabilitation and social connections are explored, through advice and guidance as well as short interventions
- Prevention Strategy – Adults with Disabilities (£2.5 million in 2024-25 rising to £7.5 million by 2026-27). This programme of work aims ensure all adults with disabilities who are eligible for adult social care have those needs met, and the council will work with disabled people to enable them to be full citizens in their community, working, voting and having a say over the services they need
- Transforming Our Service Offer (£0 in 2024-25 rising to £5 million in 2026-27). This programme involves using the latest technology and a new case management system, linked to the NHS record and those of the council's care providers. Savings will be through carefully managed reduction of staff numbers over time, more joint NHS roles, shared efficiency savings and reduced office footprint

In line with the council's transformation commitment and ASC prevention strategies, ASC also has a series of transformation projects led from the departmental management team (DMT). The range of projects align with wider enabling, strengths-based and community-based ambitions and supporting service offers, and the programme is ambitious in scope. The projects are set out at summary and detailed level with supporting plans with milestones, and priories for implementation stated and monitored month by month. At a high level, eight of the 13 projects are rated Green, five Amber and one Red (Implement a new digital alarm receiving platform).

Progress monitoring

Within the department, DMT receives a monthly finance and performance report which tracks key activity, quality indicators and HR issues as well as financial pressures, mitigations and projections. The period 3 report (June 2024) tracks progress of achieving £15.5 million planned savings item by item, and rates 13 as green, six as amber and five as red. Savings progress is also reported and discussed with central finance regularly for appropriate challenge. Senior departmental managers recognise the importance of these processes given the need to command confidence in their grip and commitment to helping tackle Bradford's financial situation. Equally the need for senior level approval of spend exceeding £500 is understood, and managers believe this requirement (supported by a dip sampling programme) has promoted understanding of the position and led to tighter financial control at all levels.

Complaints

ASC Complaints handling and performance report 2023-24 is comprehensive both in its reporting and analysis and provides evidence of learning to support service improvement. The report shows a rise in complaints in part due to a change in commissioned care provider contracts which resulted in service users expressing dissatisfaction that they were no longer able to continue using their previous home care provider, despite a range of communication channels. Performance in responding to complaints within the statutory timescale of 20 days has increased from 54% in 2022-23 to 68% in 2023-24, though it is acknowledged this is short of the Council target of 90%, so efforts to increase will continue. Identified service improvement opportunities include better communication and collaboration between teams, clearer information for service users on invoices, and better recording of complaints by care providers.

Bradford's 2023-26 Adult Social Care Strategy and Action Plan

This is well laid out and locates itself within the national context and then the relevant 2021-25 Council Plan priority, i.e., *"We will help people from all backgrounds to lead long, happy and productive lives by improving their health and socio-economic well-being."* Priorities map through to detailed plans at appropriate management levels.

Approach to lower performing areas

The plan also sets targets for lower performing areas relative to other authorities e.g., percentage of people who have received a short-term service who no longer require support and percentage of older people (65+) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services.

The department has also completed a comprehensive self-assessment whose content will be reviewed by the Care Quality Commission prior to inspection date which is to be arranged, with an expectation of demonstrable self-awareness of challenges as well as setting out sources of pride. Areas of particular challenge, along with improvement action taken, demonstrate openness and include:

- Some teams having had delays in allocation and prioritisation as Covid impact doubled requests for assessments from 2021-22 to 2023-24

- Audits showing support plans were not always consistently personalised to the individual and co-produced

- The need for better arrangements to align information and coordinate support with health systems

- The need to increase take up of direct payments, especially by people with mental health problems

All improvement targets are supported by detailed plans monitored through the line and reported as necessary through to the council's senior management teams and the DMT.

Effectiveness of chosen approaches, procurement, capacity/capability

The department's chosen strategic approach, i.e., investment in prevention to deliver better care and support experiences and outcomes to avoid more costs for long term institutional care, is set to deliver better experiences and outcomes for people at lower cost and better value for money, and this is a theme of this report.

The balance of in-house vs external delivery is in line with national thinking and practice, with choice dependent on factors such as sustainability, outcomes and value rather than pre-determined positions.

The department has what appears to be a well-embedded and productive strategic partnership approach with the NHS within the West Yorkshire Integrated Care System, and more locally the Bradford, District and Craven Integrated Care Board. Many senior staff have joint roles and responsibilities, and there is evidence of joined up work on a number of initiatives such as intermediate care. A range of services are jointly commissioned including residential and nursing care homes, home support, community equipment and adaptations, and mental health supported living and supported accommodation services.

The department's approach to care and support commissioning and procurement is governed by the ASC Commissioning Strategy 2022-27 and the ASC Market Position Statement 2023-25. There is strongly recognised joint interest between the council and independent sector providers in a high quality and sustainable care market, and relationships are reported to be well-developed.

The LGA review found providers appreciative of the council's approach to working with them in mutual shared interest. Bradford Care Association, the umbrella organisation that represents the care sector, is funded by the health/care partnership to participate in all strategic boards. Collaboration on fee levels takes place to ensure issues and implications are understood. Close working and provision of appropriate support is all the more important in Bradford; the adult care market is characterised by a majority of small family businesses with owned care home properties and few national chains or franchises, adding to risks of resilience regarding both performance and viability.

To promote staff recruitment and retention, the council has taken sensible measures such as providing annual uplifts that reflect increases in wages and inflation levels; regular finance forum meetings that include provider representatives and health colleagues to work in collaboration on fees and funding; and supporting the Bradford Care Association in sharing of best practice, advice, and acting as a voice to the sector.

The LGA review commended the council's relationship with care providers and the Bradford Care Association but felt that more could be offered to support the future development of the market in Bradford and enable providers to prepare for the next five to ten years by discussing projections of future need and potential new models of care. Adult Social Care has taken this on board and is developing ways of enhancing the partnership to focus on years ahead.

Risks:

21. The council is unable, financially, to maintain investment in sufficient ASC preventive strategies.

Adult's recommendations

21. While Bradford's position as England's fifth most income-deprived area affects its capacity to generate increased income from charges, identify and explore potential opportunities to do so.

Identification of particular service areas that are underperforming and the ability of the council to rectify the issue within its own resources and activity. This should include a view on the council's management of customer feedback and complaints procedures.

The other area looked at by the review team was the customer services organisation. The council has in place effective customer complaints and customer feedback processes and internal protocols for dealing with complaints.

Customer services is currently fragmented. There are a range of face-to-face customer service points across the district. There are a number of customer contact centres including a corporate customer service centre that deals with street scene, waste, bulky items, housing options, planning etc. The centre also deals with initial queries for BCFT (under a separate SLA), clean air zone tickets, home to school transport and the IT Help Desk. Some of these functions will be de-scoped and re-organised into other areas of the council under a wider two-phase customer services strategy.

Phase 1 of the strategy is to deliver £1.6 million savings for next year's budget. The team understand what needs to be done and are finalising the internal business case to enable these activities to be executed against.

Phase 2 of the strategy is to bring together two main strands of work. The first was undertaken by an external consulting firm last year which looked at how customer services (as an organisation) could make more use of technology including new applications, robotics and artificial intelligence). This work is complete and offers a lot of food for thought with regard to selective technology-led change in the future.

This is to be linked to a current piece of work (also being undertaken by external consultants) which is looking at the business functions and comparing Bradford's core processes with other public sector organisations. This work will conclude soon and will also offer insights into the relative performance of Bradford compared to their peers. This work combined will be used to formulate another business case to build the argument for a 21st century plan to transform the customer services front-end.

The council has deployed a “digital by choice” model for its customers, but as the council will be under pressure to save money in future years, this strategy may be modified to one of “digital by default” by limiting customer (access channel) choice at the front end. This work is in its infancy and we are supportive of the CEO’s drive to transform what is an important “front door” for the organisation as a whole.

Risks

None identified

Recommendations

None identified

A view on the extent to which service plans are aligned to the council’s strategic priorities and long term plan.

Key findings and analysis

We have not reviewed service plans in any detail and the following commentary is based on a range of discussions that took place between the review team and council officers. This commentary is made in the context of the Council Plan which is due to be refreshed next year.

We are confident that the council is moving to a more joined-up approach linking strategy and the immediate focus around financial awareness and stability with service-level plans.

We are confident, and have evidenced, that across all areas of the council, no stone is being left unturned in the search for immediate savings delivery and longer-term efficiencies. We have referenced elsewhere in this report a lot of the good work being done in some of the high-spend areas on comparing service performance and cost with comparable organisations and this is to be encouraged in other areas.

Within the construct of the current financial recovery programme, we are satisfied that all directorates are playing their part to:

- review the organisation and FTE for their areas, reducing reliance on consultants and interims as appropriate (we also reference the good work being done in BCFT with a reduction in the reliance on agency staff)

- review the structure and purpose of the directorate and constituent service areas to ensure that the council is delivering against the things that matter

- deliver in-year savings

- develop business cases for the identification of savings for the 2025-26 financial year

- continue to have more open conversations within directorate management teams, BBERT and in service teams around financial issues that need to be surfaced and dealt with (we refer to BBERT as a forum for bringing this together and for the CEO's culture of "high challenge, high support"

Risks

22. That financial stability and control is seen as a short-term measure and organisational complacency starts to creep in.

Recommendations

22. Ensure that the culture of staff being open and challenging continues and becomes embedded into the psyche of the organisation. As important as delivering changes of this nature is an appetite by senior management to measure it from time to time to ensure that change is being delivered.

A consideration of the effectiveness of the chosen approach in delivering services (i.e. in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes, and culture and attitude towards procurement.

Key findings and analysis

The council has recently appointed an experienced Head of Procurement on a permanent basis. A revised improvement plan is in draft and there is a clear direction of travel for:

- the introduction of category management, with two newly appointed Strategic Procurement Managers
- the opportunity to drive efficiencies (savings) through a review and negotiation of existing contracts
- procurement Act readiness utilising the CIPFA checklist and actively participating in the West Yorkshire & Humber Strategic Procurement Group
- linked to BBERT and the spending panels, stronger enforcement of policy such as No Purchase Order (PO), No Pay

Whilst we are clear that the focus is on the right things, it is too early judge the impact of the Plan. The Head of Procurement is confident of realising £280,000 of target savings in 2024-25.

Risks

None identified

Recommendations

None identified.

A view on the efficiency and performance of the council's Children's Services, including those services delivered by BCFT. This should include a view on the relationship between the council and Trust and the financial management adopted by the Trust.

Key findings and analysis

Bradford Children and Families Trust

The Trust was established in April 2023 following five years of Children's Services being rated as inadequate by Ofsted without progress. A summary of Ofsted and Children's Commissioner conclusions during that time was that the council and the services employed failing approaches to improvement, the result of which was an accumulation of poor strategies and practices resulting in large numbers of children in care, failed approaches to prevention, poor outcomes for children and very expensive services compared to other authorities.

This, plus poor relationships between the Trust and the council, and inadequate funding was the starting point for the Trust. Since its establishment, the Trust and the council have developed good working relationships, the key strategies have been re-written, the contract price has been renegotiated and is now adequate, and outcomes for children and families have improved at a good pace. The approach to improvement work has been excellent, and the trajectory on all that matters has been good. However, there remains much to do, and services are still extremely expensive overall whilst large scale and deep rooted legacy issues are being worked through, but the timescales for safe improvement in practice and for the accompanying savings are well understood and agreed upon by the council, the trust, DfE and the Children's Commissioner.

In-house children's services consist mainly of Education services and SEND services. SEND services indicators are sound, Education in particular faces a number of challenges. Services overall are low cost in comparison with other authorities when benchmarked and face the additional pressures arising from the overall funding position of the council, and significant unfunded burdens arising from government legislation which will take effect next year. Children's Services will remain significantly challenged in the next few years while they work through their improvements.

Performance

Children's Services in Bradford were judged "overall requires improvement" by Ofsted in 2014. In 2018 they were judged to be "inadequate". Following improvement efforts by the council, Ofsted reinspected the services in November 2022 and judged them as still "inadequate" and observed that performance had declined since 2018.

The Children's Commissioner for Bradford had expressed concerns that there was no clear partnership vision for Children's Services, the senior leadership team lacked sufficient experience for their task, and improvement plans, which ran to 50 pages plus, were overlong and unfocussed. The Trust was established in April 2023.

During the preceding years, poor strategies and practice had resulted in ineffective early help, high numbers of children on child protection plans with many of these then going into the care system; numbers of children looked after rising from relatively low to very high; and many children placed in inappropriate settings, such as a number of children under the age of 11 in residential care. The percentage of agency social workers at the Trust's inception was estimated at 62%. The culture and practice were influenced by fear of tragedies and of Ofsted inspections resulting in a lack of confidence and a cautious approach to decision making. This situation had taken many years to build up, with the result that poor performance would have been embedded and costs had risen to very high levels.

Cost

The Trust's services benchmark as very high cost, and costs have increased significantly over recent years. For example, the average cost of residential care has increased from £3,600 per week in 2020-21 to £6,517 in 2023-24 and since 2016-17 the per capita cost of services has increased by 117% compared to an average increase for statistical neighbours of 46.5%, with spend the equivalent of £70+ million higher than that of statistical neighbours.

The Trust was established on a contract budget of £170 million, later increased to £174 million, plus £10.8 million from a one-off DfE grant. The starting point at the time the Trust was set up was a focus on contract monitoring between the Council and BCFT rather than collaborative working, complex governance arrangements, a lack of understanding of the scale of some of the issues and the timescales required to resolve them, and an inadequate contract budget. Relationships between the Trust and the council needed to be significantly improved.

The Trust's approach to improvement

The Trust recruited an experienced senior management team and a Trust Board who are experts in their fields. They re-wrote the improvement plan which they had inherited and developed simple accompanying strategies and budget savings proposals. They established the governance within the Trust and worked on the joint governance with the council. They developed ways of working with staff to produce the necessary culture change and improvements in practice to deliver the plans and the accompanying savings. They worked with the council and partners to develop understanding of the issues and a shared vision for the service. These issues are addressed below.

The Board supports and challenges the service, the sub-committees work well, and individual board members work well with their service counterparts. The Trust has established permanent recruitment to senior and middle management roles.

The key themes in the Trust's new Business Plan are supported by other plans such as its Workforce Plan and reflected in its Budget Savings Plan. For example, the new (draft) Commissioning Strategy picks up on the commissioning implications under the same themes such as early help, improved practice, local choice, and is informed by the work of key boards such as the Early Help Transformation Board. It is honest about the gaps and is starting to link in to the regional White Rose commissioning Frameworks.

The Trust established a programme of work which it called "Turning the Curve" with an emphasis on doing the basics well, and a model of work based on restorative practice, which aim to improve practice and change culture leading to reduction in the numbers of children in care and better practice in the future. The number of children on child protection plans has reduced safely from 1100 to around 600, and the looked after children numbers are down from 1,586 in March 2023 to 1,398 in August 2024.

As in other areas of activity there are legacy issues to address whilst improving practice. For example, a number of these were children legally in care who were placed back with parents but their care orders are now being discharged in a timely manner, whilst there are also fewer children going into care now and more likely for the right reasons.

Agency rates have been reduced from 62% at handover (from council to Trust) to 40% by reduction in demand due to better practice, increased productivity, some conversion of agency staff, a good Assessed and Supported Year in Employment (ASYE) programme, and recruitment based on the growing reputation of the Trust. 11 of the 13 managed teams (supplied by agencies) were released by the end of March 2024 and the final two have also now been released. In addition the four project teams supplied by agencies have now been disbanded and brought under the direct management of the Trust, with any of those staff remaining being brought in line with mainstream contract rates for agency pay at the point of contract renewal.

Budget

The contract for BCFT was re-based for 2023-24 from £174 million to £212 million, plus support from DfE. The budget savings areas align with the Business Plan and focus mainly on reducing children in care numbers, agency rates, and alternatives to residential care. All are supported by clear business cases and monitoring paperwork demonstrating and assisting with management grip. They are linked to good governance, for example the Placement Sufficiency Board, and the Workforce Strategy and Monitoring Board. There are a number of arrangements within the Trust that promote awareness of cost and the link between cost and practice. The Trust is working towards three-year budgeting.

There is awareness of the challenge and confidence in budget delivery, and good evidence to support delivery. At the 2023-24 outturn the overspend against the original contract price had begun to come down from £47.7 million to £41.2 million. At July 2024, the projection against the new contract price was for a £2.5 million overspend, due to lower than expected contributions from the NHS towards continuing care. The savings are supported by the practice metrics and managers remain cautiously confident of making the further planned reductions.

Relations between BCFT and Bradford Council

Relationships have improved greatly between the Trust and the council over the past year. Governance meetings including the quarterly Strategic Joint Working Group and the monthly Operational Joint Working Group are now collaborative partnership meetings where issues can be openly and constructively discussed, whilst respecting the requirement for monitoring and oversight of the Trust. The (council) DCS role operates appropriately, plus the DCS and the Trust Chief Executive can communicate as colleague directors when needed (education and social care). The commissioning arrangements which operate via an SLA are now viewed as positive and effective. The Trust is linked in to the council's own improvement board (BBERT) and operates as a partner to the council in facing its challenges. The council is linked properly both formally and informally with the BCFT Board.

This is a significant improvement on the situation a year ago. The key to this seems to have been the approach of the council's new Chief Executive, supported by the new Interim Director of Finance (S151) at the council, in developing political and corporate understanding. There is now acceptance of the true starting point for the Trust, the issues involved and an appropriately challenging timescale for addressing them, and the right contract price and strategy for reducing the budget.

Other key relationships

There is a strong measure of agreement on progress between the council, BCFT, DfE, Ofsted and Bradford Children's Commissioner. This is across the key areas that matter: progress on strategies, performance, budget, and relationships. There is also a shared nature of the issues faced and the appropriate timescales for these to be safely addressed.

To single out Ofsted reporting, there have been regular monitoring visits which consistently report an upward trajectory of performance and improved systems and comment on good staff morale and commitment to the work. Whist they do not provide judgements, they read as if current work might be judged as "requires improvement", whilst the Trust continues to work through the legacy of inadequate practice.

Children's services retained in the Council

These consist primarily of SEND and education services. They include the full range of education services plus the virtual school, home to school transport (including for social care), short breaks assessment team, designated social care officer for SEND, early years sufficiency, an outdoor learning centre, a family information service and a data and performance service. These services are under the direct management of the DCS. The children's commissioning function sits in the adult services directorate in a combined commissioning team.

In terms of performance, SEND services are subject to a Written Statement of Action. However, their compliance indicators (Education Health and Care Plans completed on time etc) are good, and they are one of 27 authorities piloting aspects of change in the SEND Change Partnership. There may be opportunities in commissioning different services. Education services are challenged with poor outcomes at key stage 4, high absenteeism, and a number of inadequate academy schools (70% are academies).

In respect of finances, for benchmarking purposes Bradford compares itself with the Core Cities group, where it is a comparative low spender. It has a significant high needs block surplus at £26 million, although heading for deficit in two years' time. Information is based on the DfE Section 251 report 2023-24 data release outturn position.

All discretionary education services are traded. The service faces budget pressures from home to school transport, and from inadequate contributions from health services. In addition, next year it will have new responsibilities arising from legislation, in respect of reviewing elective home education, and new attendance responsibilities – Bradford has 33,000 persistent and 5,000 severe non-attenders. These are unfunded burdens.

Risks

None.

Recommendations

None.

Annex

A1 Risk Assessment – Method

Likelihood:

- Improbable – possible, but unlikely to happen.
- Occasional – might happen, might not happen, in the order of 50/50
- Probable – most likely will happen.

Impact:

- Marginal – some minor (less than £1000) costs involved, possible minor operating difficulties largely contained within the council, some awareness / action may be required by members.
- Moderate – financial losses / costs up to £100k, operating impacts hitting services for some of the community, a significant issue for members to deal with
- Critical – major financial losses / costs in excess of £100k, subsequent intervention by MHCLG or other 3rd parties, reaches national press interest, major political embarrassment for members.

A2 Documents Reviewed

CIPFA review response - Financial Assurance Review: Overview and internal briefing

Summary Checklist for CIPFA Best Value Notice recommendations monthly tracker

CIPFA Review and Best Value Notice Recommendations - Monthly Monitor and Tracker – July 2024

CIPFA Review 2023 Progress Summary

Key risks and recommendations

BCFT overspends: Executive Finance Position Statement 2023-24

Forecast review to minimise overspends: Executive Finance Position Statement 2023-24

Council and BCFT relationship: Strategic Joint Working Group Minutes; OFSTED Monitoring Visit Letter

Council MRP: Consultant report (ArlingClose) on review of minimum revenue provision

BCFT lead on the production of an EFSP: Executive Finance Position Statement 2023-24

Council and Trust resolve the cash flow crisis: Email confirming the working capital loan to BCFT

Review Area 1 - FINANCIAL MANAGEMENT / SUSTAINABILITY

Medium Term Financial Strategy papers 2025/26 to 2029/30

Revenue Estimates for 2024/25 (GF and HRA)

Executive Council Meeting Pack

Risk Management Policy and Strategy – 2024 Review

Corporate Risk Group Terms of Reference

Corporate and Departmental Risk Registers

Recruitment update

PLE Complex Panel ToR

Procurement panel reports and spend panel logs

Finance restructure report to CMT

Property Disposal Programme report to Executive

Property Disposal Programme report to Executive

Property Asset Disposal Cel HLR updates

Property Disposal Tracker spreadsheet

Estates Programme Plan by Concerto

Capital Programme Review report

Capital Bid Guidance

PAG meeting minutes

PAG Terms of Reference

Risk Management Policy and Strategy – 2024 Review

Risk Management Strategy and Improvement Plan

CBMDC Member Training Slides – November 2023

Governance and Audit Forward Plan including Training Records

Introduction to Scrutiny training slides

BBERT Fortnightly Reports and supporting documents

Briefing Note on investment requirements for IT Services

BBERT and Cells Terms of Reference

Change control request summaries

OJWG Finance Reports

Placement Mitigation Briefing Note

BCFT Business Plan 2023 – 2027

BCFT Sufficiency Board ToR 2024

BCFT Draft Commissioning Strategy

Bronze Commissioning Group Terms of Reference

Finance and Resources Structure Chart

MTFP Board Terms of Reference

Establishment Management Panel ToR

Spend Control Panel ToR

BCFT Improvement Board Minutes

DfE funding letter confirmation

MHCLG – Bradford Assurance Review Departmental Commentary Documents for Finance, Adults SC, Children Services, Corporate Resources, Place, and BCFT

CBDMC Strategic Insurance Review Reports

Risk Management Briefing Note to CMT

GAC Audit Plan

Annual Treasury Management Report 23-24

CBDMC Improvement Board Agenda

Capital Investment Plan

Treasury Management Strategy 2024-25

Prevention in Adults Social Care report

HSCOSC Commissioning Update

ASC 3-year Departmental Plan

PSW Annual Report 2023

ASCOF Outturns 23-24

School Forum Overview

School Forum Summary Report

Sufficiency Plans – Mainstream, Specialist, and Early Years

Children Strategy Documents – SEND, CYP

SEND Improvement Plan and Transformation Programme

CBMDC Counter Fraud Policy

CMBDC Counter Fraud Strategy

Council Complaints Policy and Procedures

Capital Spend Evidence covering projects such as: ASC System Replacements; Copilot; CRM Replacement; Enterprise Service Management; ERP Programme; Hybrid Cloud Programme; IT Infrastructure; IT Security; Robotic Process Automation

CBMDC IT Expenditure Roadmap 2024 – 2027

Legal Services Structure Chart

Constitution Review Member Working Group Notes

Shareholder Committee Report

ADSO Update Report

Shareholder Committee Draft ToR

Procurement Improvement Plan

Workshop slides for Elected Members

SLA KPI Report July 2024

Capital Bid Forms for various projects

Capital Programme Highlight Reports

SD to AD Authorisation Reports

Capital Programme Spreadsheet

Bradford Productivity Plan 2024

BCFT Business Plan 2023-2027

Children and Families Plan

BCFT Leadership Structure Chart

BCFT Finance and Resources Structure Chart

Finance Position Statement 2023-24

Scheme of Delegation

Residential Sufficiency Board Tracker

Cashflow Spreadsheets

Briefing Note on WYCA Cash Balances

HAF Annual Report and supporting documents on the HAF initiatives

Bradford Live Accounts

Brief on Bradford Council Companies Review to be undertaken

Long Term Debtors Loans Spreadsheet

Memorandum and Articles of Association of Bradford Company

Full Council Budget 2024-25

Treasury Adviser Extension Letter 24-25

Companies House documents for CBMDC owned Companies

Spreadsheet on Land Asset Values

Children Board Papers

Medium Term Financial Strategy Update 2025-30

Staff Training Spreadsheet

Finance Improvement Plan Spreadsheet

Vacant Properties Register

PPM Schedule and Costs Spreadsheet

Adults Social Care Annual Complaints Report 2023-24

ASC Who is Who

Bradford HWB BCF 24-25 Planning Template 4

Capital Plan Budget Reductions

Third Party Loan Spreadsheet

Draft BCFT Commissioning Strategy

Internal Audit Plan 2024-25

Quarter 1 Finance Position Statement for 2024-25

Adults and Community Services Annual Report

Finance Improvement Plan

Acronym Glossary relating to documents

PLE - Partnership Leadership Executive

HLR - Housing Land Register

PAG - Project Appraisal Group

BBERT - Bradford Budget Emergency Response Team

OJWG - Operational Joint Working Group

GAC - Governance and Audit Committee

HSCOSC - Health and Social Care Overview and Scrutiny Committee

PSW – Principal Social Worker

ASCOF - Adult Social Care Outcomes Framework

CYP - Children and Young People?

ADSO - Association of Democratic Services Officers

WYCA - West Yorkshire Combined Authority

HAF - Holiday Activities and Food

PPM - Planned Preventative Maintenance

A3 Interviews Conducted

The table below provides an inventory of the staff and elected members interviewed. The reader should not imply any relative ranking of importance from the ordering of names in the table.

Name	Role
Dr Lorraine O'Donnell	CEO
Steven Mair	Interim Director of Finance and S151
Joanne Hyde	Strategic Director, Resources
Marium Haque	Strategic Director/Statutory DCS Children's Services
Iain Macbeath	Strategic Director, Adults Social Care and Health
David Shepherd	Strategic Director, Place
Councillor Susan Hinchcliffe	Leader of the Council
Jason Field	Monitoring Officer and Head of Legal
Andrew Cross	Deputy S151 and Head of Finance
Celia Yang	Head of Financial Accounting
Lynsey Simenton	Business Adviser – Capital, Treasury and Taxation
Michael Watkins	Head of Property
Councillor Rebecca Poulson	Leader of the Opposition (Conservative Group)
Councillor Angela Tait	Chair of the Audit Committee
Gemma Emmett	Head of Transformation
Charlotte Ramsden	CEO, BCFT
Julie Crellin	FD, BCFT
Ruth Terry	Executive Director of Social Care and Practice, BCFT
Sarah Ferguson	Director of Strategy and Governance BCFT
Chris Dickinson	Head of Service Strategic Commissioning
Eileen Milner	Chair of Board BCFT
Anthony Douglas	Bradford Children's Commissioner, Department for Education
Fazeela Hafejee	Assistant Director, Adult Disabilities
Rachael Meadows-Hambleton	Assistant Director, Older People's Services
Jane Wood	Assistant Director, People Commissioning and Business Support
Mark St Romaine	Head of Internal Audit
Terry Maley	Head of Procurement
Jenny Cryer	Assistant Director, Chief Executive's Office
Councillor Sue Duffy	Portfolio Holder, Children's Services and Chair of the Strategic Joint Working Group
Caroline Lee	Head of Revenues and Benefits

A4 Key recommendations tracker from first CIPFA report

The table below provides an updated status of the series of recommendations created in the first CIPFA report. We are confident that the council has completed all recommendations and in reviewing the recommendations below, we have seen the detail behind the completion of each recommendation.

Section and reference	Recommendation	Status
Review Area 1 – Financial Sustainability **Recommendation 1**	That the Council provides more clarity on its savings and transformation proposals for 2024-25 against a detailed savings tracker and as part of a more coherent plan. That the Council demonstrates its capabilities in being able to deliver the savings and longer term transformative interventions through a robust programme framework including a realistic assessment of skills, competencies, and capacity building (where required) to deliver such changes.	COMPLETED
Recommendation 2	That the Council prepares a separate mitigation paper on how it is going to meet the current shortfall as reported by the Trust. (UPDATE: The Council has informed CIPFA that since the review period ended it has reflected the maximum extent to which it can mitigate the current projected Trust shortfall. The Council is creating an emergency response in line with the recommendations.)	COMPLETED
Recommendation 3	CBMDC should seek to resolve the outstanding points with its proposals for financial restructuring and ensure that the Council members and Executive understand and accept the risks associated with the change to the annuity method and retrospective application of the MRP method. Further that the S151 seeks written agreement to the MRP changes from their external auditors by way of the external auditors providing a level of confidence that the changes are within the spirit of the guidance and noting that CIPFA believes that the changes are not within the spirit of the guidance.	COMPLETED
Review Area 1 – Financial Sustainability: The Local Authority's capability and capacity to drive any changes that need to be made in this area. **Recommendation 1**	The Corporate Risk Register review should continue to identify where it could be reduced in volume of risks to gain better prioritisation allowing fuller consideration by the Corporate Management team.	COMPLETED
Recommendation 2	A risk policy should be developed which clearly defines risk attitude and tolerance across CBMDC.	COMPLETED and whilst a risk policy has been agreed, further work is required to ensure greater understanding of the risk attitude and tolerance concepts across the organisation. This will be driven through training by the Risk Manager during 2025.
Recommendation 3	Further consideration should be given to embedding risk management deeper across the organisation, particularly at service delivery level.	COMPLETED but there is still work to be done across the

		organisation of which the Risk Action Plan will help by being a key focus for embedding risk management in the coming years at all levels and not just service delivery.
Review Area 1 – Financial Sustainability: An assessment of Local Authority savings plans including their deliverability and appropriateness. **Recommendation 1**	It is considered that risk management could be further embedded across the organisation to drive change at all levels of the organisation.	COMPLETED
Recommendation 2	That a capacity plan is developed (for wider Council areas) to ensure that there is the right capacity with the right skills to deliver savings and wider transformation.	COMPLETED
Recommendation 3	That a detailed plan to deliver financial re-engineering of high spend contracts is developed for Procurement (see Risk 1 above).	COMPLETED
Recommendation 4	That the Council defines its expectations with regard to when the new Procurement expertise will land within Bradford (see Risk 1 above.)	COMPLETED
Recommendation 5	That the Trust produce a clear plan (including a stakeholder engagement plan) of how it will secure Health funding for 2024-25.	COMPLETED
Review Area 1 – Financial Sustainability: ***Compliance with Local Government accounting codes and international financial reporting standards*** **Recommendation 1**	It is recommended that the Head of Internal Audit reports directly to the Chief Executive and Board in line with Public Sector Internal Audit Standards, yet we note that this does not prevent the Head of Internal Audit from raising issues directly with the Chief Executive. By the end of December 2023.	COMPLETED
Recommendation 2	It is recommended that CBMDC re-consider the Arlingclose advice that they received, probably at CMT and consider whether their risk appetite and tolerance for this change meets their accounting policy of prudence with regard to MRP provision. By the end November 2023.	COMPLETED
Recommendation 3	It is recommended that the Council undertake a review of all wholly-owned companies and by performing a gap analysis against the CIPFA guidance on council-owned companies. By the end December 2023.	COMPLETED
Review Area 1 – Financial Sustainability ***The ability of the Local Authority to meet pressures through its own resources and thus minimise the need for borrowing***	It is recommended that CBMDC continue to look at all available options including the Phase 4 review of their reserves, the viability of the steps in the Pillars Programme and whether there are assets available which could be sold to plug the gap in the budget. By the end of November 2023.	COMPLETED

including appropriate use of reserves and service efficiencies.		
Review Area 2 – Commercial assets and debt: **Recommendation 1**	Turn the informal disposals list in to a formal Disposals Strategy. By the end of November 2023.	COMPLETED
Recommendation 2	Bring the asset management data up-to-date so that the underlying data can be relied upon for potential future asset sales. By the end of November 2023.	COMPLETED
Review Area 3 – Capital programme and companies ***The Local Authority's governance of its capital programme, including the adequacy of its internal processes, scrutiny of investment decisions, use of sufficient expertise, and adequacy of ongoing monitoring of performance.*** **Recommendation 1**	That BMDC continue to develop and strengthen the systems used for capital monitoring and use this to ensure project managers provide better information on a timely fashion to more accurately utilise spend. By the end of December 2023.	COMPLETED
Review Area 3 – Capital programme and companies ***The delivery and governance of major investments, whether directly or through wholly or partly owned companies, including the transparency of such arrangements to council members and externally.*** **Recommendation 1**	That risk management is reviewed to ensure that it covers all key areas of Finance operations including capital.	COMPLETED but further work is required to ensure the new risk framework captures all risks at the different levels including capital projects and other projects.
Review Area 3 – Capital programme and companies ***Whether the Local Authority is following best practice regarding arrangements with Local Authority Owned Companies, including ongoing monitoring and***	It is recommended that CBMDC perform a gap analysis against CIPFA's Local Authority Owned Company guidance to identify where and how procedures can be strengthened. **By the end of December 2023.**	COMPLETED

scrutiny arrangements. **Recommendation 1**		
Review Area 3 – Capital programme and companies ***The Local Authority's risk management processes, both for individual investments and the capital programme as a whole, and adequacy and timeliness of mitigation actions.*** ***Recommendation 1***	That suitable training records be maintained for officers and members involved in treasury management activities. By the end of December 2023.	COMPLETED
Review Area 4 – Governance ***The adequacy of the Local Authority's internal processes and sense of strategic vision and direction.*** ***Recommendation 1***	That the transformation programme be given full support from the top of the organisation and the programme team is given any further resource that is required to drive through change. By the end of November 2023.	COMPLETED
Recommendation 2	That the Council publishes a clear plan to track the re-drafting and completion of key documents including its constitution, schemes of delegation, updated policy framework, revised decision making protocols, review of procedures etc. By the end of December 2023.	COMPLETED
Recommendation 3	Review the capacity requirements of Corporate Services in relation to the challenges the Council faces in financial terms and address key skills gaps. By the end of December 2023.	COMPLETED
Recommendation 4	Increase compliance with corporate processes (especially the processes focused on the identification and delivery of savings). By the end of November 2023.	COMPLETED
Recommendation 5	Notwithstanding the capacity issues in ICT, develop a plan that enables the Council to start addressing its data and integration issues to ensure that key data-related risks can be resolved in-year. Some of these solutions could be initially framed as workarounds in the absence of a longer-term strategy. By the end of December 2023.	COMPLETED
Recommendation 6	Consider re-energising the wider culture programme in the Council (using the opportunity of a new CEO) to refresh the council's vision and purpose to ensure that all managers have a clear understanding of their roles and obligations in the longer-term change process required. By the end of December 2023.	COMPLETED
Review Area 4 – Governance ***Strong working culture and working relationships***	For senior management to check that there is a clear understanding of the urgency and pace required by all key stakeholders and staff in the pursuit of savings to ensure future financial sustainability of the Council. By the end of October 2023.	COMPLETED

between councillors and officers, senior leadership and junior staff, and openness to challenge and change. ***Recommendation 1***		
Recommendation 2	Review the effectiveness and appropriateness of the current programme board set-up to ensure that the governance (and processes) are fit for purpose and so as to avoid duplication of effort. This plays to an organisational imperative to reduce the gap between savings identification and delivery. By the end of October 2023.	COMPLETED
Recommendation 3	To take the key success factors from the Adult Social Care Demand Management Project and apply these to the wider Pillars and Transformation programmes. By the end of October 2023.	COMPLETED
Recommendation 4	To consider whether the Transformation programme ought to be led by the appointment of a (Tier 2) Transformation Director to give the role more weight and prominence within the organisation. By the end of November 2023.	COMPLETED
Review Area 5 – Children's Services ***Recommendation 1***	That the Trust seeks insolvency advice in light of its recent cash flow forecasts showing that the Trust will run out of money before the end of Q3. By the end of October 2023. (We understand that this recommendation has been discharged and that the Trust has sought such advice.)	COMPLETED
Recommendation 2	That the Trust provides (to the Council) a more forensic quarterly and year-end forecast with mitigations. By the end of November 2023.	COMPLETED
Recommendation 3	That the Trust provides a detailed plan of how it will deliver in-year savings including the definition of a series of specific interventions to generate further savings for 2024-25 (eg, reducing charges in placements, joint commissioning, reducing agency staff, improving procurement spend etc). By the end of November 2023. (We understand this this recommendation has been partly discharged insofar as the Trust has provided a 21 point plan to the Council for their review.)	COMPLETED
Recommendation 4	That the Council and the Trust meet as soon as is practicable to develop an Emergency Finance Stabilisation Plan to limit future overspends and to end up with a jointly agreed position on the Trust's year-end financial position (noting that the Council's position is that the £170m contract price is achievable). The purpose of this recommendation is to enable the Trust to set out its plans to remain solvent given its cash flow position and to continue to look at ways to reduce its overspend with continuing support and co-operation from the Council. By mid-November 2023.	COMPLETED
Recommendation 5	Related to 3 above, that the Trust considers the drafting of a Type 1 Business Case for consideration by the Council as per the contractual provisions in Schedule 5 of the Service Delivery Contract. By mid-November 2023.	COMPLETED
Recommendation 6	Work on reducing the cost of high value placements should be monitored carefully and the reductions in spend and plans to improve internal provision be subject to clear targets and timescales. By the end of December 2023.	COMPLETED

Recommendation 7	The Trust Chief Executive has made this a priority, taking steps to secure permanent staff through its workforce development plan set out in the Business Plan . A sharp focus on the numbers of agency staff at performance meetings should continue. Ongoing.	COMPLETED
Recommendation 8	A clear agreement between the Trust Chief Executive and the Trust on the efficacy and security of the practice model in reducing the numbers of children in care and statutory provision is needed. By the end November 2023.	COMPLETED
Recommendation 9	A more detailed plan from the Trust on how it is going to make savings in joint commissioning activity with the Council. By the end November 2023.	COMPLETED
Recommendation 10	That the Trust urgently appoints sufficiently skilled staff to support its ongoing due diligence with financial, procurement and contract management matters. By the end of October 2023.	COMPLETED
Recommendation 11	That the Trust completes its financial due diligence. By the end of November 2023.	COMPLETED
Recommendation 12	That the Trust, the Council and DfE jointly consider amending the terms of reference to the Children's Services Improvement Board so that it includes an obligation to review the Trust's financial sustainability in line with the Trust's objectives to further the purpose of the Trust's mission to provide the best possible outcomes for the children of Bradford. By the end November 2023.	COMPLETED
Recommendation 13	That the Trust's Finance Director secure 'heads of terms' or 'agreement in principle/statement of intent' letters from key grant providers to underpin some of the key income	COMPLETED