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DATE: 24 December 2020

To: Members of the
EXECUTIVE

Councillor Colin Smith (Chairman)

Councillors Graham Arthur, Peter Fortune, William Huntington-Thresher, Kate Lymer, Peter Morgan and Diane Smith

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 13 JANUARY 2021 AT 6.30 PM**

PLEASE NOTE: This is a 'virtual meeting' and members of the press and public can see and hear the Committee by visiting the following page on the Council's website:

<https://www.bromley.gov.uk/councilmeetingslive>

Live streaming will commence shortly before the meeting starts.

MARK BOWEN
Director of Corporate Services

Copies of the documents referred to below can be obtained from
<http://cds.bromley.gov.uk/>

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 QUESTIONS

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the date of the meeting - by 5pm on Wednesday 23rd December 2020.

Questions specifically relating to reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on Thursday 7th January 2021.**

Written responses will be made to questions received from members of the public.

- 4 MINUTES OF THE MEETINGS HELD ON 12TH FEBRUARY AND 19TH MARCH 2020**
(Pages 5 - 20)
- 5 DRAFT 2021/22 BUDGET AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2021/22 TO 2024/25**
(Pages 21 - 134)
- 6 EMPTY HOMES PREMIUM**
(Pages 135 - 168)
- 7 OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2020/21 AND 2021/22**
(Pages 169 - 178)
- 8 CONSIDERATION FOR AGREEMENT TO EXEMPT FROM TENDERING: SERVICE FOR CO-OCCURRING MENTAL HEALTH, ALCOHOL AND DRUGS CONDITIONS**
(Pages 179 - 188)
- 9 UPDATE ON THE TRANSFER OF CRYSTAL PALACE PARK**
(Pages 189 - 196)
Crystal Palace ward
- 10 AUTHORITY TO CREATE GRANT MECHANISM IN EVENT PERMITS FOR CRYSTAL PALACE PARK**
(Pages 197 - 206)
Crystal Palace ward
- 11 FUTURE OF CRYSTAL PALACE PARK CONCERT PLATFORM (PART 1)**
(Pages 207 - 210)
Crystal Palace ward
- 12 LAND APPROPRIATION - BUSHELL WAY, CHISLEHURST AND ANERLEY TOWN HALL (PART 1)**
(Pages 211 - 222)
Chislehurst and Crystal Palace wards
- 13 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 14 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to

be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

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|-----------|--|---|
| 15 | EXEMPT MINUTES OF THE MEETING HELD ON 12 FEBRUARY 2020
(Pages 223 - 224) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 16 | FUTURE OF CRYSTAL PALACE PARK CONCERT PLATFORM (PART 2)
(Pages 225 - 234)
Crystal Palace ward | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 17 | LAND APPROPRIATION - BUSHELL WAY, CHISLEHURST AND ANERLEY TOWN HALL (PART 2)
(Pages 235 - 244)
Chislehurst and Crystal Palace wards | Information relating to any individual. |

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EXECUTIVE

Minutes of the meeting held on 12 February 2020 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Graham Arthur, William Huntington-Thresher,
Kate Lymer, Peter Morgan and Diane Smith

Also Present:

Councillor Nicholas Bennett MA J.P., Councillor Simon
Fawthrop and Councillor Angela Wilkins

131 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Peter Fortune.

132 DECLARATIONS OF INTEREST

Councillor Angela Wilkins declared an interest in relation to the report on Tenancy Support Services for Homeless People (minute 141) as she was employed by Hestia.

During consideration of the report on the London Councils TEC Amendment (Minute 138) Councillor Simon Fawthrop declared an interest as he was shortly to take delivery of an electric car.

133 QUESTIONS

One question for written reply had been received from a member of the public for written reply -

From Andrew Ruck to the Portfolio Holder for Resources, Commissioning and Contract Management

Given the Council's target for net zero carbon by 2029, will the Council commit to divest its investment portfolio from fossil fuels?"

Reply:

The Council's investment portfolio consists of lending to banks, local authorities, housing associations, money market funds, investment properties and alternative investments which includes property funds and multi asset income funds.

The Council seeks to secure the best returns in the interests of council tax payers whilst taking into account investment risk. With regards to alternative investments, the Authority works with investment managers over the long-

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term and has an approach to ensure that long-term value is not eroded by unsustainable behaviours or activities which are incompatible with responsible investing. The Council has no direct investments relating to fossil fuels.

134 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 15 JANUARY 2020

RESOLVED that the minutes of the meeting held on 15th January 2020 be confirmed.

135 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS
Report CSD20009

The Executive received a report on matters outstanding from previous meetings, and noted an update on the tendering process for appointment of a multi-disciplinary team to develop a scheme for Beckenham Public Halls.

136 2020/21 COUNCIL TAX
Report FSD200022

The Executive considered a report with recommendations for the Council meeting on 24th February 2020 on the draft budget and Council Tax for 2020/21. The provisional Local Government Finance Settlement 2020/21 provided the most positive funding proposals for local government since the start of austerity, but there remained uncertainty around funding for 2021/22 and beyond.

The report identified the issues affecting the 2020/21 revenue budget and sought recommendations to Council on the Bromley element of the 2020/21 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept would be reported to the Council meeting on 24th February 2020. The report also sought approval of the schools budget.

The Director of Finance tabled proposed amendments to the report setting out the “technical” recommendations and two additional recommendations relating to the Council’s partnership work with Bromley Clinical Commissioning Group.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 5th February 2020, and the Committee supported the proposals.

RESOLVED that Council be recommended to -

- (1) (a) Approve the schools budget of £79.506m which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;
- (b) Approve the draft revenue budgets (as in Appendix 2) for 2020/21 to include the following updated changes:

- (i) minor variation of £27k relating to the collection fund surplus/ collection fund surplus set aside.
- (c) Agree that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 15th January 2020;
- (d) Approve the following provisions for levies for inclusion in the budget for 2020/21:

	£'000
London Pensions Fund Authority *	447
London Boroughs Grant Committee	248
Environment Agency (flood defence etc.) *	252
Lee Valley Regional Park *	309
Total	1,256

* Provisional estimate at this stage

- (e) Approve a revised Central Contingency sum of £12,666k to reflect the changes in (d);
- (f) Note that the 2020/21 Central Contingency sum includes significant costs not yet allocated and there will therefore be further changes to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget;
- (g) Approve the revised draft 2020/21 revenue budgets to reflect the changes detailed above;
- (h) Set a 3.99% increase in Bromley's council tax for 2020/21 compared with 2019/20 (1.99% general increase plus 2% Adult Social Care Precept) and note that, based upon their consultation exercise, the GLA are currently assuming a 3.6% increase in the GLA precept;
- (i) Note the latest position on the GLA precept, as above, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);
- (j) Approve the approach to reserves outlined by the Director of Finance (see Appendix 4);
- (k) Executive agrees that the Director of Finance be authorised to report any further changes directly to Council on 24th February 2020.
- (2) Council Tax 2020/21 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

Subject to 2.1 (a) to (k) above, if the formal Council Tax Resolution as detailed below is approved, the total Band D Council Tax will be as follows:

	2019/20 £	2020/21 £	Increase £	Increase % (note #)
Bromley (general)	1,128.80	1,153.00	24.20	1.99
Bromley (ASC precept)	87.46	111.77	24.31	2.00
Bromley (total)	1,216.26	1,264.77	48.51	3.99
GLA *	320.51	332.07	11.56	3.61
Total	1,536.77	1,596.84	60.07	3.91

* The GLA Precept may need to be amended once the actual GLA budget is set.

(#) in line with the 2020/21 Council Tax Referendum Principles, the % increase applied is based on an authority's "relevant basic amount of Council Tax" (£1,216.26 for Bromley) – see paragraph 6 below. Any further changes arising from these Principles will be reported directly to Council on 24th February 2020.

(3) That Council be recommended formally resolve as follows:

- 1. It be noted that the Council Tax Base for 2020/21 is 132,026 'Band D' equivalent properties.**
- 2. Calculate that the Council Tax requirement for the Council's own purposes for 2020/2021 is £166,983k.**
- 3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):**
 - (a) £543,554k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.**
 - (b) £376,571k being the aggregate of the amounts which the Council estimates or the items set out in Section 31A(3) of the Act.**
 - (c) £166,983k being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.**
 - (d) £1,264.77 being the amount at 3(c) above, divided by (1) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.**

- (4) To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set).
- (5) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings.

Valuation Bands	London Borough of Bromley £	Greater London Authority £	Aggregate of Council Tax Requirements £
A	843.18	221.38	1,064.56
B	983.71	258.28	1,241.99
C	1,124.24	295.17	1,419.41
D	1,264.77	332.07	1,596.84
E	1,545.83	405.86	1,951.69
F	1,826.89	479.66	2,306.55
G	2,107.95	553.45	2,661.40
H	2,529.54	664.14	3,193.68

- (6) That the Council hereby determines that its relevant basic amount of council tax for the financial year 2020/21, which reflects a 3.99% increase (including Adult Social Care Precept of 2%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2020/21 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2020/21. Any further changes arising from these Principles will be reported directly to Council on 24th February 2020. The Council is required to determine whether its relevant basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.
- (7) That Council be recommended to set aside a sum of £2m in 2019/20 as an earmarked reserve for transformation funding for health and social care;
- (8) That Council be recommended to set aside a sum of £993k in 2019/20 as an earmarked reserve for health estate development in Bromley.

**137 CAPITAL PROGRAMME MONITORING Q3 2019/20 AND
CAPITAL STRATEGY 2020 TO 2024**
Report FSD20024

The report updated members on the Council's Capital Strategy and summarised the current position on capital expenditure and receipts following the third quarter of 2019/20. New capital schemes arising from the annual capital review process were presented for approval. The Executive was asked to consider the updated Capital Strategy and approve a revised Capital Programme.

The Leader drew attention to the proposed works to the layout of the Saxon Family Contact Centre to make it DDA compliant at a cost of £160k. While he did not want to hold up the proposals, he requested that further information be submitted to the Executive on how this expenditure fitted in with the longer term proposals for the site before the money was actually spent.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 5th February 2020, and the Committee supported the proposals.

RESOLVED that

(1) The report be noted, including the total re-phasing of £13.6m from 2019/20 into future years, and the revised Capital Programme be agreed.

(2) The following amendments to the Capital Programme be approved -

(i) Increase of £3,141k to the capital programme for a Crystal palace Subway capital scheme (paragraph 3.2.1 of the report, and detailed in a separate item on the agenda.)

(ii) Increase of £115k to the Central Deport Wall Reconstruction, funded by the Infrastructure Investment Fund (earmarked reserve) (paragraph 3.2.2 to the report, and as agreed by the Executive on 15th January 2020.)

(iii) Increase of £10k to the TfL Bus Priority Programme Scheme, funded by a £10k contribution from the Royal Borough of Greenwich (paragraph 3.2.3 of the report.)

(iv) Decrease of 1k to the capital programme to reflect the removal of the Manorfield - Temporary Accommodation scheme from the capital programme (paragraph 3.2.4 to the report.)

(v) Increase of £232k to the Section 106 receipts from developers - as detailed in paragraph 3.2.5 of the report.

(3) Council be recommended to approve the inclusion of the new scheme proposals listed in Appendix C and section 5 to the report in the Capital Programme.

138 TEC AMENDMENT TO ALLOW LONDON COUNCILS A COLLABORATIVE ROLE IN ELECTRIC VEHICLE CHARGING INFRASTRUCTURE
Report ES20008

London Councils had requested all boroughs to amend the Transport and Environment Committee (TEC) Agreement in order for them to continue to perform a coordination role in the planning and delivery of electric vehicle charging infrastructure. This was a role that London Councils currently undertook through the Go Ultra Low City Scheme (GULCS), which was due to end in March 2020. The amendment required a decision from full Council.

Members commented that there was a need to consider carefully where charging equipment was most needed. The Portfolio Holder for Environment and Community Services reported that the Council received rent from commercial companies installing charging equipment on Council property, so there was no state subsidy involved. He also indicated that the costed life of this equipment was just five years, so the equipment would be updated as the technology evolved.

The report had been scrutinised by the Environment and Community Services PDS Committee on 29th January 2020, and the Committee supported the proposals.

RESOLVED that Council be recommended to agree to the proposed Transport and Environment Committee amendment, and that the Director of Environment and Public Protection be authorised to sign the amendment as required.

139 CRYSTAL PALACE PARK
Report DRR20/018

The Executive received a report summarising progress on the restoration of Crystal Palace Park and seeking authority to proceed with the restoration of the Crystal Palace Subway. The outline planning application for the Regeneration Plan had now been submitted - this reflected the scheme as presented to Members in 2017, with some changes to the Capel Manor College site next to the Museum and the existing farm site. The Leader stated that he would be contacting the Mayor of London to explain why it was crucial that the capital receipt for the two sites sold for housing was maximised to support the Park.

Councillor Angela Wilkins addressed the meeting as a ward member for Crystal Palace. She thanked officers for their achievement in getting the Subway restoration plans in place, and commented that there was some opposition from residents to the Capel Manor development. She also stated that it was important that transfer of events management to the Crystal Palace Park Trust should happen as quickly as possible. Councillor William Huntington-Thresher confirmed that it was the intention that the Trust would

take on the management of the events programme, and the related income stream, but also the liability for maintenance and clearing up after events. The details of the impact on the idverde contract needed to be worked through.

Councillor Nicholas Bennett addressed the meeting as the Council's Design and Heritage Champion. He had been impressed by the work of Capel Manor College, which had also taken over the Hadlow College site in Mottingham, and he supported the College's plans. He welcomed the restoration of the subway, and urged that explanatory notice-boards should be installed to provide information about this scheme and the history of the Park. Councillor Peter Morgan, Portfolio Holder for Renewal, Recreation and Housing, agreed on this point and stated that there was a need for new notice-boards across the Park.

Councillor Bennett also invited Members to attend the historic vehicle run starting at Crystal Palace Park at 7am on 3rd May 2020.

Councillor Simon Fawthrop drew attention to the cost of the subway scheme, which was based on a detailed condition survey and cost plan work undertaken in 2014, with the addition of 48.5% inflation, which he questioned. Officers explained that this was a prudent figure, including all fees, 10% contingency and 5% dilapidation costs and reflecting not only inflation but also the specialist nature of the work. Officers undertook to provide a note with further details to Councillor Fawthrop.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee on 11th February 2020, and the Committee supported the proposals.

RESOLVED that

(1) The contents of the report be noted, including the information relating to the submission of the Regeneration Plan outline planning application.

(2) Subject to the agreement of full Council, the addition of the Subway project to the Capital Programme at a cost of £3.141m on the basis of the scheme costs being fully funded by grants from the Strategic Investment pot, Historic England, and Transport for London, and a contribution from the Friends of Crystal Palace Subway, be approved.

140 HOUSING STRATEGY 2019-2029
Report DRR20/008

A new draft Housing Strategy had been developed to take account of major changes in the housing sector and wider demographic and economic changes. The strategy addressed the key challenges of increased housing demand, rising cost pressures in relation to homelessness and provision of temporary accommodation, and growth and regeneration in the borough. A public consultation had been carried out with key stakeholders including

housing associations, developers, tenants and residents, and the Executive reviewed the responses. Although the consultation had been well-publicised, the response had been low, but there had been no negative feedback.

Councillor William Huntington-Thresher sought clarification on the figures for building new homes on page 3 of the Strategy. It was confirmed that these figures reflected targets for the duration of Bromley's Local Plan, but they would need to be refreshed to take account of the London Plan and to clarify the period to which they referred.

Councillor Simon Fawthrop commented that the strategy did not appear to reflect the aim, included within Building a Better Bromley, of promoting home ownership. The Portfolio Holder for Renewal, Recreation and Housing responded that a proportion of affordable housing was sought in private developments above ten units, so home ownership was promoted, but the Strategy was about affordability and homelessness, rather than housing in general.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee on 21st January 2020, and the Committee supported the proposals.

RESOLVED that

(1) The findings from the Housing Strategy consultation be noted and, subject to final formatting, the final draft of the Housing Strategy be approved.

(2) Authority be delegated to the Director of Housing, Planning and Regeneration to finalise the action plan to implement and deliver the strategy.

**141 TENANCY SUPPORT SERVICES FOR HOMELESS PEOPLE
(PART 1)
Report DRR20-001**

The Council had two contracts to supply accommodation based and floating support services for vulnerable homeless people - Evolve provided accommodation based support and Hestia provided floating support and specialist accommodation based support for ex-offenders. Both contracts were due to expire on 30th September 2020 and all extension options had been exhausted. It was therefore proposed to extend these contracts via an exemption from competitive tendering for a period of up to six months in order to allow for the services to be amalgamated and re-tendered as one contract.

Further details about the contracts was set out in a part 2 report (minute 149).

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee on 21st January 2020, and the Committee supported the proposals.

RESOLVED that a six month extension to 31st March 2021 be authorised for both contracts , via exemption from competitive tendering, to enable the services to be amalgamated and put out to tender; the combined estimated value of the extension is £196.5k.

142 CONTRACT AWARD: PROVISION OF HOUSING SUPPLY IN ANERLEY AND CHISLEHURST (PART 1)
Report DRR10/019a

Following a report to the Executive's meeting on 21st May 2019, a tender process had been carried out through a compliant framework for the design and build of off-site housing construction for the provision of temporary accommodation at two sites - Bushell Way, Chislehurst and Anerley Town Hall Overflow Car Park.

Further details were set out in a part 2 report (minute 150.)

Councillor Angela Wilkins, as ward member for Crystal Palace, pointed out that as the free parking on the Anerley site would no longer be available there would be an impact on surrounding streets. She therefore asked that additional resources be put towards parking management in the area, and the Leader supported this.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee on 11th February 2020, and the Committee supported the proposals.

RESOLVED that the contract for the Design and Build (subject to planning permission) of the two schemes be approved as detailed in the part 2 report.

143 CONTRACT AWARD: DOMICILIARY CARE FOR DISCHARGE TO ASSESS (PART 1)
Report ACH20-006

The Discharge to Assess (D2A) service had started in October 2017 on a pilot basis funded through the Better Care Fund with the domiciliary care element procured on an interim basis through Bromley Clinical Commissioning Group. In July 2019 the Executive had agreed to the continuation of the pilot and to proceed to procurement for the domiciliary care element of the service for a one year contract to commence in August 2020, following which the service would be included within the procurement process for all domiciliary care provision. However, by September 2019 it had become apparent that the procurement timetable had to be brought forward and a tender process for a framework contract had commenced in November 2019.

Further details were set out in a part 2 report (minute 151).

The report had been scrutinised by the Adult Care and Health PDS Committee on 22nd January 2020, and the Committee supported the proposals.

RESOLVED that a Domiciliary Care for Discharge to Assess framework contract be awarded as detailed in the part 2 report for an eighteen month period commencing on 1st March 2020 until 27th August 2021; the framework contract will operate on a call-off basis with an estimated contract value of £810k per annum and a whole life value of £1.215m.

144 LONDON BOROUGHS LEGAL ALLIANCE FRAMEWORK AGREEMENT FOR BARRISTERS
Report CSD20030

The Executive considered proposals to join the London Boroughs Legal Alliance (LBLA) Framework for barristers. The Barristers Framework had recently been re-tendered - the new framework began in January 2020 and lasted for three years, with the option to extend for a further year. The framework consisted of six lots, with specialist chambers appointed for each of the lots.

The framework enabled the Council to benefit from competitive prices and standard agreed rates, but there was no minimum spend required and it would remain possible to commission barristers from outside the framework where necessary.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 5th February 2020, and the Committee supported the proposals.

RESOLVED that

(1) The Council joins the new LBLA Framework Agreement for barristers for a period of 3 years with the option to extend for a further year.

(2) In the event that the LBLA framework is extended by a further year, authority be delegated to the Director of Corporate Services to extend access to the LBLA framework for a further year after the initial 3 year term.

145 AUTHORITY TO ENTER INTO NEGOTIATIONS TO DISPOSE OF FORMER ADVENTURE KINGDOM BUILDING, BROMLEY CIVIC CENTRE TO CREATE A NEW NHS HEALTH AND WELL BEING CENTRE FOR BROMLEY
Report DRR19/062

Bromley Clinical Commissioning Group (BCCG) had been searching for a suitable site in Bromley town centre for some years for a new Health and Wellbeing Centre. Following a strong steer from both the Leader and Portfolio Holder for Adult Care and health, the CCG had recently formally requested

that the Council consider disposing of the former Adventure Kingdom building at the Civic Centre to them, at market value, for the development of the new centre. It was possible that this could involve the grant of a long lease, which would enable the Council to retain a greater degree of control over the development, and ensure that it dovetailed with any Council proposals at the Civic Centre.

Clarity was sought as to the precise extent of the area to be disposed of. The Assistant Director - Strategic Property confirmed that the Great Hall itself would not be included, but some ancillary areas - the former Well Bar, courtyard and kitchens - would. This would probably require kitchen facilities to be re-provided in the bar area of the Great Hall.

The Adventure kingdom site was currently occupied on a temporary basis by Bromley Borough Foodbank. The Portfolio Holder for Renewal, Recreation and Housing, Councillor Peter Morgan, read the following comment from the trustees of the Bromley Borough Foodbank -

“We (BBF trustees) are extremely grateful to the Council for helping us so much by giving us free use of the Adventure Kingdom building for the past 19 months which we always knew was a temporary situation. It has been a great benefit to us as demand for our services has increased to over 5,000 people a year needing emergency supplies of food for 3-5 days. We have nothing but thanks for the help we have received and are glad that the company proposing to develop it as a health facility have agreed to wait till final plans have been drawn up before asking us to leave. We have been looking at various sites already but would be delighted if anyone else came forward with a proposal to provide cheap or free safe storage which would help us as much as the Council has done already.”

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 5th February 2020, and the Committee supported the proposals.

RESOLVED that the disposal of the Adventure Kingdom site at market value be agreed in principle and the Assistant Director, Strategic Property, be authorised to negotiate terms of sale with the CCG subject to a report being made to the Executive for final decision.

146 OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2020/21
Report CSD20032

The report set out the proposed maintenance budgets and planned programme for 2020/21. Under the Total Facilities Management contract, Amey Community Ltd had responsibility for delivering building maintenance, and the programme had been drawn up by them in consultation with the Council's client team, and following meetings with departmental focus groups. The programme covered Reactive Maintenance, Cyclical Maintenance,

Asbestos Management, Water Treatment Works, Planned Programme and Fire Risk Assessments.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 5th February 2020, and the Committee supported the proposals.

RESOLVED that

(1) Subject to Council agreeing the budget, overall expenditure of £2.167m for the Building Maintenance budget in 2020/21 be approved.

(2) The Planned Programme 2020/21 be approved as set out in Appendix A to the report.

(3) Authority be delegated to the Director of Housing, Planning and Regeneration to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most efficient use of resources.

147 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

There were no additional items referred from the Executive, Resources and Contracts PDS Committee.

148 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries
refer to matters involving exempt information**

149 TENANCY SUPPORT SERVICE FOR HOMELESS PEOPLE (PART 2)

The Executive considered exempt information in relation to the part 1 report at minute 141 and agreed to the extension of contracts.

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**150 CONTRACT AWARD: PROVISION OF HOUSING SUPPLY IN
 ANERLEY AND CHISLEHURST (PART 2)**

The Executive considered exempt information in relation to the part 1 report at minute 142 and awarded a contract for the design and build of housing for these sites.

**151 CONTRACT AWARD: DOMICILIARY CARE FOR DISCHARGE
 TO ASSESS (PART 2)**

The Executive considered exempt information in relation to the part 1 report at minute 143 and awarded a framework contract for Domiciliary Care for Discharge to Assess.

152 CAPITAL PROGRAMME MONITORING - APPENDIX F

The Executive received Appendix F to the Capital Programme Monitoring report on the part one agenda (minute 137.)

The Meeting ended at 7.53 pm

Chairman

EXECUTIVE

Minutes of the special meeting held on 19 March 2020 starting at 9.30 am

Present:

Councillor Colin Smith (Chairman)
Councillors Graham Arthur, Peter Fortune,
William Huntington-Thresher, Peter Morgan and
Diane Smith

Also Present:

Councillor Nicholas Bennett MA J.P., Councillor Gary
Stevens, Councillor Melanie Stevens, Councillor Pauline
Tunncliffe and Councillor Angela Wilkins

153 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Kate Lymer.

154 DECLARATIONS OF INTEREST

There were no declarations of interest.

155 DECISION MAKING ARRANGEMENTS DURING CORONAVIRUS DELAY PHASE Report CSD20059

This report was considered as a matter of urgency in order to ensure that effective decision making could continue whilst democratic accountability was preserved during the coronavirus pandemic.

During the coronavirus pandemic local authorities had to consider how they held their meetings and took decisions. There was not yet a prohibition on local authority meetings being held, but it was possible that this could change. At present, local authorities were expected to use the provisions already available in their constitutions to continue with necessary decision-making, but it was possible that new provisions might become available through the emergency legislation being promoted by the Government. This might include provision for virtual meetings and options for the annual meeting, which currently had to take place before the end of May.

The report presented a series of changes to allow most decision making to take place whilst preserving democratic accountability during the pandemic. The same report had been considered by the Urgency Committee immediately before this Executive meeting; with minor amendments, the Committee had approved the recommendations.

Councillor Graham Arthur reported that work was going on involving the IT Team and BT to develop the Council's capacity for remote meetings, including facilitating virtual committee meetings if legislation was changed to allow these. It was also confirmed that additional laptops were being rolled out to enable more Council staff to work from home.

Councillor Nicholas Bennett questioned whether school places were being allocated to the right key workers. The Leader confirmed that officers were working very closely with schools to ensure that places were available to all key workers who needed them.

In response to a question from Councillor William Huntington-Thresher, it was confirmed that the safeguard of call-in would remain applicable.

The Leader reported that Cllr Simon Fawthrop, as Chairman of Executive, Resources and Contracts PDS Committee, was in support of the short-term emergency measures.

RESOLVED that

(1) The Leader considers whether executive decisions which are scheduled to be made by the Executive can be deferred.

(2) In addition to the executive decision making arrangements presently permitted by the Constitution, executive decisions which the Leader considers cannot be deferred are made either by the Leader or the relevant Portfolio Holder for the remainder of the Municipal Year and that decisions taken by the Leader or a Portfolio Holder are subject to virtual or written pre-decision scrutiny.

(3) All matters reserved to the full Executive in Part 3 of the Constitution and where relaxations are granted by the Urgency Committee (resolutions 6 and 7) are taken by the Leader.

(4) The Chief Executive to undertake expenditure which in his opinion is urgently required to protect the Council, its members, staff and residents during the Coronavirus outbreak to a maximum of £100k with the agreement of the Leader.

The Meeting ended at 9.42 am

Chairman

Report No.
FSD21001

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **13th January 2021**

Decision Type: Non-Urgent Executive Non-Key

TITLE: DRAFT 2021/22 BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY 2021/22 to 2024/25

Contact Officer: Peter Turner, Director of Finance
Tel: 020 8313 4338 E - mail: peter.turner@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 This report seeks approval of the initial draft 2021/22 Budget including the full year effect of changes agreed as part of the 2020/21 Council Tax report and savings approved during the year with the resultant impact on the Council's medium term "budget gap".
 - 1.2 A key part of the financial strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme will be reported separately to the next meeting of the Executive.
 - 1.3 PDS Committees views will also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on the 2021/22 Council Tax and Adult Social Care precept levels.
 - 1.4 The report provides details of the Provisional Local Government Finance Settlement 2021/22 which was published on 17th December 2020 and represents a one year settlement only. The longer-term Spending Review has been postponed until 2021. The outcome of the Fair Funding Review and Devolution of Business Rates, which could have a significant impact on future funding, have been delayed by one year until at least 2022/23.
 - 1.5 There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2021/22 Council Tax report to the next meeting of the Executive.
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2. RECOMMENDATIONS

2.1 The Executive is requested to:

- 2.1.1 Agree the initial draft 2021/22 Budget detailed in Appendix 7 including continuation of the iBCF hospital discharge funding reserve and setting aside New Homes Bonus funding for housing investment;**
- 2.1.2 Refer the initial draft 2021/22 Budget for each portfolio to the relevant PDS Committees for consideration;**
- 2.1.3 Note the financial projections for 2022/23 to 2024/25;**
- 2.1.4 Note that there are still areas of financial uncertainty which will impact on the final 2021/22 Budget;**
- 2.1.5 Delegate the setting of the schools' budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 11);**
- 2.1.6 Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive;**
- 2.1.7 Agree the proposed contribution of £247,274 in 2021/22 to the London Boroughs Grant Committee (see section 10);**
- 2.1.8 Note the outcome of the Provisional Local Government Financial Settlement 2021/22 as detailed in the report;**
- 2.1.9 Note the budget gap remaining of an estimated £14.1m per annum by 2024/25 and that any decisions made for the 2021/22 Budget will have an impact on the future year projections;**
- 2.1.10 Note that any final decision by Executive on recommended Council Tax and Adult Social Care Precept levels to Council will normally be undertaken at the next meeting of Executive;**
- 2.1.11 Note that further details are awaited on arrangements to consider for the pan-London Business Rate Pool 2021/22. Any updates available, following publication of this report will be circulated separately (see section 6.19.7).**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from this report

Corporate

Policy Status: Existing Policy

BBB Priority: Excellent Council

Financial

1. Cost of proposal: N/A
 2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 4
 3. Budget head/performance centre: Council wide
 4. Total budget for this head £175m Draft 2021/22 Budget (excluding GLA precept)
 5. Source of funding: See Appendix 7 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2021/22 Financial Control Budget to be published in March 2021
 2. If from existing staff resources, number of staff hours – N/A
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Legal

1. Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in is applicable.
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Procurement

1. Summary of Procurement Implications: None arising directly from this report
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - the Draft 2021/22 Budget includes the financial impact of the Council's strategies, service plans etc. which impact on all the Council's customers (including council taxpayers) and users of the services.
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Ward Councillors Views

1. Have ward councilors been asked for comments? N/A
2. Summary of Ward Councillor comments: Council wide

3. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

- 3.1 The Draft 2021/22 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting Building a Better Bromley Priorities.
- 3.2 The Council continues to deliver key services and 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next 4 years and includes the outcome of the Provisional Local Government Finance Settlement 2021/22. It is important to note that some caution is required in considering any projections for 2022/23 to 2024/25 as this depends on the outcome of the Government's next Spending Review as well as the awaited impact of the Fair Funding Review and Devolution of Business Rates.
- 3.3 A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The impact of Covid situation has had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The level of Government borrowing this year is significantly higher than experienced by the banking crisis in 2008. The economic shock has had no comparisons for over 300 years. At the time of writing this report, the Government's budget deficit in 2020/21 is £394bn – highest level since 1944/45, with overall debt representing 105% of GDP. The next few years remain uncertain economically and fiscally and what will this mean for council's revenues. The Chancellor has indicated that output is not expected to return to pre-crisis levels until the fourth quarter of 2022/23 – some economists predict it will take longer. Future forecasts will also be dependent on the final Brexit arrangements. The Spending Review provided a one-year settlement which leaves considerable uncertainties over future years.
- 3.4 Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' one year financial settlement for 2020/21. The 2021/22 settlement does provide additional funding but this needs to be considered in the context of the 'new normal' and the considerable cost pressures facing local government. Austerity measures for future years will be a consideration but this is particularly problematic for the Government at the current time given the recessionary impact of the Covid situation and the need for a sustainable economic recovery. It is currently predicted that it could take 10 to 15 years to return UK public finances to full health. Therefore 'flat' real terms funding for councils may be the best case scenario. Austerity measures remain a real possibility from say 2023/24 as the Government will need to address the impact of the public finances from the Covid situation. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results could lead to future real term funding reductions remaining for local government. Even if funding levels are maintained the ongoing demographic

and other costs pressures are unlikely to be matched by corresponding increases in government funding.

- 3.5 The financial forecast detailed in this report assumes that Government funding for local government will be broadly flat in 2022/23 and future years, despite local government cost pressures. The Provisional Local Government Finance Settlement 2021/22 provides funding proposals for one year only and the financial forecast assumes that various elements of the additional funding will continue in future years. The Social Care Green Paper (originally planned to be published in Summer of 2018) remains outstanding and the Spending Review 2020 refers to 'the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year'.
- 3.6 An update on the economic situation which can impact on public finances is provided in Appendix 1. Further details of the Provisional Local Government Finance Settlement 2021/22 are provided in Appendix 2.
- 3.7 The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding with potential Government funding reductions in the medium and longer term. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.
- 3.8 Bromley has the second lowest settlement funding per head of population in 2021/22 for the whole of London, giving us £111 per head of population compared with the average in London of £297 – the highest is £498. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). Further details are provided in Appendix 3. If the council tax was the average of the five other low grant funded boroughs, our income would increase by £25.8m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council continues to express concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents – the most recent response is included in Appendix 4. Despite being a low cost authority, Bromley has achieved general savings of around £100m since 2011/12 but it becomes more challenging to achieve further savings with a low cost base.

4. SUMMARY OF FINANCIAL FORECAST

- 4.1 Key issues include;
- 4.1.1 Two of the Council's main activities which are grant funded are schools and housing benefits. Both of these areas of spend continue to be ring-fenced.
- 4.1.2 A high proportion of the Council's spend relates to third party payments, mainly contracts, which can limit flexibility to change spend levels as well as providing greater inflationary pressures (e.g. the impact of the National Living Wage).
- 4.1.3 As reported in previous years, the majority of the Council's spend relates to just a few service areas.

4.1.4 Even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £14.1m per annum by 2024/25. Without any action to address the budget gap in future years reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable.

4.1.5 The reasons for the budget gap by 2024/25 include, for example:

(a) inflation pressures partly offset by assumed council tax increase (1.99% per annum) and social care precept (2021/22 only) of 3% leaving a balance required of £4.4m;

(b) Growth/cost pressures of £51.7m, partly offset by mitigation of £33.9m resulting in a net additional cost of £17.8m;

(c) Impact of reinstatement of highways maintenance of £2.5m per annum to revenue budget (previously capitalised);

(d) Full year effect of the Phase 1 Transformation Savings (£1.5m in 2021/22 increasing to £2.0m per annum in 2024/25);

(e) Phase 2 Transformation Savings of £2.1m in 2021/22 increasing to £4.4m per annum in 2024/25;

(f) Savings from reduction in the Council's provision for risk/uncertainty held within the Central Contingency Sum (saving of £3.7m per annum);

(g) Other variations of £0.5m (income).

4.1.6 The above variations assume that there will not be Government funding reductions over the next four years and that the planned mitigation of growth pressures (see (b)) above is realised.

4.1.7 In the financial forecast, after allowing for inflation, council tax income and other changes there is an unfunded budget gap from 2023/24 due to net service growth/cost pressures and the fall out of one-off funding. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the council can afford and the need for significant mitigation or alternative transformation options.

5. DRAFT 2021/22 BUDGET AND FINANCIAL FORECAST

5.1 Details of the latest financial forecast, including the Draft 2021/22 Budget, are shown in Appendix 5 and summarised in the table below:

Variations Compared with 2020/21 Budget	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Changes in Government Core Funding	-0.4	-0.4	-0.4	-0.4
Cost Pressures				
Increased costs (2% per annum)	5.5	11.3	17.1	23.1
Reinstatement of highways maintenance (previously capitalised)	0.0	2.5	2.5	2.5
Total Additional Costs	5.5	13.8	19.6	25.6
Income / Savings				
Interest on balances	0.0	1.0	1.5	1.5
Release general provision in contingency for significant uncertainty/variables	-1.7	-3.7	-3.7	-3.7
Savings from children's social care linked to invest to save funding	-0.3	-0.3	-0.3	-0.3
Adult social care and children's social care grant	-0.3	-0.3	-0.3	-0.3
Homelessness Prevention grant	-0.3	-0.3	-0.3	-0.3
Transformation Savings	-3.6	-6.0	-6.3	-6.4
Freedom pass saving/reduced usage in 2020/21	-2.2	-3.3	-1.8	0.0
Total Income / Savings	-8.4	-12.9	-11.2	-9.5
Other Changes (includes use of non-recurring funds)				
Real Changes and other Variations	0.3	1.1	0.6	0.9
Carbon Neutral Initiatives Fund	-0.9	-0.9	-0.9	-0.9
Total Other Changes	-0.6	0.2	-0.3	0.0
COVID Funding				
Additional cost pressures - COVID impact in 2021/22	8.0	0.0	0.0	0.0
Additional Funding to support further COVID cost impact in 2021/22	-8.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
Council Tax				
Assumed increase in council tax base number of prop. offset by increase in council tax support claimants	0.0	0.0	0.0	-0.7
Increase in cost of Council tax support (funded by grant)	2.3	0.0	0.0	0.0
Government funding towards additional council tax support costs	-2.3	0.0	0.0	0.0
Increase in council tax (assume 1.99% per annum)	-3.3	-6.7	-10.2	-13.7
Impact of Adult Social Care Precept (assume 3% per annum)	-5.0	-5.0	-5.0	-5.0
Projection of future year collection fund surplus	0.0	-2.0	-1.0	0.0
Provision for unrecoverable 2020/21 council tax collection losses - COVID	2.2	2.2	2.2	0.0
Government funding for 2020/21 council tax collection losses - COVID	-1.6	-1.6	-1.6	0.0
Total Council Tax	-7.7	-13.1	-15.6	-19.4
Growth/Cost Pressures including mitigation (see Appendix 6)				
Education	0.9	1.2	1.6	1.9
Children's Social Care	2.8	2.2	2.9	3.4
Adult Social Care	5.5	7.4	9.5	11.7
Housing	1.7	0.2	-1.2	-1.7
Environment	2.3	2.1	1.6	1.1
Reduction in investment property income	1.2	1.1	1.2	1.4
Building Maintenance	1.0	1.0	0.0	0.0
Part funding for loss of fees and charges income (COVID)	-0.5	0.0	0.0	0.0
Total growth/cost pressures	14.9	15.2	15.6	17.8
Sub-total	3.3	2.8	7.7	14.1
Use of previous Collection Fund Surplus to meet budget gap	-3.3	-2.7	-5.1	0.0
Remaining "Budget Gap"	0.0	0.1	2.6	14.1

The above table shows, for illustrative purposes the impact of a council tax increase of 4.99% in 2021/22 (including adult social care precept). Each 1% council tax increase generates on-going annual income of £1.7m. The financial forecast assumes that any future increases in the Adult Social Care precept cease beyond 2021/22. It should be noted that the current legislation only provided powers for this precept until the end of 2021/22.

- 5.2 Appendix 5 highlights that the Council, in the medium term will have an underlying budget gap and will need to take action to ensure a statutory balanced budget is realised in future years.
- 5.3 The above table highlights that it will have been possible to achieve a potential balanced budget for next two years through increasing council tax (including adult social care precept) to provide a key sustainable source of income and utilising the transformation savings. This would be achieved despite the impact of the Covid situation. It is essential to continue with prudent financial management and ensuring the Council 'spends within its means' in considering not just next year's budget but the impact on future years. The projections from 2022/23 have to be treated with some caution, particularly as the Government's next Spending Review, outcome of the Fair Funding Review and Business Rate Devolution is awaited – these changes combined could have a significant impact on the Council's finances.
- 5.4 In considering action required to address the medium term "budget gap", the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Significant savings of around £100m were realised since 2009/10. Our council has to balance between the needs of service users and the burden of council tax on council taxpayers. With the Government placing severe reductions in the level of grant support, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.

6. CHANGES SINCE THE 2020/21 BUDGET THAT IMPACT ON THE DRAFT 2021/22 BUDGET AND FINANCIAL FORECAST

- 6.1 The 2020/21 Council Tax report reported to Executive in February 2020 identified a significant "budget gap" over the four year financial planning period. Some key changes are summarised below.

6.2 Provisional Local Government Finance Settlement 2021/22 – Core Funding

- 6.2.1 The Local Government Finance Settlement 2020/21, which covered 2020/21 only, provided a significant improvement in funding for local government and represented the most positive funding proposal for local government since austerity began 10 years ago. The latest 2021/22 settlement provides a continuation of real increases in funding although this is mainly reliant on the utilisation of the ASC precept to support cost pressures in social care. It has also provided funding towards the cost of the Covid situation in 2021/22. In summary, good news for 2021/22 but leaves uncertainty for future years. After allowing for continuation of the Government's concession on negative Revenue Support Grant, there is an inflationary increase in core grant funding in 2021/22 and the forecast assumes that the level of core grant funding will remain unchanged in future years.

6.3 Inflation

- 6.3.1 The main measure of inflation for annual price increases for the Council's contracted out services is Retail Price Index (excluding mortgage interest rates) i.e. RPIX. This measure is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2021/22 Budget assumes contract price increases of 2.0%, per annum from 2021/22, which compares with the existing RPIX of 1.1%. Inflation is expected to increase, compared with current levels, which has been assumed in the Draft 2021/22 Budget.

Action will need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.

6.4 Interest on Balances

- 6.4.1 Despite the previous decrease in the Bank of England base rate from 0.75% to 0.25% and then to 0.1%, there has been only a marginal impact on the interest income that the Council is obtaining from lending to banks. The decline in the base rate will mean that any options with regard to the reinvestment of maturing deposits have become seriously limited following bank credit rating downgrades and the general low interest rate environment. However, the Council remains 'locked in' to several fixed-rate two-year lending deals that will yield a higher rate of return until they mature during either 2021/22 or 2022/23.
- 6.4.2 The Council has also benefitted from its revised strategy that enable it to make alternative investments of up to £100m which have generated additional income, at a rate higher than that available from bank lending. This has included increasing lending to Housing Associations and additional sums being invested in a Multi-Asset Income Fund.
- 6.4.3 Despite the very challenging economic outlook and low interest rate environment in the UK, taking into account the factors outlined above, the draft budget for 2021/22 assumes that this income from this source will remain unchanged from the previous year. However, the low interest rate environment is expected to reduce overall income from 2022/23 by £1m increasing to £1.5m per annum from 2023/24.
- 6.4.4 The Covid situation creates challenges for the banking sector relating to credit losses. The Bank of England indicated that banks could absorb around £200bn in credit losses should a doomsday economic scenario follow Covid – this is relevant as part of the treasury management income relates to lending to banks.

6.5 Central Contingency Sum – reduction in provision for risk/uncertainty

- 6.5.1 The Council retains a Central Contingency Sum as part of the overall budget which includes a provision for risk/uncertainty, allows for unforeseen costs and includes various significant costs not allocated to Portfolio Budgets at this stage.
- 6.5.2 The Draft 2021/22 Budget assumes the release of £1.75m per annum in 2021/22, rising to £3.75m per annum from 2022/23.
- 6.5.3 Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the uncertainty on future year cost pressures, significant changes that may follow relating to future new burdens, effect of ongoing population increases and the potential impact of other public agencies identifying savings which impact on the Council's costs, a prudent approach has been adopted in considering the Central Contingency Sum required to mitigate against these risks. It will also assist in dealing with the uncertainty relating to the Covid situation. If the monies remaining are not required during the year the policy of using these resources, in general, for investment, generate income/savings and provide a more sustainable financial position should continue. To illustrate the benefit of the investment approach the Council has potential income in 2021/22 totalling £13.8m from a combination of treasury management income and rents from investment properties. Without this income, equivalent service reductions may be required.

6.6 Additional Government Funding for Social Care and Homelessness

6.6.1 The Government has provided additional funding in 2021/22 of £340k towards children's social care and adults social care and £271k towards homelessness prevention. The additional funding should be considered to partly offset the growth/cost pressures identified in Section 6.12.

6.7 Transformation Savings

6.7.1 With a remaining uncertainty on Government funding available in the future and the ongoing requirement for local authorities to be more self-sufficient, there is a need to consider what significant changes are required to manage within this new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends groups) and exploring opportunities around community based place shaping led by the Council as a community leader. Even with the additional income identified in this report the Council will need to plan for significant changes including the impact of a recession and the 'new normal'. As pressures in statutory services such as adult social care, children's social care and high needs as well as homelessness are growing, the scope to invest in local priorities and services that benefit the widest range of people is reducing. The Council has delivered savings of around £100m per annum since 2009/10 and the ability to make savings in lower priority areas becomes more problematic. The need for savings in areas that support the Council's key priorities becomes more critical to meet the legal requirements for a balanced budget. The Council will continue to look for ways to operate more efficiently and generate more income but this alone will not be enough to meet the future years' budget gap. The key consideration is how the Council can balance the budget over the next four years. Considering the core statutory minimum service requirements, Chief Officers are undertaking a transformational review across all services, focussing on higher spend services first with options being presented to future meetings. The ongoing transformation review will be a key consideration in addressing the budget gap over the next four years.

6.7.2 The Councils Transforming Bromley includes key workstreams as follows:

- Environment and Public Protection
- Housing, Planning and Regeneration (including Transforming Property)
- Children's Services and Education
- Adult Social Care
- Professional Services
- Workplace Modernisation (including digitalisation)

6.7.3 The Draft 2021/22 Budget includes the full year effect of the Phase 1 Transformation Savings, agreed as part of the 2020/21 Budget totalling £1,525k in 2021/22 increasing to £1,974k per annum from 2023/24);

6.7.4 The Draft 2021/22 Budget also includes the Phase 2 Transformation Savings totaling £2,102k in 2021/22 increasing to £4,435k per annum in 2024/25.

6.7.5 More details of the savings are provided within Appendix 7.

6.7.6 This key work continues and further proposals will be reported to Members in the future as part of addressing the four-year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

6.8 Reduction in Freedom Pass Costs

6.8.1 The cost of the Council's contribution to the freedom pass scheme in 2021/22 is calculated taking into account the average number of journeys and costs of the period 2019/20 and 2020/21 (previous two years). Therefore, any reduction in journeys during the Covid situation will impact on the overall cost for 2021/22 and 2022/23. There has been a significant reduction on trip levels during the Covid situation and there is expected to be a reduction in usage and journeys during 2021/22 to reflect continuation of the Covid situation in early part of next year. There may also be an impact arising from the 'new normal' which could reduce the number of trips made by freedom pass holders.

6.8.2 The Draft 2021/22 Budget includes a real reduction in costs, after allowing for inflation, of £2,160k with estimated savings of £3,312k and £1,791k in 2022/23 and 2023/24 respectively. These savings are based on early estimates/predictions and should be treated with some caution.

6.9 Carbon Neutral Initiative Fund

6.9.1 The variation represents the fall out of pump-priming funding of £875k included in 2020/21 Budget. These monies were set aside for new initiatives that will result in reducing the Council's carbon footprint whilst reducing its long-term energy costs.

6.10 Council Tax Base

6.10.1 The Council's tax bases has been updated to reflect changes in properties compared with the previous year. The latest position indicates a tax base of 132,026 "Band D" equivalent properties for 2021/22, which assumes an allowance of 2.35% for non-collection. In addition the Draft 2021/22 Budget allows for an increase in council tax support costs to reflect an estimated increase in claimant numbers at a cost of £2.3m, which matches the indicative allocation of Government Grant available – such estimates need to be treated with caution.

6.10.2 The Draft 2021/22 Budget also includes an additional sum of £100k in the budget provision (allocated from 2020/21 Central Contingency) for the Council Tax Support Hardship Fund to reflect the expected increase in caseloads.

6.11 Covid Funding

6.11.1 The Government has provided funding of £7,795k towards Covid related costs in 2021/22. Given the uncertainty of the continuing Covid situation the Draft 2021/22 assumes that these monies will need to be set aside to meet further Covid related costs not specifically reflected in the budget for next year.

6.12 Cost/Growth Pressures and Mitigation

6.12.1 There remain significant cost/growth pressures impacting on education, housing, adults and children's social care as well as opportunities for the mitigation of costs.

There are additional costs relating to building maintenance as well as the impact of future losses in income, compared with the 2020/21 Budget. Income losses include car park income and rent income mainly due to the Covid impact. The financial forecast elements are summarised below with more details in Appendices 6 and 7.

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Growth/cost pressures	28,037	35,735	42,863	51,713
Mitigation	-12,661	-20,486	-27,292	-33,867
Net additional costs *	15,376	15,249	15,571	17,846

* There is government grant of an estimated £0.5m for loss of fees and charges income due to Covid in first quarter of 2021/22 which has been excluded from the above.

6.12.2 It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2023/24 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

6.13 Collection Fund Surplus and Covid Impact

6.13.1 The forecast assumes that the collection fund surplus in 2018/19 of £5.9m has been used to support the revenue budget in 2022/23 and 2023/24.

6.13.2 The collection fund had a non-recurring surplus of £6.5m reflected in the 2019/20 Provisional Final Accounts report to the Executive, Resources and Contracts PDS on 27th May 2020. The surplus was achieved mainly through good debt recovery levels, an increase in new properties in the borough and the ongoing impact of actions in response to the data-matching exercise on single person discounts. A sum of £5.15m will be allocated to the Council, with the £1.35m going to the Greater London Authority. The financial forecast assumes that the surplus will be used towards reducing the Council's budget gap in 2021/22 (£3,242k) and in 2023/24 (£1,911k) – this reflects an approach adopted previously to smooth out future years budget gap.

6.13.3 As a result of the financial pressures associated with the Coronavirus pandemic (including irrecoverable losses through payment failure and an increase in support claimants), the Council is likely to incur a deficit on the 2020/21 collection fund, creating budget pressure for 2021/22. In recognition of this, the government has agreed that deficits arising only in 2020/21 will be spread over the following three years rather than the usual period of a year. On this basis, the draft budget recognises estimated irrecoverable council tax losses of £2.191m for each of the next three years, though this will be compensated by government at a rate of 75% resulting in an estimated net loss of £548k per annum, after funding.

6.13.4 The financial forecast also assumes additional income of £2m in 2022/23 reducing to £1m by 2023/24, with no additional income in 2024/25.

6.14 New Homes Bonus

6.14.1 As reported previously, the scheme was introduced to incentivise housebuilding by providing funding for all areas that allow new homes to be built. Over time the funding available has reduced and funding was expected to cease following the Fair Funding Review which has now been delayed. The overall funding available nationally has reduced in 2021/22. The Council is expected to receive £707k in 2021/22, compared

with £1,612k in 2020/21. Given the priority to fund housing schemes, and that funding is non-recurring, the 2021/22 Draft Budget assumes that any funding received (£707k for 2021/22) will be set aside to assist in funding housing investment which ultimately will reduce the cost of homelessness in the longer term – this is consistent with the approach used as part of the 2020/21 Budget.

6.15 Improved Better Care Fund (iBCF) Funding – set aside

6.15.1 In March 2017, after the Council agreed its 2018/19 Budget, the Government agreed further iBCF non-recurring funding of £4.463m in 2017/18, £3.363m in 2018/19 and £1.677m in 2020/21. The utilisation of these monies required the joint agreement with Bromley CCG. The Provisional Local Government Finance Settlement 2021/22 has confirmed that the non-recurring funding for 2020/21 will continue for another year. As part of the 2020/21 Budget, the monies due that year were used to create a 'whole system reserve' that can be called to avoid any crisis in the joint health and social care systems. This can include, for example, utilising resources to aid hospital discharge when the clients still have complex needs. Many of our providers will not take people at this level of intensity without an enhanced payment - the reserve could be used to fund this. This effectively provides an expansion of winter pressures funding but will be used in other times of the year. The Draft 2021/22 Budget assumes that this arrangement continues, whilst iBCF funding remains.

6.16 Council Tax and Adult Social Care Precept

6.16.1 Government funding for local government takes into account the amount that can be raised locally through council tax and the adult social care precept. Therefore, there is an inherent assumption that local authorities will be increasing council tax and utilising the adult social care precept towards meeting costs and demographic pressures for social care. For Bromley, this change does not take into account any need to address low funding levels for the Council raised previously with the Government. Councils can still choose locally the level of council tax increase required, subject to referendum options. In calculating the Council's spending power, the Government has assumed that social care authorities will have an average council tax increase applying both the social care precept (for 2021/22 only) and general council tax increases every year. For illustrative purposes, the financial forecast assumes an overall council tax increase of 4.99% in 2021/22 (including adult social care precept of 3%), without the need for a referendum, and future year increases of 1.99% per annum (see also Section 15). Over 72% of the Council's increase in Spending Power for 2021/22, announced by the Government, relates to the full utilisation of the Adult Social Care Precept (3% increase) and a council tax increase of around 2%.

6.17 ESTIMATED FINANCIAL IMPACT OF COVID-19

6.17.1 2020/21 Financial Monitoring

6.17.1.1 The key challenge is the cost of the impact of Covid-19 and the extent to which the Government funds the net cost to the Council. Examples of the financial impact include:

- (a) Additional costs relating to direct support, enhancements to contract prices during this interim period (where necessary), additional staffing support, provision of new services, mortuary costs etc;
- (b) Planned budget savings which cannot be delivered during this period;
- (c) Loss of income which includes, for example, car parking and enforcement, business rates, council tax collection, rent income from investment properties and treasury management.

6.17.1.2 The latest financial monitoring position reported to the Leader, following pre scrutiny by Executive, Resources, Commissioning and Contract Management Committee on 18th November 2020, showed an overall net overspend of £1,538k within portfolio budgets and a £2,595k credit variation on investment income, central items and prior year adjustments. This represents the impact of the first six months of the financial year and the full year impact of 2019/20 outturn. The most significant financial risk to the Council related to Covid-19 impact.

6.17.2 Notification to Government of Potential Costs/Income Losses and Funding Available

6.17.2.1 Details of the return submitted to MHCLG on the latest estimated cost/income losses due to Covid-19 for the current year was reported in November 2020.

6.17.2.2 Since the 2020/21 Budget was approved in February 2020 the Covid situation has led to the following key issue:

- Funding from Government of £159.1m (as at November 2020) of which £55m relates to additional business rate relief, £62.1m for support to businesses and the balance of £42m to support services and deal proactively in addressing the Covid situation;
- The latest estimated financial impact is a net cost, after government funding of £1.8m in 2020/21 and losses in income collection of council tax and business rates of £9m within the Council's collection fund which results in a revenue impact over the next three years (2021/22 to 2023/24) – this element is expected to be funded from Government grant of £6.8m resulting in a net cost of £2.2m. Therefore overall costs of £4m at this stage. These estimates need to be treated with caution at this stage due to the uncertainty of the ongoing Covid situation;
- The financial impact will continue to be monitored on a monthly basis and the Council will continue to seek additional Government funding to reduce the impact on local council tax.
- The 2021/22 Draft Budget includes specific net additional costs/income losses of £4.1m relating to Covid, compared with the 2020/21 Budget plus additional costs of £2.3m to reflect increased council tax caseload (funded by Government) and a general provision of £7.8m to meet any further costs not specifically identified in the Draft 2021/22 Budget at this stage – the sum of £7.8m matches the level of additional Government funding provided to meet these uncertain costs. There will be the costs relating to Covid impact in 2021/22 as well as the impact of the 'new normal' following the Covid situation.

- The longer-term impact is expected to result in additional cost pressures, in part, to reflect the impact of a global recession. There will be a global recovery but realistically that may not materialise until at least 2022/23. Apart from the additional costs arising from a recession which can range from council tax support and additional services for vulnerable residents etc, there is likely to be a significant impact on the Council's income. The Council has sought funding support on the 'new normal' impact for future years as part of the Spending Review submission to Government (details attached in Appendix 4). The financial impact in 2021/22 (as well as future years) remains unclear at this stage. This will need to be monitored closely.

6.18 Real Changes – Various

6.18.1 The real changes relate mainly to additional resources previously approved for property and legal divisions, agency contract savings and various other changes. Further details are reflected in the policy sheets in Appendix 7.

6.19 Business Rates

6.19.1 The original Government proposals indicated that the funding "baseline" will be reset in 2020 and every 10 years thereafter. The previously planned full devolution of business rates was to change to 75% (rather than 100%) of business rates and was expected to be implemented from 2021/22 with the reset, undertaken every 3 years, to commence in 2021/22.

6.19.2 Alongside delaying the move to 75% Business Rates Retention and the implementation of the Fair Funding Review, as expected, the Government will not proceed with a reset of business rate baselines in 2021/22. The Spending Review 2020 confirmed that the revaluation of business rates will take effect on 1st April 2023 and a final report with the outcome of a fundamental review of business rates expected to be published in the Spring.

6.19.3 The Government's fundamental review of business rates is exploring the potential of:

- (a) a capital values tax (combined capital value of non-domestic property determined by purchase value or on basis of regular revaluations) and
- (b) online service tax (tax based on business's online sales) which could be used to fund business rate reductions for retail properties.

This review follows a 2019 Treasury Select Committee inquiry suggesting the number of business rate reliefs available is evidence that the system is 'broken'.

6.19.4 The Council previously retained a 30% share of local business rates with 50% retained by the Government and 20% retained by the GLA. That position was subsequently changed to 30%/33%/37% in 2017/18 to reflect changes in GLA funding. This was changed in 2018/19 to reflect the 100% devolution to London as part of the London Business Rate Pilot Pool.

6.19.5 Executive agreed to join the London Business Rate Pool in 2018/19 which Members supported and provided additional income of £5.1m in 2018/19. The scheme provided the full (100%) devolution of business rates with the growth shared across London boroughs and the GLA. The Government had agreed to allow the continuation of the pilot for 2020/21 but reflecting a reduced share (75%) of business rates.

6.19.6 On 8th October 2019, the London Council's Leaders' Committee confirmed support to a pan-London business rate pool and the Mayor of London has agreed to give up the share of and net financial benefit to the GLA of this scheme. Although the incentives have significantly reduced compared with the previous pilot scheme there was a potential opportunity for the Council to have a share of any gains made across London for 2020/21. This was approved by the Executive on 15th January 2020.

6.19.7 The Covid situation during 2020/21 and its associated medium- term impact will affect the financial benefits and risks of the pooling scheme. It also creates significant uncertainty in considering the continuation of the pool in 2021/22. At the time of writing this report, further details are awaited. Once more information is available details will be circulated separately for Members to consider prior to the meeting of the Executive.

6.20 Schools Funding

6.20.1 Details of the impact of changes in school funding and the associated implications for 2021/22 and future years are provided in Section 11 of this report.

6.21 Government Grants

6.21.1 The full details of the final grant settlement for 2021/22 relating to all the grants received by the Council are awaited. Details of the Provisional Local Government Settlement 2021/22 are shown in Appendix 2.

7. DETAILED DRAFT 2021/22 BUDGET

7.1 Detailed draft 2021/22 Budgets are attached in Appendix 7 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets will now be forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February. Further updated information will also be available for individual PDS Committees.

7.2 Appendix 7 sets out the draft 2021/22 budget for each Portfolio as follows:

- A summary of the Draft 2021/22 Revenue Budget per Portfolio
- A high-level subjective summary for each Portfolio showing expenditure on employees, premises etc.
- 2021/22 Draft Contingency Sum
- A summary sheet per Portfolio showing actual 2019/20 expenditure, 2020/21 budget, 2021/22 budget and overall variations in planned spending between 2020/21 and 2021/22
- A summary of the main reasons for variations per Portfolio in planned spending between 2020/21 and 2021/22 together with supporting notes.

8. OPTIONS BEING UNDERTAKEN WITH A “ONE COUNCIL” APPROACH

8.1 As indicated elsewhere in the report, the Council will face future year cost and demographic pressures whilst Government funding is expected to remain 'flat' i.e. not keep pace with such costs. There remains uncertainty around future funding from

2021/22 following the awaited outcome of the Government's 'Fair Funding' review. The Government assumption remains that alternatives to Government funding will be potential increase in taxation receipts generated by council tax (including social care precept) and, where possible, business rates. Details of options relating to increasing council tax and the social care precept are identified elsewhere in this report. There are also clear benefits to explore opportunities to increase (or recover) the council's business rate base through economic development, identify invest to save opportunities as well as realise investment income as shown below.

8.2 Community Infrastructure Levy (CIL)

- 8.2.1 This represents a new local levy on developments that local planning authorities can introduce to help fund infrastructure in the area. Most of any monies raised would be spent on large infrastructure projects, usually linked to the Local Plan, although there is some flexibility on spend for community projects.
- 8.2.2 The Borough CIL has been considered by the Development Control Committee and the Executive and is now being progressed through examination in public. This includes consulting on the charging schedule which is also subject to independent inspection before adoption. All being well, this will mean that implementation can commence from the middle of 2021 with income of c£0.5m achieved in this first year, rising to £2.7m by 2023/24.
- 8.2.3 An officer group is in place to develop a clear list of priorities for use of the CIL in line with the priorities identified in the Infrastructure Delivery Plan.

8.3 Asset Review

- 8.3.1 As part of the Transforming Bromley Programme, the 'Transforming Property – Creation of a £30m Disposal Programme' report to the Leader, following pre scrutiny by the Executive, Resources, Commissioning and Contract Management Committee on 10th September 2020 referred to a fundamental asset review seeking to:
- Optimise value and maximise capital receipts;
 - Identify opportunities for disposal;
 - Confirm properties which provide value to the community and remain in essential use.
- 8.3.2 A key consideration is whether the Council's current assets add value to service delivery or income generation. Within any consideration it remains important to recognise that assets can make a significant non-financial contribution which is beneficial to the Council and the wider community. This review will determine whether there are specific council sites that can be prioritised for housing provision to help reduce cost pressures on the homelessness budget as well as opportunities to generate capital receipts from disposals to fund the Council's capital programme priorities.

8.4 Growth Fund

- 8.4.1 A key priority for the Council is economic development. This is essential, particularly with the need to assist in the recovery from the Covid situation and its impact on the community. Economic development creates employment opportunities, potentially reduces the cost of council tax support and generates income through business rates

and potentially new homes bonus. There will be other opportunities to support economic development through the Community Infrastructure Levy and Section 106 monies set aside for employment opportunities.

8.4.2 Funding of £39.15m was set aside with total uncommitted funding of £12.7m remaining.

8.5 Investment Fund

8.5.1 The Council has also set aside an Investment Fund which was originally used primarily for property investments to enable the Council to achieve sustainable investment income which exceeds treasury management rates. Funding of £104.8m was set aside, including a contribution of £20.3m from the Council's capital programme. There remains uncommitted monies for other potential schemes of £12.5m.

8.6 Utilisation of the Growth/Investment Fund to support Housing and Regeneration Investment

8.6.1 A breakdown of spend to date and approved schemes for the Growth and Investment Funds were included in Appendix D of the 'Capital Programme Monitoring – 2nd Quarter 2020/21' report to the Leader, following pre scrutiny by Executive, Resources and Contract Management PDS Committee on 18th November 2020

8.6.2 As reported in January 2020, utilisation of the remaining uncommitted Growth and Investment Fund monies was to be prioritised for housing and, given the Covid situation impacting on the community, there is also a need to consider regeneration investment.

8.7 Housing Investment

8.7.1 The Council continues to face increased pressure from those presenting as homeless and, without a sufficient supply of accommodation, the Council faces no alternative but to utilise costly nightly rate accommodation. Despite all efforts to increase the supply of accommodation coming through housing association partners and private sector options this supply continues to be insufficient to meet the level of need and is likely to slow further as a result of COVID-19. Demand is also forecast to increase following financial pressures on households and evictions restarting.

8.7.2 Whilst the focus on preventative measures has assisted in slowing the rate of growth in temporary accommodation (TA) use, options are extremely limited and increasing pressure is being seen from households faced with homelessness. This means that there are in excess of 1,700 households in TA of which around 1,000 are in costly forms of nightly rate accommodation.

8.7.3 Projecting forward, this pressure looks set to continue meaning that without new affordable housing supply, numbers and the length of stay in TA will continue to rise. The housing transformation plan sets out the need for approximately 1,000 affordable units in addition to anticipated new supply to mitigate against the costs of temporary accommodation. To date, four schemes have been approved, and funding allocated for the provision of around 95 modular housing units at the following sites:

	York Rise	Burnt Ash	Anerley	Bushell Way	Total
Number of units	35	25	10	25	95
	£'000	£'000	£'000	£'000	£'000
Estimated scheme cost (incl. land value)	6,000	6,012	2,648	6,049	20,709
Financed by:					
Earmarked reserves	6,000				6,000
GLA grant		2,500	1,000	2,500	6,000
Section 106 contributions		523	210	523	1,256
Internal borrowing		2,989	1,438	3,026	7,453
	6,000	6,012	2,648	6,049	20,709

- 8.7.4 To meet the Housing Transformation target for the provision of 250 units, a further 155 units will be required. Based on the average costs above, this is likely to require further funding of around £34m.
- 8.7.5 Funding will also be required for the development or acquisition and refurbishment of 600 affordable homes also included in the Transformation work. This will be considered as part of the delivery vehicle options appraisal that is currently in progress, including through the Housing Revenue Account (see section on HRA below).
- 8.7.6 The Council has recently agreed the acquisition of 50 properties with Beehive. This scheme is funded by Beehive borrowing the funds for acquisition of the properties, which are then leased to the Council for use as affordable housing. Officers are exploring the option to expand this scheme and are considering the potential for other 'self-financing' development and acquisition schemes. Any such schemes will reduce future funding requirements to meet the target number of affordable homes detailed above.

8.8 Regeneration Investment

- 8.8.1 The Covid situation has had a real impact on the local economy affecting employment, housing, local businesses and other factors. Regeneration can be a key component in rebuilding the economic base of a community and providing an infrastructure that will sustain it into the future. A Regeneration Strategy has been developed to ensure that moving forward the Council's Growth Fund is utilised for maximum positive impact for the benefit of residents and local businesses across the borough. This includes maximising funding opportunities through securing S106 and CIL monies, creating opportunities for income generation, and leverage in of grant funding whilst aligning the existing Growth Fund with the Regeneration Strategy's Action Plan which will set out the Council's regeneration priorities over the next ten years.
- 8.8.2 As a long term ambition, the Strategy will inevitably involve significant capital investment over a number of years, and therefore there will be the risks to the Council that are associated with large capital projects, including construction industry inflation, cost overruns, unforeseen delays, and the long term security of funding resources, potentially including financing costs. Where schemes are reliant on capital receipts and housing sales, then there would also be the volatility of the property market impact on land and property prices that could affect schemes' viability and affordability. A key component of progressing regeneration as well as mitigating risk to the Council, will be to support inwards investment from developers, which will

enhance opportunities, particularly in town centres as we support them to change and adapt over the next few years. Building new homes for Bromley residents, is a key focus for regeneration, and identifying opportunities to do this, jointly with developers is likely to advance schemes.

- 8.8.3 The Council will also disseminate Additional Restrictions Grant through 2021/22 in line with government advice to support businesses in their recovery.
- 8.8.4 The Covid situation has placed serious financial pressures on our culture and leisure sectors, as it has nationally. The recovery of the local economy will in part be reliant on the Borough's cultural offer and what attracts people to live, work and visit Bromley. From ensuring town centres are not just places to shop, but places that offer experiential opportunities, whether that is through theatres, cinemas, museums or other cultural offers. Bromley is well placed to respond and should continue to support our cultural offer and maximise use of our important heritage assets. A key priority will be working with stakeholders to leverage in funding where possible as well as reviewing other assets that could support our cultural and leisure offer including underutilised park buildings. Priorities in 2021/22 will include, the development in key areas, such as Crystal Place Park, which will support the long term future viability of this historic location, as well as undertaking a leisure strategy, which will help shape leisure services of the future, identify where investment is needed and how assets can be maximised to offer develop new facilities fit for the future.
- 8.8.5 Investment in our infrastructure is essential for:
- A thriving local economy
 - Business sustainability
 - A place where businesses want to be established
 - An area that people want to live, work and visit
 - A Borough that is open to develop, but continues to protect the unique character, green spaces and heritage.
 - Improved digital connectivity, support residents and businesses to be better connected.
- 8.8.6 Regeneration investment can achieve additional (or help maintain) income from the Council's business rate share. It will also enable economic growth and create employment in the borough.

8.9 Investment Income

- 8.9.1 The 2021/22 draft budget for income includes properties purchased to date from the Investment Fund and the Growth Fund and there is further income relating to other investment properties (including the Glades, Walnuts, Biggin Hill Airport and other sundry properties). This provides a budgeted income of £10.2m. Income from treasury management investments of £3.6m combined with income from investment properties, potentially provides a total investment income of £13.8m. The strategy of generating additional investment income has helped reduce the budget gap by an equivalent amount.

- 8.9.2 The Council's investments span a wide variety of options with the majority of income from commercial properties. Apart from lending to banks, housing associations and various local authorities other investment choices include a £40m investment in a property fund and £40m in a Multi Asset Income Fund which represents a medium term (3 to 5 years) investment opportunity. The diverse range of investments enables more income to be achieved whilst managing the Council's exposure to risk. The Council also undertook secure lending to a developer which generates interest income of 6% per annum and also supports a homelessness initiative.
- 8.9.3 The Council will explore using low cost treasury management monies to support future joint venture opportunities with the aim to generate investment returns over a 3 to 5 year period. The Council remains debt free and has resources to encourage and invest in innovation and new types of investment for the future.
- 8.9.4 A prudent approach to budgeting and the front-loading of savings has enabled a longer term approach to generate further income and deliver spend to save from the additional resources available, as well as mitigate against significant risks, to provide a more sustainable financial position in the longer term. Given the significant benefits of achieving sustainable investment income/savings, which protects key services, this approach should continue, where possible. The Council has now prioritised future investment monies for housing and regeneration.

8.10 Update on the Housing Revenue Account (HRA)

- 8.10.1 In July 2020 Council approved the setting up of a Housing Revenue Account (HRA) for the provision of affordable housing. Although there is no longer a requirement to submit an HRA business plan to the government, it is not only good practice for authorities to prepare HRA business plans but under self-financing there is a need for the HRA to have a detailed business plan for service and financial planning, and to sustain the assets and ensure that debts can be serviced.
- 8.10.2 Although three sites have been identified that could be appropriated to the HRA for the development of affordable housing, these haven't yet been appropriated to date as they must first be appropriated for planning purposes. As a result, the Council cannot yet set a budget for the HRA for 2021/22.
- 8.10.3 Officers are currently working to develop the 30-year business plan, which will include indicative budgets and financing requirements for potential sites that have been identified. Future reports will be presented for the consideration of business cases for individual sites and the development of the HRA business plan.
- 8.10.4 By appropriating the land into the HRA, the market value of the land is charged to the HRA. Although this is not an actual capital receipt, it does mean that the General Fund can incur more capital expenditure without needing to borrow through an adjustment to the Capital Financing Requirement. Further details of the impact on capital financing will be covered in the HRA 30-year business plan and annual treasury management strategy reports.

8.11 Review of Fees and Charges

- 8.11.1 There will need to be an ongoing review identifying opportunities as the medium term 'budget gap' remains significant. Chief Officers will continue to review fees and

charges during 2021/22 to identify opportunities to reduce the future years 'budget gap'.

8.12 Invest to Save

8.12.1 The Invest to Save earmarked reserve was approved by Council in October 2011, with an initial allocation of £14m, to enable "loans" to be provided for Invest to Save initiatives, with advances to be repaid within a "reasonable" period and on-going revenue savings to contribute towards reducing the budget gap. Five schemes have been approved to date with a total approved sum of £9.9m to be advanced from the fund (the most significant of which was the street lighting replacement scheme at £8.5m). As at 31st March 2020, the actual balance on the Fund stood at £18.2m. To date, full year effect savings in excess of £1m have been achieved on the five schemes.

8.13 Commissioning and Procurement

8.13.1 The Council will continue to identify opportunities for contract savings including the review of inflation provision and repackaging of contracts and re-negotiation to secure the best value for the Council.

8.13.2 In the last few years significant savings have been delivered through commissioning of services. There are cost pressures identified in the financial forecast but all opportunities to identify commissioning savings whilst protecting key services will be explored to assist in reducing the Council's "budget gap".

8.13.3 It remains key that commissioning plans, through the transformation programme are in place across services to identify options for most effective service delivery, identifying future changes, evidence any necessary cost pressures, provide mitigation options for addressing cost pressures and identifying demographic pressures. This will include options around innovative service delivery, providing key services at a lower cost and exploring partnership, external funding and commercial income opportunities.

8.14 Managing Rising Demand

8.14.1 Apart from supply side improvement there remains the need to manage future demand by ensuring there is a focus on outcomes rather than service delivery which includes the need to rethink the relationship between the citizen and the service. More collaborative working with other public agencies will help to ensure that the most effective outcomes can be delivered whilst resources are reducing.

8.15 Health and Social Care

8.15.1 The Spending Review and Autumn Statement 2015 referred to "the Government will integrate health and social care across the country by 2020 and requires every part of the country to have a plan in place by 2017 for full implementation by 2020". This was a significant step combined with wider integration proposals with health and social care evolving in different parts of the country. One example of integration includes the work undertaken in Manchester which seeks to ensure integration maintains local democratic accountability at its core.

- 8.15.2 The Council is working with the Bromley borough based board (linked with South East London CCG) to explore opportunities for any further delivery of local integration of health and social care. Integration will help protect social care and provide more effective services to people in the community. There are close interdependencies between health and social care which was recognised by the Government in the creation of the Better Care Fund. Opportunities will be explored including the pooling of resources across the locality if it enables better opportunities for value for money, economies of scale, reduce duplication and streamline processes. The state of finances within the NHS, particularly amongst health providers, does create an inherent risk and therefore any integration arrangement must fully consider the implications, including the level of financial risk.
- 8.15.3 Advice from Chartered Institute of Public Finance and Accountancy (CIPFA) states that Councils have a duty to their own council taxpayers as well as their clients and need to ensure that their council taxpayers are not, in effect, being asked to underwrite a portion of NHS costs.
- 8.15.4 The impact of the Sustainability and Transformation Plans led by the health services and the continuation of the Better Care Fund and Improved Better Care Fund will be monitored closely to identify the risks/opportunities that may arise to meet the Building a Better Bromley priorities. There may be future structural changes within the NHS that also need to be considered as part of the Council's future plans.
- 8.15.5 There is a national recognition that Social Services is underfunded. One of Bromley's high cost pressure relates to adult social care and it remains essential that a fundamental solution is found to address funding. The Prime Minister has recognised the need to address this and his comments, reported in the press on 14th January 2020, indicate that action will be taken to address the significant funding issue for social care. Luke Hall, the Parliamentary Under-Secretary of State for Housing, on 5th February 2020 referred to the Government 'are committed to fixing the crisis in social care once and for all' ensuring we have a 'long term solution'. He also stated that 'it is absolutely true that councils face pressures on adult and children's care services'. The Spending Review 2020 refers to 'the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year'. The Social Care Green Paper was originally due to be published in the summer of 2018.

8.16 Identifying Further Savings

- 8.16.1 The scale of savings required in future years cannot be met by efficiency alone – there may need to be a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2021/22 Budget represents the second year of savings from the Transformation Programme (see section 6.7). This key work continues and further proposals will be reported to Members as part of addressing the four year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

8.17 Core Statutory Minimum Requirements

8.17.1 Local Authorities undertake numerous functions and provide a wide range of services. Some are mandatory and some are discretionary. We cannot stop carrying out functions where we are under a duty to deliver that function or service.

8.17.2 In an ideal world a local authority would be able to identify a core statutory service provision and if it wished to regroup services based on that. Unfortunately matters are not that straight forward. Where services are statutory, there may be a duty to provide a relevant service, but in both personal and general services there is scope for interpretation on whether level or type of provision has discharged the duty or not. This occupies a significant amount of court time. Sometimes because of contractual obligations or the creation of a legitimate expectation then a local authority cannot easily stop providing discretionary services and again that is a fruitful area for litigation.

8.17.3 In addition many of the non-statutory services provided by Bromley fall into the following categories

- They deliver income to the Council – examples being the discretionary ceremonies part of the registrars' service, adult education and aspects of treasury management;
- They reduce expenditure in statutory services; for example certain non-statutory homelessness prevention work and aspects of environmental services enforcement;
- Certain support services are integrally linked to the delivery of core council functions e.g. IT.

8.17.4 In 2011 Central Government compiled a list of 1,335 statutory duties which local authorities need to comply with. There followed a consultation on a possible reduction in the number of statutory duties. However, this was not taken forward at government level, despite local government facing significant grant reductions. The consensus is that rather than decreasing the number of statutory duties has increased since. For example work recently undertaken on behalf of the Directors of Children's Services indicates that children services duties have increased by 50% since 2011 in addition, the number of statutory duties Local Authorities need to comply with is now far closer to 2000 than the 1300 identified in 2011.

8.17.5 Bromley has undertaken several pieces of work to align its services closely with its statutory duties. This work which identifies statutory and non-statutory services contributes to the key Transformation work and each individual work stream is addressing the extent of the statutory service and savings proposed.

8.17.6 As part of any core statutory minimum requirements review, the Council will need to consider an element of early intervention and prevention to avoid the escalation of costs arising from more expensive statutory interventions.

8.18 Pension Fund

8.18.1 The overall pension fund performance was ranked 22nd in the LGPS universe for the year to 31st March 2020, 3rd over 3 years and 5 years, 2nd over 10 years and 1st over 20 and 30 years. In addition to winning the LGPS Investment Performance of the year

in 2017 and 2018 (assets under £2.5bn) and being runners up and 'Highly Commended' in 2019 and 2020 respectively, Bromley also won the Pensions, Treasury and Asset Management Award at CIPFA's Public Finance Awards 2019, recognising the consistent high performance of the Fund as well as top decile performance in treasury management. The impact of the outstanding performance has resulted in the Council's pension fund now being assessed by the Council's Actuary as 'fully funded' reducing the cost impact on the Council's General Fund. The outcome of the Actuarial Valuation was reported to Pensions Investment Sub Committee on 30th January 2020.

8.19 Balancing the Budget

8.19.1 The Council will need to seek primarily to balance its revenue budget over the financial forecast period and it remains essential to contain Council spending within original budget estimates to mitigate against further cost pressures. However, the Council could consider utilising balances, where necessary, to smooth the impact of the savings requirement throughout the period.

9. FUTURE LOCAL AUTHORITY LANDSCAPE

9.1 Although any devolution changes will provide significant opportunities in the future where councils have to increase income (with government funding withdrawn) the key question is whether such a financial model is sustainable for local government.

9.2 The Institute of Fiscal Studies (IFS) provided a report titled 'Covid-19 and English Council Funding: What is the Medium Term Outlook'. They reported that 'it is highly likely that Councils will have insufficient revenues to keep pace with rising spending needs... - this was true even before the Covid-19 crisis'. Their 'middle scenario' indicated that 'spending needed to maintain services at their pre Covid-19 level could exceed available revenues by £3.2bn in real terms in 2024/25 if council tax is increased by 2% and grant funding is increased in line with inflation'. The IFS recently published a report which referred to the Provisional Local Government Finance Settlement 2021/22 and its impact on Local Government Finance. They stated 'the picture for subsequent years is less rosy though. There is potential for longer-run and indirect effects of the crisis on the prevalence of chronic ill-health and safeguarding issues, which would come on top of pre-existing demand and cost pressures. This means it is highly likely that a funding gap will open up in future years, unless there are continued large increases in council tax and/or additional funding is allocated or devolved to councils'..... There is a whole raft of reviews that councils are waiting onthe longer-term financial outlook for local government therefore remains highly uncertain – and challenging'.

9.3 A local government journal, published in August 2020, referred to 'a leaked Cabinet Office document has warned that one in 20 councils are already at high risk of financial failure'.

9.4 Grant Thornton (GT) referred to 'in the event that the Chancellor provides a rollover of this year's funding levels 51% of Council's will be left with reserves equivalent to 5% or less of their net revenue expenditure by April 2022'. They viewed that 5% is generally regarded as leaving councils too exposed and unable to cope in the event of unexpected events – both Croydon and Northamptonshire who issued Section 114 notices had reserves of less than 4%).GT referred to 'public finances are facing

historically significant challenges, and our analysis shows just how close many councils are to breaking point’.

- 9.5 Local Government Information Unit (LGIU) and Municipal Journal (MJ) had a ‘State of Local Government Finance’ survey published in 2020. The outcome was as follows:
- Confidence in the sustainability of local government finance remains very low, with three quarters (74%) of councils saying they do not feel confident;
 - 12% of councils say they are in danger of being unable to fulfil statutory duties this year and 14% of councils said they anticipate an increase in judicial challenges to the level of service provision this year
 - 77% lack confidence in 100% Business Rate Retention as a mechanism to fund local government.
- 9.6 The National Audit Office (NAO) report on ‘Financial Sustainability of Local Authorities 2018’ referred to ‘compared with the situation described in our 2014 report, the financial position of the sector has worsened markedly, particularly for local authorities with care responsibilities’. The report also identified that despite social care authorities having higher level of reserves in 2010/11, some 10.6% have reserve levels (earmarked and non- earmarked) that would be fully consumed in less than three years if the current rate of decline continued. They also reported that a fifth of top-tier councils will exhaust their reserves within five years if they continue to spend them at present rates, raising concerns more councils could follow Northamptonshire CC in issuing a section 114 notice. The report referred to a real term reduction of government funding of 49.1% between 2010/11 and 2017/18 among English local authorities.
- 9.7 The Local Government Association referred to ‘councils need clarity and certainty about how local services will be funded over the next few years and beyond. Next year we need a multi-year settlement and meaningful progress towards a long-term, sustainable solution to the funding crisis our adult social care services continue to face. There must be no further delays to the process of reform.’
- 9.8 Even if funding is maintained at current levels with no subsequent reductions, there is a cost pressure relating to London’s population being expected to increase by 24% over the period to 2039 (double the rate of the rest of England).
- 9.9 The Government’s ambition for devolution together with a fundamental review of the role of local authorities and the role of state together with the arrangements for funding is key to address this overall picture. Greater devolution of powers and funding to local authorities will enable a greater lead role with other public sector organisations which will help partly address the challenges in the future landscape.
- 9.10 Local Government cannot afford the future unless it changes what it does. Changes for the future will need to include operational mergers between authorities for services, greater use of private and voluntary sector, devolution of powers and funding to local authorities as community leaders, a fundamental change in the role of State and implementing opportunities to join up with health and other public agencies (community budgets etc.). Any major change may require the investment of one-off resources. After the delivery of cost savings and efficiency, there is a greater need for transformation, demand management and income enhancement. The scale of the funding challenges may also result in the need to stop or reduce services in the longer term.

9.11 Bromley remains “better placed” to deal with the ongoing challenges but needs to ensure that early decisions are made and adequate reserves are retained to ensure sustainable finances in an increasingly difficult financial landscape. The retention of an adequate level of reserves is key to ensure that Bromley can prepare for future funding challenges and to deal with increasing financial uncertainty including the impact of the local government finance reforms. The Council is seeking fairer funding from Government and the response to the Fair Funding Review consultation paper is attached in Appendix 4. The Leader, Portfolio Holder for Resources, Commissioning and Contracts, Chief Executive and Director of Finance have met previously with Government ministers to discuss seeking a fairer funding deal for Bromley and its residents and have followed up the matter with local MPs. The Council previously secured non-recurring transitional grant funding of £4.2m in recognition of the funding issues faced by the Council.

9.12 Fair Funding Review /Devolution of Business Rates

9.12.1 Any future financial funding projections needs to be treated with caution from 2022/23 There continues to be uncertainty about the replacement funding mechanism for local government, now delayed until at least 2022/23. It remains uncertain whether the baseline funding levels and transitional arrangements will be ready by autumn 2021 for implementation in the 2022/23 financial year.

9.12.2 Local Governments funding arrangements are set to experience their most significant reform for over two decades. The outcome of the Fair Funding Review (a revised formula for Local Government funding allocation), the devolution of business rates and the Spending Review (provides the plan on how Government money will be allocated across years determining financial quantum for local authorities) will not be known until at least the autumn of 2020. In addition, there are likely to be transitional arrangements that will impact on any ‘winners’ or ‘losers’ amongst Councils.

9.12.3 The 2020 Spending Round has provided a settlement, generally better than expected, and would provide a short-term “lifeline” for some local authorities and the government needs to ensure the long-term survival of councils with sustainable long-term funding.

9.13 Fair Funding Review

9.13.1 The Fair Funding Review was originally planned to be implemented from 2021/22 and has been delayed by at least one year. The review will set new baseline funding allocations for all local authorities with the aim to simplify the existing system and update the relative needs and resources for authorities. It relates to the redistribution of funding rather than simply address any funding shortfall – the Spending Review is key to address the overall funding envelope for local government. There will be winners and losers from the Fair Funding Review but there are expected to be transitional protection to mitigate against any immediate significant impact on individual local authorities in the shorter term. The financial forecast assumes no financial changes from this review.

9.14 Spending Review 2021

9.14.1 The Spending Review 2021 planned later this year is expected to indicate funding available to local government beyond a single year. However, given the economic uncertainty with Brexit and the Covid situation the planned timeframe of 3 years or

4 years to provide greater financial certainty to local government may be too optimistic. A longer timeframe is key to aid financial planning.

10. LONDON BOROUGH GRANTS COMMITTEE

- 10.1 London Councils require formal notification of the Council's agreement to their contribution for 2021/22. The London Councils Grants Committee has proposed a Budget for 2021/22 comprising total expenditure of £6.668m.
- 10.2 Bromley's contribution to this Committee was £247,844 in 2020/21. The contribution for 2021/22 is £247,274 which represents a reduction of £570 compared with 2020/21.
- 10.3 The approval of at least two thirds of the constituent Councils of the London Boroughs Grants Scheme is required for the proposed 2021/22 budget. If it is not agreed by the 22nd January 2021, the overall level of expenditure is deemed to be the same.

11. THE SCHOOLS BUDGET

- 11.1 Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring-fenced grant, more recently through the Dedicated Schools Grant (DSG).
- 11.2 The implementation of the National Funding Formula (NFF) began in 2018/19. Funding has been split into four blocks, Schools, High Needs, Early Years and Central Spend DSG. The funding splits are detailed in the table below:-

PROVISIONAL DSG FUNDING					
	Schools	High Needs	Early Years	Central	Total
	£'000	£'000	£'000	£'000	£'000
2020/21	218,401	53,042	23,055	1,920	296,418
2021/22	237,832	58,729	23,343	2,134	322,038
Variation	19,431	5,687	288	214	25,620

- 11.3 The Schools Block has risen by £19.4m. This is due to an increase in the per pupil unit of funding and increases in the population figures. There is also an element (around £11m of the increase) that relates to teachers pay and pension increases that were paid through specific grant and are now integrated into the overall Schools DSG block calculation.
- 11.4 The High Needs Block is seeing pressures coming through the system. Nationally the Government were seeing some authorities building up high levels of deficit reserves. This particular funding issue was acknowledged, and funding was committed for 2021/22. The DSG allocation resulted in an increase in high needs block funding of £5.7m for Bromley. This was due to the increases in per pupil funding and the increase in pupils themselves. £939k of the increase relates to pay and pension increases that were paid through specific grants and are now integrated into the overall High Needs block calculation.

- 11.5 Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. Moreover, future funding levels have not yet been announced and so there is uncertainty as to what funding levels will be from 2022/23.
- 11.6 Early Years funding has increased by £288k. This is due to increases in the hourly rates payable. Last year's population figures are being used. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the year progresses.
- 11.7 The Central Block has increased by £214k. Although the per pupil rate fell by 2.5% (the equivalent of a loss of £48k), £242k of additional grant was received due to the pay and pension specific grant allocation for centrally employed teachers now being integrated into the DSG. The remaining increase of around £20k is due to the increase in pupil numbers. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the Council used £360k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2021/22 bringing the total Council core funding to £410k.

12. GENERAL AND EARMARKED RESERVES

- 12.1 Excluding monies set aside for schools, insurance fund, government grants (technical accounting requirement) and health, the Council has earmarked reserves remaining of £144.5m as at 31/3/2020 and general reserves of £20m. Appendix 4 of the 2020/21 Council Tax report highlighted the Council's approach to utilising reserves and the significant value in retaining reserves. The Council Tax report refers to the level of reserves needs to be adequate to ensure the longer-term stewardship of the Council's finances remain effective and the Council maintains 'sustainable' finances in the medium term. Medium term planning remains absolutely key in recognition of the medium-term budget deficit facing the Council. Inflation, new burdens, growth/cost pressures, uncertain medium and longer term impact of the Covid situation and assumed flat lining of future Government funding will create significant budget gaps. Reserves are one off monies and do generate income and should only be used where no other savings/efficiencies can be identified or to plug the gap (short term) for the phasing of savings.
- 12.2 The Council has set aside previous years collection fund surpluses totalling £25.9m (which is normally credited to revenue budgets) as well as a financial management and risk reserve of £10m (both included within earmarked reserves) which can support any planned transition in delivering significant savings to meet the budget gap. However, any medium or longer term utilisation of one-off resources and reserves to support the revenue budget are unsustainable and place the council at greater financial risk in the future.
- 12.3. The Council also has a Central Contingency sum to cover risk/uncertainty in the future included in the base budget. However there remains a need to consider a significant provision in the central contingency sum to allow for unforeseen costs, prevent drawing from reserves to fund overspends, to reflect the impact of new burdens introduced after the budget was set, to cover the impact of savings not realised, uncertain impact of the Covid situation and, as in the past, enable funding of member initiatives and investment opportunities. Historically the contingency is reviewed later

in the year as part of finalising the following year's budget and after departmental savings/growth and mitigation has been considered. The updated financial forecast assumes the release of £1.75m in 2021/22 and £3.75m per annum from 2022/23 to directly support the revenue budget.

- 12.4 The "Capital Programme Monitoring 2011/12 and Annual Capital Review 2012 to 2016" report to the February 2012 meeting of the Executive identified the long-term financial implications of the capital Programme. The report identified that abandoning the current agreed strategy (fund rolling programmes through capital and reinstating general fund contribution to support the revenue budget of £3.5m) would have resulted in the Council's entire general reserves being utilised in the medium term. This illustrates the benefits of the strategy that Members have adopted since 2006/07. However, given the ongoing financial constraints and limited opportunities to reduce costs in the medium term, this approach was reconsidered to provide capital funding for investment in planned highway maintenance funded by capital receipts.
- 12.5 If the existing general reserves are released now to fund service initiatives, delay savings or reduce council tax there would be a resultant "opportunity cost" relating to a corresponding loss in interest earnings/investment opportunities and further acceleration of the anticipated exhaustion of reserves which is not recommended. Any increase in service levels or initial protection would only be very short term. Reserves can only be used as a one-off contribution to revenue spending and would not provide a sustainable solution to maintaining local government services.

13. ISSUES FOR FUTURE YEARS

- 13.1 The key issue to consider in the options identified above is the need to ensure long term sustainable finances to help ensure the Council can provide priority services in the longer term. Any final proposals as part of the 2021/22 Council Tax report in February will need to enable the Council to achieve a legally and financially balanced budget in 2021/22 but to also deal with the medium-term financial position as well. Even allowing for the options in this report a budget gap of £14.1m per annum remains from 2024/25. Some of the measures identified in section 8 of this report will enable flexibility to provide a more sustainable financial position for future years. The financial outcome will also depend on the final decisions made on council tax levels.
- 13.2 Bromley's core funding cut has been higher than the London and England average since 2010/11 and equates to a 75% reduction compared with 63% (London and England) in real terms over the course of the decade (estimated up to 2020/21). The Spending Round 2020 represents a significant financial improvement in funding but does not represent a medium-term settlement. Therefore, the Council continues to face financial uncertainty relating to the future funding landscape. The strategy needs to remain flexible and the Council's reserves resilient to respond to the impact of volatile external events and addressing budget deficits during this uncertain period.

14. COUNCIL TAX, FUNDING AND SPEND COMPARISONS

- 14.1 Details of council tax and funding levels between councils are shown in Appendix 3.
- 14.2 Bromley's council tax is amongst the lowest in outer London.

- 14.3 Using 2021/22 funding information, if Bromley received the average grant funding for London, its annual income would increase by £64m. If the Council had the average council tax levels for the 5 other lowest grant funded councils, the Council would receive additional income of £25.8m.
- 14.4 Despite being a low-cost authority, Bromley has achieved savings of around £100m since 2009/10 but it becomes more challenging to achieve further savings with a low-cost base.
- 14.5 Bromley has retained a low council tax despite lower levels of grant funding. This has been achieved by maintaining a below average spending base. It is important to recognise that the pattern of spending in Bromley restricts the options facing Members. One of the key issues in future year budgets will be the balance between spending, taxation and charges and service reductions in an organisation starting from a low spending base.

15. COUNCIL TAX LEVEL INCLUDING GLA PRECEPT

- 15.1 There remains uncertainty on the outcome of the GLA precept for 2021/22, at this stage. This is due to a combination of the late Provisional Local Government Finance Settlement 2021/22 combined with awaited Mayor's proposals on the police precept and the continuing negotiations with Government on TfL's funding position.
- 15.2 The final GLA precept for 2021/22 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 25th February 2021.
- 15.2 For 2021/22 every £1m change in income or expenditure causes a 0.6% variation in the 'Bromley element' of the Council Tax. Each 1% council tax increase generates ongoing annual income of £1.67m.
- 15.3 As part of the Localism Act, any council tax increase of 2% or above (excludes ASC precept) in 2021/22 will trigger an automatic referendum of all registered electors in the borough. If the registered electors do not, by a majority, support the increase then the Council would be required to meet the cost of rebilling of approximately £100k. The one-off cost of a referendum is estimated to be £650k.
- 15.4 The Government has enabled Councils up to 2021/22 to have a council tax precept of up to 3% per annum to specifically fund adult social care (a 3% increase in council tax equates to £5m additional income per annum). Councils are able to levy the precept on top of the existing freedom to raise council tax by up to 1.99% without holding a referendum. Therefore, the Council could potentially have a council tax increase of just below 5% without the need for a council tax referendum. The Government introduced this change in recognition of the cost pressures facing social care authorities. The financial forecast assumes this precept could not continue beyond 2022/23. Members will be requested to consider applying the precept as part of the 2021/22 Council Tax report to the Executive on 10th February 2021.

16. CONSULTATION

- 16.1 It is proposed that this report is considered by individual PDS Committees and their comments and considerations will be reported back to the 10th February 2021 meeting of the Executive. Such consideration will enable the Executive to take into

account those views as part of agreeing its final recommendations to the Council meeting on 1st March 2021 where the 2021/22 Budget and Council Tax will be agreed.

16.2 Prior to finalising the 'School's Budget' the Education, Children and Families Portfolio Holder will consult with the Schools' Forum.

16.3 Consultation papers will also be sent to local business representatives for their views and comments. Other examples of consultation will include consultation on specific budget proposals.

17. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

17.1 There remain risks in meeting the 'budget gap' arising from budget savings, mitigation options to address cost pressures, as well as ongoing cost pressures arising from new burdens, implications of the Covid situation and the impact of Government Policy changes. Action will need to be taken to contain, where possible these cost pressures, managing the implementation of savings, generate income or seeking alternative savings where required. The Council's Corporate Risk Register shows that 'Failure to deliver a sustainable financial strategy which meets with Building a Better Bromley Priorities and failure of individual departments to meet budget' is the highest risk the Council is facing.

17.2 In addition to the issues shown above, a further list of the potential risks which will be faced in future years that Members should consider arising from the assumptions made are shown in Appendix 8. The level of balances held and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures.

18. IMPACT ON VULNERABLE ADULTS WITH CHILDREN

18.1 The draft 2021/22 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

19. POLICY IMPLICATIONS

19.1 The Draft 2021/22 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium-term financial plan. The Council continues to deliver key services and lives within its means.

20. PERSONNEL IMPLICATIONS

20.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2021/22 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

21. LEGAL IMPLICATIONS

21.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. The Local Government

Finance Act 1992 (as amended) requires the Council to set an amount of Council Tax for each financial year and provides that it must be set before 11th March in the financial year preceding that for which it is set. Sections 73-79 of the Localism Act 2011 amended the calculations billing and precepting authorities need to make in determining the basic amount of Council Tax. The changes included new sections 31 A and 31 B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax.

- 21.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 21.3 The Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 21.4 Executive is being requested to delegate the setting of the schools' budget funded through the Dedicated Schools Grant to the Education, Children and Families Portfolio Holder.
- 21.5 The making of these budget decisions at full Council is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases and the recent introduction of the Adult Social Care precept. The Council has a number of statutory duties which it must fulfill by law – although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties – although it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the council must have due regard to elimination of discrimination, harassment and victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 21.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2021/22 Council Tax report to be reported to the February meeting of the Executive.

22. CONCLUSION

- 22.1 One of the key issues in future year budgets will be the balance between spending, council tax levels, charges and service changes in an organisation starting from a low spending base. It is important to recognise that a lower cost base reduces the scope to identify efficiency savings compared with a higher cost organisation.

- 22.2 The Council has had to take significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Council tax has been kept low compared with other Councils. A combination of front loading of savings in previous years, pro-actively generating investment income and prudent financial management have enabled the Council to provide a potential balanced budget for the next two years. There will be significant challenges as the Council is a low-cost authority and the position will need to be regularly reviewed particularly as there are risks relating to further cost pressures/new burdens. Apart from early identification of options to address the future years budget gap (2022/23 and beyond) including any significant transformation and income generating opportunities, it remains essential that Chief Officers identify mitigating action to address any in year cost pressures/new burdens to remain within their “cash envelope”.
- 22.3 There is uncertainty on the impact of the full devolution of business rates and the outcome of the Government’s ‘Fair Funding’ review which may result in new responsibilities for the Council and associated risks. The changes will not be implemented until at least 2022/23 whilst the forecast assumes that Government funding will remain at a standstill (may be a best case scenario). Financial challenges are expected to continue beyond the financial forecast period. The continuation of long-term financial planning as part of the Medium-Term Financial Strategy remains essential to ensure that any future service changes are managed effectively.
- 22.4 The Council will continue to seek a fairer financial settlement on behalf of the residents of the Borough and the report has referred to some of the work undertaken in the current financial year. The contribution of local MPs has also assisted in this arrangement.
- 22.5 There will continue to be increasing financial volatility, uncertainty and risk and the Council faces the challenge of delivering a balanced budget over the medium term. Stewardship and delivering sustainable finances are increasingly important during a period of national and international economic issues which creates uncertainty over the longer-term direction of the Government’s public expenditure plans. It is probable that the situation will remain volatile in the medium term requiring ongoing change in our detailed approach but the framework should be one of tight financial forecasts and control linked to a clear strategic service direction. In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities (including regeneration) and mitigate against the cost pressures currently being forecast. It is important to consider actions now that address the “budget gap” in the medium term to enable the Council to ‘live within its means’.

Background documents	<p>2020/21 Council Tax, Executive 12th February 2020</p> <p>2019/20 Provisional Final Accounts. Leader following pre scrutiny by E,R&C PDS on 27th May 2020</p> <p>Transforming Property – Creation of a £30m Disposal Programme, Leader following pre scrutiny by E,R&C PDS on 10th September 2020</p> <p>Treasury Management – Quarter 2 Performance 2020/21 and Mid-year Review, Resources, Commissioning and Contracts Management Portfolio Holder and Council, 18th November 2020 and 7th December 2020</p> <p>Capital Programme Monitoring – 2nd Quarter 2020/21, Leader following pre scrutiny by E,R&C PDS on 18th November 2020</p> <p>Budget Monitoring 2020/21, Leader following pre scrutiny by E,R&C PDS on 18th November 2020</p>
Financial Considerations	<p>Covered within overall report</p>

Update on Economic Situation which can impact on Public Finances

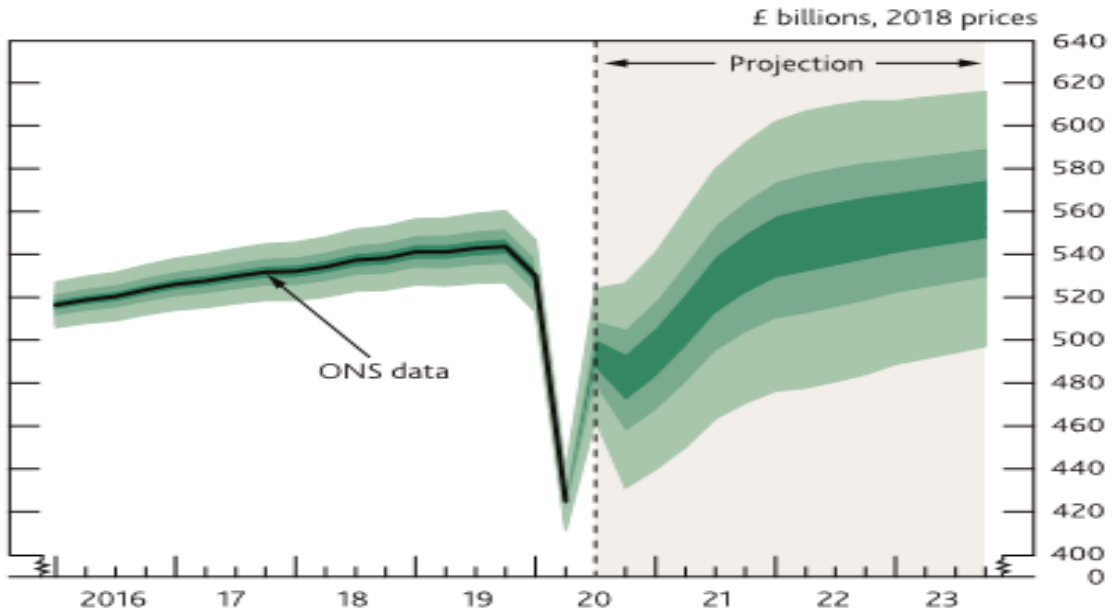
Economic Context

1. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The impact of Covid situation has had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The level of Government borrowing this year is significantly higher than experienced by the banking crisis in 2008. The economic shock has had no comparisons for over 300 years. At the time of writing this report, the Government's budget deficit in 2020/21 is £394bn – highest level since 1944/45, with overall debt representing 105% of GDP. The next few years remain uncertain economically and fiscally and what will this mean for council's revenues. The Chancellor has indicated that output is not expected to return to pre-crisis levels until the fourth quarter of 2022/23 – some economists predict it will take longer. Future forecasts will also be dependent on the final Brexit arrangements.

2. The key economic and fiscal headlines, for the UK, from the Spending Review 2020 are summarised below:
 - Deficit in 2020/21 of £394bn – highest level since 1944-45. Debt 105% of GDP;
 - Economic output is not expected to return to pre-crisis levels until the fourth quarter of 2022;
 - Spending on 'unprotected' public services being broadly flat in real per capita terms in 2022/23 (despite local government cost pressures);
 - A fiscal adjustment (additional taxes or cuts in spending) of £27bn would be required to match day-to-day spending for receipts by the end of the five year forecast period;
 - Economic outlook remains 'highly uncertain';
 - Annual GDP growth forecast to stabilise to 1.7% in 2024/25 and 1.8% in 2025/26;
 - Unemployment will increase and expected to fall from 2022/23 and revert back to pre-crisis levels from 2025/26;
 - CPI inflation expected to be at 1.2% in 2021/22 (Bank of England forecast of 2.1% from 2021/22) -RPIX tends to have a rate of up to 1% higher.

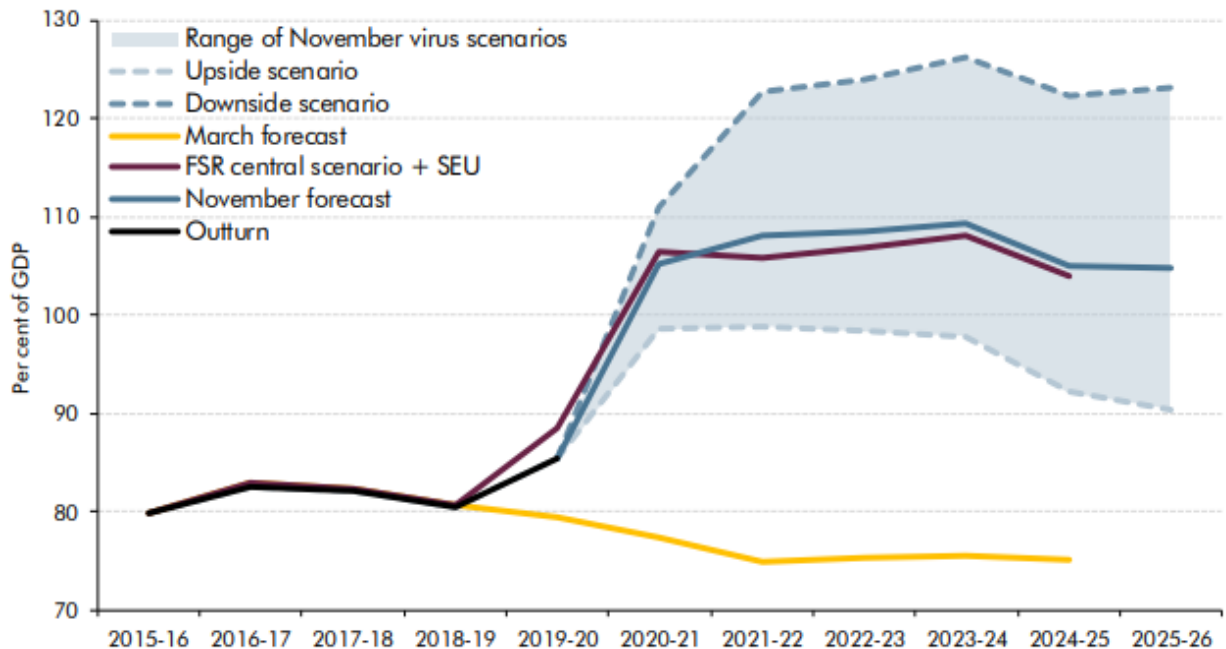
3. The Office for Budget Responsibility (OBR) predict that the UK economy growth forecast is expected to stabilise to 1.7% in 2024/25. The Bank of England's Monetary Policy report (November 2020) provides the following projections for GDP growth:

Chart 1.2: GDP projection based on market interest rate expectations, other policy measures as announced



- Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results in a likely real term funding reductions remaining for local government or creating a situation where costs and demographic pressures facing local government are not matched fully by changes in government funding. These are unprecedented times and the impact of Covid on Government debt is illustrated below:

Growth in Government Debt due to Covid Situation

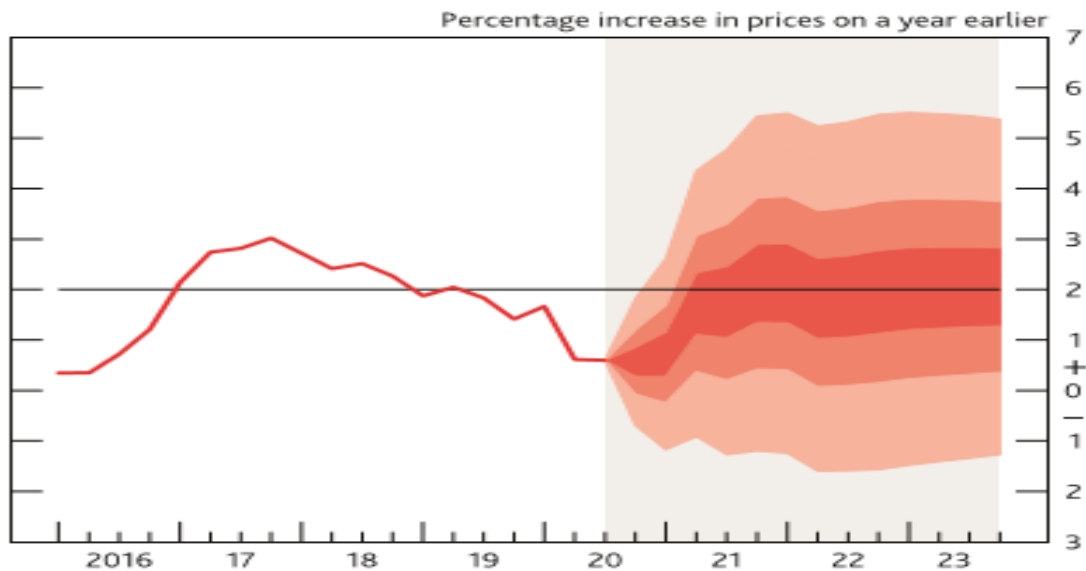


Source: ONS, OBR

- Between the period of 2017 and 2037 Bromley's overall population is expected to increase by 18.8% which includes an overall increase in 90s+ population of 124%.

6. Bromley's core funding has been reduced in real terms by 75% compared with 63% (England) over the course of the decade, with some limited respite for 2020/21 and 2021/22. The Government view new flexibilities including, for example, Adult Social Care Precept as a means to increase council tax to fund social care cost and demographic pressures
7. OBR predictions indicate CPI inflation expected to be at 1.2% in 2021/22 (Bank of England forecast of 2.1% from 2021/22) -RPIX tends to have a rate of up to 1% higher. The views of economic commentators vary on expected inflation levels. The Bank of England's inflation report (November 2020) provides the following projections for CPI inflation

Chart 1.5: CPI inflation projection based on market interest rate expectations, other policy measures as announced



Provisional Local Government Finance Settlement 2021/22

Some key headlines are summarised below:

Local Government Finance Review

- Fair Funding Review and Review of Business Rates was deferred to 2022/23 (has been deferred previously). Further decisions on reform may be taken in the context of next year's Spending Review (Fair Funding to be deferred even further)
- The Spending Review 2020 refers to 'the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year'. The Social Care Green Paper was originally due to be published in the summer of 2018.

Key headlines for 2021/22 (mainly non Covid) include:

- Council tax referendum limit of 2% plus adult social care precept of up to 3% - can have a council tax and ASC precept increase of 4.99% (before referendum limit) – ASC precept was a short term measure and the Government have allowed a further year;
- Additional funding for social care (£300m) – equates to £340k for Bromley and the Council received a lower allocation on the basis of the Council's ability to raise income through the ASC precept (higher the income the lower the direct funding provided);
- Inflation only increase in core funding settlement. An increase in core funding of £448k for Bromley;
- New Homes Bonus continues with no legacy payments (£707k) – monies set aside to support housing initiatives (earmarked reserve);
- Nationally £16m available to support local authorities' cyber security systems – details awaited;
- Continuation of funding for Troubled Families – allocation awaited;
- Better Care Fund expected to rise by 5.5% in line with NHS settlement – allocation awaited;
- The Improved Better Care Fund (iBCF) and Public Health Grant will continue at current levels (i.e. 'flat cash')
- The overall Schools budget will increase by £2.2bn in 2021-22 (Spending Review 2020), but there is no new funding beyond what was announced at last year's Spending Review.

For 2021/22 there will be extra support for Covid impact as follows:

- Additional £1.55bn (nationally) to meet additional cost pressures in 2021/22 re Covid – recognises a continuation of issues in 2021/22. This will be an unringfenced grant. An indicative allocation of £7.795m has been provided – the draft 2021/22 Budget assumes this one off grant may be needed to cover further costs from Covid in 2021/22;
- Funding of up to 75% for council tax and business rate losses (nationally £762m). Bromley originally estimated to lose up to £9m from Covid impact this year. Potential funding covers local tax 2020/21 losses only but these losses will be charged to the general fund over three years. For council tax losses only, the draft

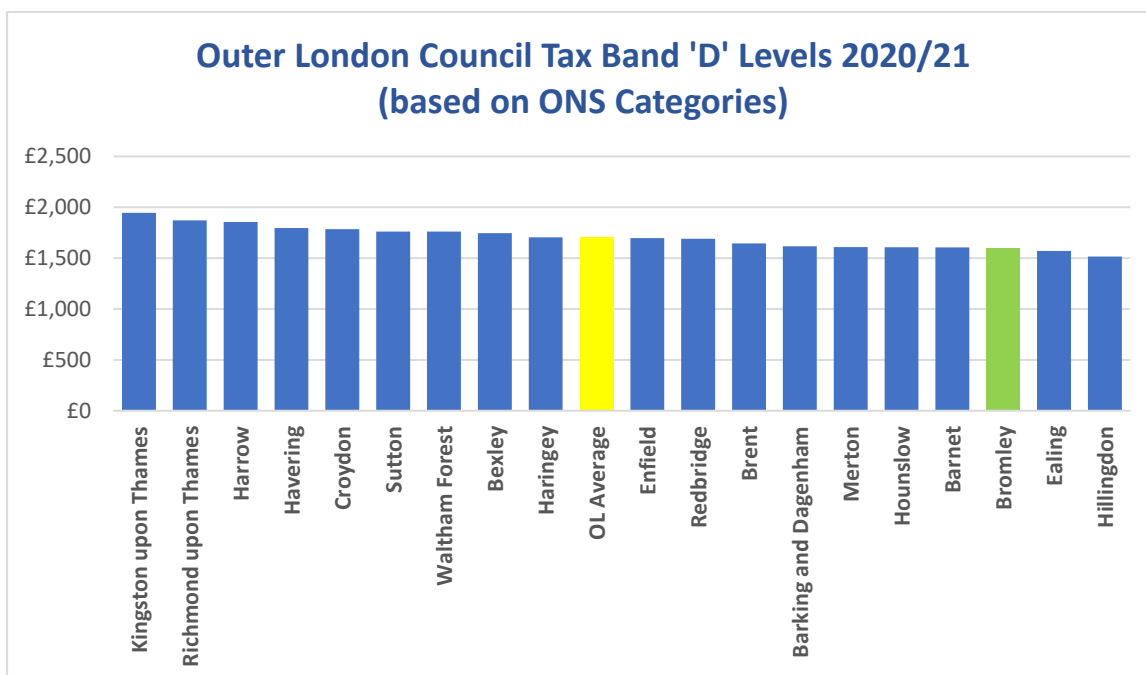
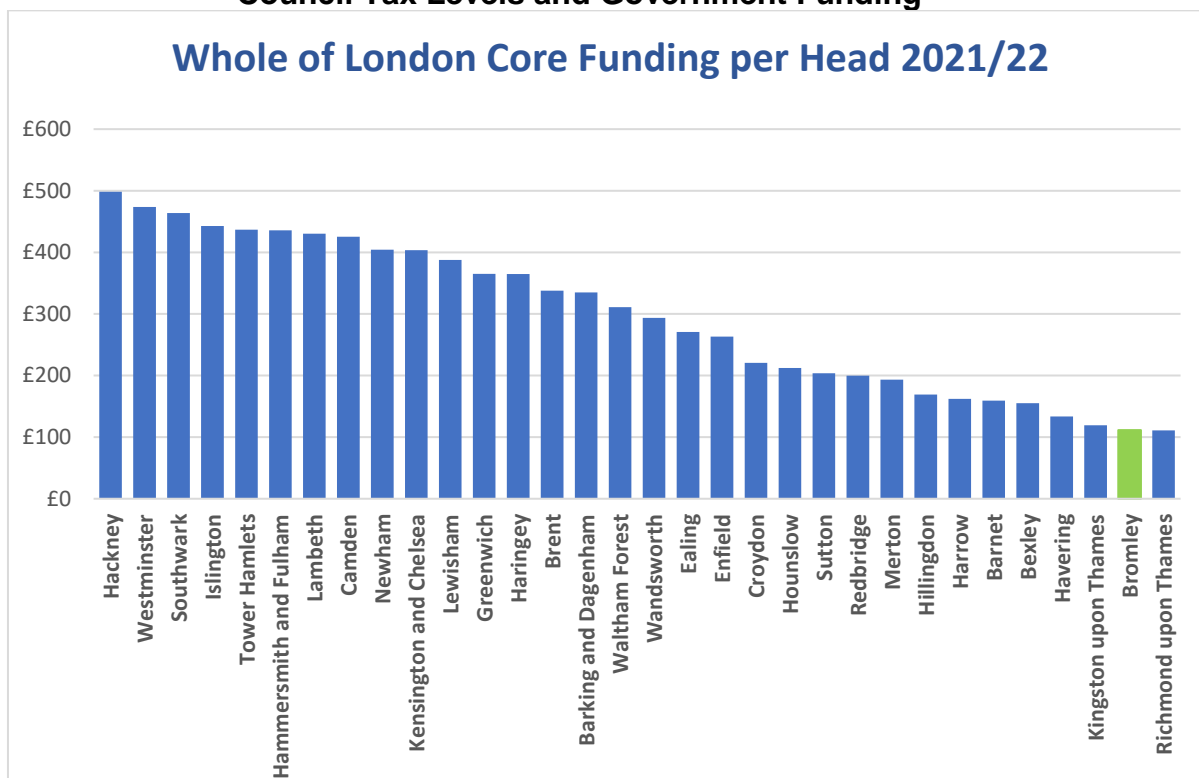
2021/22 Budget assumes net cost (after funding) of £548k per annum over three years;

- Additional funding towards increase in council tax support claimants (£670m) – indicative allocation of £2.3m (for 2020/21 there was Covid funding of £1.8m);
- Extend fees and charges funding support by a further three months (till end of June 2021) – potential £0.5m funding for Bromley;
- £254m of additional resources available for rough sleepers and those at risk of homelessness during Covid-19 period (includes £103m announced earlier in year for accommodation and substance misuse support) – unclear how much will form part of a bidding round rather than direct funding – additional £271k homelessness funding and other details awaited.

Other Issues

- PWLB borrowing rates to reduce for non-HRA funding (revert back to pre October 2019 levels);
- £70m national funding for additional school transport capacity;
- £1.7bn (nationally) for local roads maintenance (this includes £500m for potholes fund);
- £257m nationally for cycling (cycling routes);
- £621m nationally to regenerate high streets , town centres and communities through the Towns Fund (bidding round);
- There is funding available of £4bn for 'levelling up' which will invest in local infrastructure;
- A National Home Building Fund will be set up, worth £7.1 billion over the next four years;
- The Chancellor, as part of the Spending Review 2020, announced a pay freeze for most public sector workers (except NHS) and anyone earning less than £24,000 a year will get a minimum £250 increase.

Council Tax Levels and Government Funding



1. The above graphs illustrate that the Council has achieved a low council tax level despite low levels of Government funding. This has been achieved by retaining below average spending levels.
2. Using 2020/21 funding information, if Bromley's received the average grant funding for London, its annual income would increase by £64m.

**Financial Services**

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24th September 2020Email: richard.curtis@hmtreasury.gov.uk

Dear Sir/Madam

Comprehensive Spending Review Representation

The London Borough of Bromley welcomes the opportunity to provide comments in advance of the Spending Review 2020 which will clearly have an impact on the future Local Government Finance Settlement 2021/22. It is important that this response is considered in the wider context of historic local government funding cuts, increasing demand for our services and the longer-term impact of Covid-19 situation ('New Normal').

We welcomed the additional funding confirmed in the 2020/21 Local Government Final Settlement, following on from the 2019 Spending Round (SR19). The certainty on funding streams for 2020/21, with indications as early as September 2019, assisted in planning for this year's budget decisions. Although it provided a one-year settlement, with uncertainty remaining from 2021/22, it was a positive outcome.

In terms of meeting the budget challenges in future years, the Council faces significant cost pressures relating to homelessness, educational high needs, adults and children's social care, inadequately funded new burdens and the wider impact of the 'new normal' following the Covid-19 situation. There remains the issue of inadequate funding to address the impact of Covid-19 in the current year. Even if the level of government grant funding available to the Council no longer reduces, these cost pressures, partly linked to demographic changes, need to be funded which results in an ongoing need to address a significant 'budget gap' that cannot be met by council tax increases alone.

There is a national recognition that Social Services is underfunded. One of Bromley's high cost pressure relates to adult social care and it remains essential that a fundamental solution is found to address funding. The Prime Minister has recognised the need to address this and his comments, reported in the press on 14th January 2020, indicate that action will be taken to address the significant funding issue for social care. We welcome the Government's commitment to provide additional funding for the NHS. Rt. Hon. Matt Hancock, Secretary of State for Health and Social Care, had previously announced a commitment of £33.9 billion per annum by 2023/24 being given to the NHS and further funding for NHS buildings. It is well recognised that there is a high degree of interdependency between health and social care services and any lack of funding for social care could have a detrimental impact on the

NHS and vice versa. Funding solutions are required for social care to provide a whole systems solution which also includes children's social care.

Luke Hall, the Parliamentary Under-Secretary of State for Housing, on 5th February 2020 referred to the Government 'are committed to fixing the crisis in social care once and for all' ensuring we have a 'long term solution'. He also stated that 'it is absolutely true that councils face pressures on adult and children's care services'.

We are seeking a fair level of funding for Bromley, which provides recognition that we keep our costs low, reflects fairly the impact of a high proportion of elderly population and recognises the true financial impact of essential highways maintenance and repair in a borough with a large road network.

Key asks for the Spending Review 2020 and its associated impact on funding for Bromley are:

- It should result in a mechanism to reward more efficient authorities (e.g. financial incentives in the system);
- It should recognise or reward efficient, low cost authorities like Bromley - something we have repeatedly raised. We have kept council tax low despite continued low levels of funding. We have done this by keeping our costs low. The funding mechanism should include a factor that recognises below average cost authorities having a lesser reduction in SFA or some degree of 'protection' to lessen the impact on that basis;
- The negative revenue support funding adjustment is clearly not 'fit for purpose' and should continue to be removed if it is necessary for the existing funding formula to continue whilst the outcome of the Fair Funding Review is awaited;
- It needs to recognise higher London costs which impacts on service costs and the financial impact of need. Bromley has one of the lowest Area Cost Adjustments for the London area and this needs to be reviewed more closely to reflect that, for example, costs in Bromley are as high as the South West of London;
- It should recognise that authorities with a low-cost baseline should not have to face a higher proportion of cuts to funding as part of ongoing austerity and thus recognised/compensated in any future funding arrangements;
- Social Care responsibilities (Improved Better Care Fund) should be determined by adult social care formula (e.g. Bromley had lost significant additional funding as a result of the revised formula);
- We are experiencing increased pressures on our homelessness budgets through rising demand and higher costs. The impact of the benefit cap and LHA levels remaining low means that private rented accommodation is unaffordable for low-income households. Although we have been successful in developing innovative opportunities with external partners to deliver temporary accommodation to help meet increasing demand, this is still not enough. Government must consider how this serious and increasing pressure is managed and funded in the long term. The Spending Review outcome should recognise Bromley's (as well as a few other areas) cost pressures relating to homelessness;

- Bromley's population is expected to increase by more than the national average by 2030 - funding is currently not reallocated based on population growth and Bromley has a higher increase in over 65 years of age (18.9%) compared with rest of London (12.1%). Using GLA central estimates, between 2017 and 2037 over 65's are expected to increase by 44.4% and over 90's by 123.8% with an overall population increase of 18.8% during that period;
- Benefits data which is used in determining needs assessment does not reflect low level of take up (can it be adjusted to reflect lower take up compared with rest of country?) or the impact of higher housing costs in London. Measuring deprivation levels after housing costs gives a more realistic assessment of disposable income;
- The relative size of the Needs and Resource amounts are ultimately set by MHCLG on the basis of judgement - can some of the unique factors for Bromley be reflected in this to ensure low cost-efficient authorities are not penalised?
- Recognition of the medium and longer term impact of the impact of Covid-19 on local government costs (expected to increase) and income (expected to reduce). There would be further cost pressures arising from any recessionary impact on the economy from the Covid-19 situation. This has had a significant detrimental effect on the Councils budget challenges. We will also be seeking an adequate level of funding for the current year as we continue to have a funding gap in meeting the impact of Covid-19.

We request that the ring fencing of grant funding is changed to enable greater flexibility to ensure resources are allocated to reflect local needs and still meet national requirements. This includes education funding and various other grant funding. The national formula funding for education reduced flexibility of funding for special educational needs and, whilst the additional High Needs funding is welcomed, there remains medium and longer term potential costs being ultimately met by the council taxpayer rather than through schools funding. Extension of legal duties, without additional funding being provided, has increased the cost pressure for the high needs service. This is coupled with the anomaly where the council taxpayer is required to fund special educational needs transport costs of £5.6m per annum which should logically be funded through education funding as it is part of the overall SEN package of costs.

It is critical that Government recognise the underfunding of existing services, provide additional resources and remove restrictions that prevent local authorities from raising or spending their own resources. Rising demand, increasing costs and reduced funding cannot be sustained and we would urge government to use the opportunity afforded by the future Fair Funding review and move to 75% business rate retention locally (subject to business rate review) to fundamentally review the long term funding of local government and ensure we have the flexibility in place to make the best use of our resources for our residents.

New burdens doctrine was expected to be transparent in recognising and funding additional cost pressures for local authorities arising from changes in government policy. Some of the cost pressures include new burdens such as, for example, no recourse to public funds, automatic enrolment, various changes from the Social Work Act, extended support to care leavers to the age of 25 years old, the lifting of the public sector pay cap, indexation and equalization of guaranteed minimum pensions, deprivation of liberty, changes to national insurance costs, national living wage and, more recently, the Homelessness Reduction Act which have only been part funded. Many new burdens have not been adequately funded, if

at all. MHCLG have recognised some of the pressures on adult social care and provided some limited flexibility to use grant funding for children's social care as well as the continuation of the Adult Social Care Precept for 2020/21. However, the further cost pressures on children's social care and homelessness (consequence of welfare reform, impact of limiting local housing allowances and potential implications of universal credit) have not been fully recognised and have resulted in a significant additional cost burden which is not recognised by the funding provided.

Looking further ahead, Bromley would still face a period of significant uncertainty with the awaited Fair Funding Review, the move to 75 percent Business Rates Retention and the 2020 Spending Review which could represent a new 'cliff edge' in financial planning terms. We ask that the precedent of early sight of funding allocations that has been set by SR 19 be continued as far as possible next year. At the time of writing this letter, financial planning remains problematic as it remains unclear what level of funding the Council will receive which is essential to allow sufficient time to forward plan and consult on key budget decisions. Local authorities must by law have a balanced budget and Government funding remains a key determinant for the budget position facing the Council. We seek that early indications of funding are provided to enable the Council to plan budget decisions effectively. Even a minimum funding guarantee for next year, whilst the outcome of the Spending Review is unknown, is essential to make the right budget decisions and ensure we can achieve a balanced budget effectively.

We support the need for the future funding system to be less complex, transparent, provide certainty and be responsive to changes in demand. The key outcome needs to be adequate funding for the future sustainability of Bromley to meet the key services that matter to our residents and taxpayers. As the National Audit Office reported, as part of its Financial Sustainability of Local Authorities 2018 report, the Government 'must set out at the earliest opportunity a long-term financial plan for the (local government) sector that includes sufficient funding to address specific service pressures and secure the sector's future financial sustainability'.

Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure. Although recent Spending Round announcements are helpful, we need a sustainable medium-term settlement at next year's full Spending Review.

We have previously raised our concerns about the complexity and lack of transparency within the current local government finance system as well as the continued ring-fencing of some funding streams (including schools) which reduces flexibility to re-divert resources according to local priorities. We believe it is critical that these points are addressed as part of the future Fair Funding Review. It remains essential that any whole solution that provides a sustainable platform for the future includes resource equalisation and transitional arrangements.

Bromley's local MP's have highlighted concerns about an ongoing poor financial settlement for Bromley and the need for a fairer system that rewards efficient low-cost councils and provides a 'fairer' level of funding in recognition of the needs of residents and council taxpayers. Sir Bob Neil MP made comments in Parliament, following the 2020/21 Local Government Finance Settlement and referred to 'a well-run and efficient local authority such as Bromley' the need to 'build into the funding mechanism to reward local authorities that have a track record of being historically efficient and historically low-cost. Bromley is such an authority, but it loses out in consequence. As it has been efficient, any reduction made on a simple pro rata basis bears more heavily on it, because there is less slack.' We need a formula that is more 'nuanced in capturing those distinctions'. Gareth Bacon MP during the

same parliamentary debate, referred to 'we need to recognise and reward those local authorities that have delivered high-quality public services while continuing to make efficiencies, such as my own excellent London Borough of Bromley'. As a low grant funded borough, the current formula does not reflect the required assessment of need for our borough. There are some local authorities with high spend but this reflects a high level of historic government funding rather than the correct needs assessment. The outcome can result in high costs and inefficiency rather than spend levels matching true need - the opposite applies to Bromley. Apart from a fairer level of funding the Council is seeking that future funding arrangements reward/incentivise more efficient boroughs such as Bromley.

A combination of historic core grant reductions combined with new burdens not fully funded and increasing demand for services, immense pressure on adult and children's social care costs, rising population levels, the significant impact of homelessness pressures, meeting inflation costs and the ongoing impact of Covid-19 (i.e. 'New Normal') means it is becoming increasingly difficult to sustain the scale of funding reductions imposed on us. During the period 2010/11 to 2019/20 we have faced government core grant reductions of around £77m per annum. Prior to the outcome of the 2019 Spending Round, it would have reduced by 75% compared with 63% (London and England) in real terms over the course of the decade. Although the additional funding announced as part of SR19 was welcomed and represented the best settlement for 10 years, there remains uncertainty on funding levels for 2021/22 and beyond which makes medium and long term financial planning more problematic.

Bromley faced a four year "budget gap" of around £17m by 2023/24, following the 2020/21 Local Government Settlement but the ongoing costs pressures and the longer term impact of Covid 19 could result in the 'budget gap' doubling to £34m plus, a significant "budget gap" remains. London Councils and Local Government Association (at the national level) have reported that significant savings are required by local authorities to plug the funding gap which is not sustainable in the longer term without further significant funding. Examples of Bromley specific cost pressures (by no means comprehensive) are attached with this letter.

There were 1,335 statutory duties as at June 2011, identified by the National Audit Office. There has been no overall reduction in statutory duties to date despite overall significant funding reductions. This provides a greater challenge for a low-cost authority like Bromley. This highlights the importance of considering the full impact of any changes affecting local government. The Government should consider reviewing the role and duties of local government to match the potential resources available.

Bromley has managed its finances extremely efficiently despite having a low level of government funding and has managed to maintain a low council tax. Bromley has created a low-cost base through many pioneering measures taken including outsourcing on a large scale, transfer of housing stock, creation of leisure trust and relentless cost control. However, this provides a further challenge as our scope to achieve savings through efficiencies is significantly reduced compared with other high cost authorities.

In 2020/21, Bromley has the 2nd lowest level of settlement funding in the whole of London despite having the 6th highest population (excluding City of London). We are the largest London Borough in terms of geographical size, have the highest proportion of older people and the largest road network. The associated cost implications are not reflected in our settlement funding. If we received the average level of grant funding, our income would increase by £62.5m in 2020/21. Prior to the outcome of the 2019 Spending Round, it would have reduced by 75% compared with 63% (London and England) in real terms over the course of the decade. It is essential that MHCLG reflect an adjustment to the Council's

baseline funding position to address historic low funding levels in the future local government settlement, following the Spending Review 2020.

We acknowledge that the reform of business rates and Fair Funding review will provide opportunities to fundamentally review how local government is funded in the long term but the current system for funding local government is unsustainable. The next Spending Review needs to consider the funding requirements for local government to meet key services that matter to our residents and taxpayers and linked with the Fair Funding Review. There should not be an outcome that simply results in a redistribution of existing government funding without considering the impact of cost pressures and new burdens and the limitations in generating alternative income. While the future Fair Funding Review is a welcome opportunity to address the best method to distribute resources, there is no escaping the inadequacy of the resources it distributes when compared with the totality of demand - the Spending Review is a key opportunity to put local government on a sustainable footing. Local government has received a disproportionate share of funding reductions when compared with total public and departmental spending.

If central government is not prepared to increase the total of centrally allocated resources available, then it needs to give local government greater control over its own resources, enhance its range and mixture of revenue raising capabilities and remove ringfencing of remaining grant funding. There is a real opportunity to address this through the Government's Devolution and Recovery White paper.

Bromley has supported Government policy towards meeting austerity, seeking to generate economic growth through investing (contribution to UK PLC) and keeping public sector costs low whilst driving out more efficiency. We also have the highest proportion of schools converted to academies.

We welcomed the additional funding for 2020/21 as the first step towards a more sustainable financial settlement. If this year's Spending Review and future Fair Funding enables a more sustainable funding approach it would be welcomed and enable the Council to provide key services to its residents, support the Government's objectives and support the local economy with a resultant benefit on national economic growth which is key to providing revenues to Government to support services that matter to tax payers and council tax payers.

The Government previously introduced four-year funding which was welcomed but we now face a situation of significant uncertainty of funding for 2021/22 and beyond. There needs to be sufficient time to plan for 2021/22 and future years and a key consideration for financial planning is the level of Government funding available. As indicated earlier in this letter, any early indications of the likely settlement, or at least an early minimum funding guarantee whilst the outcome of the Spending Review is awaited would assist in financial planning and reducing financial uncertainty. It is important to recognise that no organisation of any size can be expected to operate efficiently without multiple years assurance about its level of income - this would include any government funding.

To allow for sufficient time to meet statutory council tax deadlines and our annual billing deadlines, it is important that the final 2021/22 Local Government Finance Settlement is published as early as possible to provide sufficient time to make key decisions which can be implemented before the beginning of the new financial year.

We recognise the difficulties the Government faces in predicting future economic activity with the impact of Covid-19 and Brexit to consider which will affect future fiscal revenues and the potential impact of a short-term recessionary period. The Government may need

more time to make more accurate future predictions and reducing uncertainty in forecasting three-year funding plans – we hope there would be greater certainty if it is delayed till the middle of next year. Given the need for an indication of funding for local government to enable budget decisions to be made in sufficient time we would recommend a ‘rollover plus’ commitment for a further year (2021/22) and the ‘plus’ covers providing funding for new burdens and demographic and other cost pressures.

Both Members and Officers remain keen to work with the Government to help find positive solutions that work for our residents and taxpayers to meet future service priorities in the shorter term as well as the longer term. Bromley Council appreciates the opportunity to contribute in advance of the Spending Review 2020.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Turner', with a large, sweeping initial 'P'.

Peter Turner
Director of Finance
London Borough of Bromley

Examples of Bromley Specific Cost Pressures – Please note that this list is by no means exhaustive

Children's Social Care Pressures

Current pressures are through a 24% increase of referrals coming into CSC, this could continue to increase, the nature of some of these referrals are 'high end' complex matters with safeguarding issues that need immediate response. Many of these families have never been known to us before.

This increase in volume flows upstream to our Safeguarding services where caseloads are increasing due to a bottleneck caused by the delay in care proceedings completing during the C19 period. This has meant the Court team that usually takes these 'cases' is relying upon other teams to carry a high percentage of the work which has a knock-on effect to CSC cases with children and their families.

Our predicted in care population of 315 has seen a steady rise to 330 despite success of Staying Together team.

Looking ahead with the uncertainty of C19, impact of reduced education since March, reduction of job opportunities and social activities, it is likely referral rates will remain or increase further as the pressure grows in individual households. As we know instances of Domestic Violence /abuse and mental ill health has increased nationally.

Special Educational Needs

Within the context of sustained exponential increase in requests for EHC needs assessments, EHC Plans and specialist placements, a range of areas continue to create significant challenge:

During the 2020 calendar year, the number of EHC Plans has increased from 2,499 in January to 2,740 in July (9.64%), with the rate of increase not abating. In particular there is an increase in EHC Plans for complex issues; behaviours that challenge, complex mental health, childhood trauma/neglect and social communication, which is impacting on the availability of placements. There is also an increase in EHC Plans for Children Looked After, again often with complex needs, frequently requiring an education placement at short notice. Placement budgets are also affected significantly by increasing numbers of Tribunal judgements that order costly independent and out of Borough placements and independent professionals reports (commissioned by parents) recommending provision that could only be delivered within a specialist or independent setting.

This increased demand is impacting on the sufficiency of placements at secondary transfer, in particular for complex SEMH needs, resulting in significant financial pressures. A Special free school has been approved to pre-opening status but will take 2-3 years until opening under the DfE-led capital scheme. Coupled with the direct impact of Covid-19 on services and the indirect pressures arising from heightened anxieties of families is creating a perfect storm of pressures that are unsustainable without continued increases in DSG High Needs funding.

Transport Cost Pressures

Government has made it clear that it is their intention to suspend Free Transport for Under-18s in London. Initially this was proposed to be from September 2020, it is now expected to be implemented from the October half term 2020.

Such a change will introduce significant operational and logistical challenges for London Councils. Bromley has 25,000+ school age children who had access to withdrawn free travel pass. Even if 70% of learners chose not to apply for free transport directly to the Council it could still be facing an influx of upward of 7500 transport applications to process and no current resource employed to carry out this specialist activity. Any introduction of transport assessments will require recruitment and investment in training and mapping/software systems and customer facing infrastructure to manage the volumes and data capture efficiently. It is unlikely this could be delivered in time for the changes to be implemented effectively in October but until a firm decision is taken by government/TfL and its impact on the London Boroughs is understood, this remains an area of significant risk to the Council and learners of Bromley. London Councils have not carried out these functions since they became obsolete by the introduction of the Free U18 travel in 2006. Taking on this new burden will not be possible without appropriate investment and suitable lead in time to allow for system and process development ahead of implementation.

Adult Social Care

There has to be a request about parity with health in the Spending Review. Health have had their debt written off, have been told that the money is there to fund whatever they need and most of the activity has fallen on us. It is estimated that the impact over 4 months is around £1m. There will be considerable further costs to support the market as it begins to creak and the fact that social care is generally underfunded and unsustainable.

Public Health

Covid related expenditures and uncertainty around future requirements, particularly in relation to the local contact tracing as outlined in our resource's requirement paper.

Other PH programmes and risks around it, particularly sexual health.

Other preventative programmes which we may need to fund such as obesity management as there is now clear evidence that obesity is the key risk factor for Covid and poor outcome of the infection

Housing

The increase in homelessness generally in addition to rough sleepers - particularly in light of Covid and the likely increase in evictions. This is exacerbated by delays in any new builds resulting from Covid placing more pressure on temporary accommodation. There needs to be a review of the grant we receive towards the cost of TA and homelessness and that this should be increased to help offset these increasing costs.

In addition, the benefit cap is one of our main barriers in getting accommodation and this needs to urgently be reviewed as it directly runs against our ability to increase homeless prevention work and assist families into settled accommodation.

Planning

The government has published a white paper entitled Planning for the Future.

In this document there is a lot of talk of supporting Local Planning Authorities with resources to digitise services and in other areas. It includes phrases like “We will develop a comprehensive resources and skills strategy for the planning sector to support the implementation of our reforms – so that, as we bring in our reforms, local planning authorities are equipped to create great communities through world-class civic engagement and proactive plan-making.”

None of this is in any detail at this stage, however it does appear that the government intends to support planning going forwards although it isn't clear how. If we are to move forwards digitally we would need substantial financial and technical support to do this, probably from the government.

Overall, this could be positive in financial terms, and some of the other measures proposed could simplify planning processes in the longer term, which could lead to a need for less resource within

Waste Services

There remains ongoing on budgets because of the growth in new homes each year in the borough which will continue to cause pressure on the waste budgets, which we will not be able to contain within existing budgets.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Bromley's Budget Requirement in 2020/21 (before funding from Formula Grant) @	207,409	207,409	207,409	207,409	207,409
Formula Grant and Business Rate Share	-40,426	-40,426	-40,426	-40,426	-40,426
	166,983	166,983	166,983	166,983	166,983
Changes in Government Core Funding		-448	-448	-448	-448
Cost pressures					
Increased costs (2.0% per annum)		5,588	11,262	17,117	23,113
		5,588	11,262	17,117	23,113
Reinstatement of highways maintenance (previously capitalised)		0	2,500	2,500	2,500
Total additional costs		5,588	13,762	19,617	25,613
Income/Savings					
Interest on balances		0	1,000	1,500	1,500
Release general provision in contingency for significant uncertainty/variables		-1,749	-3,749	-3,749	-3,749
Savings from children's social care linked to invest to save funding		-250	-250	-250	-250
Additional Funding for Social Care in Local Government Settlement 2021/22		-340	-340	-340	-340
Additional Homelessness Prevention Grant		-271	-271	-271	-271
Transformation Savings (full year effect of approvals in 2020/21)		-3,627	-5,942	-6,333	-6,409
Reduction in freedom pass costs to reflect reduced usage in 2020/21		-2,160	-3,312	-1,791	0
		-8,397	-12,864	-11,234	-9,519
Other changes					
Fall out of Contribution to Carbon Neutral Initiatives Fund		-875	-875	-875	-875
Real Changes and Other Variations		282	1,132	639	903
		-593	257	-236	28
COVID Funding					
Provision for additional cost pressures / increase losses (COVID in 2021/22)		7,795	0	0	0
Additional Government Funding towards these (see above)		-7,795	0	0	0
		0	0	0	0
Council Tax					
Increase in cost of Council Tax support to be funded by Government Grant		2,300	0	0	0
Government funding towards additional council tax support costs		-2,300	0	0	0
Estimated increase in council tax base		0	0	0	-750
		0	0	0	-750
Growth/Cost Pressures including mitigation (see Appendix 6)					
- Education		852	1,212	1,572	1,922
- Children's Social Care		2,752	2,249	2,866	3,394
- Adults Social Care		5,522	7,374	9,536	11,698
- Housing		1,735	253	-1,245	-1,701
- Environment		2,300	2,100	1,600	1,100
Building Maintenance		1,000	1,000	0	0
Reduction in investment property income		1,215	1,061	1,242	1,433
Part government funding for loss of fees and charges income (COVID)		-500	0	0	0
Total growth/cost pressures		14,876	15,249	15,571	17,846
Budget Requirement		178,009	182,939	190,253	199,753
2021/22 Council Tax Income	-166,983	-166,983	-166,983	-166,983	-166,983
Increase in council tax (assume 1.99% per annum)		-3,323	-6,712	-10,169	-13,694
Increase in Adult Social Care Precept (assume 3% per annum)		-5,009	-5,009	-5,009	-5,009
Budget Gap before use of collection fund surplus		2,694	4,235	8,092	14,067
Provision for unrecoverable council tax collection losses - COVID (allocated over 3 years)		2,191	2,191	2,191	0
Government funding for contribution towards losses @75% - COVID (allocated over 3 years)		-1,643	-1,643	-1,643	0
Collection Fund surplus 2019/20		-5,153	0	0	0
Collection Fund surplus 2019/20 to meet future years budget gap		1,911	0	-1,911	0
Collection fund 2018/19 set aside to meet future years budget gap		0	-2,700	-3,200	0
Projection of future years collection fund surplus		0	-2,000	-1,000	0
		-2,694	-4,152	-5,563	0
Revised Budget Gap		0	83	2,529	14,067

1) The above forecast assumes a council tax increase of 4.99% per annum in 2021/22 (including ASC precept) and 1.99% from 2022/23

2) Assumes continuation of the following income set aside as an earmarked reserve:

(a) In 2020/21 the Budget assumed that the one off money relating to iBCF due to fall out in 2020/21 was utilised to support hospital discharge costs impact on social care costs. As that funding is still available it is proposed that these monies continue to be set aside (£1.68m)

(b) New Homes Bonus monies are estimated at £707k and it is assumed that these monies will continue to be set aside for housing projects

3) The forecast above includes the outcome of the Provisional Local Government Settlement announced on 17th December 2020. There are various elements of funding still awaited including for example public health, better care fund, rough sleepers and troubled families funding.

GROWTH AND MITIGATION

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
SUMMARY					
GROWTH (excl DSG)	27,537	35,735	42,863	51,713	
MITIGATION	-12,661	-20,486	-27,292	-33,867	
NET	14,876	15,249	15,571	17,846	
					2020/21 original budget
	2021/22	2022/23	2023/24	2024/25	£'000
<u>CHILDREN'S SOCIAL CARE</u>					
<u>GROWTH</u>	£'000	£'000	£'000	£'000	£'000
FYE effect of 2020/21	1,255	1,255	1,255	1,255	18,390
Placements Growth Pressure	510	846	1,281	1,716	18,390
Growth in Special Guardianship Order (SGO)	250	500	750	1,000	1,290
Staffing Pressures	548	548	548	548	20,630
Transformation savings delay	390	0	0	0	-390
Post Ofsted Investment Cost taken from transformation (as per 2020/21)	250	0	0	0	-250
Children's Safeguarding Board	50	50	50	50	20
Youth Offending Team (YOT) Security	50	50	50	50	0
	3,303	3,249	3,934	4,619	
<u>MITIGATION</u>					
Leaving Care numbers impact of not being on UASC rota	-60	-43	-111	-268	6,252
Step Down	-166	-333	-333	-333	0
Independent Fostering Agency (IFA) Conversions	-26	-26	-26	-26	4,947
Additional in house foster carers	-78	-156	-156	-156	4,947
Unblock Court proceedings to take children from care	-221	-442	-442	-442	18,390
	-551	-1,000	-1,068	-1,225	
<u>NET GROWTH</u>	2,752	2,249	2,866	3,394	
					2020/21 original budget
	2021/22	2022/23	2023/24	2024/25	£'000
<u>EDUCATION - DSG</u>					
<u>GROWTH</u>	£'000	£'000	£'000	£'000	£'000
Placements including post 16	5,800	10,850	15,900	20,950	79,506
Teachers pay/pension grant to high needs included in additional high needs grant	750	750	750	750	182
Home and Hospital/Hearing Units demand growth	400	400	400	400	1,648
Posts funded temporarily by DSG to permanent	92	92	92	92	68
Posts funded from SEN Reform grant to core DSG funding	100	100	100	100	0
SEN Project Manager	41	41	41	41	42
Other activities funded through SEN reform grant no longer funded	49	49	49	49	0
Children's OT EHC assessment	100	100	100	100	0
AP pump priming	265	189	0	0	0
	7,597	12,571	17,432	22,482	
<u>MITIGATION</u>					
Estimated b/forward of DSG	0	0	0	0	0
Alternative Provision savings on service delivery	0	-221	-379	-398	-79,506
Additional high needs grant announced/estimated	-5,200	-9,650	-14,100	-18,550	-79,506
Additional high needs grant for additional pupil numbers	-500	-1,000	-1,500	-2,000	-79,506
DSG held back as contingency now released	-1,100	-1,100	-1,100	-1,100	1,100
Free special school	0	0	-167	-362	0
Mitigation to be identified	-797	-600	-186	-72	0
Estimated c/forward of DSG	0	0	0	0	0
	-7,597	-12,571	-17,432	-22,482	
<u>NET GROWTH *</u>	0	0	0	0	
					2020/21 original budget
	2021/22	2022/23	2023/24	2024/25	£'000
<u>EDUCATION - RSG</u>					
<u>GROWTH</u>	£'000	£'000	£'000	£'000	£'000
SEN Transport additional demand and retender costs	300	600	900	1,200	4,923
Post funded from iBCF no longer funded	96	96	96	96	0
Decrease in Central DSG allocation	50	100	150	200	360
Education, Health & Care Plan (EHCP) Coordinator	287	287	287	287	1,313
Additional Education Psychologist and market pay	85	95	105	105	613
CYP Engagement Officer	34	34	34	34	0
	852	1,212	1,572	1,922	
<u>NET GROWTH</u>	852	1,212	1,572	1,922	

* Not included within impact on general fund -£500k remains in base budget (to be reviewed)

	2021/22	2022/23	2023/24	2024/25	2020/21 original budget
ADULT SOCIAL CARE					
GROWTH	£'000	£'000	£'000	£'000	£'000
Assessment & Care Management - FYE of 2020/21 overspend	1,339	1,339	1,339	1,339	22,253
Learning Disabilities - FYE of 2020/21 overspend	2,191	2,191	2,191	2,191	36,506
Mental Health - FYE of 2020/21 overspend	832	832	832	832	7,211
Assessment & Care Management - Memory And Cognition Growth	210	420	630	840	7,921
Fall out of one-off iBCF (carry forward from 2019/20)	1,500	1,500	1,500	1,500	1,500
National Living Wage	100	1,000	1,900	2,800	67,652
Ongoing Impact of COVID	1,400	1,400	1,400	1,400	0
Learning Disabilities Growth	1,262	2,524	3,786	5,048	36,506
	8,834	11,206	13,578	15,950	
MITIGATION					
Controlling Memory and Cognition	-210	-420	-630	-840	7,921
Increase Uptake In Shared Lives	-170	-480	-480	-480	36,506
Implementation of savings previously deferred	-1,000	-1,000	-1,000	-1,000	43,717
Support for young disabled people in transition from childhood to adulthood	-150	-150	-150	-150	36,506
VCS Support to promote independence of people with learning difficulties	-348	-348	-348	-348	36,506
Strengths based provision from out of borough providers for adults with LD	-434	-434	-434	-434	36,506
Real increase in Better Care Funding (above inflation)	-500	-500	-500	-500	-22,026
Further use of Better Care Fund	-500	-500	-500	-500	-22,026
	-3,312	-3,832	-4,042	-4,252	
NET GROWTH	5,522	7,374	9,536	11,698	
HOUSING					
GROWTH	£'000	£'000	£'000	£'000	£'000
Placements	1,404	2,321	3,023	3,725	14,877
2020/21 transformation savings rephased (250 modular homes)	800	533	0	0	14,877
2020/21 transformation savings rephased (reduction in bad debts)	250	0	0	0	175
Recurring funding for Finance post/IT systems for HRA and housing developments	82	82	82	82	0
	2,536	2,936	3,105	3,807	
MITIGATION (excluded from Transformation savings)					
York Rise Modular Units	0	-89	-89	-89	14,877
Additional PRS lettings	-15	-15	-15	-15	14,877
400 New Builds/Acquisition & Refurbishment	0	-1,100	-2,200	-2,933	14,877
Property Purchase Phase 2 (400 properties)	-786	-1,479	-2,046	-2,471	14,877
	-801	-2,683	-4,350	-5,508	
NET GROWTH	1,735	253	-1,245	-1,701	
ENVIRONMENT					
GROWTH	£'000	£'000	£'000	£'000	£'000
Reduction in Car parking Income	2,200	2,000	1,500	1,000	7,452
Ongoing impact of Covid-19 on waste disposal volumes	500	500	500	500	8,421
	2,700	2,500	2,000	1,500	
MITIGATION					
Snow clearing - exceptional years costs met from central contingency sum	-150	-150	-150	-150	408
Review of running costs - various budgets	-250	-250	-250	-250	26,281
	-400	-400	-400	-400	
NET GROWTH	2,300	2,100	1,600	1,100	
Investment Properties	£'000	£'000	£'000	£'000	£'000
Reduction in Income from Investment Properties	715	561	742	933	9,720
Potential reduction in income recovery/rent variations (COVID impact)	500	500	500	500	9,720
	1,215	1,061	1,242	1,433	
Building Maintenance (see report elsewhere on the agenda)	1,000	1,000	0	0	2,167
Part government funding for loss of fees and charges income (COVID)	-500	0	0	0	
TOTAL	14,876	15,249	15,571	17,846	

SUMMARY OF DRAFT 2021/22 REVENUE BUDGET - PORTFOLIO

2020/21 Final Budget £'000	Portfolio/Item	2021/22 Draft Budget £'000
85,837	Education	94,789
Cr 79,506	Less costs funded through Dedicated Schools Grant	Cr 87,281
6,331	Sub total	7,508
35,876	Childrens Social Care	38,416
69,416	Adult Care and Health	73,985
31,136	Environment & Community Services Portfolio	31,750
2,434	Public Protection and Enforcement	2,474
14,889	Renewal, Recreation and Housing	15,094
34,424	Resources, Commissioning & Contracts Management	34,473
1,870	Non Distributed Costs & Corporate & Democratic Core	1,888
196,376	Total Controllable Budgets	205,588
9,341	Total Non Controllable Budgets	11,443
Cr 853	Total Excluded Recharges	Cr 853
204,864	Portfolio Total	216,178
Cr 7,794	Reversal of Net Capital Charges	Cr 9,878
Cr 3,591	Interest on General Fund Balances	Cr 3,591
875	Contribution to Carbon Neutral Initiatives Fund	-
1,612	Contribution to Utilisation of New Homes Bonus for Housing	707
5,873	Utilisation of Prior Year Collection Fund Surplus/Set Aside	1,911
11,799	Central Contingency Sum	14,880
	Levies	
447	- London Pensions Fund Authority*	464
248	- London Boroughs Grants Committee	247
252	- Environment Agency *	262
309	- Lee Valley Regional Park *	321
214,894	Sub Total	221,501
Cr 40,426	Business Rate Retention	Cr 40,874
Cr 5,873	Collection Fund Surplus (previous years)	Cr 5,153
-	Collection Fund Losses (net of grant)	548
Cr 1,612	New Homes Bonus	Cr 707
166,983	Bromley's Requirement (excluding GLA)	175,315

* Final allocations awaited

DRAFT REVENUE BUDGET 2021/22

	Education, Children & Families	Adult Care & Health	Environment & Community Services	Public Protection and Enforcement	Renewal, Recreation & Housing	Resources, Commissioning & Contracts Management	Portfolio Total
	£000	£000	£000	£000	£000	£000	£000
Employees	32,988	16,147	6,727	2,500	9,047	15,605	83,014
Premises	932	295	7,075	39	469	4,754	13,564
Transport	6,135	266	145	39	52	29	6,666
Supplies and Services	41,439	3,077	6,794	215	2,347	5,932	59,804
Third Party Payments	66,201	111,505	33,429	1,132	24,348	15,427	252,042
Transfer Payments	5,844	8,450	-	-	103,397	9,676	127,367
Income	Cr 105,824	Cr 68,516	Cr 20,855	Cr 767	Cr 124,228	Cr 13,998	Cr 334,188
Controllable Recharges	Cr 1,791	2,761	Cr 1,565	Cr 684	Cr 338	Cr 1,094	Cr 2,711
Capital Charges/Financing	-	-	-	-	-	30	30
Total Controllable Budgets	45,924	73,985	31,750	2,474	15,094	36,361	205,588
Capital Charges/Financing	1,279	201	5,192	-	Cr 420	3,626	9,878
Repairs, Maintenance & Insurance	376	346	1,894	6	426	Cr 1,483	1,565
Property Rental Income	Cr 73	Cr 108	Cr 468	-	Cr 871	1,520	0
Not Directly Controllable Budgets	1,582	439	6,618	6	Cr 865	3,663	11,443
Recharges In	12,269	18,727	9,696	2,066	7,410	18,000	68,168
Total Cost of Service	59,775	93,151	48,064	4,546	21,639	58,024	285,199
Recharges Out	Cr 3,294	Cr 13,535	Cr 7,676	Cr 1,266	Cr 1,916	Cr 41,334	Cr 69,021
Total Net Budget	56,481	79,616	40,388	3,280	19,723	16,690	216,178

2021/22 CENTRAL CONTINGENCY SUM

£'000

General

Provision for Unallocated Inflation		3,501
General provision for risk/uncertainty		3,500
Provision for risk/uncertainty relating to volume and cost pressure		1,819
Increase in Cost of homelessness/impact of welfare reforms		1,825
Universal credit roll out - impact on claimant fault overpayment recoveries		750
Tackling Troubled Families Grant Expenditure		628
Tackling Troubled Families Grant Income	Cr	628
Growth for Waste services		587
Homeless Prevention funding	Cr	424
Set aside for Homeless Prevention Initiatives		424
Rough Sleeping Initiative - funding	Cr	104
Rough Sleeping Initiative		104
Adult Social Care Expenditure		210
Deprivation of Liberty		118
Planning appeals - changes in legislation		60
Property Valuation		100
Legal support - childcare and adults social care		170
Provision of agency workers contract saving	Cr	260
Provision for increase in National Living Wage		100
 <u>COVID Related Cost Pressures / Income Losses</u>		
Adult Placement growth - impact of COVID		1,400
Provision for potential loss in Car Parking income		1,000
Property income recovery/rent variations		500
Loss of fees and charges income - government funding	Cr	500
Additional cost pressures		7,795
Additional cost pressures - government funding	Cr	7,795
		<u><u>14,880</u></u>

There will be further changes to the Central Contingency to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget.

CHILDRENS, EDUCATION & FAMILIES PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
	Childrens Social Care				
1,426,769	Bromley Youth Support Programme	1,525,920	25,600	95,880	1,647,400
5,771,014	CLA and Care Leavers	6,252,370	78,360	603,460	6,934,190
919,468	Early Intervention and Family Support	1,177,540	43,710	1,770	1,223,020
16,925,529	Fostering, Adoption and Resources	16,807,640	183,400	861,130	17,852,170
3,843,714	Referral and Assessment Service	3,409,810	51,070	84,700	3,545,580
2,830,653	Safeguarding and Care Planning East	2,768,090	38,090	Cr 4,430	2,801,750
5,737,757	Safeguarding and Care Planning West	5,388,960	73,840	Cr 33,300	5,429,500
1,075,157	Safeguarding and Quality Improvement	Cr 1,453,740	31,290	405,010	Cr 1,017,440
38,530,063		35,876,590	525,360	2,014,220	38,416,170
	Education				
355,886	Access and Inclusion	156,340	34,900	Cr 31,060	160,180
Cr 348,696	Adult Education Centres	Cr 401,400	2,180	Cr 49,000	Cr 448,220
0	Early Years	0	0	0	0
10,273	Other Strategic Functions	716,520	20,150	86,870	823,540
Cr 42,707	Primary Schools	Cr 7,490	94,630	Cr 87,140	0
543,054	Schools & Early Years Commissioning and QA	715,280	233,730	Cr 219,340	729,670
Cr 1,235,961	Schools Budgets	Cr 1,490,260	Cr 791,490	746,100	Cr 1,535,650
0	Secondary Schools	0	31,660	Cr 31,660	0
8,206,485	SEN and Inclusion	6,597,460	331,060	770,250	7,698,770
36,440	Special Schools & Alternative Provision	Cr 30,180	150,740	Cr 120,560	0
74,065	Strategic Place Planning	103,300	4,650	Cr 1,080	106,870
7,815	Workforce Development & Governor Services	Cr 28,940	780	810	Cr 27,350
7,606,653		6,330,630	112,990	1,064,190	7,507,810
46,136,716	TOTAL CONTROLLABLE	42,207,220	638,350	3,078,410	45,923,980
8,817,183	TOTAL NON CONTROLLABLE	1,811,810	2,840	Cr 232,190	1,582,460
8,540,879	TOTAL EXCLUDED RECHARGES	8,692,890	0	281,740	8,974,630
63,494,777	PORTFOLIO TOTAL	52,711,920	641,190	3,127,960	56,481,070

CHILDRENS, EDUCATION & FAMILIES PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2021/22

Ref	VARIATION IN 2021/22		ORIGINAL	
	£'000	£'000	BUDGET 2020/21 £'000	
1	2020/21 BUDGET			
			52,712	
2	Increased Costs		641	
	Full Year Effect of Allocation of Central Contingency			
3	SEN Transport	<u>363</u>	363	4,923
	Movements Between Portfolios/Departments			
4	Learning Disabilities ex-ESFA recharge to Dedicated Schools Grant (DSG)	<u>15</u>	15	4,558
	Real Changes			
	<i>Savings identified for 2021/22 as part of the 2020/21 Budget process</i>			
5	Savings from CSC linked to invest to save funding	<u>Cr 250</u>	Cr 250	0
	<i>Growth</i>			
6	SEN Transport additional demand	300		4,923
7	Posts no longer funded from grant	96		0
8	Funding for Central Services Block	50		360
9	7 x EHCP Coordinator	287		1,313
10	Additional Ed Psychologist and market pay	85		613
11	CYP Engagement Officer	34		0
12	FYE of Placement in 2020/21	1,255		18,390
13	Placements Growth Pressure	510		18,390
14	Growth is SGO's	250		1,290
15	Staffing Pressures in CSC	548		20,630
16	Transformation savings delay	390		Cr 390
17	Post Ofsted Investment cost taken from Transformation	250		Cr 250
18	YOT Security	50		0
19	Childrens Safeguarding Board	<u>50</u>	4,155	20
	<i>Mitigation</i>			
20	Leaving Care numbers impact of not being on UASC rota	Cr 60		6,252
21	Step Down	Cr 166		0
22	IFA Conversions	Cr 26		4,947
23	Additional in house foster carers	Cr 78		4,947
24	Unblock Court proceedings to take children from care	<u>Cr 221</u>	Cr 551	18,390
	<i>Transformation Programme Savings</i>			
25	Continuation of Savings through the London Alliance framework	Cr 390		0
26	Training	Cr 14		135
27	Emergency Foster Placement	Cr 26		4,947
28	Contract Centres	Cr 64		504
29	SEND Transport	Cr 111		4,923
30	Adult Education Extra Income	<u>Cr 49</u>	Cr 654	Cr 401
31	Variations in Capital Charges		Cr 202	
32	Variations in Recharges		282	
33	Variations in Insurances		Cr 5	
34	Variations in Rent Income		Cr 25	
35	2021/22 DRAFT BUDGET		<u>56,481</u>	

CHILDRENS, EDUCATION & FAMILIES PORTFOLIO

Notes on Budget Variations in 2021/22

Ref	Comments
2	<p><u>Increased Costs (Dr £641k)</u> Inflation of Dr £641k has been allocated to budgets for 2021/22. An estimated rate of 1.5% has been applied to pay budgets and 1% to non-pay budgets.</p> <p><u>Full Year Effect of Allocation of Central Contingency</u></p>
3	<p><u>SEN Transport (Dr £363k)</u> Following on from the retender programme it was agreed by the Leader in April 2020 to fund the additional transport tender costs of £363k. The cost continues into future years.</p> <p><u>Movements Between Portfolios/Departments</u></p>
4	<p><u>Learning Disabilities ex-ESFA recharge to Dedicated Schools Grant (DSG) (Dr £15k)</u> The inflationary increase in the costs of ex-ESFA funded clients with Learning Disabilities in Adult Social Care is funded by an increased recharge to DSG.</p> <p><u>Real Changes</u></p> <p><i>Savings identified for 2021/22 as part of the 2020/21 Budget process</i></p>
5	<p><u>Savings from CSC linked to invest to save funding (Cr £250k)</u> As part of the package of growth approved in previous years as part of the post OFSTED (Office for Standards in Education, Children's Services and Skills) investment, several post's were only to be short term, resulting in a subsequent saving going forward. This links to No. 17 below.</p> <p><i>Growth</i></p>
6	<p><u>SEN Transport additional demand (Dr £300k)</u> Additional funding is required to support the increase in numbers pupils requiring and the costs of the SEN Transport Service.</p>
7	<p><u>Posts no longer funded from grant (Dr £96k)</u> 2 posts within the Education Service were temporarily funded from grant. The grant is no longer available and the posts are required</p>
8	<p><u>Funding for Central Services Block (Dr £50k)</u> There is an expected reduction in Central Dedicated Schools Grant (DSG) funding. The growth covers the loss of grant income and maintains the current service levels</p>
9	<p><u>7 x EHCP Coordinator (Dr £287k)</u> The requests for EHC Needs Assessments continue to increase significantly, together with the increase of EHC Plans that require resource to manage the statutory process. To meet our statutory duty, the local authority must seek to complete an assessment of need within 14 weeks and if agreed issue the EHC Plan within 20 weeks. The additional posts realise this and keep caseloads benchmarked to slightly above average</p>
10	<p><u>Additional Ed Psychologist and market pay (Dr £85k)</u> The requests for EHC Needs Assessments continue to increase significantly, together with the increase of EHC Plans that require resource to manage the statutory process. There is a greater demand for Education Psychologists and 1 additional post is required to meet this demand. In order to retain staff and avoid costly temporary/agency staff the pay structure will be more in line with the market and will therefore attract slightly higher costs.</p>
11	<p><u>CYP Engagement Officer (Dr £34k)</u> This role provides a single point of contact with IASS for children and young people to talk to about support at school or college and any extra help they need with your learning or training. For young people who are 16+, the CYP Support Officer can support the young person to make their own decisions as they prepare for adulthood.</p>

- 12 FYE of Placement in 2020/21 (Dr £1,255k)
The full year effect of 2020/21 pressures on Childrens Social Care is £1,255k. This has been reduced by management action expected to be taken
- 13 Placements Growth Pressure (Dr £510k)
Growth identified in children's placements. Increases in residential placements offset by reductions in the use of Independent Fostering Agencies, and increased use of in-house foster carers.
- 14 Growth in SGO's (Dr £250k)
Growth identified in children's social care in regard to the increase costs and use of Special Guardianship Orders
- 15 Staffing Pressures (Dr £548k)
To be able to meet the caseload promise vacancies cannot be held for any length of time. There was a vacancy factor within the service but this was not achievable whilst keeping the caseload promise and the challenge of 90% permanency, especially with Social Worker posts
- 16 Transformation savings delay (Dr £390k)
The expected benefit of joining the London Alliance has not materialised, mainly due to the COVID-19 pandemic. Savings expected in 2020/21 have not been as much as expected and it is proposed to delay the further implementation of savings for one year in order for the savings proposal to gain pace and begin to make more efficiencies. Links to No. 25 below
- 17 Post Ofsted Investment cost taken from Transformation (Dr £250k)
In the early stage's of the post Ofsted investment in Children's Social Care, it was anticipated that several posts would not be required in the longer term. Further into the journey, it has been established that these post's continue to be required on a permanent basis. This links to No. 5 above.
- 18 YOT Security (Dr £50k)
To continue the security presence at the YOT.
- 19 Childrens Safeguarding Board (Dr £50k)
Increase in funding for the Bromley Safeguarding Children Partnership Board. These costs are spread across Childrens, Education and Adults
- Mitigation*
- 20 Leaving Care numbers impact of not being on UASC rota (Cr £60k)
As Bromley is not accepting a high level of Unaccompanied Asylum Seeking Children, it is expected that costs relating to these children will reduce over time.
- 21 Step Down (Cr £166k)
Continuation of the savings by further utilising the Step Down programme team.
- 22 IFA Conversions (Cr £26k)
Conversion of current IFA carers to the in house foster carer service
- 23 Additional in house foster carers (Cr £78k)
Recruitment of additional in house foster carers above and beyond current budgeted levels
- 24 Unblock Court proceedings to take children from care (Cr £221k)
This assumes that the current blockage in the court system for children will be resolved and current costs will be reduced by children clearing the system and mostly being placed in SGO's
- Transformation Programme Savings*
- 25 Continuation of Savings through the London Alliance framework (Cr £390k)
It was expected that membership of the London Alliance would continue to deliver cost savings from placements made through Independent Fostering Agencies. Links to No. 16 above

- 26 Training (Cr £14k)
A saving will be made across training budgets through central monitoring of collective spend and improvements in procurement efficiency.
- 27 Emergency Foster Placement (Cr £26k)
Assuming a steady stream of placements across the financial year being able to be diverted from IFA's and offsetting the costs of retaining 3 emergency carers.
- 28 Contract Centres (Cr £64k)
Income generated from the reorganisation of the service and the selling of contact space to other authorities
- 29 SEND Transport (Cr £111k)
Changes to Personal Budgets and Independent Travel training initiatives
- 30 Adult Education Extra Income (Cr £49k)
Maximising and generating additional income

Variations in Capital Charges, Recharges & Rent Income

- 31 Variations in Capital Charges (Cr £202k)
The variation in capital charges is due to a combination of the following:
(i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;
(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.
(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.
These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.
- 32 Variations in Recharges (Dr £282k)
Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.
- 33 Variations in Insurance (Cr £5k)
Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.
- 34 Variations in Rent Income (Cr £25k)
This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Income £	Controllable Recharges £	Capital Charges/ Financing £	Total Controllable £
Childrens Social Care										
Bromley Youth Support Programme	1,970,870	140,770	33,060	215,940	101,510	0	Cr 691,820	Cr 122,930	0	1,647,400
CLA and Care Leavers	3,254,030	0	32,140	1,343,170	1,208,210	4,531,250	Cr 3,443,040	8,430	0	6,934,190
Early Intervention and Family Support	2,525,200	269,450	26,780	332,080	207,920	0	Cr 106,690	Cr 2,031,720	0	1,223,020
Fostering, Adoption and Resources	1,922,710	0	8,610	328,770	18,827,600	26,980	Cr 2,637,500	Cr 625,000	0	17,852,170
Referral and Assessment Service	3,316,850	0	6,150	169,610	8,000	44,970	0	0	0	3,545,580
Safeguarding and Care Planning East	2,146,200	0	7,790	186,520	426,480	34,760	0	0	0	2,801,750
Safeguarding and Care Planning West	3,253,580	0	18,050	19,820	1,554,120	1,205,320	Cr 164,990	Cr 456,400	0	5,429,500
Safeguarding and Quality Improvement	2,641,040	0	10,030	1,051,620	21,730	0	Cr 4,214,150	Cr 527,710	0	Cr 1,017,440
	21,030,480	410,220	142,610	3,647,530	22,355,570	5,843,280	Cr 11,258,190	Cr 3,755,330	0	38,416,170
Education										
Access and Inclusion	1,833,870	0	82,930	633,140	726,720	0	Cr 166,810	Cr 2,949,670	0	160,180
Adult Education Centres	1,330,570	162,190	1,380	240,760	0	1,120	Cr 2,184,240	0	0	Cr 448,220
Early Years	0	0	0	0	0	0	0	0	0	0
Other Strategic Functions	157,310	0	820	995,230	151,910	0	Cr 117,770	Cr 363,960	0	823,540
Primary Schools	0	0	0	12,053,910	0	0	Cr 357,710	Cr 11,696,200	0	0
Schools & Early Years Commissioning and QA	1,707,060	80,570	6,000	1,001,320	21,421,290	0	Cr 870,380	Cr 22,616,190	0	729,670
Schools Budgets	0	0	0	215,640	0	0	Cr 87,820,800	86,069,510	0	Cr 1,535,650
Secondary Schools	0	0	0	5,949,480	0	0	Cr 2,297,660	Cr 3,651,820	0	0
SEN and Inclusion	6,606,550	278,720	5,900,940	510,040	21,526,730	0	Cr 646,030	Cr 26,478,180	0	7,698,770
Special Schools & Alternative Provision	0	0	0	16,135,980	0	0	Cr 63,230	Cr 16,072,750	0	0
Strategic Place Planning	289,190	0	0	39,390	0	0	0	Cr 221,710	0	106,870
Workforce Development & Governor Services	33,470	0	160	16,090	18,480	0	Cr 40,850	Cr 54,700	0	Cr 27,350
	11,958,020	521,480	5,992,230	37,790,980	43,845,130	1,120	Cr 94,565,480	1,964,330	0	7,507,810
	32,988,500	931,700	6,134,840	41,438,510	66,200,700	5,844,400	Cr 105,823,670	Cr 1,791,000	0	45,923,980

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£
Childrens Social Care								
Bromley Youth Support Programme	102,000	54,310	Cr 65,800	90,510	482,570	2,220,480	Cr 65,760	2,154,720
CLA and Care Leavers	0	8,650	0	8,650	519,440	7,462,280	0	7,462,280
Early Intervention and Family Support	123,000	16,240	0	139,240	533,060	1,895,320	Cr 15,440	1,879,880
Fostering, Adoption and Resources	0	3,830	0	3,830	1,903,350	19,759,350	0	19,759,350
Referral and Assessment Service	0	9,260	0	9,260	514,170	4,069,010	Cr 110,230	3,958,780
Safeguarding and Care Planning East	0	4,280	0	4,280	308,930	3,114,960	0	3,114,960
Safeguarding and Care Planning West	0	36,850	Cr 7,210	29,640	612,990	6,072,130	0	6,072,130
Safeguarding and Quality Improvement	0	3,620	0	3,620	1,087,930	74,110	0	74,110
	225,000	137,040	Cr 73,010	289,030	5,962,440	44,667,640	Cr 191,430	44,476,210
Education								
Access and Inclusion	0	3,970	0	3,970	638,520	802,670	Cr 566,410	236,260
Adult Education Centres	150,000	77,150	0	227,150	364,660	143,590	Cr 2,970	140,620
Early Years	0	0	0	0	38,160	38,160	Cr 38,160	0
Other Strategic Functions	0	10,030	0	10,030	425,130	1,258,700	Cr 451,910	806,790
Primary Schools	504,000	94,090	0	598,090	2,870	600,960	Cr 57,870	543,090
Schools & Early Years Commissioning and QA	0	29,870	0	29,870	525,710	1,285,250	Cr 76,800	1,208,450
Schools Budgets	0	0	0	0	1,498,330	37,320	Cr 0	37,320
Secondary Schools	0	3,290	0	3,290	830	4,120	Cr 4,120	0
SEN and Inclusion	11,000	14,080	0	25,080	1,685,930	9,409,780	Cr 827,570	8,582,210
Special Schools & Alternative Provision	389,000	6,500	0	395,500	1,057,950	1,453,450	Cr 1,064,410	389,040
Strategic Place Planning	0	360	0	360	57,800	165,030	Cr 7,790	157,240
Workforce Development & Governor Services	0	90	0	90	10,330	16,930	Cr 4,590	21,520
	1,054,000	239,430	0	1,293,430	6,306,220	15,107,460	Cr 3,102,600	12,004,860
	1,279,000	376,470	Cr 73,010	1,582,460	12,268,660	59,775,100	Cr 3,294,030	56,481,070

ADULT CARE & HEALTH PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
	Adult Social Care				
20,785,066	Assessment and Care Management	22,253,080	445,090	1,103,000	23,801,170
0	Carers	0	890	Cr 7,300	Cr 6,410
120,885	Direct Services	148,590	17,990	0	166,580
36,120,523	Learning Disabilities Services	36,506,380	416,880	1,727,820	38,651,080
7,050,399	Mental Health Services	7,210,560	78,940	723,000	8,012,500
927,786	Quality Assurance & Safeguarding	1,532,890	22,860	Cr 1,530	1,554,220
65,004,659		67,651,500	982,650	3,544,990	72,179,140
	Programmes Division				
Cr 59,810	Better Care Fund	Cr 26,350	Cr 148,370	148,370	Cr 26,350
0	Improved Better Care Fund	Cr 210,000	0	0	Cr 210,000
0	Information & Early Intervention	0	35,640	Cr 28,340	7,300
2,354,326	Programmes Team	2,141,520	34,220	0	2,175,740
2,294,516		1,905,170	Cr 78,510	120,030	1,946,690
	Public Health				
Cr 139,080		Cr 140,570	0	0	Cr 140,570
67,160,095	TOTAL CONTROLLABLE	69,416,100	904,140	3,665,020	73,985,260
Cr 1,120,650	TOTAL NON CONTROLLABLE	302,480	1,580	135,290	439,350
4,864,747	TOTAL EXCLUDED RECHARGES	5,389,760	0	Cr 197,910	5,191,850
70,904,192	PORTFOLIO TOTAL	75,108,340	905,720	3,602,400	79,616,460

ADULT CARE & HEALTH PORTFOLIO
SUMMARY OF BUDGET VARIATIONS 2021/22

Ref	VARIATION IN 2021/22		ORIGINAL
	£'000	£'000	BUDGET 2020/21 £'000
1	2020/21 BUDGET		
			75,108
2	Increased Costs		906
	Movements Between Portfolios/Departments		
3	Learning Disabilities ex-ESFA recharge to Dedicated Schools Grant (DSG)	Cr	15
	Real Changes		
	<i>Growth & Mitigation identified for 2021/22 as part of the 2020/21 Budget Process</i>		
4	Increase uptake of the Shared Lives service	Cr	170
5	Assessment & Care Management - Memory & Cognition growth		210
6	Assessment & Care Management - Memory & Cognition mitigation	Cr	210
7	Fall out of one off Improved Better Care Fund (IBCF) income (carry forward from 2019/20)		1,500
			<u>1,330</u>
			1,500
	<i>Other Real Changes</i>		
8	Social Care Grant increase	Cr	340
	<i>Growth</i>		
9	Mental Health - FYE of 2020/21 overspend		832
10	Learning Disabilities - 2021/22 growth		1,262
11	Assessment & Care Management - FYE of 2020/21 overspend		1,339
12	Learning Disabilities - FYE of 2020/21 overspend		<u>2,191</u>
			5,624
	<i>Mitigation</i>		
13	Implementation of savings previously deferred	Cr	1,000
14	Better Care Fund grant	Cr	1,000
15	Strengths based provision from out of borough providers for adults with Learning Disabilities	Cr	434
16	Voluntary and Community Sector (VCS) support to promote independence of people with learning difficulties	Cr	348
17	Support for young people with disabilities in transition from childhood to adulthood	Cr	<u>150</u>
		Cr	2,932
	<i>Transformation Programme Savings</i>		
18	Training	Cr	2
19	Variations in Capital Charges		66
20	Variations in Recharges	Cr	198
21	Variations in Insurances	Cr	5
22	Variations in Rent Income		74
23	2021/22 DRAFT BUDGET		<u>79,616</u>

ADULT CARE & HEALTH PORTFOLIO

Notes on Budget Variations in 2021/22

Ref Comments

2 Increased Costs (Dr £906k)

Inflation of £906k has been allocated to budgets for 2021/22. An estimated rate of 1.5% has been applied to pay budgets and 1% to non-pay budgets.

Movement Between Portfolios / Departments / Divisions

3 Learning Disabilities ex-ESFA recharge to Dedicated Schools Grant (DSG) (Cr £15k)

The inflationary increase in the costs of ex-ESFA funded clients with Learning Disabilities in Adult Social Care is funded by an increased recharge to DSG.

Real Changes

Growth & Mitigation identified for 2021/22 as part of the 2020/21 Budget Process

4 Increase uptake of the Shared Lives service (Cr £170k)

Shared Lives is a cost effective service and the expansion of the scheme will both help to mitigate cost pressures and care for service users in a supportive setting where a high level of independence is maintained. Recurrent savings of Cr £360k were included in the 2020/21 budget so this increase of Cr £170k takes the total to Cr £530k per year.

5/6 Assessment & Care Management - Memory & Cognition (Cr £210k & Dr £210k)

Funding is required to offset the increase in support required by service users with memory & cognition impairment, however this will need to be offset by an equivalent level of savings, resulting in a net nil change to the budget.

7 Fall out of one off IBCF income (carry forward from 2019/20) (Dr £1,500k)

The 2020/21 budget included a carry forward of unspent Improved Better Care Fund money from previous years. This was non-recurrent and falls out for 2021/22.

Other Real Changes

8 Social Care Grant increase (Cr £340k)

The Social Care Grant allocation for 2021/22 has been increased by £340k.

Growth

9 Mental Health - full year effect of the 2020/21 overspend (Dr £832k)

The full year effect of the 2020/21 overspend on Mental Health services is £832k and this has been funded in the 2021/22 budget.

10 Learning Disabilities - 2021/22 Growth (Dr £1,262k)

There are demand-related pressures on the Learning Disabilities budget in 2021/22 arising mainly from transition clients and increased client needs and complexity. This is mitigated by activities outlined at references 4, 13, 14, 15 and 16.

11 Assessment & Care Management - full year effect of the 2020/21 overspend (Dr £1,339k)

The full year effect of the 2020/21 overspend on services for service users requiring Physical Support, Sensory Support, or Support with Memory and Cognition is £1,339k and this has been funded in the 2021/22 budget.

12 Learning Disabilities - full year effect of the 2020/21 overspend (Dr £2,191k)

The full year effect of the 2020/21 overspend on Learning Disabilities services is £2,191k and this has been funded in the 2021/22 budget.

Mitigation

13 Implementation of savings previously deferred (Cr £1,000k)

Working with health to minimise people's long term reliance on services and increasing contributions.

- 14 Better Care Fund grant (Cr £1,000k)
Use of unallocated Better Care Fund (BCF) grant to mitigate pressures in Adult Social Care from the ongoing increase in BCF allocations for 2020/21 and 2021/22 above inflation assumptions.
- 15 Strengths based provision from out of borough providers for adults with learning disabilities (Cr £434k)
Targeted work will be undertaken with some out of borough residential service providers to develop strengths based practice in providers with support from care managers. This will impact on independence levels and associated costs of residential care.
- 16 Voluntary and Community Sector (VCS) support to promote independence of people with learning difficulties (Cr £348k)
The maximisation of VCS support for adults with a learning disability, along with work on strengths based practice, will support and promote increased independence and a reduction in support required.
- 17 Support for young people with disabilities in transition from childhood to adulthood (Cr £150k)
Investment in support planning for young people who will require support as adults will create sustainable services and partly mitigate the demand-related growth pressures for adult social care services.

Transformation Programme Savings

- 18 Training (Cr £2k)
A saving will be made across training budgets through central monitoring of collective spend and improvements in procurement efficiency.

Variations in Capital Charges, Recharges & Rent Income

- 19 Variations in Capital Charges (Dr £66k)
The variation in capital charges is due to a combination of the following:
(i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;
(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.
(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.
These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.
- 20 Variations in Recharges (Cr £198k)
Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.
- 21 Variations in Insurances (Cr £5k)
Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.
- 22 Variations in Rent Income (Dr £74k)
This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

ADULT CARE & HEALTH PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable
	£	£	£	£	£	£	£	£	£	£
Adult Social Care										
Assessment and Care Management	8,208,580	188,420	37,630	2,071,130	40,490,090	4,044,390	Cr 16,387,250	Cr 14,851,820	0	23,801,170
Carers	0	0	0	0	90,280	0	0	Cr 96,690	0	Cr 6,410
Direct Services	1,424,040	100	72,030	90,690	42,020	0	Cr 496,630	Cr 965,670	0	166,580
Learning Disabilities Services	1,444,410	106,390	138,950	Cr 504,890	41,791,140	4,238,000	Cr 4,114,450	Cr 4,448,470	0	38,651,080
Mental Health Services	87,170	0	0	Cr 109,000	8,760,320	167,190	Cr 885,510	Cr 7,670	0	8,012,500
Quality Assurance & Safeguarding	1,392,340	0	7,630	231,840	5,640	0	0	Cr 83,230	0	1,554,220
	12,556,540	294,910	256,240	1,779,770	91,179,490	8,449,580	Cr 21,883,840	Cr 20,453,550	0	72,179,140
Programmes Division										
Better Care Fund	0	0	0	0	7,651,330	0	Cr 23,630,980	15,953,300	0	Cr 26,350
Improved Better Care Fund	0	0	0	1,677,000	0	0	Cr 7,503,840	5,616,840	0	Cr 210,000
Information & Early Intervention	0	0	0	0	3,584,220	0	Cr 411,980	Cr 3,164,940	0	7,300
Programmes Team	2,213,070	0	4,870	38,010	236,980	0	Cr 106,000	Cr 211,190	0	2,175,740
	2,213,070	0	4,870	1,715,010	11,472,530	0	Cr 31,652,800	18,194,010	0	1,946,690
Public Health										
Public Health	1,377,280	0	4,500	Cr 417,570	8,853,430	0	Cr 14,978,990	5,020,780	0	Cr 140,570
	1,377,280	0	4,500	Cr 417,570	8,853,430	0	Cr 14,978,990	5,020,780	0	Cr 140,570
	16,146,890	294,910	265,610	3,077,210	111,505,450	8,449,580	Cr 68,515,630	2,761,240	0	73,985,260

ADULT CARE & HEALTH PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£
Adult Social Care								
Assessment and Care Management	31,000	182,400	Cr 81,760	131,640	7,436,990	31,369,800	Cr 2,794,830	28,574,970
Carers	0	0	0	0	92,000	85,590	Cr 84,700	890
Direct Services	0	4,360	0	4,360	0	170,940	Cr 69,010	101,930
Learning Disabilities Services	125,000	129,450	0	254,450	4,159,390	43,064,920	Cr 5,506,540	37,558,380
Mental Health Services	45,000	21,440	Cr 26,690	39,750	169,090	8,221,340	Cr 1,665,120	6,556,220
Quality Assurance & Safeguarding	0	2,650	0	2,650	55,200	1,612,070	Cr 1,107,390	504,680
	201,000	340,300	Cr 108,450	432,850	11,912,670	84,524,660	Cr 11,227,590	73,297,070
Programmes Division								
Better Care Fund	0	0	0	0	26,350	0	0	0
Improved Better Care Fund	0	0	0	0	0	Cr 210,000	0	Cr 210,000
Information & Early Intervention	0	0	0	0	153,040	160,340	Cr 160,340	0
Programmes Team	0	4,530	0	4,530	6,357,680	8,537,950	Cr 2,147,610	6,390,340
	0	4,530	0	4,530	6,537,070	8,488,290	Cr 2,307,950	6,180,340
Public Health								
Public Health	0	1,970	0	1,970	277,650	139,050	0	139,050
	0	1,970	0	1,970	277,650	139,050	0	139,050
	201,000	346,800	Cr 108,450	439,350	18,727,390	93,152,000	Cr 13,535,540	79,616,460

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
512,908	Transport Operations and Depot Management				
512,908	Transport Operations and Depot Management	731,050	8,950	Cr 100	739,900
		731,050	8,950	Cr 100	739,900
	Street Scene & Green Spaces				
739,197	Arboriculture Management	724,030	8,060	0	732,090
Cr 119,637	Business Support and Markets	Cr 83,460	350	0	Cr 83,110
1,307,199	Management and Contract Support	1,203,620	21,050	185,630	1,410,300
5,782,336	Parks and Green Spaces	5,716,110	59,780	Cr 50,900	5,724,990
5,468,867	Street Environment	5,678,490	57,390	Cr 51,980	5,683,900
196,003	Street Regulation	223,370	3,160	0	226,530
17,714,517	Waste Services	17,775,570	179,190	558,930	18,513,690
31,088,482		31,237,730	328,980	641,680	32,208,390
	Traffic, Parking & Highways				
6,718,823	Highways (Including London Permit Scheme)	6,392,000	63,510	Cr 203,960	6,251,550
Cr 7,874,944	Parking	Cr 7,504,970	42,710	Cr 115,450	Cr 7,577,710
191,350	Traffic & Road Safety	279,980	4,270	Cr 156,550	127,700
Cr 964,771		Cr 832,990	110,490	Cr 475,960	Cr 1,198,460
30,636,619		31,135,790	448,420	165,620	31,749,830
4,960,020	TOTAL NON CONTROLLABLE	6,182,020	13,370	423,090	6,618,480
2,479,664	TOTAL EXCLUDED RECHARGES	2,398,750	0	Cr 379,020	2,019,730
38,076,303	PORTFOLIO TOTAL	39,716,560	461,790	209,690	40,388,040

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2021/22

Ref		VARIATION IN 2021/22		ORIGINAL
		£'000	£'000	BUDGET 2020/21 £'000
1	2020/21 BUDGET			39,717
2	Increased Costs			462
	Movements Between Portfolios/Departments			
3	TFM Energy Management		Cr 57	1,684
	Real Changes			
	<i>Other Real Changes</i>			
4	Absorption of Inflation Increase for NRSWRA Income	10		Cr 1,051
5	Increase in Waste Collection Costs to reflect growth in number of properties	43		7,670
6	Increase in Residual Waste Disposal Costs to reflect growth in number of properties	45		8,421
7	Increase in Recyclate Waste Disposal Costs to reflect growth in number of propertie	19		1,385
8	Absorption of Inflation Increase on Recyclates Income	9	126	Cr 1,319
	<i>Growth</i>			
9	Increase in Residential Waste Disposal Volumes	500		8,421
10	Reduction in Car Parking Income	<u>1,200</u>	1,700	Cr 7,452
	<i>Mitigation</i>			
11	Snow Clearing in Exceptional Years	Cr 150		408
12	Review of Running Costs	<u>Cr 250</u>	Cr 400	26,281
	<i>Transformation Programme Savings</i>			
13	Civic Centre Car Park - Savings from the introduction of ANPR	Cr 29		Cr 1,138
14	Introduction of a Moving Traffic Contravention Scheme from 2021/22	Cr 1,173		Cr 3,680
15	Training	<u>Cr 2</u>	Cr 1,204	17
16	Variations in Capital Charges			370
17	Variations in Recharges		Cr 379	
18	Variations in Insurances			36
19	Variations in Rent Income			17
20	2021/22 DRAFT BUDGET		<u><u>40,388</u></u>	

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO

Notes on Budget Variations in 2021/22

Ref Comments

2 Increased Costs (Dr £462k)

Inflation of £462k has been allocated to budgets for 2021/22. An estimated rate of 1.5% has been applied to pay budgets and 1% to non-pay budgets.

Movements Between Portfolios/Departments

3 TFM Energy Management (Cr £57k)

Full year effect of reallocation of energy budget from Place Department to Chief Executives Department in 2020/21 identified as a saving in the energy contract award reported to the Executive in October 2020.

Real Changes

Other Real Changes

4 Absorption of Inflation Increases for NRSWRA Income (Dr £10k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As NRSWRA are statutory fees set by the Government, inflation has been absorbed as part of the budget setting process.

5 Increase in Waste Collection Costs to reflect growth in number of properties (Dr £43k)

The refuse and recycling collection contract is based on the number of residential premises rather than bins or volumes collected. The additional costs reflect the anticipated increase in new properties in 2021/22.

6 Increase in Residual Waste Disposal Costs to reflect growth in number of properties (Dr £45k)

The additional costs for the waste disposal contract reflect the anticipated increase in tonnage of residual waste generated from new properties in 2021/22.

7 Increase in Recyclate Waste Disposal Costs to reflect growth in number of properties (Dr £19k)

The additional costs for the waste disposal contract reflect the anticipated increase in tonnage of recyclate waste generated from new properties in 2020/21.

8 Absorption of Inflation Increase on Recyclates Income (Dr £9k)

Inflation applied to sale of recyclates which is not inflated via contract (relates to market indices)

Growth

9 Increase in Residential Waste Disposal Volumes (Dr £500k)

One ongoing impact of Covid-19 has been a significant increase in the amount of waste collected from residential properties due to more people remaining at home. While it is anticipated that volumes will start to decrease once working patterns and the economy returns to some level of normality, an allowance has been made to reflect a step change in the number of people that work from home on a more regular basis.

10 Reduction in Car Parking Income (Dr £1,200k)

Use of car parks and on street parking spaces has been severely affected by Covid-19 restrictions on town centres and changes to working patterns, with levels of income at one point down by up to 95%. While there was some recovery over the summer months, parking use and income did not return to levels normally expected. While it is difficult to predict future activity at this time, this reduction in the income budget target reflects a gradual recovery in income lasting into the next financial year and potentially beyond.

Mitigation

11 Snow Clearing in Exceptional Years (Cr £150k)

The winter service budget has been set historically at a level to meet increased demands of snow clearance and road gritting even in exceptional years. This adjustment sets the budget at a level which more closely reflects actual annual costs of all but the most severe winter snow events. Any excess costs in these years will be met from Central Contingency.

12 Review of Running Costs (Cr £250k)

A review of recurring underspending budgets in recent years has identified a number which can be reduced without affecting the the operation or delivery of the Portfolio's services.

Transformation Programme Savings

13 Introduction of ANPR in the Civic Centre Car Park (Cr £29k)

This saving reflects the implementation of the automated number plate recognition parking solution at the Civic Centre multi-storey care park that was agreed in August 2019.

14 Introduction of a Moving Traffic Contravention Scheme (Cr £1,173k)

Implementation of this scheme was approved by the Executive in September 2020. The saving in the first year assumes that enforcement will commence on 1st October with the one-off installation costs met from the anticipated additional income. The full year net additional income is estimated at £3.1m.

15 Training (Cr £2k)

A saving will be made across training budgets through central monitoring of collective spend and improvements in procurement efficiency.

Variations in Capital Charges, Recharges & Rent Income

16 Variations in Capital Charges (Dr £370k)

The variation in capital charges is due to a combination of the following:

- (i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;
 - (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.
 - (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.
- These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

17 Variations in Recharges (Cr £379k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

18 Variations in Insurance (Dr £36k)

Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.

19 Variations in Rent Income (Dr £17k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable
	£	£	£	£	£	£	£	£	£	£
Transport Operations and Depot Management										
Transport Operations and Depot Management	371,000	270,110	22,020	131,890	0	0	Cr 55,120	0	0	739,900
	371,000	270,110	22,020	131,890	0	0	Cr 55,120	0	0	739,900
Street Scene & Green Spaces										
Arboriculture Management	172,930	104,750	9,700	444,710	0	0	0	0	0	732,090
Business Support and Markets	249,840	12,710	710	181,630	0	0	Cr 528,000	0	0	Cr 83,110
Management and Contract Support	1,407,460	0	5,940	36,900	0	0	0	Cr 40,000	0	1,410,300
Parks and Green Spaces	125,080	4,101,050	6,830	56,260	1,866,400	0	Cr 170,630	Cr 260,000	0	5,724,990
Street Environment	165,310	11,630	4,980	460,300	5,049,500	0	Cr 7,820	0	0	5,683,900
Street Regulation	200,560	0	14,890	11,080	0	0	0	0	0	226,530
Waste Services	232,970	34,180	19,190	146,120	24,279,240	0	Cr 6,141,410	Cr 56,600	0	18,513,690
	2,554,150	4,264,320	62,240	1,337,000	31,195,140	0	Cr 6,847,860	Cr 356,600	0	32,208,390
Traffic, Parking & Highways										
Highways (Including London Permit Scheme)	1,477,190	1,405,970	43,610	4,555,300	0	0	Cr 1,182,630	Cr 47,890	0	6,251,550
Parking	693,460	1,134,550	2,180	726,210	2,233,710	0	Cr 12,458,960	91,140	0	Cr 7,577,710
Traffic & Road Safety	1,631,270	0	15,410	43,130	0	0	Cr 310,720	Cr 1,251,390	0	127,700
	3,801,920	2,540,520	61,200	5,324,640	2,233,710	0	Cr 13,952,310	Cr 1,208,140	0	Cr 1,198,460
	6,727,070	7,074,950	145,460	6,793,530	33,428,850	0	Cr 20,855,290	Cr 1,564,740	0	31,749,830

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£
Transport Operations and Depot Management								
Transport Operations and Depot Management	33,000	120,100	Cr 18,450	134,650	472,340	1,346,890	Cr 1,339,120	7,770
	33,000	120,100	Cr 18,450	134,650	472,340	1,346,890	Cr 1,339,120	7,770
Street Scene & Green Spaces								
Arboriculture Management	0	421,240	0	421,240	113,540	1,266,870	Cr 584,830	682,040
Business Support and Markets	0	720	0	720	189,850	107,460	Cr 262,800	Cr 155,340
Management and Contract Support	0	2,670	0	2,670	259,200	1,672,170	Cr 1,175,930	496,240
Parks and Green Spaces	290,000	773,230	Cr 379,360	683,870	550,310	6,959,170	Cr 1,027,520	5,931,650
Street Environment	39,000	6,240	0	45,240	931,380	6,660,520	Cr 187,330	6,473,190
Street Regulation	0	550	0	550	71,210	298,290	Cr 446,670	Cr 148,380
Waste Services	20,000	550	0	20,550	3,662,250	22,196,490	Cr 2,469,170	19,727,320
	349,000	1,205,200	Cr 379,360	1,174,840	5,777,740	39,160,970	Cr 6,154,250	33,006,720
Traffic, Parking & Highways								
Highways (Including London Permit Scheme)	4,389,000	538,630	Cr 19,420	4,908,210	2,616,200	13,775,960	Cr 308,750	13,467,210
Parking	421,000	26,460	Cr 50,340	397,120	411,820	Cr 6,768,770	227,400	Cr 6,541,370
Traffic & Road Safety	0	3,660	0	3,660	417,390	548,750	Cr 101,040	447,710
	4,810,000	568,750	Cr 69,760	5,308,990	3,445,410	7,555,940	Cr 182,390	7,373,550
	5,192,000	1,894,050	Cr 467,570	6,618,480	9,695,490	48,063,800	Cr 7,675,760	40,388,040

PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
	Public Protection				
252,438	Community Safety	169,880	6,340	223,730	399,950
670,136	Mortuary & Coroners Service	574,290	5,740	0	580,030
1,676,209	Public Protection	1,556,190	30,790	Cr 228,730	1,358,250
2,598,783		2,300,360	42,870	Cr 5,000	2,338,230
	Emergency Planning				
133,026	Emergency Planning	133,740	1,890	0	135,630
133,026		133,740	1,890	0	135,630
2,731,809		2,434,100	44,760	Cr 5,000	2,473,860
317,996	TOTAL NON CONTROLLABLE	7,390	20	Cr 1,480	5,930
941,441	TOTAL EXCLUDED RECHARGES	973,350	0	Cr 172,680	800,670
3,991,246	PORTFOLIO TOTAL	3,414,840	44,780	Cr 179,160	3,280,460

PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2021/22

Ref		VARIATION IN 2021/22	ORIGINAL
		£'000	BUDGET
			2020/21
			£'000
1	2020/21 BUDGET		
			3,415
2	Increased Costs		45
	Movements Between Portfolios/Departments		
3	TFM Energy Management	Cr	5
4	Variations in Capital Charges	Cr	2
5	Variations in Recharges	Cr	174
6	Variations in Insurances		1
7	2021/22 DRAFT BUDGET		
			3,280

PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO

Notes on Budget Variations in 2021/22

Ref Comments

2 Increased Costs (Dr £45k)

Inflation of £45k has been allocated to budgets for 2021/22. An estimated rate of 1.5% has been applied to pay budgets and 1% to non-pay budgets.

Movements Between Portfolios/Departments

3 TFM Energy Management (Cr £5k)

Full year effect of reallocation of energy budget from Place Department to Chief Executives Department in 2020/21 identified as a saving outlined in the energy contract award reported to the Executive in October 2020.

Variations in Capital Charges, Recharges & Rent Income

4 Variations in Capital Charges (Cr £2k)

The variation in capital charges is due to a combination of the following:

(i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;

(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.

(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

5 Variations in Recharges (Cr £174k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

6 Variations in Insurance (Dr £1k)

Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.

PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Income £	Controllable Recharges £	Capital Charges/ Financing £	Total Controllable £
Public Protection										
Community Safety	457,620	0	4,880	34,290	94,590	0	Cr 367,140	175,710	0	399,950
Mortuary & Coroners	0	0	0	0	580,030	0	0	0	0	580,030
Public Protection	1,923,730	39,460	29,250	167,680	457,430	0	Cr 399,510	Cr 859,790	0	1,358,250
	2,381,350	39,460	34,130	201,970	1,132,050	0	Cr 766,650	Cr 684,080	0	2,338,230
Emergency Planning										
Emergency Planning	118,210	0	4,430	12,990	0	0	0	0	0	135,630
	118,210	0	4,430	12,990	0	0	0	0	0	135,630
	2,499,560	39,460	38,560	214,960	1,132,050	0	Cr 766,650	Cr 684,080	0	2,473,860

Service area	Capital Charges/ Financing £	Repairs, Maintenance & Insurance £	Property Rental Income £	Not Directly Controllable £	Recharges In £	Total Cost of Service £	Recharges Out £	Total Net Budget £
Public Protection								
Community Safety	0	1,370	0	1,370	795,900	1,197,220	Cr 72,700	1,124,520
Mortuary & Coroners	0	0	0	0	54,590	634,620	0	634,620
Public Protection	0	4,380	0	4,380	1,148,290	2,510,920	Cr 1,192,820	1,318,100
	0	5,750	0	5,750	1,998,780	4,342,760	Cr 1,265,520	3,077,240
Emergency Planning								
Emergency Planning	0	180	0	180	67,410	203,220	0	203,220
	0	180	0	180	67,410	203,220	0	203,220
	0	5,930	0	5,930	2,066,190	4,545,980	Cr 1,265,520	3,280,460

RENEWAL RECREATION AND HOUSING PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
	Recreation				
865,573	Culture	762,810	10,420	50,870	824,100
4,852,977	Libraries	4,794,250	46,740	Cr 170,000	4,670,990
110,437	Town Centre Management & Business Support	77,970	920	Cr 220	78,670
5,828,987		5,635,030	58,080	Cr 119,350	5,573,760
	Planning				
Cr 19,485	Building Control	75,180	3,430	Cr 400	78,210
Cr 135,128	Local Land Charges	Cr 128,780	180	0	Cr 128,600
1,231,244	Planning	1,658,370	31,460	16,040	1,705,870
1,076,631		1,604,770	35,070	15,640	1,655,480
	Operational Housing				
0	Enabling Activities	Cr 900	0	900	0
Cr 1,980,935	Housing Benefits	Cr 1,941,290	Cr 19,410	0	Cr 1,960,700
8,868,533	Housing Needs	8,365,500	91,340	328,410	8,785,250
887,923	Supporting People	1,018,720	10,180	Cr 520	1,028,380
179,039	Housing Improvement	207,100	4,940	Cr 200,000	12,040
7,954,560		7,649,130	87,050	128,790	7,864,970
14,860,179	TOTAL CONTROLLABLE	14,888,930	180,200	25,080	15,094,210
12,732,028	TOTAL NON CONTROLLABLE	Cr 1,212,480	Cr 4,330	351,650	Cr 865,160
6,242,400	TOTAL EXCLUDED RECHARGES	5,904,430	0	Cr 410,100	5,494,330
33,834,606	PORTFOLIO TOTAL	19,580,880	175,870	Cr 33,370	19,723,380

RENEWAL RECREATION AND HOUSING PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2021/22

Ref	VARIATION IN 2021/22		ORIGINAL BUDGET 2020/21
	£'000	£'000	£'000
1 2020/21 BUDGET		19,581	
2 Increased Costs		176	
Movements Between Portfolios / Departments			
3 TFM Energy Management	Cr	5	125
Real Changes			
<i>Savings identified for 2021/22 as part of the 2020/21 Budget process</i>			
4 250 Additional Modular Units for TA on Bromley Sites	Cr	800	14,877
5 Property purchase phase 2	Cr	786	14,877
6 Reduction in bad debt provision	Cr	250	175
7 Additional Prevention Work	Cr	85	14,877
8 Additional PRS Lettings	Cr	15	1,936
<i>Other Real Changes</i>			
9 Homelessness Prevention Grant increase	Cr	271	Cr 2,983
10 Libraries Contract Savings	Cr	155	4,190
11 Absorption of Inflation for Statutory Planning Fees		17	Cr 1,730
12 Churchill Theatre Community Arts Programme		41	0
<i>Growth</i>			
13 Recurring funding for Finance post/IT systems for HRA and housing developments		82	0
14 2020/21 transformation savings rephased (reduction in bad debts)		250	175
15 2020/21 transformation savings rephased (250 modular homes)		800	14,877
16 Housing Growth		1,403	14,877
<i>Transformation Programme Savings</i>			
17 Housing Improvement - Disabled Facilities Grant (DFG) Funding	Cr	200	207
18 Training	Cr	2	202
19 Variations in Capital Charges		374	
20 Variations in Recharges	Cr	410	
21 Variations in Insurances	Cr	22	
22 2021/22 DRAFT BUDGET		19,723	

RENEWAL RECREATION & HOUSING PORTFOLIO

Notes on Budget Variations in 2021/22

Ref Comments

2 Increased Costs (Dr £176k)

Inflation of £176k has been allocated to budgets for 2021/22. An estimated rate of 1.5% has been applied to pay budgets and 1% to non-pay budgets.

Movements Between Portfolios / Departments

3 TFM Energy Management (Cr £5k)

Full year effect of reallocation of energy budget from Place Department to Chief Executives Department in 2020/21 identified as a saving outlined in the energy contract award reported to the Executive in October 2020.

Real Changes

Savings identified for 2021/22 as part of the 2020/21 Budget process

4 250 Additional Modular Housing Units on Bromley sites (Cr £800k)

This is part of the estimated savings in the cost of placing Homeless clients in newly built modular homes compared with the current cost of placing them in nightly paid temporary accommodation and is in addition to the £800k saving included in the 2020/21 budget.

5 Property purchase phase 2 (Cr £786k)

Savings on temporary accommodation scheme budgets as a result of property acquisition schemes such as the Beehive scheme.

6 Reduction in Bad Debt Provision (Cr £250k)

There is expected to be a reduction to the annual increase in the Housing Bad Debt Provision, following the introduction of the new Housing Rent Accounts system that contains better credit control processes. This is in addition to the £250k reduction included in the 2020/21 budget.

7 Additional prevention work (Cr £85k)

Further increasing level of homelessness prevention and access to private rented accommodation to prevent/relieve housing pressures.

8 Additional PRS Lettings (Cr £15k)

The estimated savings in the cost of placing Homeless clients in current temporary accommodation properties compared with the cost in placing them in newly found properties in the Private Rented Sector.

Other Real Changes

9 Homelessness Prevention Grant increase (Cr £271k)

The Homelessness Prevention Grant replaces the previous Flexible Homelessness Support Grant and Homelessness Reduction Grant, with an increase in Bromley's allocation for 2021/22 of £271k.

10 Library contract savings (Cr £155k)

On 19 July 2017, Executive approved the award for the provision of library services to Greenwich Leisure Limited for 10 years from November 2017. This adjustment reflects the net additional savings for 2021/22, built into the forecast reported to Members in February 2018.

11 Absorption of inflation for statutory planning fees (Dr £17k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As planning fees are statutory and not set by the Council, inflation has been absorbed as part of the budget setting process.

- 12 Churchill Theatre Community Projects Contribution (Dr £41k)
The operators of the Churchill Theatre have been providing a community arts and outreach programme within the Borough at no cost to the Council. However, the impact of COVID-19 on income generation has meant that they are no longer able to continue this arrangement and consequently the Executive agreed to provide of £41k per annum for 3 years to fund this

Growth

- 13 Recurring funding for Finance post/IT systems for HRA and housing developments (Dr £82k)
Following the decision to reopen the Housing Revenue Account (HRA) and the increase in housing development work/acquisition schemes, there is a need for an additional finance post and an HRA financial model/IT system.
- 14 2020/21 transformation savings rephased (reduction in bad debts) (Dr £250k)
As a result of the impact of the COVID-19 pandemic, the further reduction in bad debts in reference 6 is not expected to be achieved during 2021/22 and has been rephased to 2022/23.
- 15 2020/21 transformation savings rephased (250 modular homes) (Dr £800k)
Due to delays in the development of housing sites, the additional saving in reference 4 is unlikely to be achieved during 2021/22 and has been rephased to 2022/23.
- 16 Housing Growth (Dr £1,403k)
The growth pressure on the temporary accommodation budgets is due to the increase in homelessness in the borough.

Transformation Programme Savings

- 17 Housing Improvement - Disabled Facilities Grant (DFG) Funding (Cr £200k)
Use of additional DFG Funding to support vulnerable home owners and tenants to help them remain safely in their own homes for longer, reduce the need for care assistance, reduce accidents in the home and hospital admissions and to facilitate hospital discharge.
- 18 Training (Cr £2k)
A saving will be made across training budgets through central monitoring of collective spend and improvements in procurement efficiency.

Variations in Capital Charges, Recharges & Rent Income

- 19 Variations in Capital Charges (Dr £374k)
The variation in capital charges is due to a combination of the following:
(i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;
(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.
(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.
These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.
- 20 Variations in Recharges (Cr £410k)
Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.
- 21 Variations in Insurance (Cr £22k)
Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.

RENEWAL RECREATION AND HOUSING PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable
	£	£	£	£	£	£	£	£	£	£
Recreation										
Culture	791,400	62,560	5,970	91,410	97,130	0 Cr	56,200	Cr 168,170	0	824,100
Libraries	116,560	282,410	0	196,400	4,075,620	0	0	0	0	4,670,990
Town Centre Management & Business Support	41,450	19,550	930	20,950	36,870	0 Cr	41,080	0	0	78,670
	949,410	364,520	6,900	308,760	4,209,620	0 Cr	97,280	Cr 168,170	0	5,573,760
Planning										
Building Control	778,950	0	6,040	85,000	0	0 Cr	791,780	0	0	78,210
Local Land Charges	165,010	0	100	11,940	0	0 Cr	305,650	0	0	Cr 128,600
Planning	3,221,450	3,120	20,720	271,870	16,490	0 Cr	1,827,780	0	0	1,705,870
	4,165,410	3,120	26,860	368,810	16,490	0 Cr	2,925,210	0	0	1,655,480
Operational Housing										
Enabling Activities	0	0	0	0	0	0	0	0	0	0
Housing Benefits	0	0	0	537,280	0	103,396,960 Cr	105,894,940	0	0	Cr 1,960,700
Housing Needs	3,502,670	101,820	14,100	1,127,900	19,093,580	0 Cr	15,170,990	116,170	0	8,785,250
Supporting People	0	0	0	0	1,028,380	0	0	0	0	1,028,380
Housing Improvement	429,730	0	4,130	4,070	0	0 Cr	139,960	Cr 285,930	0	12,040
	3,932,400	101,820	18,230	1,669,250	20,121,960	103,396,960 Cr	121,205,890	Cr 169,760	0	7,864,970
	9,047,220	469,460	51,990	2,346,820	24,348,070	103,396,960 Cr	124,228,380	Cr 337,930	0	15,094,210

RENEWAL RECREATION AND HOUSING PORTFOLIO
DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£
Recreation								
Culture	3,108,000	193,470	Cr 871,410	2,430,060	402,360	3,656,520	Cr 262,600	3,393,920
Libraries	356,000	142,740	0	498,740	108,420	5,278,150	Cr 61,680	5,216,470
Town Centre Management & Business Support	0	70	0	70	235,920	314,660	0	314,660
	3,464,000	336,280	Cr 871,410	2,928,870	746,700	9,249,330	Cr 324,280	8,925,050
Planning								
Building Control	0	1,430	0	1,430	291,170	370,810	Cr 112,440	258,370
Local Land Charges	0	460	0	460	186,100	57,960	0	57,960
Planning	0	7,570	0	7,570	2,157,390	3,870,830	Cr 1,331,780	2,539,050
	0	9,460	0	9,460	2,634,660	4,299,600	Cr 1,444,220	2,855,380
Operational Housing								
Enabling Activities	0	0	0	0	180,460	180,460	0	180,460
Housing Benefits	0	0	0	0	1,824,190	Cr 136,510	0	Cr 136,510
Housing Needs	102,000	76,830	0	178,830	1,757,290	10,721,370	Cr 147,930	10,573,440
Supporting People	0	0	0	0	0	1,028,380	0	1,028,380
Housing Improvement	Cr 3,986,000	3,680	0	Cr 3,982,320	267,460	Cr 3,702,820	0	Cr 3,702,820
	Cr 3,884,000	80,510	0	Cr 3,803,490	4,029,400	8,090,880	Cr 147,930	7,942,950
	Cr 420,000	426,250	Cr 871,410	Cr 865,160	7,410,760	21,639,810	Cr 1,916,430	19,723,380

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO**DRAFT REVENUE BUDGET 2021/22 - SUMMARY**

2019/20 Actual	Service Area	2020/21 Budget	Increased costs	Other Changes	2021/22 Draft Budget
£		£	£	£	£
	Financial Services				
734,189	Audit	785,140	12,190	Cr 230	797,100
242,016	Director of Finance and Other	237,640	3,390	0	241,030
2,355,383	Exchequer - Payments & Income	2,057,400	21,810	1,950	2,081,160
6,161,386	Exchequer - Revenue & Benefits	5,940,810	64,880	Cr 141,950	5,863,740
393,027	Financial Accounting	582,070	10,460	Cr 170	592,360
1,358,726	Management Accounting & Systems	1,677,830	24,330	Cr 190	1,701,970
11,244,727		11,280,890	137,060	Cr 140,590	11,277,360
	Corporate Services				
1,359,100	Democratic Services	1,463,490	16,030	Cr 20,260	1,459,260
381,015	Electoral	363,670	5,120	Cr 340	368,450
5,407,067	Information Systems and Telephony	5,517,990	57,910	Cr 330	5,575,570
2,325,950	Legal Services	1,920,690	28,820	182,640	2,132,150
157,124	Management and Other (Corporate Services)	141,390	2,360	19,950	163,700
494,441	Procurement & Data Management	522,740	8,310	Cr 630	530,420
10,124,697		9,929,970	118,550	181,030	10,229,550
	Contact Centre, Registrars and Human Resources				
980,837	Contact Centre	1,092,190	12,380	0	1,104,570
Cr 191,932	Registration of Birth Death and Marriage	Cr 114,000	1,250	0	Cr 112,750
1,839,092	HR	1,834,740	23,080	Cr 54,660	1,803,160
2,627,997		2,812,930	36,710	Cr 54,660	2,794,980
	Chief Executive				
193,707	Comms	195,900	2,890	Cr 80	198,710
754,640	Management and Other (C.Exec)	790,980	10,740	Cr 45,040	756,680
143,329	Mayoral	164,720	2,030	0	166,750
1,091,676		1,151,600	15,660	Cr 45,120	1,122,140
	PEOPLE DEPT				
	Strategy and Corporate Projects				
267,303	Commissioning	271,240	3,990	Cr 45,500	229,730
287,933	Learning & Development	416,910	5,150	Cr 58,540	363,520
1,831,762	Strategy Performance and Engagement	2,043,680	30,130	Cr 250	2,073,560
2,386,998		2,731,830	39,270	Cr 104,290	2,666,810
	PLACE DEPT				
	Total Facilities Management				
2,433,162	Admin Buildings & Facilities Support	2,459,400	24,660	0	2,484,060
372,230	Investment and Non-Operational Property	198,150	2,530	Cr 8,000	192,680
1,100,966	Strategic & Operational Property	1,162,500	11,610	0	1,174,110
357,855	TFM Client Monitoring Team	405,860	7,420	134,960	548,240
Cr 9,518,644	Investment Income	Cr 9,720,460	Cr 97,150	648,220	Cr 9,169,390
Cr 1,522,308	Other Rental Income - Other Portfolios	Cr 1,571,490	Cr 15,620	66,670	Cr 1,520,440
1,905,112	Repairs & Maintenance (All LBB)	2,166,510	21,110	1,000,000	3,187,620
Cr 4,871,627		Cr 4,899,530	Cr 45,440	1,841,850	Cr 3,103,120
	CENTRAL ITEMS				
3,081,044	CDC & Non Distributed Costs	1,869,800	18,660	0	1,888,460
11,318,925	Concessionary Fares	11,416,140	228,210	Cr 2,159,870	9,484,480
14,399,969		13,285,940	246,870	Cr 2,159,870	11,372,940
37,004,437	TOTAL CONTROLLABLE	36,293,630	548,680	Cr 481,650	36,360,660
16,134,577	TOTAL NON CONTROLLABLE	2,228,970	590	1,479,310	3,708,870
Cr 23,835,711	TOTAL EXCLUDED RECHARGES	Cr 24,211,800	0	877,970	Cr 23,333,830
Cr 1,214,472	Less R & M allocated across other Portfolios	Cr 1,550,620	Cr 15,130	0	Cr 1,565,750
1,522,308	Less Rent allocated across other Portfolios	1,571,490	15,620	Cr 66,670	1,520,440
29,611,139	PORTFOLIO TOTAL	14,331,670	549,760	1,808,960	16,690,390

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2021/22

Ref	VARIATION IN		ORIGINAL BUDGET 2020/21 £'000
	2021/22		
	£'000	£'000	
1 2020/21 BUDGET		14,332	
2 Increased Costs		550	
Movements Between Portfolios/Departments			
3 TFM Energy Management		67	311
Real Changes			
<i>Other Real Changes</i>			
4 Concessionary Fares reduction	Cr 2,160		1,141
5 London Councils Subscription saving	Cr 17		177
6 TFM Energy Management Savings	Cr 70		311
7 Transforming Property Services (TFM)	130		0
8 Legal posts in Children & Adults Team	183		593
9 Discretionary Hardship Fund	<u>100</u>	Cr 1,834	100
<i>Growth and Mitigation</i>			
10 Investment Property Income	715		9,720
11 Building Maintenance	<u>1,000</u>	1,715	2,167
<i>Transformation Programme Savings</i>			
12 Exchequer Contract	Cr 200		7,998
13 Training	Cr 30		498
14 Staffing Savings	<u>Cr 200</u>	Cr 430	12,120
15 Variations in Capital Charges		1,478	2,148
16 Variations in Recharges		878	23,513
17 Variations in Insurances		1	79
18 Variations in Rent Income		Cr 67	9,720
19 2021/22 DRAFT BUDGET		<u>16,690</u>	

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO

Notes on Budget Variations in 2021/22

Ref Comments

Movements Between Portfolios/Departments

TFM Energy Management (Dr £67k)

- 3 Full year effect of reallocation of energy budget from Place Department to Chief Executives Department in 2020/21 identified as a saving outlined in the energy contract award reported to the Executive in October 2020

Real Changes

Other Real Changes

4 Concessionary Fares (Cr £2,160k)

Concessionary Fares costs are based on the previous two years' journey numbers, and in July 2020 it was communicated that significant savings in 2021/22 and 2022/23 were likely due to the reduced levels of travel as a result of the Covid-19 restrictions this year. A recent update to the figures suggest that savings will be in the region of £2.16m for Bromley in 2021/22.

5 London Councils Subscription reduction (Cr £17k)

An increase in the London Councils subscription had been anticipated but having received confirmation of no change on the charge for 2021/22 £17k has been taken as a saving.

6 TFM Energy Management Savings (Cr £70k)

Saving identified in the energy contract award report to the Executive in October 2020 as part of Energy Management programme.

7 Transforming Property Services (Dr £130k)

The Transforming Property Services report was approved by the Executive in July 2020 and will change the Council's approach to management of its corporate estate. The current TFM contract will transition a mixture of in-house and externally procured resources. £130k has been allocated to the TFM Client Team regarding additional posts and software licences as part of this programme. A further £255k has been budgeted to support the delivery of the property disposals project, however this will be funded by the anticipated capital receipts generated.

8 Legal posts in Children & Adults Team (Dr £183k)

Additional Legal resources of £183k were agreed by the Executive on 30 November 2020 for additional staff in the Children's & Adults Team to assist with ongoing increased caseloads.

9 Discretionary Hardship Fund (Dr £100k)

The Council Tax Support Hardship Fund provides discretionary council tax discounts for those needing extra help because of financial hardship or exceptional circumstances. This increase is to meet anticipated additional demand utilising funding set aside in the Central Contingency sum.

Growth and Mitigation

10 Income from Investment Properties (Dr £715k)

The underlying difficult market conditions are expected to persist. Although net investment property income is still expected to generate significant income of £9.2m in 2021/22, a budget adjustment of £715k is required. The property portfolio, which by nature consists of medium to long term investments, continues to be actively managed.

A large element of the Council's rental income is received from retail units and this class of asset has suffered significantly with little or zero growth as a result of the impact of the national downturn and by the impact of Covid-19. Many tenants are unable to meet their rent obligations and have sought assistance from the Council, the position is fluid in that the impact of the various lockdowns and placement of Tier structures has meant that tenants in some cases are unlikely to remain sustainable and rental income already invoiced remains uncollected. Given this level of uncertainty, additional allowance will be made in Central Contingency for potential further losses of income and write off of bad debts.

11 Building Maintenance (Dr £1,000k)

The annual report setting out the operational building maintenance budget and planned programme for 2021/22 also identifies additional significant works essential to maintain Health and Safety or statutory compliance, to prevent building closure, to ensure the Council's IT resilience or to safeguard staff. The cost of these initial works is estimated at £651k.

In addition, condition surveys have been instructed across the whole of the operational property portfolio and will provide a clearer picture of expenditure requirements over future years.

Consequently, the report requests additional budget provision of £1m in 2021/22, and a further £1m in 2022/23. This will be set aside in the earmarked reserve and drawn down to fund the initial works of £651k and as urgent need arises in order to complete further statutory or unavoidable works that are identified.

The first £1m contribution to the reserve is reflected in this Portfolio's repairs and maintenance budget for 2021/22.

Transformation Programme Savings

12 Exchequer Contract (Cr £200k)

This represents further savings on the Exchequer contract following the tendering exercise undertaken in 2019/20 and the award of the contract to Liberata from 1 April 2020.

13 Training (Cr £30k)

A saving will be made across training budgets through central monitoring of collective spend and improvements in procurement efficiency.

14 Staffing Savings (Cr £200k)

This represents the effect of staff savings drawn up during the course of 2020/21.

Variations in Capital Charges, Recharges & Rent Income

15 Variations in Capital Charges (Dr £1,478k)

The variation in capital charges is due to a combination of the following:

(i) Depreciation – the impact of revaluations or asset disposals in 2019/20 (after the 2020/21 budget was agreed) and in the first half of 2020/21;

(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in the 2021/22 Capital Programme that do not add value to the Council's fixed asset base.

(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2021/22 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

16 Variations in Recharges (Dr £878k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

17 Variations in Insurance (Dr £1k)

Insurance recharges to individual portfolios have changed between years, partly because an extra year of claims experience since the 2020/21 budget was finalised has been factored in. The overall variation across the Council is Dr £5k.

18 Variations in Rent Income (Cr £67k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO

DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Income £	Controllable Recharges £	Capital Charges / Financing £	Total Controllable £
Financial Services										
Audit	465,120	0	420	274,400	272,520	0	Cr 17,100	Cr 198,260	0	797,100
Director of Finance and Other	208,400	0	1,570	35,970	0	0	Cr 4,910	0	0	241,030
Exchequer - Payments & Income	254,550	0	490	28,430	1,906,990	0	Cr 109,300	0	0	2,081,160
Exchequer - Revenue & Benefits	403,000	0	1,910	915,690	5,602,460	201,000	Cr 1,260,320	0	0	5,863,740
Financial Accounting	534,670	0	200	316,460	0	0	Cr 131,570	Cr 157,400	30,000	592,360
Management Accounting & Systems	1,655,190	0	1,940	36,560	90,960	0	Cr 680	Cr 82,000	0	1,701,970
	3,520,930	0	6,530	1,607,510	7,872,930	201,000	Cr 1,523,880	Cr 437,660	30,000	11,277,360
Corporate Services										
Democratic Services	343,280	0	0	1,115,980	0	0	0	0	0	1,459,260
Electoral	317,820	0	500	55,390	0	0	Cr 5,260	0	0	368,450
Information Systems and Telephony	636,520	0	480	1,207,190	3,765,930	0	0	Cr 34,550	0	5,575,570
Legal Services	2,102,410	0	1,400	462,260	0	0	Cr 185,510	Cr 248,410	0	2,132,150
Management and Other (Corporate Services)	162,160	0	580	960	0	0	0	0	0	163,700
Procurement and Data Management	557,630	0	840	14,890	0	0	0	Cr 42,940	0	530,420
	4,119,820	0	3,800	2,856,670	3,765,930	0	Cr 190,770	Cr 325,900	0	10,229,550
Contact Centre, Registrars and Human Resources										
Contact Centre	157,290	0	0	116,710	908,690	0	0	Cr 78,120	0	1,104,570
HR	1,617,090	0	480	222,630	267,010	0	Cr 304,050	0	0	1,803,160
Registration of Birth Death and Marriage	492,290	0	250	32,940	0	0	Cr 638,230	0	0	Cr 112,750
	2,266,670	0	730	372,280	1,175,700	0	Cr 942,280	Cr 78,120	0	2,794,980
Chief Executive										
Comms	196,460	0	150	2,100	0	0	0	0	0	198,710
Management and Other (C.Exec)	569,630	0	800	186,250	0	0	0	0	0	756,680
Mayoral	95,860	1,220	16,350	53,320	0	0	0	0	0	166,750
	861,950	1,220	17,300	241,670	0	0	0	0	0	1,122,140
Strategy and Corporate Projects										
Commissioning	227,590	0	0	2,140	0	0	0	0	0	229,730
Learning & Development	426,760	0	0	29,900	0	0	Cr 93,140	0	0	363,520
Strategy Performance and Engagement	1,610,630	0	200	250,190	374,710	0	Cr 124,700	Cr 37,470	0	2,073,560
	2,264,980	0	200	282,230	374,710	0	Cr 217,840	Cr 37,470	0	2,666,810
Total Facilities Management										
Admin Buildings & Facilities Support	38,470	1,323,440	0	51,820	1,122,180	0	Cr 51,850	0	0	2,484,060
Investment and Non-Operational Property	45,000	66,650	0	245,460	200	0	Cr 164,630	0	0	192,680
Strategic & Operational Property	0	175,170	0	106,650	1,109,340	0	Cr 217,050	0	0	1,174,110
TFM Client Monitoring Team	599,290	0	590	157,610	5,750	0	0	Cr 215,000	0	548,240
Investment Income	0	0	0	0	0	0	Cr 9,169,390	0	0	Cr 9,169,390
Other Rental Income - Other Portfolios	0	0	0	0	0	0	Cr 1,520,440	0	0	Cr 1,520,440
Repairs & Maintenance (All LBB)	0	3,187,620	0	0	0	0	0	0	0	3,187,620
	682,760	4,752,880	590	561,540	2,237,470	0	Cr 11,123,360	Cr 215,000	0	Cr 3,103,120
Central Items										
CDC & Non Distributed Costs	1,888,460	0	0	0	0	0	0	0	0	1,888,460
Concessionary Fares	0	0	0	9,920	0	9,474,560	0	0	0	9,484,480
	1,888,460	0	0	9,920	0	9,474,560	0	0	0	11,372,940
Total	15,605,570	4,754,100	29,150	5,931,820	15,426,740	9,675,560	Cr 13,998,130	Cr 1,094,150	30,000	36,360,660

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO

DRAFT REVENUE BUDGET 2021/22 - SUBJECTIVE SUMMARY

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£
Financial Services								
Audit	0	2,520	0	2,520	198,850	998,470	Cr 929,390	69,080
Director of Finance and Other	0	90	0	90	232,220	473,340	Cr 478,300	Cr 4,960
Exchequer - Payments & Income	0	360	0	360	333,270	2,414,790	Cr 1,738,390	676,400
Exchequer - Revenue & Benefits	0	1,080	0	1,080	4,259,750	10,124,570	Cr 7,825,530	2,299,040
Financial Accounting	0	780	0	780	177,600	770,740	Cr 775,260	Cr 4,520
Management Accounting & Systems	1,315,000	3,150	0	1,318,150	832,280	3,852,400	Cr 2,482,310	1,370,090
	1,315,000	7,980	0	1,322,980	6,033,970	18,634,310	Cr 14,229,180	4,405,130
Corporate Services								
Democratic Services	0	1,070	0	1,070	756,190	2,216,520	Cr 1,822,890	393,630
Electoral	0	730	0	730	1,010,290	1,379,470	Cr 454,610	924,860
Information Systems and Telephony	1,895,000	2,850	0	1,897,850	226,660	7,700,080	Cr 7,639,550	60,530
Legal Services	0	3,550	0	3,550	556,740	2,692,440	Cr 2,536,000	156,440
Management and Other (Corporate Services)	0	150	0	150	106,930	270,780	Cr 251,070	19,710
Procurement and Data Management	0	1,690	0	1,690	202,040	734,150	Cr 739,910	Cr 5,760
	1,895,000	10,040	0	1,905,040	2,858,850	14,993,440	Cr 13,444,030	1,549,410
Contact Centre, Registrars and Human Resources								
Contact Centre	0	180	0	180	122,990	1,227,740	Cr 1,163,350	64,390
HR	0	7,160	0	7,160	665,030	2,475,350	Cr 2,355,140	120,210
Registration of Birth Death and Marriage	0	1,760	0	1,760	315,420	204,430	0	204,430
	0	9,100	0	9,100	1,103,440	3,907,520	Cr 3,518,490	389,030
Chief Executive								
Comms	0	910	0	910	67,700	267,320	Cr 271,130	Cr 3,810
Management and Other (C.Exec)	0	1,460	0	1,460	391,930	1,150,070	Cr 1,192,880	Cr 42,810
Mayoral	0	240	0	240	56,480	223,470	Cr 171,040	52,430
	0	2,610	0	2,610	516,110	1,640,860	Cr 1,635,050	5,810
Strategy and Corporate Projects								
Commissioning	0	720	0	720	169,030	399,480	Cr 449,610	Cr 50,130
Learning & Development	0	800	0	800	0	364,320	Cr 417,650	Cr 53,330
Strategy Performance and Engagement	0	3,340	0	3,340	249,100	2,326,000	Cr 2,047,600	278,400
	0	4,860	0	4,860	418,130	3,089,800	Cr 2,914,860	174,940
Total Facilities Management								
Admin Buildings & Facilities Support	227,000	1,339,680	Cr 3,750	1,562,930	420,590	4,467,580	Cr 3,536,640	930,940
Investment and Non-Operational Property	114,000	187,040	Cr 9,165,640	Cr 8,864,600	1,110,850	Cr 7,561,070	0	Cr 7,561,070
Strategic & Operational Property	75,000	71,360	0	146,360	224,120	1,544,590	Cr 1,430,000	114,590
TFM Client Monitoring Team	0	72,070	0	72,070	205,280	825,590	Cr 625,550	200,040
Investment Income	0	0	9,169,390	9,169,390	0	0	0	0
Other Rental Income - Other Portfolios	0	0	1,520,440	1,520,440	0	0	0	0
Repairs & Maintenance (All LBB)	0	Cr 3,187,620	0	Cr 3,187,620	0	0	0	0
	416,000	Cr 1,517,470	1,520,440	418,970	1,960,840	Cr 723,310	Cr 5,592,190	Cr 6,315,500
Central Items								
CDC & Non Distributed Costs	0	0	0	0	5,108,630	6,997,090	0	6,997,090
Concessionary Fares	0	0	0	0	0	9,484,480	0	9,484,480
	0	0	0	0	5,108,630	16,481,570	0	16,481,570
Total	3,626,000	Cr 1,482,880	1,520,440	3,663,560	17,999,970	58,024,190	Cr 41,333,800	16,690,390

RISK AREAS WITHIN CHILDREN, EDUCATION AND FAMILIES PORTFOLIO FOR 2021/22 ONWARDS

COVID Warning

Across Children Education and Families we have experienced significant challenges in terms of safeguarding the most vulnerable children - more children coming into care as families who were fragile have been unable to cope, in addition we have had younger children coming into public care through the courts where issues of parental mental health and substance misuse together with domestic violence has featured. For our children with disabilities with closure of the CCG short break provision where health staff were redeployed this has had a major impact on families who are managing the most complex children particularly when schools were initially closed in the first lockdown. We have been required to find specialist placements for complex children where their home situation is unable to be sustained due to their needs and these placements costs are at the high end.

Similarly, in Education the impact of health partners being unavailable had a significant impact particularly as we have seen an exponential increase in requests for EHC plans and increased risk in terms of commissioning and local placements. It remains a risk should health partners be diverted to pandemic efforts again.

We were concerned by the increased risk to vulnerable children, below social care threshold not attending school and acted quickly to establish a team to contact and support 1,900 children identified as potentially vulnerable by professionals. This significantly reduced the risk and enabled any safeguarding concerns to be rapidly escalated. In the event of any further lockdown or school closures, we are able to act of the lessons learned from this project.

Staffing remained highly resilient throughout the pandemic, with the vast majority adapting to work from home. Staff wellbeing has continued to be a priority, but this remains a risk area until the majority of staff can return to their usual place of work.

It is therefore very difficult to predict the ripple effect in the CEF division as we continue through this pandemic and the final outcome and impact on children and families and how far reaching this will be both in terms of wellbeing but also financial cost to the Local Authority.

Children's Social Care

Volume in referrals and workload:

The Bromley Children Project has continued to be flexible and extend further its reach to support families who are on the cusp of universal and targeted support. The service has continued to be innovative in supporting families through a myriad of online opportunities and face to face through C19 observing Public Health guidelines.

Despite C19 we continue with the challenge to reach out to the older age group in being able to support them before they enter statutory social care including work on disproportionality and how we can support our BAME community.

Initially in the first wave our referrals were suppressed but we have now seen the expected spike and those referrals coming into the MASH are very complex in terms of the assessments required which feature the emotional wellbeing of children and families together with the more identifiable areas of domestic violence and substance misuse.

We are now experiencing very high levels of contacts reaching nearly a 1000 per month to the MASH and we held 47 Strategy meetings during just one duty week. Due to the volume we have dip sampled cases and given assurance that the right children are being assessed the increase in younger children coming into care due to significant harm is a national picture and for Bromley many of these are families we have had not contact with before which is a changing picture and outcome of the impact of C19.

We currently have 100 children in proceedings in various stages and the courts are backlogged and working remotely which has slowed final decisions for children. Bromley has set up virtual courts and hair strand testing as the Civic to try to reduce this. However, this means that children are remaining in the system longer when in 'normal' circumstances may have been closed.

Recruitment of permanent staff:

Our key challenge continues to be the recruitment of permanent social workers to the agency placements we have. We have increased from 42% to the current figures of 85%% although this can fluctuate at any one time for a number of reasons, some of which being as simple as a house move or other LA's offering higher salaries in their quest to attract skilled social workers. We continue to hold conversion events and one was held on 9th November to ensure that even during C19 we are trying to recruit permanently not only for the financial benefit but more importantly the benefit of our children. Our RAS Head of Service since March has recruited 6 permanent team manager – this is one of the hardest services to recruit to and a most difficult time to join an organisation at this time working more remotely. We have a full contingent of permanent staff in our Looked After Children and Care Leaving service, fostering, SGO and CWD. It is the safeguarding front line services are the most challenging and across London too

We have also recently held a Senior Practitioner panel and successfully progressed social workers to this grade which is our 'grow your own policy'.

Keeping our caseload promise:

Setting clear caseload levels – which are monitored (Caseload Promise and Challenge). Our caseload promise is between 12–15 children and this continues to be challenging with the high number of cases coming through the front door. This continues to subsequently challenge our safeguarding teams who are holding cases longer due to the court issues mentioned above. Currently RAS is averaging 20 children and Safeguarding around 18.

Caseloads are monitored carefully through performance data each week and monthly performance surgeries. The HOS KIT meetings supports this and colleagues in Children Looked After have taken some court cases and children who have become looked after to try and ease the burden.

Placements of children in care:

The Assistant Director of Children Social Care monitors all requests for children to be accommodated and they are then scrutinised further through the Placement Panel which

continues to take place every Friday. We continue to seek and obtain financial contribution from our CCG partners and ensure that the financial split is proportionate. We review our CCG contribution twice yearly to ensure that CCG financially plan and contribute going forward. We have just completed this exercise and await the confirmation of the uplift for the coming year.

The complexity of young people coming into care is testing the suitability of placements and again we have been in a position where two young people reached the secure threshold and no placements were available leaving the LA with not only the risk to bear but finding a high dependency of support workers causing the cost to be above that of a secure placement. – this current cost of such placements is around 8 – 10K per week

Bromley joined the Commissioning Alliance with 11 other boroughs at the end of February and lockdown immediately took place in March – we have been successful in supporting our fostering placements and did not suffer the high number of placement breakdowns as other boroughs due to the high level of support offered. However, as we have come out of the first wave, we have seen placements be more fragile.

Our 4 step down foster carers have now been caring for 3 young people who were high profile, complex and in residential . One of those young people have now been in placement for over a year and progressing well. This has resulted in a good outcome for her but has a significant financial saving. The test of this is a year in placement to determine outcomes and financial savings. . .

We have developed a cohort of foster carers that take children in an emergency during the night or at weekends (sometimes from custody), which is when children are often placed with external providers, sometimes miles away and high cost. We have recruited a 4th foster carer to this cohort.

Our Staying Together team has continued to work across the service areas preventing children 11-18 entering care and to date this has been very successful. They have worked with 102 children and only 4 of those came into care. They are currently supporting some young people within the YOS preventing those young people not only becoming looked after but preventing them entering the judicial system

Implementation of the Social Work Act:

We have also seen a steady increase of previously looked after children attending schools in Bromley who have been adopted or who are living under a Special Guardianship Order or other Child Arrangement Order and can expect/apply to be supported by the Virtual School. An estimated 400+ children, not necessarily known to this authority, whose parents and carers are not obliged to 'register' and understandably do not always divulge this to their school.

Unaccompanied Asylum Seeking Children:

We are currently supporting 85 young people – 5 under the age of 18 and the rest as care leavers. These young people continue to be vulnerable with trauma's that require specific and skilled work and with C19 has had a more profound impact and effect on their mental health.

Education

Adult Education has improved, achieving a Good Ofsted judgement in 2019 and the 'matrix Standard' in December 2020. However, Covid-19 had a significant impact on the income from paying learners.

Population increase and particularly an increase in the school age population (55,978 in 2010 to 61,343 in 2018, an 9.58% increase) is creating pressure for universal services such as school admissions and school attendance where services are dealing with more children within the same resources. The pressure on funding for alternative provision has been mitigated by the move to a five year commissioning approach, following the Review of Alternative Provision. Nevertheless, the numbers of pupils with complex behaviours that challenge continues to increase, placing a pressure on services. We aim to mitigate this with increased focus on earlier intervention and outreach. Secondary permanent exclusions have reduced significantly, however this will need to be monitored closely.

The Education Service is projected to have a significant overspend on both DSG and RSG budgets in 20/21, primarily as a direct result of legacy costs no longer being covered by temporary grant funding. The majority of the proposed growth items within the Education MTFs aim to remove the structural overspend built into the Education budgets, which fund existing statutory work of the service.

SEN/D (Special Educational Needs and Disability) pressure:

The greatest pressure is in the area of SEN/D with an overspend in the DSG (Dedicated Schools Grant) High Needs Block arising from exponential increase in the need for specialist placements, in line with other Boroughs. Between 2016 and 2019, the number of children with special educational needs requiring an EHCP (Education, Health and Care Plan) has increased by 31%, significantly higher than the overall increase in the school age population. In October there were 2,848 Bromley resident children with an EHCP. In 2017, there were 422 requests for statutory assessment, which increased to 722 in 2019, i.e. an increase of 69%. Of the requests in 2020 to date, 15% were refused. In 2020 to date, there have been 62 cases challenged at SEND Tribunal and 57 for which mediation was sought. At the same time, the extension of the age range for EHCPs from age 19 to age 25 is increasing the number of young people for whom the LA maintains and funds an EHCP.

Bromley places fewer children with EHCPs in mainstream schools than nationally and more in the non-maintained and independent sector than nationally (as at January 2019 10% of Bromley children with an EHCP attending independent and non-maintained special schools compared with 6% nationally). The cost of these placements is higher than LA maintained provision (average cost of independent day school is £37k compared with average cost of £27k for LA maintained special school) and accounts for a disproportionate level of spend relative to the number of pupils being placed.

Bromley's performance on the timeliness of EHCPs remains a priority, with the SEN Service working to return performance to national and London comparator levels as a minimum. However, caseloads within the Statutory Assessment Team are a significant risk, with staff routinely holding more than 300 cases each, which compares with approximately 150 in neighbouring Boroughs. The proposed growth of additional EHCPs would address this significant pressure and enable the EHCP Coordinators to focus more on casework which can help to ensure children and young people can be successfully placed in more local and lower cost provision which meets their needs.

An external review of arrangements for SEND highlighted the need to:

Match local provision to local need;

Use existing resources more effectively to support placements in mainstream schools, as far as possible. Action taken includes:

- Free school bid approved for a new special school for children with ASD (Autistic Spectrum Disorder) to enable Bromley to place more children locally in Bromley schools so reducing spend in more costly places in the non-maintained and independent sector.
- Service Level Agreements developed for all Additionally Resourced Provision in mainstream schools to ensure that places are used efficiently.
- SEND Training Collaborative has developed comprehensive training offer for schools and providers, supported by the SEN Advisory teams to strengthen support for children in mainstream schools.

The Education MTFS (Medium Term Financial Strategy) mitigations are predicated on placing more children and young people within mainstream and local specialist provision and over time reducing the number of out of Borough and independent placements. This carries significant risks because provision for children is determined by their presenting needs according to the legal tests set out within the SEND Code of Practice and there is a shortfall of local specialist provision, which the free school will help to address, but not until at least September 2023. With sustained exponential increases in demand for EHCPs and increasing numbers of cases being overturned by SEND Tribunals, this will remain a challenge across the MTFS period.

RISK AREAS WITHIN ADULT CARE AND HEALTH PORTFOLIO FOR 2021/22 ONWARDS

Adult Social Care

The main financial risk for Adult Social Care as we move into the next financial year will remain the impact of the Covid-19 pandemic. Whilst there have been short term additional funding streams, both at a local and national level, there have been increased demands made on the service both in terms of the numbers of people who have not previously needed social care support and now do, but also the length of time it is taking people to recover from the virus.

Providers of social care have seen increased costs, partly met by national grants, but these will continue on an ongoing basis.

After a short reduction the number of Deprivation of Liberty assessments (DoLs) continues to increase and the Council is preparing for a change in legislation to the new Liberty Protection Safeguards which is anticipated will increase the numbers again.

At the same time, there are continuing demographic pressures, with Bromley having the second highest proportion of the population aged over 65 across London. However, many residents are living longer, healthier lives which is to be celebrated, as is the wider council policy to help maintain residents in their own homes for as long as possible.

The Transformation Programme in Adults continues to seek to control demand by ensuring

that all staff are up to date with alternative forms of help and support within the community and are able to signpost residents as appropriate; we are also providing refresher training to ensure that a strength based approach is taken to all assessments and reviews.

Containing our supplier costs will remain challenging in the coming year, and it is the case that we are very dependent on our commissioning team to manage pressures in a number of areas. This is particularly acute in the complexities of children transitioning from children's to adults' services. Reviewing this is also part of the Transformation Programme.

Nationally the care worker sector continues to experience recruitment challenges partly as a result of pay levels and continued use of zero hours contracts, but also caused by the sector's poor reputation, with an increased concentration on nursing rather than care staff. The service has successfully reduced the number of agency staff in post, reducing cost and improving the consistency and quality of service offered.

Public Health

While Public Health is able to continue to project an underspend this year, this is a direct consequence of Covid19 with service provisions being disrupted to all our programmes. The impact of Covid 19 on health inequality is well documented already and Bromley's position is similar with the BAME communities, complex family units and those most vulnerable groups such as the homelessness being the most disadvantaged.

Throughout the pandemic, there has been a significant growth not only in demand (as seen in the local drug and alcohol service) but also a rise in complex cases with significant safeguarding issues being seen by our commissioned providers. The recent experience is not new but the pandemic has heightened the pressure and brought forth the challenge on service delivery during the pandemic.

In addition, the need to ensure services are delivered with Covid safe measures means that capacity for provision of face to face contacts are reserved for the most vulnerable and those at highest risk. While providers have been proactive with telehealth provisions, services that require face to face contacts (such as women requiring removal and re-insertion of contraception devices) are already facing a waiting list that will continue into the new year. The situation may worsen if the Covid infection rate continues to rise. Waiting list will be a key risk in relations to patient safety and financial position as it may be necessary to increase resources to mitigate harm to patients.

Other perceived cost pressures such as the routine commissioning of PrEP provision in sexual health services and the annual uplift of Agenda for Change due to the uncertainty of the Public Health grant allocation. However, addressing waiting list, continued growth in demand along with increase in complexity of health and care needs will be the key risks for 2021/22 and future years.

RISK AREAS WITHIN ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO FOR 2021/22 ONWARDS

Waste Services

Waste Disposal Tax

From April 2020, the Council's waste disposal contract enables the diversion of 98% of non-recyclable refuse from landfill. As a result, Landfill Tax no longer has a significant impact on the waste budget despite it increasing annually by RPI.

The Government has not pursued the introduction of an Incineration Tax; however, it remains an option if the Government's wider policies do not improve recycling rates. An Incineration Tax would be a future budget pressure with 78% of Bromley's non-recyclable refuse being sent to an Energy from Waste (EfW) facility.

20% of Bromley's non-recyclable refuse is turned into Refuse Derived Fuel (RDF). The Dutch Government implemented a €31 (£26) tax per tonne of RDF imported in January 2020 and other countries are also considering introducing a similar tax. The Waste Disposal Contractor secured a UK market in 2020 and as such only a small amount is now sent overseas to Germany, mitigating this risk.

Increasing property numbers

Growth in the number of properties incurs additional expenditure, as extra collections are required, and additional waste is generated. The contract cost is also dependent on property type, with the contract price updated twice a year to reflect these changes. The draft budget has made allowance for the expected growth in property numbers in 2021/22, but growth in excess of that assumed would result in further additional costs. While officers will seek to manage within overall waste budgets, the ongoing impact will need to be continued to be kept under review.

Local Authority Collected Waste Tonnages

The quantity of municipal waste collected in Bromley in recent years has been relatively stable with comparatively minor fluctuations:

2017/18 145,748

2018/19 144,233

2019/20 145,662

However, in the first 8 months of 2020/21 tonnages have increased by 1,840 tonnes (2%). If this trend continues, the estimated total tonnage for the year would be in the region of 150,000. This is result of the Covid-19 pandemic and resulting restrictions with:

- Increased number of people working or being based at home;
- Increased online deliveries and associated packaging;
- Increased cooking at home due to hospitality industry closures;
- More single use disposal items being used in homes and businesses (e.g. masks);
- Commercial businesses and households taking the opportunity to renovate properties.

The average cost of waste disposal for 2020/21 is around £107 per tonne. Each 1% increase in waste tonnage would increase disposal costs by £107k per annum. However, if it is the commercial waste tonnage that increases, the charge to businesses mitigate this slightly. The impact of Covid-19 on waste tonnages is likely to continue into 2021/22 and beyond, with increased homeworking and reliance on online deliveries likely to remain to a certain extent. As a result, the waste budget has been increased by £0.5m.

National waste policies, embedded recycling services and waste minimisation campaigns will contribute to restraining increases in waste, however, there is a budgetary risk that overall waste tonnage will continue to increase in excess of the proposed budget growth.

Recycling Income

Recycling prices remain relatively depressed with no significant recovery expected. This has an impact on recycling income, since recycle income rates are updated to reflect market indices every 6 months.

Within the first eight months of 2020/21, 426 tonnes of paper and card could not be recycled because the moisture content was too high. The loss of income and additional disposal cost was £66k. Whilst long term solutions are being considered, the financial risk will remain for 2021/22.

Other factors that are likely to influence recycle income in 2021/22 include:

- Covid-19 related restrictions to operations and behaviour change;
- Brexit arrangements;
- Implementation of the Resource and Waste Strategy i.e. Deposit Return Schemes;
- Decreased quality of recycle available for collection; and,
- Introduction of a plastics tax.

Winter Service

The budgets for this service have been realigned to reflect average patterns of spend for precautionary salting, primarily for frost or ice, in recent years. There has been relatively little actual snow clearance over that time, except during the winter of 2017/18 which saw prolonged sub-zero temperatures. Therefore, there is a risk of incurring additional costs in the event of a severe weather event for which funding will need to be drawn down from Central Contingency.

In October 2021, TfL will be introducing a new low emission zone throughout the Capital. The approved capital programme will allow three of LBB's ten gritters to be replaced with compliant vehicles, but a daily charge of £100 will be payable for each of the remaining gritters when they are used during precautionary gritting or snow clearance. Based on a typical winter, it's been estimated that this will result in an addition spend of £22k in 2021/22 and future years until the remaining vehicles are replaced.

Highways Contracts

The Highways contracts have price fluctuation clauses based on actual cost indexing, whereas budget increases are based on the BCIS Price Index for civil engineering works. Although the budgets are cash limited, over time the variation between the two will lead to a reduction in spending power in real terms.

The highway investment project is nearing completion, although as the revenue budgets for planned highway maintenance of borough roads and footways are not due to be reinstated until 2022/23, this will increase the demand for reactive highway repairs in the meantime as the condition of the asset deteriorates.

TfL Funding

In 2017/18 TfL provided £0.9m for maintenance of the borough principal roads. This funding was withdrawn from April 2018, and TfL are unable to confirm when future funding will be made available to the London boroughs. Although this is capital funding, reduced expenditure in planned maintenance will result in increased revenue costs for reactive and emergency repairs as the condition of the principal roads network deteriorates.

Street Lighting Contract

The street lighting invest to save programme has been completed, and future savings from reduced energy and maintenance have been used to repay the 'loan'. With the intense investment period, future expenditure on maintenance will not follow historic spend profiles, i.e. electrical safety inspections are required every six years, which has required one sixth of the stock being tested each year. However, there will be no testing of the LED units during the next five years, although they will all require testing in year six. A similar situation will apply to cleaning and maintenance. The street lighting service has been included in the new highways contract as a fully managed service, which will minimise budget fluctuation between years.

Parking

Charges and tariffs for on and off-street parking places are set by LB Bromley and were last increased in April 2019. Members are aware of the potential impact of increasing charges, which needs to be balanced with the pressure on the service to meet its budgeted income in the light of fluctuating demand and inflationary pressures. It should also be noted that the parking service operates in a restricted legal environment which cannot include "maximisation of revenue from Penalty Charge Notices as one of the relevant considerations to be taken into account in securing the...movement of traffic" (Traffic Management and Parking Guidance for London).

For several years there has been a general decline in 'paid for' car parking in the Borough. The introduction of further on-street parking schemes and restricted zones has prevented the reduction from being even greater. Although new schemes will continue to be implemented to meet localised traffic and parking needs, there is no reason to suspect that the downward trend will be reversed, particularly regarding off-street parking. Again, this puts greater pressure on the service to meet its financial obligations.

This situation has been complicated and exacerbated by the impact of Covid-19 in 2020/21 which has since significant additional reductions in use of parking spaces, particularly off-street. Whilst there was some recovery in the summer following lifting of the original restrictions, the more recent introduction of further measures has meant income has again been much lower than would otherwise be expected, particularly in the Christmas trading period.

In the changing economic climate, it is difficult to make reliable estimates of parking demand in the short to medium term or forecast the longer-term effects on parking behaviour.

However, it is inevitable that the effects of recent trends and the changed behaviours of shoppers and workers as a result of Covid-19 will continue into 2021/22 and perhaps beyond. Consequently, the income budget for the next financial year has been reduced by £1.2m; however, it is important to note that this is based on a set of assumptions at a set point in time and given the fluidity of current events, actual income levels could still vary significantly and therefore additional allowance may need to be included in Central Contingency.

Traffic Congestion and Road Safety

The Council's ongoing work to reduce traffic congestion and improve road safety is currently funded by the TfL LIP capital programme. In 2019/20 the LIP funding was cut by 15% which continued into 2020/21.

TfL's financial position has also been severely affected by Covid-19 in 2020/21. The position for 2021/22 and beyond remains unclear and there is a risk that the level of funding received by the Council to implement planned traffic and highways schemes is significantly reduced. Therefore, there can be no guarantees that further cuts will not follow.

Markets and Street Trading

Ongoing Covid-19 restrictions (especially if further lockdowns are applied), will continue to impact Market and Street Trading income. There will also be an ongoing impact to table & chairs licensing income as the 2020 Planning & Business Bill for Pavement Licences which removed any ongoing fees beyond the £100 application was to last until September 2021.

Pressures from Public Demand

Apart from the identifiable financial pressures arising from such items as contract costs and price increases, there are other pressures due to growing public expectations, social change and legislation. Increased public expectations of local services may be difficult to respond to during a continuing period of tight restraint on resources.

Past surveys of public opinion have shown that four issues were consistently recognised as making Bromley a good place to live. These were low levels of crime, good health services, clean streets and public transport. The Environment and Public Protection department leads for the Council on clean streets and on crime issues, particularly enviro-crime and anti-social behaviour; and the Department has an input to TfL and others on public transport. There is continued public demand for high service standards in all these areas.

In terms of what needs most improvement in the local area, activities for teenagers, traffic congestion, road and pavement repairs, the level of crime and clean streets were regularly mentioned by residents. All these service areas are either the lead responsibility of the Environment and Public Protection department (clean streets, road & pavement repairs) or ones to which the department makes a significant contribution.

Carbon Emissions

The Council's commitment to a zero net carbon target by 2029 for direct emissions will require investment and has the potential to increase cost pressures. Some of this work can be covered by existing capital and revenue budgets, or through interest free loans and carbon offsetting S106 payments. However, action taken as part of the Carbon Management Programme for direct emissions should lead to cost efficiencies for the Council

in the longer term, and the Carbon Neutral Initiative Fund was established in 2020/21 to provide further investment for new schemes that generate a revenue saving.

However, should there be an expectation in the future for the Council to commit to addressing Borough-wide emissions (those of householders and business in the Borough as well as our supply chain), this will require significant investment (for example in the retrofitting of households to increase their energy efficiency) and that will present a major financial risk to the organisation. This would require significant investment from central government.

RISK AREAS PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO FOR 2021/22 ONWARDS

Food Safety Team

Following the outcome of the Food Standards Agency (FSA) Audit of the Food Safety Service in April 2017, an action plan was agreed by the Portfolio Holder. Executive on 9 August 2017 agreed to the additional resources for two extra full time permanent and three full time temporary food safety officers for up to 18 months, to implement the action plan and clear the backlog of inspections.

Despite the additional funding, recruitment issues still remain mainly due to the national shortage of qualified food safety Officers. Following the meeting on 11 September 18, the FSA noted the efforts that had been made and acknowledged the impact that the recruitment issues had on the progress to date. They accepted that the focus would be shifted away from inspecting unrated premises.

Since April 2018 the level of enforcement/complex work carried out by the food safety team has been at an unprecedented level. Much of this marked increase in enforcement activity is directly related to the increased number of inspections made this year to premises which were previously overdue. However, should it continue, it may be that additional resources are needed to ensure food businesses are kept compliant and safe.

Mortuary & Coroners Service

The provision of a sustainable mortuary service at an affordable cost in the long term is problematic due to variables in demand and a very limited market with little competition.

Any high-profile inquests or significant increase in volume of cases could increase the cost of the Coroner's service.

Covid-19 Impacts

There were significant unbudgeted costs of the Council's contribution to London-wide emergency mortuary provision in 2020/21. There has been a further impact on the Council's own services in the year due to the impact of an increased number of Covid-19 deaths on the costs of the Coroner's and mortuary services, together with a reduction in income from public protection services. The Portfolio's draft budget for 2021/22 assumes that there no ongoing impacts beyond the current financial year.

RISK AREAS WITHIN RENEWAL & RECREATION HOUSING PORTFOLIO FOR 2021/22 ONWARDS

Risk, growth and mitigation areas within RR&H for 2021/22 onwards:

Housing

Housing costs continue to escalate for those qualifying for temporary accommodation. The key challenges continue to centre on:

- The overall lack of access to accommodation that is affordable as a result of reduced lettings and drying up of leased properties and increasing competition for limited housing supply across London as the number in housing need increases.
- Reduced social housing stock turnover silting up temporary accommodation.
- The combined impact of the welfare reform changes – resulting in a greater number of approaches, increased rent arrears and shortfall in rent which requires LBB top up.
- The extended statutory duties arising from the implementation of the Homelessness Reduction Act 2017 since April 2018.
- Complexity of some households approaching requiring intensive support and intervention to access and sustain accommodation.
- Identification of suitable sites through acquisition or land supply and the time taken to develop them to provide sufficient alternative affordable accommodation.
- Increased homelessness as the economic impact of COVID is felt with an increasing number of people struggling to afford housing and basic living costs

Overall, these pressures are likely to rise by a further £3.7m by 2024/25.

There are a range of activities being undertaken to slow down the rate of increase and seek to mitigate the overall costs pressures. However, it must be noted that pressures continue to rise and capital schemes regarding housing supply will take several years lead in to design, gain planning consent and complete:

1. Costs can best be contained by continuing to focus on early intervention and advice. The service has been redesigned to proactively identify those at risk of homelessness to offer early intervention services prior to crisis and thus reduce the need for temporary accommodation – this includes continued investment in related housing support and money advice services.
2. Increasing access to private rented sector accommodation. A new offer has been put in place for landlords to increase the level of access. To date this has achieved 119 letting during the current year.
3. Pan London arrangements to share details on TA costs and set benchmark rates to reduce the level of price increases.
4. It is clear however that in order to start to mitigate the cost of temporary accommodation increased housing supply is required. A transformation board is

now in operation to pursue the range of options to increase accommodation supply including the use of vacant dwelling, modular units, property purchase and the development of Bromley owned or acquired sites. Cumulatively the schemes identified to date would offer full-year mitigation actions in the region of £9.6m.

Planning Services

A substantial part of Planning Services' work attracts income for the Council, mainly from planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough and there is a risk of income variation beyond the Council's immediate control. This has been complicated and exacerbated in 2020/21 by the impact of Covid-19 which has seen a significant reduction in income from planning fees, building control and land charges. The Portfolio's draft budget for 2021/22 assumes that these impacts will not remain beyond the current financial year. While trends are regularly monitored in order that appropriate action can be taken, there remains the risk that ongoing national and local economic factors could adversely affect these budgets in 2021/22 and beyond.

There is a risk that Section 106 developer contributions are not spent in accordance with the legal agreements, for example in the right location or timescale. Regular monitoring is undertaken and reported periodically to the ER&C PDS. The process is being reviewed as to align with the emerging requirements of the Community Infrastructure Levy Regulations 2010 to produce an annual Infrastructure Funding Statement

Action is ongoing to reduce risk of Government Designation for Special Measures due to Planning performance.

Regeneration

Regeneration can be a key component in rebuilding the economic base of a community and providing an infrastructure that will sustain it into the future. A Regeneration Strategy has been developed to ensure that moving forward the Council's Growth Fund is utilised for maximum positive impact for the benefit of residents and local businesses across the borough. This includes maximising funding opportunities through securing S106 and CIL monies, creating opportunities for income generation, and leverage in of grant funding whilst aligning the existing Growth Fund with the Regeneration Strategy's Action Plan which will set out the Council's regeneration priorities over the next ten years.

As a long term ambition, the Strategy will inevitably involve significant capital investment over a number of years, and therefore there will be the risks to the Council that are associated with large capital projects, including construction industry inflation, cost overruns, unforeseen delays, and the long term security of funding resources, potentially including financing costs. Where schemes are reliant on capital receipts and housing sales, then there would also be the volatility of the property market impact on land and property prices that could affect schemes' viability and affordability. A key component of progressing regeneration as well as mitigating risk to the Council, will be to support inwards investment from developers, which will enhance opportunities, particularly in town centres as we support them to change and adapt over the next few years. Building new homes for Bromley residents, is a key focus for regeneration, and identifying opportunities to do this, jointly with developers is likely to advance schemes.

The Council will continue to disseminate Additional Restrictions Grant through 21/22 in line with government advice to support businesses in their recovery.

- The public health pandemic of 2020, has placed serious financial pressures on our culture and leisure sectors, as it has nationally. The recovery of the local economy will in part be reliant on the Borough's cultural offer and what attracts people to live, work and visit Bromley. From ensuring town centres are not just places to shop, but places that offer experiential opportunities, whether that is through theatres, cinemas, museums or other cultural offers. Bromley is well placed to respond and should continue to support our cultural offer and maximise use of our important heritage assets. A key priority will be working with stakeholders to leverage in funding where possible as well as reviewing other assets that could support our cultural and leisure offer including underutilised park buildings. Priorities in 21/22 will include, the development in key areas, such as Crystal Place Park, which will support the long term future viability of this historic location, as well as undertaking a leisure strategy, which will help shape leisure services of the future, identify where investment is needed and how assets can be maximised to offer develop new facilities fit for the future.

Investment in our infrastructure is essential for:

- A thriving local economy
- Business sustainability
- A place where businesses want to be established
- An area that people want to live, work and visit
- A Borough that is open to develop, but continues to protect the unique character, green spaces and heritage.
- Improved digital connectivity, support residents and businesses to be better connected.

COVID impacts

Leisure Services/MyTime: The financial impact upon the leisure industry is significant and it will take time for the industry to recover and start to regain financial viability. During the current year an interim rental deferment was agreed. There is also increasing risk that rental deferments at least during 2020/21 may not be recovered and future viability is uncertain.

Churchill Theatre: Covid restrictions continues to prevent the theatre from opening. Work has been undertaken to secure grant funding to assist in the financial losses with an approved financial support package of £86K from the Council. Whilst it is hoped that this will assist in securing the sustainability of the theatre as it starts to recover there is still a risk that prolonged closure and extended restrictions will further impact upon the potential for recovery.

Property

Property have requested through the Operational Building Maintenance Budgets and Planned Programme 2020/21 and 2021/22 an additional provision of £1m in 2021/22 and £1m in 2022/23. A considerable number of additional works to the operational property portfolio have been identified, which have high cost implications. It is not possible to fund these additional works from existing budgets. The additional works are essential to ensure Health and Safety or statutory compliance, to prevent building closure, to ensure the council's IT resilience or to safeguard staff. Higher cost items include part replacement of the generator/UPS system serving the Civic Centre and essential fire improvement works at

Central Library. This additional funding will only be spent if completely necessary.

It should be noted that the ongoing operational review of Council property may mitigate some of this expenditure (as a result of asset disposal) along with generating income. The Buildings Maintenance budget will be allocated to ensure that there is no unnecessary expenditure on properties that may subsequently be sold or significantly altered.

Condition surveys have been instructed across the whole of the operational property portfolio – these are due for completion by June 2021. Once evaluated, there will be a clearer picture of expenditure requirements over the subsequent 10 years and this will feed into future budgets requests.

The proposed additional provision of £1m in 2021/22 and 2022/23 reflects the likelihood of an increase in maintenance and repair works identified by the condition surveys. As stated, a clearer picture will be available once all surveys have been evaluated.

The majority of the Council's leased property has periodic rent increases, the frequency of which is set in the individual property lease. Most rent reviews are five yearly. Thus annual rental increases across all properties cannot be achieved. Whilst some reviews are based on movements in RPI, most are to market level and there is a risk that increases in the properties where there are reviews will not match the assumed inflationary increase in income. A large element of the Council's income is received from retail units and this class of asset has suffered significantly with little or zero growth.

Rental income has also been impacted by the generic national downturn in Retail performance and more recently by the impact of Covid 19. Many tenants are unable to meet their rent obligations and have sought assistance from the Council, the position is fluid in that the impact of the various lockdowns and placement of Tier structures has meant that tenants in some cases are unlikely to remain sustainable. The position is carefully being monitored and where tenants seek assistance, such requests are considered ensuring that all other avenues of Central Government assistance are explored.

Energy Tariff: Current Government intention over the next two years is for the Climate Change Levy (a carbon tax on energy) to be adjusted each April, with a planned increases in the levy on gas and a reduction in that on electricity. Consequently, LBB's energy costs will need to continue to be closely monitored to track the financial impact, although it is expected that these changes will be largely offsetting.

A new contract for energy supply was secured in October 2020 on a 2 year fixed rate basis thus ensuring that energy costs remain within the approved budget for this period.

Transformation:

1. **Housing Supply:** The largest strand of the transformation programme relates to the increase in pace and supply of affordable housing as set out above. There are currently 3 sites underway with a further 9 sites undergoing feasibility studies for potential development. Work is also underway as part of the overall assets review to identify further sites for development and to assess the need for the complementation acquisition and leasing schemes to achieve the overall quantum target on additional affordable homes. Overall this programme seeks to achieve savings against temporary accommodation costs of approximately £11m.

2. **Transforming strategic property:** Transforming strategic property:

The primary objective of the transformation work is to delivery and fully integrate a corporate landlord model for the strategic, effective and efficient management of the council's estate and assets. The corporate landlord model of management will enable the council to use its estate to deliver corporate objectives and strategic priorities, including those identified in the following:

- Housing Strategy
- Regeneration Strategy
- Local Plan
- Transforming Bromley Programme
- Corporate Plan
- Revenue budget and capital investment strategies

In order to make the most of the corporate landlord model, the council will identify and deliver its optimal operational estate in order to:

- Bring services to customers through the channels and in the places that they want;
- Facilitate improved service delivery, and unlock service transformation potential through fit for purpose buildings;
- Modernise the working environment for the benefit of customers, staff, elected members and our partners;
- Implement a long-term commitment to agile working practices, reflecting the lessons learned from the response to the impact of coronavirus;
- Consolidate and optimise the council's operational estate to reduce revenue costs and release surplus land for disposal, generating capital receipts;
- Use the process of identifying the optimal operational estate to support the recovery of the local economy and meeting the council's housing targets.

The implementation of the corporate landlord model will also enable a strategic review of the non-operational estate which will identify and deliver a minimum of £30m of capital receipts through disposals, and a review our management of the council's investment property portfolio to identify opportunities to maximise income. The disposals programme must be specifically focussed on generating capital receipts to enable ongoing investment in services and public assets and on identifying sites that can deliver housing for the council's new Housing Revenue Account.

3. **Borough CIL:** The borough CIL has been approved through DC and Executive and is now being progressed through examination in public. All being well this will mean that we are able to implement the borough CIL from the middle of 2021. An officer group is in place to develop a clear list of priorities for use of the CIL in line with the priorities identified in the infrastructure delivery plan.

RISK AREAS WITHIN PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT FOR 2021/22 ONWARDS

Corporate Services

Legal

The legal team provides legal advice and guidance and conducts cases on behalf of the Council in the Magistrates Court, County Court and High Court. Whilst there are marginal increases in caseload across all areas, the main area of concern is around statutory childcare cases. The cases are usually complex due to the nature of the harm suffered by the children, the need for expert assessments (including consultant, paediatrician, psychiatrist and psychologist), the number of parties, the volume of evidence and the length of the final hearing. In line with national trends, the Council had seen an increase in the workloads in this area of work. Following the Ofsted inspection and the implementation of the Children's Service improvements, there has been a significant increase in workloads. Historically childcare proceedings had been fairly constant at around 48 cases per annum.

Members have recognised that this increase in work with the associated costs represents an ongoing pressure on the service and additional resources were approved by the Executive on 20th November 2020.

The legal team supports a range of other functions including property work, procurement and contracts. The in-house team is structured to deliver business as usual and some project work. However, the work is demand led which means that from time to time demand for work will exceed the resource available to deliver it. Failure to provide adequate resources (either through internal or external lawyers) will mean that there will be insufficient resource to deliver key Council services, income generation and savings priorities. The Council's ambitious property and regeneration approach will likely require additional legal resource and it has been agreed that this will be funded through the various schemes.

Procurement

Brexit will make changes to procurement and state aid rules, but it is anticipated any pressures can be contained within the existing procurement and legal team resources.

IT

The IT Transformation Programme will largely be completed in 2020/21. Whilst additional resources were required to deal with additional costs associated with delivering the programme during lockdown, overall the programme will come in on budget. The Digital Transformation Programme will be progressed during 2021/21 which will require dedicated support for which additional resources will be requested, although it is too early to provide estimates at this stage.

GDPR

The General Data Protection Regulations come into force in May 2018. These fundamentally changed the way personal data is dealt with. Penalties for noncompliance are set at a maximum of 20 million Euros for organisations like Bromley. The Executive made provision for resources to implement the change and support compliance going forward.

This is still an evolving area and there are ongoing training and development requirements and an increasing need for specialist advice and additional resources may still be required.

There will be a need to keep data sharing arrangements with the EU under review post Brexit, although it is anticipated this will be contained within existing budgets.

Elections

There are ongoing changes to electoral registration at a national level which will place greater emphasis on electronic and online registration. Bromley voluntarily embraced this programme some years ago and has already taken savings as a consequence. Government funding does not appear to recognise this and will be based on average savings rather than savings which can be delivered due to earlier efficiencies and is likely to have a detrimental impact on the service budget.

There will be potentially significant cost increases associated with ensuring electors and staff remain safe during the rescheduled 2021 GLA elections. These costs should be met by the GLA/Central Government. However, if they are not met in full this will again create a budget pressure.

HR & Customer Services

Registration Services

The impact on Registration income as a result of the Covid-19 pandemic remains extremely uncertain. Limits remain in place for Wedding and Civil Partnership attendee numbers, which has led to many ceremonies being placed on hold or cancelled. Tier 3 and 4 restrictions preclude receptions of any kind, therefore activity at the network of licensed venues across the Borough has ceased and remain unlikely whilst the cap in guest numbers continues. Smaller Wedding and Civil Partnerships can proceed; however, the overall volumes are significantly reduced when compared with previous years and will remain so until restrictions are eased.

Exchequer Services

Housing Benefit Admin Subsidy

The Authority has not yet been advised of the amount of housing benefit admin subsidy to be received for 2021/22. However, the Department of Works & Pensions have adopted a new methodology for allocating the subsidy from 2019/20 to take into account the Universal Credit (UC) caseload. The impact of the change in methodology will be phased in over three years. Increases and reductions in funding caused by the change will be limited to one third of the 105 difference in 2019/20, two thirds of the difference in 2020/21, with all authorities moving to the new methodology in full from 2021/22. The level of admin subsidy to be received in respect of Council Tax Support has not yet been announced.

Benefit Changes

Universal Credit (UC) for new working-age claimants was introduced in July 2018; they now receive UC towards their housing costs rather than Housing Benefit (HB). Funding has yet to be advised for 2021/22. Movement of the current working-age HB claimants to UC is due to be completed by 2024 (delayed from 2023). The rental market is reacting to the

introduction of UC, making landlords less likely to rent to benefit claimants and further inflating rents. The introduction of UC will have major contractual implications and the uncertainty regarding the roll-out timetable severely impact on the Authority's ability to negotiate. The above change will also make HB overpayments far more difficult to recover as currently the vast majority is recovered by means of claw-back from ongoing entitlement. Once claims transfer over to UC the opportunity for this form of recovery will be severely reduced.

From April 2016 working age claimants in receipt of Council Tax Support (CTS) have been required to pay a minimum of 25% towards their Council Tax liability. The minimum liability of 25% necessitates collecting Council Tax from some of our most vulnerable residents and courts are becoming more reticent to grant costs and thereby add to the individual's financial burden. From November 2016 the Benefit Cap has reduced in Bromley to £23,000pa for couples (with or without children) and £15,410pa for single claimants. For those placed outside of London the amounts are £20,000pa and £14,000pa respectively. The ongoing welfare reform programme combined with an increase in rent levels mean that a growing number of households are at risk of losing their homes through rent arrears. The problem is heightened by the shortage of small properties for those attempting to downsize.

Impact of COVID-19

Since March 2020 the number of working age households in receipt of Council Tax Support has increased by 880 (over 10%) as a result of the impact of Covid-19. It is anticipated that the caseload will increase further once the furlough scheme ends which is expected in March 2021.

Revenue collection has been adversely affected by the pandemic with the cessation of enforcement activity and the closure of the courts. With the uncertainty of future court dates for summonses this poses an on-going risk.

Interest on Balances

An average rate of 1.1% has been assumed for interest on new investments in the financial forecast from 2021/22. In response to the global coronavirus pandemic, the Bank of England cut the base rate from 0.75% to 0.25% in March 2020 and later in the same month reduced it further to 0.1%. The Bank made it clear that further cuts are possible and that negative rates are 'in the monetary policy toolbox', though they've opted to take time collecting and analysing data from banks on the potential impact. Most recently the roll out of a vaccine for coronavirus, combined with the Bank favouring additional QE of £150bn at their November policy meeting, has put that idea firmly on the backburner for now.

The Bank expects GDP to not fully recover until after Q3 2022, which was their initial forecast. The inflation rate is forecasted to end at 0.6% this year and unemployment at 6.3%. The UK economy grew by 15.5% in the three months to September 2020, the most on record and compared with market consensus of 15.8%, as restrictions on movement eased across June, July, August and September. Considering September only however, output expanded by 1.1% month on month, the fifth consecutive month of expansion even though new lockdown measures were introduced. The year on year figure fell by 9.6% for Q3 of 2020, compared to the previous period's 21.5% contraction.

The Bank's Monetary Policy Committee stated that the outlook for the economy remains unusually uncertain. Their projection is that the direct impact of the pandemic will dissipate gradually, and UK GDP will recover, though this is based on an underlying assumption that

the UK will secure a free-trade agreement with the EU. Should growth recover and accelerate then it is possible that interest rates may rise gradually; conversely should the economic outlook weaken further, then rates may be lowered further.

Reports to previous Committee meetings have highlighted the fact that options with regard to the reinvestment of maturing deposits have become seriously limited following bank credit rating downgrades and the general low interest rate environment. Changes to lending limits and eligibility criteria, as well as the introduction of pooled funds and housing associations have alleviated this to some extent but there are still not many investment options available other than placing money with instant access accounts at relatively low interest rates.

Total Facilities Management

Operational Property

A considerable number of additional works to the operational property portfolio have been identified, which have high cost implications. It is not possible to fund these additional works from existing budgets. The additional works are essential to ensure health and safety or statutory compliance, to prevent building closure, to ensure the council's IT resilience or to safeguard staff. Higher cost items include part replacement of the generator/UPS system serving the Civic Centre and essential fire improvement works at Central Library. Property have requested through the Operational Building Maintenance Budgets and Planned Programme 2021/22 an additional provision of £1m in 2021/22 and £1m in 2022/23. This additional funding will only be spent if completely necessary.

It should be noted that the ongoing operational review of Council property may mitigate some of this expenditure (as a result of asset disposal) along with generating income. The Buildings Maintenance budget will be allocated to ensure that there is no unnecessary expenditure on properties that may subsequently be sold or significantly altered.

Condition surveys have been instructed across the whole of the operational property portfolio – these are due for completion by June 2021. Once evaluated, there will be a clearer picture of expenditure requirements over the subsequent 10 years and this will feed into future budget planning.

The proposed additional provision of £1m in 2021/22 and 2022/23 reflects the likelihood of an increase in maintenance and repair works identified by the condition surveys. As stated, a clearer picture will be available once all surveys have been evaluated.

Other Rental Income

The majority of the Council's leased properties have periodic rent increases, the frequency of which is set in the individual property lease. Most rent reviews are five yearly and therefore annual rental increases across all properties cannot be achieved. Whilst some reviews are based on movements in RPI, most are to market level and there is a risk that rent changes in the properties where there are reviews will not match budget assumptions.

A large element of the Council's income is received from retail units and this class of asset has suffered significantly with little or zero growth as a result of the impact of the generic national downturn in retail performance and more recently by the impact of Covid-19. Many tenants are unable to meet their rent obligations and have sought assistance from the Council, the position is fluid in that the impact of the various lockdowns and placement of Tier structures has meant that tenants in some cases are unlikely to remain sustainable.

The position is carefully being monitored and where tenants seek assistance, such requests are considered ensuring that all other avenues of Central Government assistance are explored.

Energy Tariff

Current Government intentions over the next two years is for the Climate Change Levy (a carbon tax on energy) to be adjusted each April, with a planned increase in the levy on gas and a reduction in that on electricity. Consequently, LBB's energy costs will need to continue to be closely monitored to track the financial impact, although it is expected that these changes will be largely offsetting.

A new contract for energy supply was secured in October 2020 on a 2-year fixed rate basis thus ensuring that energy costs remain within the approved budget for this period.

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Report No.
FSD21003

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 13 January 2021

Decision Type: Non-Urgent Executive Key

Title: EMPTY HOMES PREMIUM

Contact Officer: Claudine Douglas-Brown, Assistant Director: Exchequer Services
Tel: 020 8461 7479 E-mail: Claudine.Douglas-Brown@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 Proposal that the Empty Homes Premium is increased from April 2021 to the maximum premiums permitted under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

2. **RECOMMENDATION(S)**

Members are asked to:

2.1 consider the responses to the public consultation exercise at Appendix 1

2.2 consider the Equality Impact Assessment at Appendix 2

2.3 consider whether the Authority increases the Empty Homes Premium from the financial year 2021/22 to 100% for properties empty longer than 2 years, increasing to 200% where the property has been empty for 5 years and 300% when the property has been empty over 10 years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Revenue service impacts on all residents in the Authority including vulnerable adults/and or those with children
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Estimated £7.5k for one-off set up costs and consultation costs
 2. Ongoing costs: Should the proposal be approved, following the consultation approximately net additional income of £145k could be generated. This is dependent on the number of actual empty properties.
 3. Budget head/performance centre: Exchequer - Revenues
 4. Total current budget for this head: £3.488m
 5. Source of funding: Existing Revenues budget for 2020/21
-

Personnel

1. Number of staff (current and additional): 7 plus Liberata staff
 2. If from existing staff resources, number of staff hours: If adopted the additional work will be carried out by the contractor which has been taken into account in costings provided.
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: The Revenues Service forms part of the Exchequer Services contract.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 304 (current number of empty properties in excess of 2 years)
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Background

- 3.1 From the 1 April 2013 Local Authorities in England have been empowered to increase council tax on properties which had been “unoccupied and substantially unfurnished for a long period of time. This is known as the “Empty Homes Premium” and it is up to the Local Authority as to whether the “Premium” is levied. Until April 2019, authorities in England could charge up to 150% of the Council Tax payable on the property (different rates applied in Scotland and Wales). In the November 2017 Budget, The Chancellor announced the intention to bring the maximum in England up to 200% with effect from the 2019/20 financial year.
- 3.2 Included in the Act were additional provisions covering properties that were empty for very long periods. The provisions provided for maximum additional rates as follows:
- 100% extra for properties empty for 2 – 5 years
 - 200% extra for properties empty for 5 – 10 years (commencing in 2020)
 - 300% extra for properties empty for 10+ years (commencing in 2021)
- 3.3 At the meeting on 27th November 2019 the Executive considered a proposal that an Empty Homes Premium be introduced from April 2020 at a rate of 50% for properties empty of more than two years increasing to 100% where the property has been empty for five years. The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 20th November 2019, and the Committee had supported the recommendations. It was also noted that the following year’s public consultation exercise should set out all options available for consideration.
- 3.4 The Executive approved the introduction of the Empty Homes Premium from the financial year 2020/21 at the rate of 50% for properties empty for longer than two years, increasing to 100% where the property has been empty for five years.
- 3.5 The introduction of the premium brought the Council in line with almost every other London Borough who were already charging a premium.
- 3.6 The table below shows that in the eight months since the implementation of the premium there has been a small increase in the total number of empty properties in excess of two years however this is likely to have been affected by delays in sales and building works as a result of the pandemic.

Number of Properties			
Period empty	Number of empty properties as at 20.03.20	Number of empty properties as at 13.12.2020	Variance
In excess of 2 years	217	209	-8
Empty for between 5 and 10 years	49	70	21
Empty for over 10 years	23	25	2
Total	289	304	15

3.7 The additional Council Tax expected to be paid in relation to the premium for the period 1st April 2020 to 13th December 2020 is £162k.

3.8 To date there have been 28 appeals received of which 18 have been upheld and 7 rejected.

Consultation

3.9 The consultation commenced on 29th October 2020 with the recommendation that the Empty Homes Premium be increased to 100% for properties that are empty for a period of 2 years, increasing to 200% once this reaches 5 years and 300% once the property has been empty for more than 10 years. The consultation exercise closed on the 13th December 2020 by which time 202 responses had been received.

3.10 Responses to the questions contained in the consultation exercise are shown in Appendix 1. To summarise the main findings were:

- of the 202 responses, 115 (57%) were in favour of the Empty Homes Premium being introduced in accordance with the Authority's recommendation.
- of those who owned empty properties and could be directly impacted by the increase to the premium 37% were in favour of the proposals.
- based on the comments attached to the responses many who agreed with the premium felt that it should not be charged if there were valid reasons for the property being unoccupied such as inherited property where there were substantial works to bring the property up to a habitable state, or where COVID-19 had impacted the length of time taken to sell the property.

Although the GLA did not submit a response as part of this consultation, they had replied previously in September 2019 to state that they supported the introduction of the premium and encouraged the council to increase the premium up to the maximum percentage permitted for each category.

3.11 The current position and the options for consideration are set out in the table below:

Period	1 April 2020	Options for 1 April 2021
Empty 2-5 years	50% premium	100% premium
Empty 5-10 years	100% premium	200% premium
Empty over 10 years	100% premium	300% premium

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 Attached as Appendix 2 is the Equality Impact Assessment (EIA). The assessment did not identify any impact on groups with protected characteristic.

5. FINANCIAL IMPLICATIONS

5.1 The table below shows the projected additional income that may be available should the level of premium be increased as set out in the table above. The figures are based on the current level of empty properties and Band "D" Council Tax levels for 2020/21, with an assumed 15% reduction in empty properties.

	£'000	£'000
Potential additional Council Tax raised through the increase in the Premium	293	
Less 15% assumed reduction in Empty Properties	-44	
Total potential additional income	249	
Less GLA estimated proportion of 20.8%	-52	
Potential additional net income for LBB		197
Less additional collection costs		-52
Net additional potential income for LBB		145

- 5.2 The additional collection cost of £52k is based on 1 full-time equivalent member of staff covering the tasks of billing, recovery, visiting and customer services. The costs also cover printing, postage, travelling expenses, tribunal appearances and legal costs.
- 5.3 These figures might be significantly reduced by properties going back into occupation and/or owners identifying means of avoiding liability for the Premium. Based on the reduction in long-term empty properties since the introduction of the Premium assumptions have been made that the number of long-term empty properties and corresponding income will fall by 15%.
- 5.4 The one-off set-up and consultation costs of approximately £7.5k will be met from existing revenue budgets

6. LEGAL IMPLICATIONS

- 6.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 by adding section 11B which gave local authorities the ability to charge an increased amount of Council Tax on unoccupied properties. Section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 amended section 11B as is set out in paragraph 3.1 of the body of the report.
- 6.2 There is no statutory duty to consult on the empty home premium however to do so represents best practice. Having consulted then the Council must have regard to the Consultation outcome although it is not bound by it.

Non-Applicable Sections:	Personnel and Procurement
Background Documents: (Access via Contact Officer)	Report No. FSD19094

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London Borough of Bromley

Empty Homes Review – Consultation Report

18th December 2020

1. Empty Homes Premium for unoccupied dwellings

Bromley Council is keen to explore ways of bringing more empty homes back into use. This consultation is asking residents for views on whether Council Tax charges should be increased for owners of long-term empty homes.

There are currently around 300 homes in Bromley which are liable for Council Tax and are recorded as having been empty for 2 years or longer. Long-term empty properties are a wasted resource. For their owners, they are not earning any income and may be depreciating in value due to deterioration. For the local community, these properties can be an eyesore and a nuisance as they often attract vandalism and fly-tipping and, if homes are neglected, the value of surrounding properties tends to be reduced as a result of the neighbourhood not being perceived as a good place to live.

In many areas where there is a high demand for housing, empty homes brought back into use could become an important source of homes for households who need them. This could be either affordable homes, such as social rented housing, or market housing, such as homes for private rent or sale.

The Council is seeking residents' views on changes to the Empty Homes Premium for unoccupied dwellings from April 2021. This is a sum that would be payable in addition to the Council Tax liability should the property be unoccupied.

2. Consultation

A public consultation exercise was undertaken for recommending the changes on the premium being applied for the 2021/2022 Empty Homes Premium Scheme during a period from 30 October 2020 until 13 December 2020.

The survey was available through a variety of channels:

- A paper copy was issued to 1,049 residents or representatives of empty and occupied properties (comprising of 299 empty properties over 2 years, this being all such properties at the commencement of the consultation, 250 properties empty less than 2 years and 500 occupied properties)
- A link was available on the Council website
- The consultation was advertised on the website
- A paper insert enclosed with all Council Tax bills issued during this period directing the link on the website to complete the on-line survey

In total there were 202 responses received, 99 being via the website and 103 received by post. Of the total responses, 67 were owners of empty properties, 128 were of occupied properties and 7 has answered as owners of both empty and occupied properties.

The consultation exercise was based on 1 simple question to residents of the Borough

3. Outcomes.

Details of the full consultation question and analysis responses, both overall and broken down, are detailed below.

Q1 The Council's recommendation is that the Empty Homes Premium be applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years?

	Yes	No
--	-----	----

Do you agree with the above recommendation?

If you disagree please write your answer here:

.....

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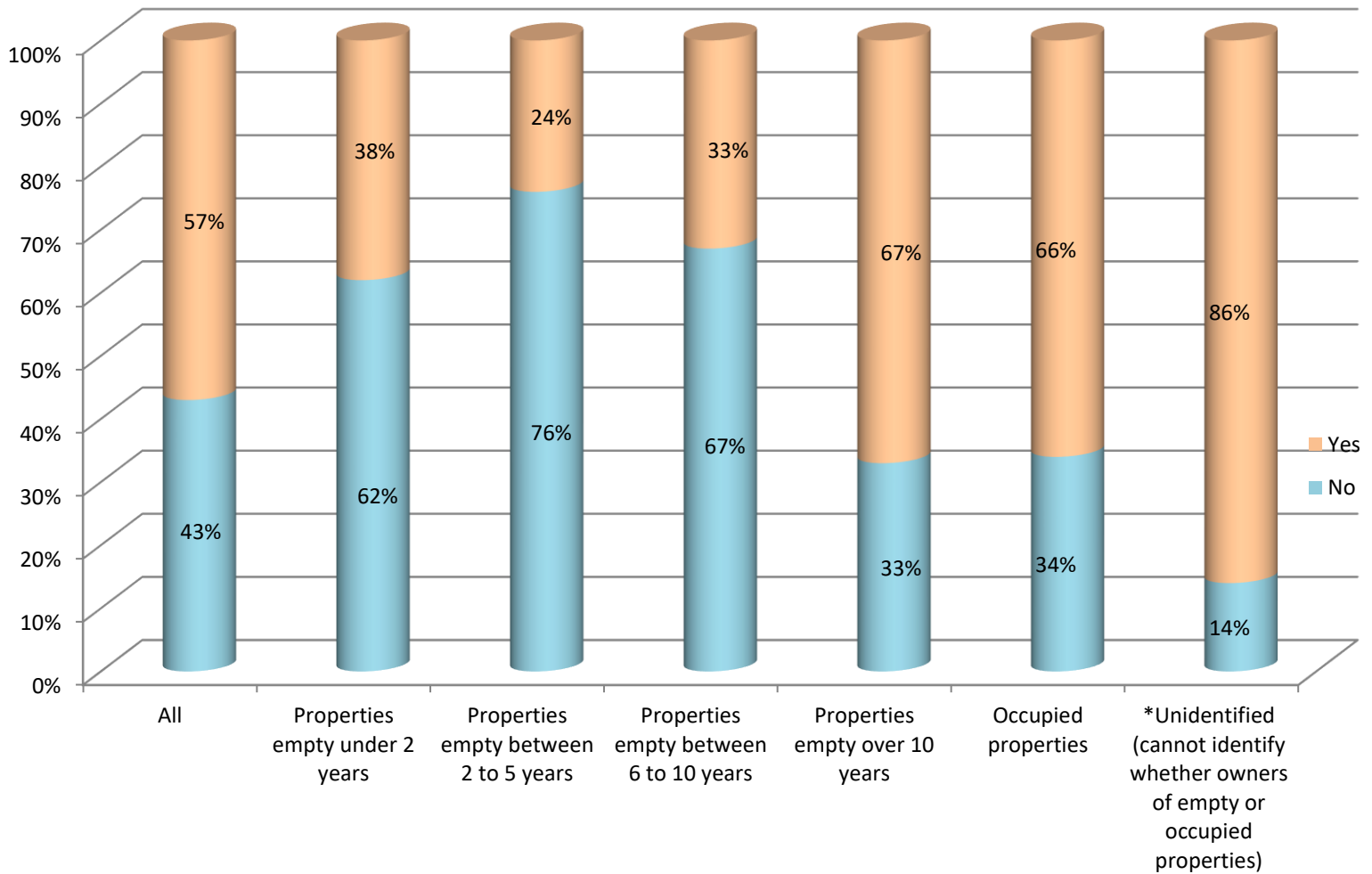
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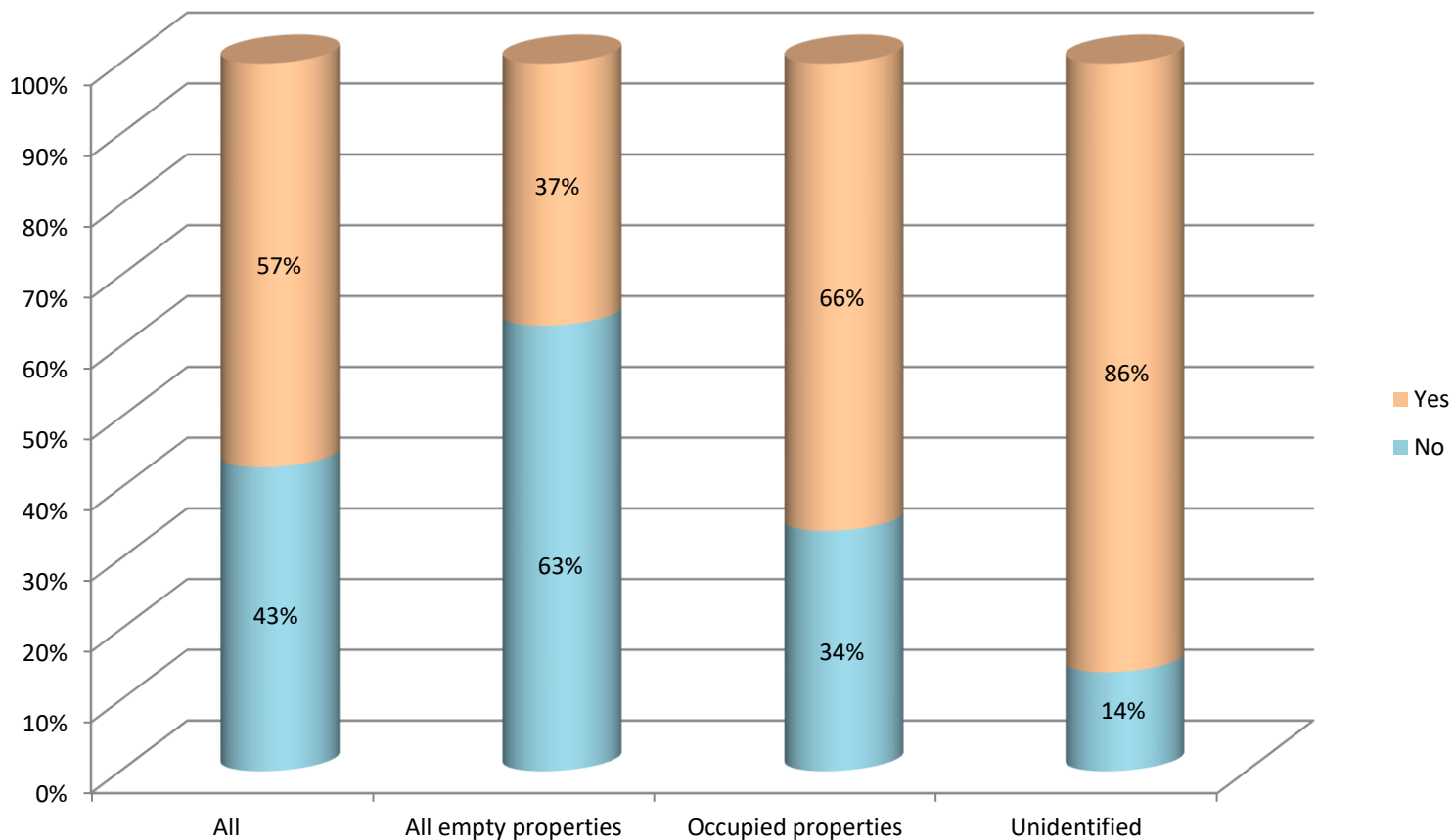
Overall response of total respondents

Of those who responded the *overall* outcome of 57% were in favour of Empty Homes Premium being applied at a rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years.

Total respondents: Do you agree with the recommendation that Empty Homes Premium be applied at the rate of 100% for properties empty between 2 & 5 years , increasing to 200% after 5 years and 300% after 10 years?



Total respondents analysed by all empty and occupied properties: Do you agree with recommendation of the Empty Homes Premium being applied?



Overall response analysed by all empty and occupied properties

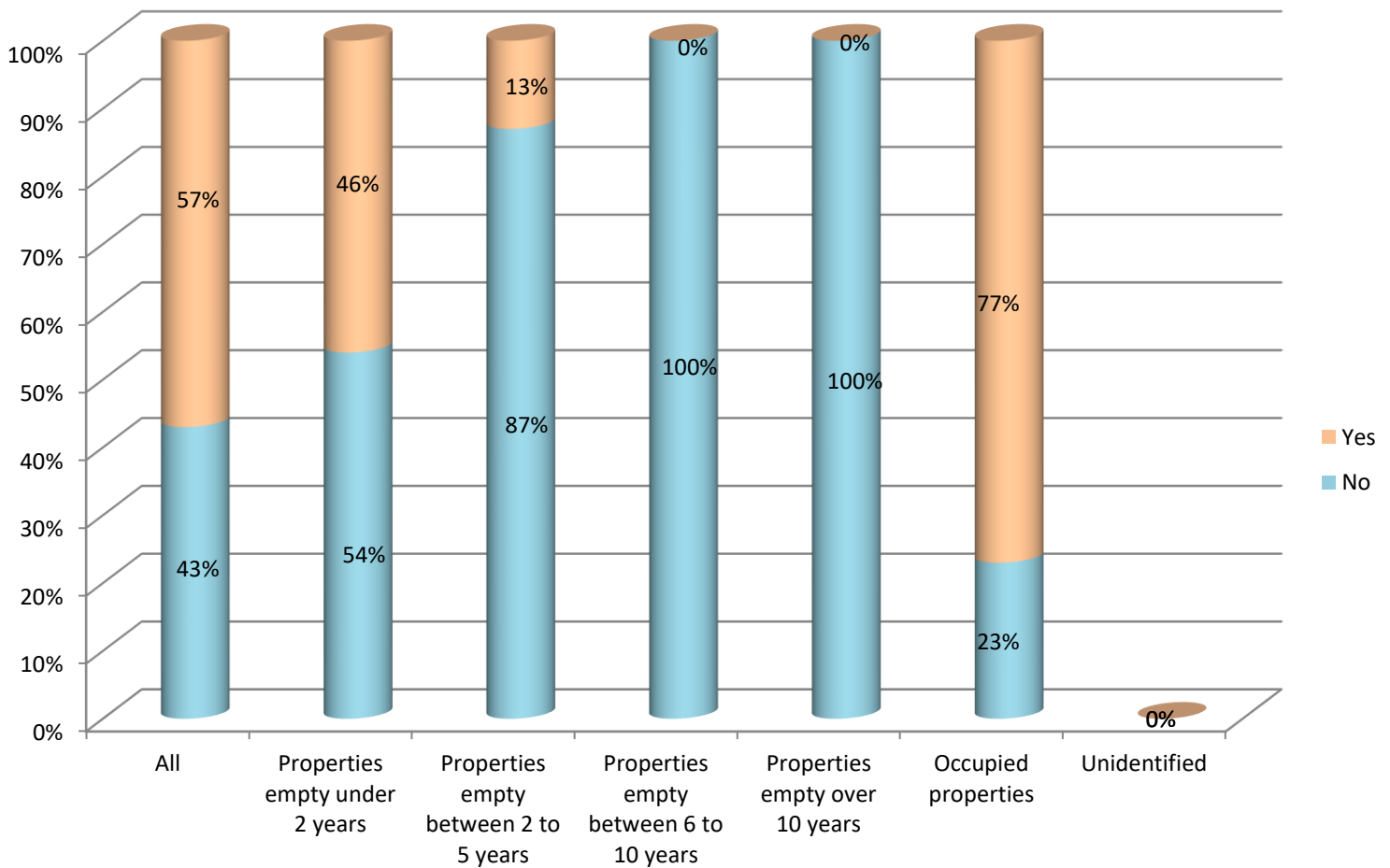
Although overall 57% were in favour of the empty homes premium being applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years, 63% of owners of empty properties were not in favour of this premium.

Analysis of Respondents by Postal Survey Type

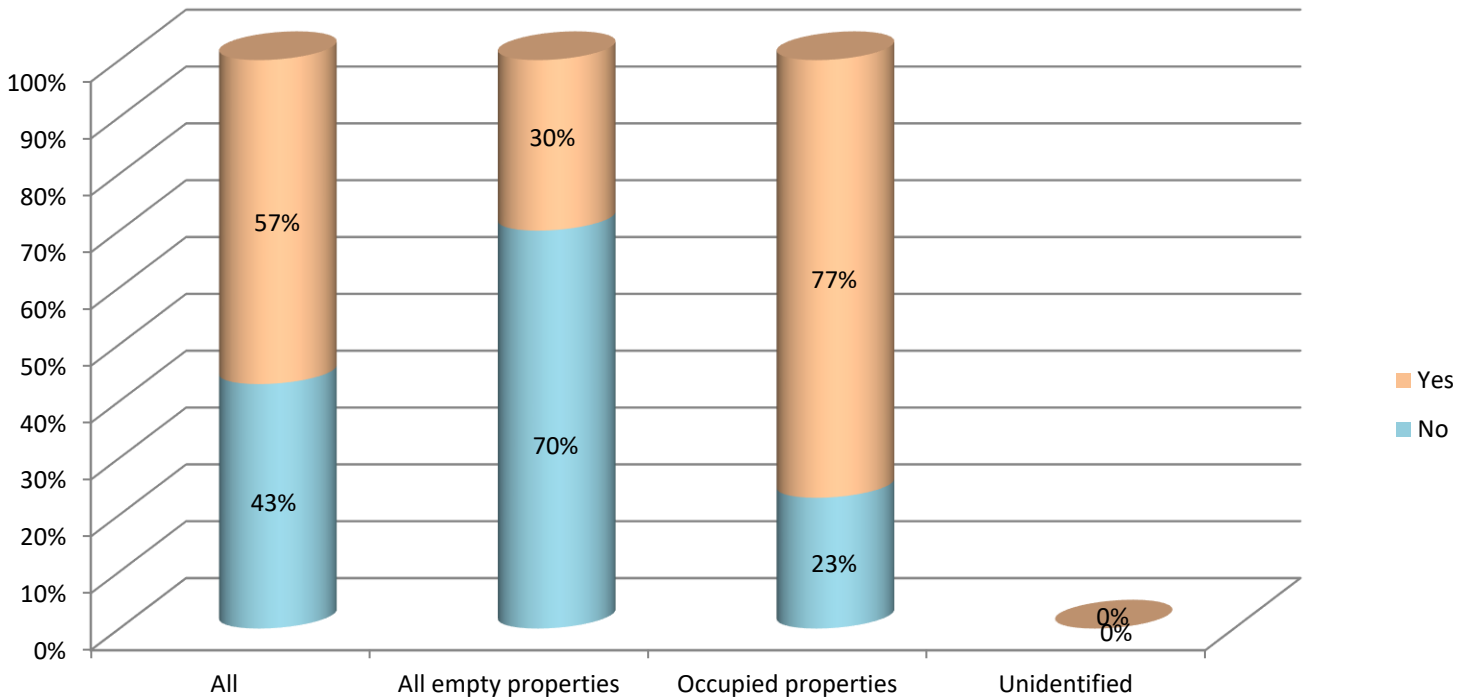
Of the postal responses received, overall 57% were in favour of the empty homes premium being applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years, whilst 70% were against this scheme from owners of empty properties.

From the respondents there was a total of 103 responses of which 60 responses were from owners of occupied properties which equates to 58% of the respondents.

Postal Respondents: Do you agree with the recommendation of the Empty Homes Premium being applied?



Postal Respondents analysed by all empty and occupied properties: Do you agree with the recommendaton of the Empty Homes Premium being applied?



Analysis of postal respondents by all empty and occupied properties

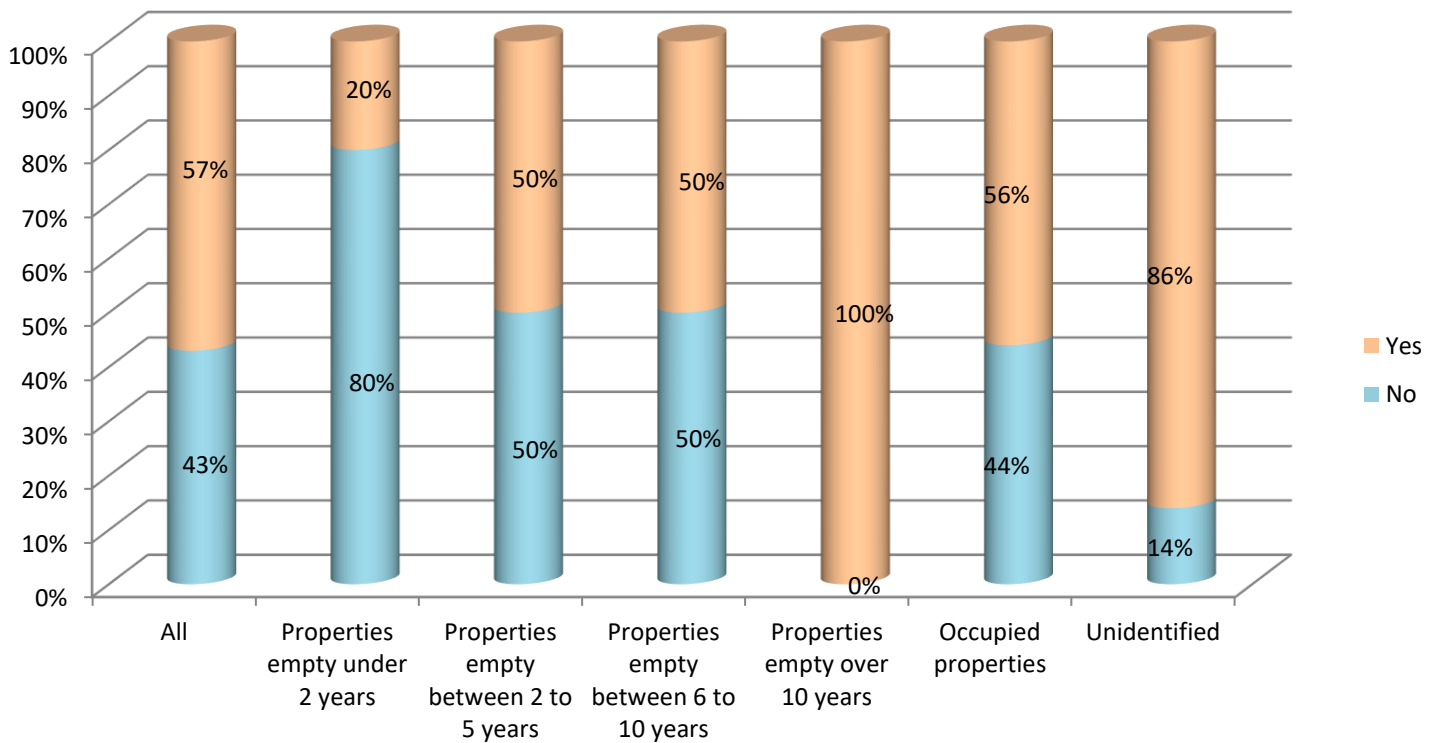
Of all responses received, overall 57% were in favour of the empty homes premium being applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years. Some respondents felt that the proposed premium should be higher to encourage the best use of the borough's housing stock. However there were also opposing view from respondents expressing that there are many reasons for the property being empty and should be evaluated on a case by case basis.

Analysis of Respondents by On-line Survey Type

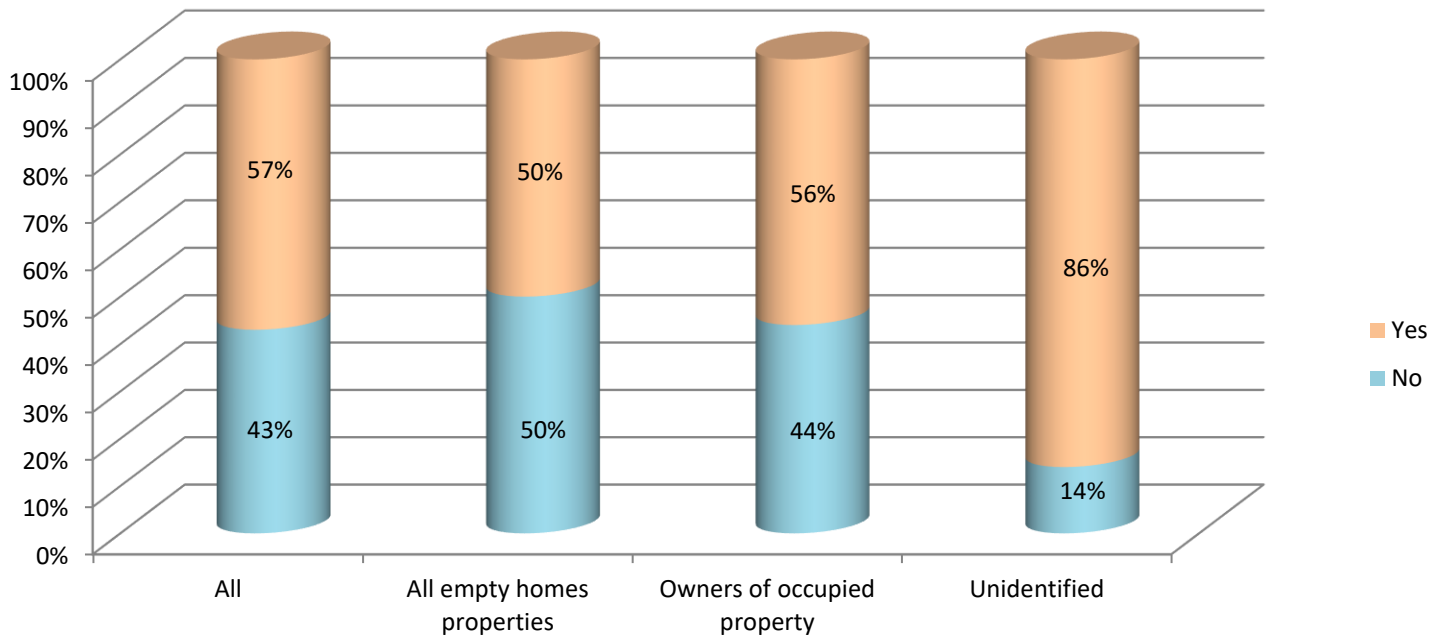
Of all responses received, overall 57% were in agreement with the empty homes premium being applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years.

From the respondents, there were 68 responses from owners of occupied properties which represents 69% of all on-line respondents.

On-Line Respondents: Do you agree with the recommendation of the Empty Homes Premium being applied?



On-Line Respondents analysed by all empty and occupied properties: Do you agree with the recommendation of the Empty Homes Premium being applied?



3. Timetable for Implementation

The proposed new scheme will commence on 1st April 2021.

4. Appendix 1 – Narrative responses.

I own the leasehold property and after falling into a dispute with the freeholder, the property became uninhabitable. This property which I would very much like to rent out or sell, cannot be and I still have to pay council tax at 100%. I find I am now having to take the freeholder to court and try to obtain compensation for lack of availability to the property. I have sought assistance from the council with regards to this property, but to no avail. Increasing the empty homes premium would not be helping customers.

What happens if a new buyer comes along after, say 2 years and renovates the house so it is ready for selling or renting? It might take a year to get a dilapidated house up to standard. He will have to pay the premium? What if it is after 10 years brought empty. Will the new buyer want to pay 4 x council tax?

If the council is serious about wanting empty properties to be used then this tax must not be carried over. Let's think about this. The new buyer will be helping the council by putting the property back on the market.

In your consultation paper, which steers the reader into ticking "yes" it talks of dilapidated properties that are deteriorating. How many of the owners are paying council tax on these? I suspect no one is paying.

Your proposal hits the new buyer. I disagree with the proposal.

The property is unfit for purpose at the moment due to ongoing problems with securing a suitable design. I have spent 5 years and a small fortune not getting very far. I have even employed a planner but we only ever seem to hit a brick wall. If the council was only a little more forthcoming in this matter the property would have been finished sometime ago and occupied.

I disagree as it is penalizing owners who through no fault of their own cannot sell or let the property. They are not using council facilities so should not pay extra council tax. I would urge you to think of a fairer way to help owners.

Totally disagree if properties are being renovated there are always many unforeseen problems arise, especially the unprecedented circumstances of the entire year of 2020.

- Suppliers not being able to meet orders

- Dealing with the loss of my parent (Covid Related)

- Self-employed so financial position 2 struggle. I personally am already being penalized as the property has been empty for 2 years, but I haven't even owned it that long.

I strongly disagree people don't choose to leave their property empty

Every property that is empty has a different reason for this. My apartment is fully maintained and looked after. I am unfortunate that I have a huge court case pending in my current property as I have subsidence. This is taking longer than anticipated and costing a small fortune. I'm under immense stress and hopefully this will all be resolved in the new year.

I am more than happy for someone to come and view my apartment to see for themselves it is in immaculate order.

I think properties should be treated on a case to case basis. This is especially true in this period of Covid 19 when circumstances can mean properties are vacant longer than desired by the owner. It does not mean that the owner is not trying to seek tenants/residents in the near future. Individual owner should be contacted before being penalized on a blanket basis.

I think you need to consider the reasons why a property is empty and there needs to be a system that takes into account circumstances re probate sorting out family finances after a death or hospitalization. Not every empty house is just left with no one caring about it. Also selling houses can take time. It should be enough that you pay normal council tax is paid.

Not all houses are left empty deliberately as there can be various reasons. In our case we brought the house to renovate but after long consultation with architects it was confirmed the best thing is demolish and rebuild. It takes a long time to consider and design a new build and thereafter too long to obtain council planning permission and please note in a conservation area you don't demolish until you have permission. Delays are caused for many reasons beyond our control i.e neighbor objections, availability of builders and trades and a reason or excuse of Covid 19 !!!

P.S Please consider it is a massive step designing a house for self occupation and should not be rushed !!

I would agree to pay a premium on the council tax which should be refunded if the house was built for self occupation and proved to be so.

We have already paid and now lost the extra 3% stamp duty levied when we purchased!!!"

Hello, While agreeing with the motivation behind the proposal I would like to make one point. We are a family company who buy run down properties, renovate and sell - on a small scale. I believe this contributes to the housing shortage as the houses are often practically uninhabitable when we get them and nice slightly large houses when we sell them.

We recently had a house in another area which already operates the proposed scheme. We had to pay double council tax as under the previous owner the house had been unoccupied for over 2 years. This period is fairly common as often there is a combination of probate process and a poor quality property. We bought, renovated and sold in 12 months so producing an occupied house.

My suggestion is the change of ownership should be taken into account to allow a new owner a period to sort the problem out without being disincentivised from doing so. This would be verifiable via land registry and I doubt it would be worth people artificially buying and selling to avoid the increased tax.

However you need to communicate these terms clearly at the beginning, when you know that the house is empty.

In our case we lost our father, needed to pay the debt from deferred payment of his care and tried to sell the property asap but had 2 buyers pull out at the last minute. This recommendation should be for those willfully keeping properties empty

consideration and understanding as to why properties are not being sold should be considered for example the sale of retirement flats have contain restrictions like the rules that the management company set, like age, and they also "vet" the buyers to make sure they will fit into

the community through the last year because of Covid people in the age group who would be buying a retirement flat have been very cautious so have not been looking to move property

I think that consideration should be given to those inheriting property in a poor condition/uninhabitable/needing renovation so that they just pay basic rate & no premium for up to 5 years. This is because people in this position don't necessarily have the resources to fix a property within a short time frame.

I agree to a point and maybe not quite as much as said, but for someone like myself I am an OAP and was left the property by my uncle. The problem is that the property a retirement property can only be sold to someone over 55 so a very niche market. It has been on the market with Foxtons and although it has a lot of viewings in the last 4 years with a totally new interior it still has not sold. So as you say I feel I would be penalized through no fault of my own

Obviously every body's circumstances are different, ours are we inherited a house in need of renovation which we do whilst working and raising our own family. Increasing tax slows this progress down for us so counter productive we requested help from the council they offered us tenants but could not guarantee rent or help in eviction if tenants proved unable to pay rent

My mother lived alone before she died and the property has over the years had new flooring, new kitchen, new fireplace, new central heating and completely refurbished. The gardens are regularly treated therefore the property is not an eyesore or attract vandalism. I have a sister in the USA and she and her family stay at the property when visiting but the property would still be closed as empty. I think it wrong to be penalized for not renting it out I inherited an adjacent, empty and dilapidated property. A subsequent professional survey concluded that refurbishment was not viable option.

The property is currently utilized as storage and retained for future redevelopment, together with my current dwelling, as part of a larger site.

As a pensioner and already paying a surcharge, the imposition of these punitive charges may well prove prohibitive, forcing me to leave my lifelong home.

Before the council decide to put yet another charge on empty properties, they should assess the properties in question. Having inherited a property during updating for rent or sale ill health - cancer & heart operation so delays have occurred.

Council tax is charged at 1 1/2 times the full tax, also all utility bills & expensive empty homes insurance all paid in full. The property is not an eyesore, and during these Covid times it would not be hard to assess to find out why such properties are left empty.

There are a number of reasons why properties are left unoccupied - plans to move back in/renovation prior to moving in/renting. Owners shouldn't have to pay a premium if there are valid reasons the property is unoccupied and/or the properties are being adequately maintained

Local council should repossess the properties. The properties should then be offered to people 35+ who still live with parents due to not being able to get a home of their own, Any person who knows a builder should be given priority. That way the properties will be brought back to living standards quicker.

To apply the rate at 100% if fair. Anything above that I think is not reasonable for whatever time the property is left empty. I don't think there are a lot of properties left empty for more than 5 years.

my husband and I both agree empty properties is not acceptable and owners should pay

Why are you wasting council tax payers money with this heavily boiled questionnaire? Are you going to waste money on postage for every difficult decision that you have to make? How much did it cost to send out this letter?

with reference to your letter dated November 2020, I write to say that I feel there is unfairness with a blanket additional charge on empty house.

Re the above property, which I brought in January 2018, there are facts which I believe should exempt us from the additional charge. We waited a very long time for the Bromley Planning Dept to turn down our original planning application. We then waited another considerable time to get planning permission for our revised plans. Work began on the house around May 2019. The work is major In March 2020 the Covid 19 crisis stopped work. When work resumed and in order to be compliant within the 2 metre rule we reduced the work force for their own safety. Having half the work force has naturally slowed the job down.

Although I have paid the additional Council Tax on this property I feel it is totally unfair and should be refunded.

I am sure there are properties in Bromley that may well fall into a category that should be charged for being empty but mine does not. We are in the middle of developing an old and outdated home into a beautiful high quality dwelling and not one point in paragraph 2 of your letter applied to us.

I look forward to hearing your thoughts on this matter at your earliest convenience

This Contradicts the ostensible reason for the tax. Namely to pay for the services used at the property. They are using zero services while empty. You are turning a service charge into a penal charge to use for social engineering that is not the business of a council

you make no effort or distinction around Why the empty

Thank you for really trying to engage your constituents' you are a good council who always tries their best to look after us all. thank you stay safe

I don't think that each family is responsible to pay an amount of money for house that are not theirs. The Council Tax is already increased enough, The owners of these houses should pay and the council who probably took them over.

Theres no good excuse for property to sit empty

"I have recently asked my tenant to leave my flat. As ive been disappointed with the type of person the council install. if you would like to call me on xxxxx I may consider re-letting but with very high resections attached.

Ive a two bedroom flat in hayes very close to the train station.

The property right should be respected in particular this it is a huge investments to a family. Given the current situation it is very hard to match appropriate tenants. Owners may be forced to have further suffering or exposure to default payment. On the other hand certain property may mean special to owners eg for family memory their right in this regard should not be deprived or even penalized by imposing premium, inappropriate tenants may do cause tension and disputes with community & more community problems

I am in the process of trying to let out an ex-council flat, on behalf of an aunt who has moved into a nursing home. I am unable to let it until the council fix an outside leak which is making the bedroom damp. (not Bromley council). They were informed of the leak, two years ago and still not fixed.

Charging a premium would make Bromley Council no better that the XXXX in the 60's who charged protection monies and supplied very little. If the council impose this premium it would be taking money from the easy target who have no choice but to pay up or be taken to court. Bromley Council should be ashamed of themselves for even considering this policy

However we have been prevented in completing the work on our cottage as our 1st smaller planning application was refused - but we have been allowed a larger extension than we wanted but not the less intrusive smaller one as this shape is allowed under green belt but we will be concreting over a larger area - VERY GOOD FOR THE ENVIRONMENT!

Also we have been paying 100% council tax on a house which had a roof on the bathroom which allowed rain water in so was uninhabitable but to try and talk to anyone is impossible everything is via email - not suitable for everyone

councils be appreciative it takes time to sell a property: even more so during covid restrictions with lockdowns. Also Grenfell Tower Cladding new regulations imposed by government have slowed down sale of flats, for examples some would argue to remain private property should be for what private owners could encourage & offer incentives to private owners- see example below:-

Councils could charge less council tax when private property is rented out

councils could speed up eviction & rehousing tenants who renege on paying rent

Councils could help with privates landlords insurance

Councils actively offer advise & support to private landlords

Some homes owners have work or family circumstances or health issues with their loved ones that necessitates them being away for large periods of time or even occupying other locations. Sometimes houses don't sell or family needs mean additional living options are prudent. These taxes would be unfair to impore without reasonable exemptions

we disagree with your recommendations for empty homes premium because:

you have to consider each individual case on its merits and there should not be a blanket fee for all owners of empty homes.

there used to be exemption for no council tax for empty homes which is not applicated anymore.

the owner is already paying the appropriate council tax.

there could be a valid reason why the property is empty. no owner would be happy to pay council tax for a vacant property, especially when there is no return from the property. there are other costs applicable for some owners, for example maintenance of the property and grounds, energy supply, private estate fees etc. it will be unfair for the council to penlise owners who do not neglect their empty properties.

the council should investigate the reasons why houses are currently vacant or not in use by

owners (by surveys) and can then work together with residents to resolve these issues to bring these houses back into use as opposed to using monetary penalties to motivate this change.

This catch all approach does not take into account those, who through no fault of their own are experiencing difficulties in finding a buyer for their property. In this instance the property is in a good area. Has been refurbished and the asking price dropped on three occasions.

if also does not address the situation where the terms of a lease prevent a property being let.

There are many reasons why a property may be empty may of which may be outside of the owners control. Such measures put additional pressures on a person that may face financial difficulty say somebody is ill in hospital for a long period of time. Or serving our country overseas or worse still imprisoned unfairly overseas i.e Nazonin Ratcliffe in Iron. This in contract to Iron a free county and ownership of property should not be penalized. Are you going to tax the national trust too.

We worked hard for 40 years + to have been able to afford to buy a second home. paying numerous taxes along the way. Why should we be expected to pay at these incredible rates 100-200-300 y. if we chose or circumstance dictates the house remains empty. In the UK middle classes are targets of constant tax increases and new taxes to pay for. I strongly object to this idea

the stated aim is to bring empty homes back into use as empty homes are a waste of resources- this must undoubtedly be true as of July 2020, Bromley had about 3000 households on their waiting lists, with about 1700 in temporary accommodation with a potential budget of £10,000,00.

a further reason for action is that there is a believe that there will be increased vandalism and fly tipping.

According to the paper there are about 300 homes in the borough which have been unfurnished and unoccupied for more than 2 years. The proposal is to add 100% premium to council tax for any property left in such condition for between 2 and 5 years increasing incrementally thereafter.

The most common Council Tax band in Bromley is D giving the average Council Tax value 2020/2021 C £1504.05. Under the proposal the annual revenue raised could amount to an extra £451.500. Certainly a reasonable amount but a drop in the ocean considering the actual extent of the issue or indeed any administration costs which might arise.

However it does not sound like an unreasonable proposal, but it does beg several questions How is this of itself going to bring homes forward and available for those requiring them - if some of these properties were usable, what mechanisms does the Local Authority use to bring them back into actual use. Even if they are up for sale or in Probate does the Local Authority consider negotiating with owners for short term lets or indeed actual purchase for social housing.

How much difference did the revocation of the 6-month vacant exemption make to the issues of homelessness in the borough and how much did it rise.

whilst the 300 odd properties are now currently paying normal rate council tax, one must assume that the call on services is small compared to that of an occupied property.

is this not a penalty/fine - where there may be a very reasonable reason (certainly in the 2 to 5 year period suggested) e.g unable to sell, or a property going through a protracted probate so are exemptions going to be available if a valid and provable excuse.

I do not agree with the suggestion as laid out but do agree that a Premium should be applied if a property is empty and unfurnished for say 3 years plus unless a valid excuse can be provided.

I do also consider that the rationale provided for this penalty is poor- given the potential monies to be raised. The Local authority, if they are seriously considering the housing issues in the borough really need to consider other options talking to those empty properties for instance. I hope I haven't wasted my time giving this some serious thought

You haven't specified the size of the premium, which is material to whether we support it. If it is tiny, it is unlikely to have the intended effects but we would not support an EHP that was so large that it became really punitive (eg 10x the standard Council Tax)

But please note that I am of the opinion that empty properties between 0 and 6 months should be allowed a nil rate, and from 6 months to 12 months should have a 50% rate

but please note that I am of the opinion that empty properties between 0 and 6 months should be allowed a nil rate and from 6 to 12 months should have a 50% rate

this is a probate and the property is empty because being renovated

in regards to my address which by the way is not a second property. it is ,my only house on property. my son rented this house and paid his council tax until October 2019. I retired from nursing and this fitted in with the death of my father at 97years. I came to look after my mother who was on her own house had to be evacuated and since has been uninhabitable no utilities have been used. please see attached information building is almost complete. please see copies of further repairs

I disagree as empty properties may only be an eyesore and are not using resources of the council. If a person wants to leave their property empty and receive no income from it its up to them.

I appreciate the reasoning behind the empty homes premium, but I don't think you can group all empty homes in the same category there may be certain reasons why the property remains empty. Perhaps if properties remain empty for say 5 years or more, then the council should offer to purchase into property.

As a person trying actively to sell a retirement flat which I inherited, still having to pay service charges on the flat and Council Tax when the flat is vacant, hence paying for services that are not being used. Being in the middle of Covid-19 pandemic which has affected the elderly, whom seem not wanting to move at present, which you cannot blame them, I would be really annoyed to having to pay yet another charge on the flat when I already live in the borough and so paying two lots of Council tax, which is something I really could do with not paying and I would be able to afford any further charges. I think at the present this is not the right time with the pandemic to be considering this.

On another note, if you are concerned about the retirement flat I have inherited being empty and wish to make me an offer to purchase the property for you to be able to rent out etc. please feel free to contact me on xxx

I believe this is grossly unfair. Currently we pay full council tax for unoccupied property where we receive little or no benefit of services e.g rubbish collection is not required. A discount would in fact be a more equitable solution.

You mention that unoccupied properties are not maintained and are suggesting using this increased charge as a sort of ""fine"" on property owners. This is clearly wrong and many occupied properties are poorly maintained with overgrown gardens etc. Are the council planning to fine them? I currently pay gardening and maintenance charges for my property to ensure it is in good order and the neighbor's have no concerns. If I have additional charges to pay to the

council I may not be able to afford the maintenance charge for the property and therefore it is more likely to become poorly maintained.

on a more board note, surely if I own the freehold of a property it should be my choice, within reason, to use it as I am in no hurry to clear my mother's house and think it is wholly inappropriate for the council to try to force me into this by effectively fining me when I have done nothing wrong. All this bills for the property including the council tax are up to date and perhaps the council should look to penalize those who are not contributing or maintaining their properties.

Further as the stated goal is to make more property available for rental I do not believe this additional charge will be effective. Clearly if the owner wanted this source of income today they would be renting, I do not think this charge will change their mind and it is more likely to make an owner think about ways to make the property uninhabitable.

My own intentions are probably to complete renovate the property and then offer for rental, however, I want to do this in my own time and complete the emotional journey of clearing the family home.

This is only acceptable if there is clarity of objectives with planning committees. Recently a planning committee concluded that there was sufficient housing, turning down an application to convert a large single dwelling into flats. The property will remain empty until a sensible planning decision is made. Penalty enough without additional council tax.

I agree

I agree with the proposal

Its not for the council to dictate what a person does with there property.

Why not go to 200% after one year and 300% after two. There is no excuse for this. Bromley needs the money, people need the housing and these places attract crime, antisocial behaviour etc and it needs a real penalty not a slap on the wrist

I agree.

Not applicable- strongly agree with proposal.

I agree with the proposals

I agree

I agree

I agree. Submitting the survey again as I misread the following questions previously.

As this is only for residential properties and not business/office properties.-

Firstly I would caution that the property is legally owned by someone and it is their right to use (within legal/ethical constraints) as they wish. But if the property is attached to another property, then maintenance to ensure no damp or dangerous structure should be enforced.

This is also not a simple process and needs safeguards, because the reasons for lack of occupancy will be varied.

The property may be owned by an elderly person now living in care or being rehabilitated to move back in (although I assume the two-year base is to try and minimise this issue?) and may also not be mentally able to deal with this, whilst at the same time the persons' family may not have the legal authority to sell or the financial means to maintain on their behalf, so adding further costs through increased council tax could add financial distress to all concerned, especially if the elderly person is paying large care home bills.

There may be other issues to consider such as preventing family fraud if the property was forced into being sold by rules imposed such as this.

Therefore there would have to be a strong and transparent process to support and understand the reason for the lack of occupancy and even to encourage basic maintenance

Alternatively, the owner may be living/working abroad and does not want to rent the property as whilst that provides an income it is not without its problems of having to deal with tenants.

I would instead recommend creating a local legally enforceable maintenance obligation on unoccupied properties, and in that respect charging an additional council tax fee for council tidy up of the front of the property would be more reasonable, but simply charging more for non-occupancy is not fair especially as there is no-one in the property using local resources whilst already contributing council tax.

The increase will rather render the cost of rent and council tax unaffordable to the low income and the unemployed/homeless.

While the overall objective may make sense, no justification is given as to why 100%, 200% or 300% are the correct thresholds. People may need to be away from their home for a protracted period, either for care or work and there should be no obligation to occupy, provided it is maintained and upkeep maintained - and they are also not consuming more services.

Because if you are stuck with a property you are trying to sell which you are not permitted to sublet you then get caught out, like me! I am already paying service charges for a property I can not get occupied. Its a retirement flat. I will sell at any reasonable price. Its not in disrepair. It is furnished. Maybe you can create a better definition that excludes this type of situation. It is financially difficult enough!!!

Your assumptions are unfounded without evidence. This is just a revenue raising exercise.

I believe it should be higher than this and kick in earlier say 100% after 1 year, 200% after 2 and 300% after 3 and so on. That would also be easy to understand.

It is purely a money making exercise, having to pay council tax for a vacant property is wrong when none of the council services are being used, this proposal just makes it worse.

There are no LB Bromley services being used at an unoccupied property, such as domestic waste collection as there is no one living at the property, so there should be no additional charge to the property owner. There should be a discount if the house is unoccupied, not an additional charge.

These time periods are too long. The 100% premium should be applied for 1 to 3 years, 200% premium for 3 to 4 years, and 300% after 5 years.

After two years the properties should be compulsory purchased by the council. There are so many vulnerable residents who are forced away from everything that's familiar and all their support networks because of the affordable housing crisis.

Council tax should not be profit-making, and any council tax collected from empty property should directly reflect the council's costs and services directly related to their stock of empty properties. In a democracy it would also help to canvass the views of the owners of empty property as well to discover why their property is currently empty! Many will undoubtedly be in financial difficulties or will be forced into financial difficulties if they let their empty property due to the current income tax treatment of rental income for people, especially those with a mortgage. Many probably cannot sell due to the potential CGT liability it would trigger - that might have a domino effect, leading to bankruptcy. The council always retains the ultimate right to requisition property, and this should be considered as an alternative to fleecing the owners, which is verging on bullying tactics. An alternative to collecting a premium might be to defer the collection until the property is sold (eg on an owners death).

There may be any number of reasons for home owners leaving a property empty, it seems wrong to effectively 'fine' a property owner for the choice they make about their property. It is clear there are occupied properties in the borough that are neglected thereby potentially devaluing neighbouring properties and making the area appear run down and unappealing as a place to live. I suspect these will out number unoccupied properties.

taxing property owners more for different use than business use either ? really

its great from a tax raisers perspective why not raise ever ones...

taxing people more so they are less able to progress with updates on the property raising the barriers to completion.... great policy and forward thinking. we can as well all move out and migrate right, its some what draconian and extreme. in fact a labor type policy

Why penalise people for how they wish to use their home or due to their circumstances

Because someone else owns the property not the council. So who gives you the right to charge them. The only premium that should be paid is the council paying the public for your incompetence

Home owners maybe in financial circumstances which the council may not be privy too. If a person has inherited a home and cannot maintain the running costs this could a reason for it to be empty, before asking for money within these times this should be a priority to be investigated. If a home is empty the council does not need to carry out its normal regular duties for example disposing of waste so why increase a price on a service which isnt needed.

If you wish to leave your property empty, Bromley council should see that this is an investment in the borough, generating more demand to live in the area. As a home owner it gives you the right to do with a property as you wish, it has no impact on neighbours or society if one owns a home which isnt vacant for a while. If the council wishes to work with residents a buy back scheme should be offered if it's that much of an issue which could support the owner and the community. I feel it discriminatory to target home owners. Empty home owners are not generating waste that council tenants produce, the shortfall should fall with them.

I am a home owner and I live in my property however I fit the bill for council tenants on my estate for all the waste they produce. Its unfair and we chose to own homes because we are not legible to have a chance to have a council property and I for example have had to work very hard to get to where I am. Its discrimination. Charge people who are impacting at first hand daily not those who have paid solicitors, estate agent fees, stamp duty tax and the property price to own a property in your borough.

The council needs to recognise that to bring a neglected house back into circulation requires significant time and investment which can take longer than two years to complete. It may require planning permissions to be sought and building works to be undertaken to upgrade the property to improve it, which take considerable time and processes outside of the owners control.

The current COVID pandemic shows that delays can be caused beyond the property owners control and applying this in April 2021 would show a distinct lack of sensitivity and support from the council at this time of National and Global crisis.

By increasing council tax charges in this way will deter new owners, who are seeking to improve the property and the local area, from taking on previously occupied but neglected properties because of these higher charges.

By currently paying full council tax charges on an empty property in return for no council services already serves as a deterrent to leaving a property empty. The council should instead consider applying an unoccupied discount as no services are provided.

The incremental increases seem exorbitant to me. Personally I believe the regular council tax to be on the steep side too and don't think residents get much value in this regard especially when you consider that household waste and recycling are collected on a fortnightly basis. I understand the intention but there are far worse London Borough for unoccupied properties and therefore I think a 25% increase would probably be reasonable.

The council needs to recognise that the refurbishment of previously occupied but poorly maintained dwellings takes a considerable time and investment to bring back to a habitable condition. This can involve requiring planning permission, building control and undertaking major structural building works where many processes and timings are outside of the owners control. The current COVID pandemic shows that activities can be outside of an owners control and are significantly delayed. I would also say that it is in owners interests to return a property to market at the earliest opportunity without having additional punitive and unfair charges levied.

It would be counter-productive to dis-incentivise owners from taking on and making significant investment in returning poorly maintained but previously occupied properties back to a good condition for occupants and local residents. Properties need to be renovated well to return them to market in a safe and good condition and it needs to be recognised that this can take time and investment to complete.

Owners are already incentivised to bring properties back into circulation through the current mechanism of charging full council tax in return for no services being provided and the council should review the current unfair policy.

I find it hard to understand that the council should seek to introduce such dis-incentive measures during the COVID-19 National and Global crisis, it demonstrates a lack of sensitivity and support by the council at such a difficult time for communities."

homes can be left empty for a variety of reasons and why should people have to pay an additional council tax premium just because that's what they choose to do. Sounds like the council are just looking for ways to collect extra revenue from people.

From April 2021, we are proposing to increase council tax by adding a 100 per cent premium for any property left unoccupied and unfurnished for between 2 and 5 years, increasing to a 200 per cent after 5 years and 300 per cent after 10 years. While I understand and appreciate Bromley Council wanting to find a way of bringing empty houses back in to use, I do not believe this is the most viable or logical way to approach raising tax revenue to aid housing shortage.

In the first instance the circumstances of a house becoming empty is a major consideration. In the case of our family home which has been owned since 1978, our father passed away in April 2019. The siblings are all grown and have their own homes therefore, residing in the property is not an option. We are in the process of selling however, the two lockdowns have severely affected the market category the house sits in. According to all the agents we approached to sell this house, the average time frame in a economical market would be 12 months, for this size of property. We have also approached several housing associations. None were interested in taking on this type of conversion project or did not have the budget (due to Covid 19 situation). It would be unfair to penalise the family for a situation which is out of our hands, causing further financial stress by increasing the yearly running costs.

The house is kept to the best maintenance as we are all proud of the family home and would never let it go into a state of disrepair.

Secondly, we looked at converting the property or renting out however, after consultation with experts both options mean significant outlay. The return did not warrant the outlay due to costs and taxation, even with the grants offered by Bromley to bring a property to rental standard.

Thirdly the amount of revenue raised verses the cost to implement the scheme, does not seem value for money or the most advantageous combination of cost, quality, and sustainability to meet the boroughs requirements. According to the council's calculations published in the News Shopper Nov 19, net additional income £87,000 is being generated. The predicted cost £59,000 a year based on one full-time equivalent member of staff covering the tasks of billing, recovery, visiting and customer services.

While every penny counts, justifying raising taxation in this way, for an additional £28,000 does not seem realistic or sustainable. If currently 300 houses are empty, this equates to just £93.33 per house.

I hope these points are taken into consideration to not raise council tax in this way. At the very least ensure the wrong people are not financially penalised by individually assessing the reasons for a property being empty.

the homes should be filled sooner

You want to increase people's council tax for a load of empty old buildings? Is this a joke. We already have to pay TOO much council tax for ABSOLUTELY nothing and now we're expected to pay more for some derelict buildings? If you want them to be nicer pay your own money and not people's. Plus we all know the money wouldn't really be going to these buildings but used for something secret of course. How about suggesting you raise people's council tax for actual causes. Like better local nurserys more money into better teaching in schools, or more money into raising awareness about this corrupt council!!!

There can be many reasons for empty homes. A common one may be the lack of funds to renovate and make property habitable. Incentives to make properties habitable would be much more appropriate than excessively taxing people who have empty homes.

I understand that in certain instances empty properties can become a nuisance and can attract vandalism, fly tipping etc., however, given that the property owners have to pay council tax on the property is empty this should offset some of the costs to rectify any issues. I believe that empty properties which are causing difficulties should be dealt with on a case by case basis rather than a blanket approach. People have worked hard throughout their lives to own their properties and if they are complying with keeping their property in good order and paying their council tax each month then this new approach seems rather unjust, another example of greed. It is not down to individual property owners to solve the issue of lack of properties/housing within the borough, it is down to the government. This persistent attack on people that do the right thing and contribute to society by trying to make an honest living through letting property etc is an absolute disgrace.

Punitive and manipulative tax. Quite unreasonable. Some estates take years to resolve following a death and this proposal would put excessive stress on families and executors.

Ownership in dispute via crt. Probate of deceased owner complex so time required to search for known heirs.

I think the amount should be higher but it would be a step in the right direction
Instead, compulsorily purchase the property and make it available as social housing.

Firstly, the council does not explain what it will do with this additional funding? Would it be ring-fenced for social housing, building new council homes or assisting with the homeless in Bromley?

The council already receives money from these houses and if the council wants to use these houses for its housing stock, the council has to ask themselves why these empty houses have not been offered to the council for rental? Is it the council existing policies are wrong and the contempt it shows private landlords that needs to be considered first before introducing this policy.

This is none of council business what do homeowners do with their property. As for flytipping, install cameras as in other boroughs and put online pictures of people and cars for shame of flytipping, after correct court decisions. No need to charge more money from poor people for nothing, where everything can be done with more organisation and adequate management.

People should be allowed to do what they want with their own property without Bromley Council penalising them and attacking them through the tax system. Bromley Council should look to be making cuts to the waste they preside over rather than upping tax all the time.

I am surprised that a Conservative Council would consider imposing this levy. A property may be empty because the owner wishes to sell and cannot find a buyer. Even when a sale is agreed, the process is taking over 9 months to complete (as solicitors and surveyors are on furlough). Further, an owner may be reluctant to rent his property because of the government's draconian rules preventing evictions. It appears that, unlike any other asset, the government believes it is perfectly acceptable to deprive an owner of the right to use and control his own house.

First of all that approach is akin to Mafia style blackmail. If this approach worked all the closed shops in Croydon with gift center and high street in UK could be used, but that approach is very naive and unfounded and not well thought out plan. Absolutely ridiculous. Just because the council doubles and triples the tax does not mean the landlord has a flood of income or the problem preventing letting is resolved. It in fact makes it harder for landlords of money they need

to bring property in good state.

Every property owner with an empty property would benefit if they could rent the property, they have not gain in keeping property empty, so the council should ask WHY they prefer to lose money then rent.

The council doubling tax does not change the reason why the properties are empty. I can tell from firsthand experience that property my family used for years was rented and the tenants trashed the place where we need to now spend 3 times more than 20 yrs rent worth and nearly 40p in legal fees get property back and to put property back. In good order.

Laws favors tenants and when tenants trash the property and walk away, the landlord has no recourse as the landlords have not way to recoup the cost. Bromley council needs to setup a register and tracker of bad tenants and help landlord regain money from tenants no matter where they go.

Council needs to install laws that make eviction of bad tenants quick and easy.

Also with Covid a lot of impact of getting skilled tradesman and material impacts getting back the property in rentable state. Laws have been passed making it hard for landlords to rent typical box rooms since the planner decided they need to be minimum xyz size, ignoring the fact that the properties are old, those laws should only be applicable to new construction. Also the council failure to provide easy and regular pickup of waste encourages public to trash things like mattress and other items on the street or vacant properties, the landlords are not the problem. Planning department are too strict and prevent landlords from easily improving older properties to a rentable state. We have a property that has NO back access - thanks to planning approval over 30 yrs ago and to make it worse the city put a pedestrian crossing and streetlamp post in front of the row of shops to very difficult to renovate and improve property. But most important if the council want property back in market, instead of black mailing with increasing tax, how about giving grants to landlords. Tenants constantly damage the properties, the laws is very one sided, it takes years and lots of legal cost to terminate lease and or get tenants out. Its easy to say you want properties rentable but it ignore the extensive damage tenant leave behind. This take time to fix, plus in this bad economy most shops in Croydon high street at being vacated so why does the Bromley council think the economy and revenue for landlords is great. Please improved trash collection for ALL areas of Bromley, Look at way to give grants to improve properties, find ways to terminate lease quickly in case of bad tenants, and help landlord get recourse in collecting unpaid rent or recover damage from tenants. Ask you planning department to be more lenient for improving older properties.

Once again, the landlord has NO gain in leaving properties vacant an there are reasons why they are vacant, if doubling tax worked every council would do that and every shop in every high street would be occupied but the real world does not work mafia style. - so please do not proceed with this ides - it is a badly thought our approach

Whilst I agree in principle to those empty homes that are left neglected and empty for years causing issues for neighbours, the neighbourhood and could be used to assist in meeting the need for homes. I currently have my property empty which with personal circumstances and Covid I am not able to complete the renovations within the property to let out or to move back at this time, but I would like to strongly point out that with my property being empty is not neglected and doesn't affect any neighbours or the neighbourhood so there should be a criteria and procedures in place to assist to deal with on the individual property's owner circumstances and not to be hit further financially when some are supporting other vulnerable family members in the current times and maintaining their property as well as their own.

I disagree, it depends on the size of the property, it may be very small. Many people live on their own in very large houses and yet they are not charged a premium.

The council already charges full council tax on empty properties and this already serves as an incentive for them to be occupied when no council services are provided in return. Charging a higher amount is disproportionately punitive and will stop people from taking on and renovating properties that have been poorly maintained by the previous owner occupier.

While 2 years sounds like a long time it is not sufficient to renovate a badly maintained property which may require other Council approvals like planning permission and building control as well as engaging builders for major structural works which are outside of the owners control.

The current Covid-19 crisis is also a big factor in delaying works at this time and it is terrible that the Council is considering introducing these measures now when the community needs support not new penalties.

Perhaps a period of at least 5 years would be more appropriate to the Councils long term concern.

Another point to consider is properties that are in the process of being actively renovated and not just being left empty, perhaps the Council should look at if work is taking place rather than the property simply being left standing empty.

One: I was only received this in the post today (the 13th of December 2020 which is the deadline). That is not an appropriate amount of time to consider and I believe this is a tactic to push through a motion without due oversight.

2) I do not believe that the money will be used for affordable homes/ housing options. as the letter itself never proposes what the increased funds will be used for.

3) This sounds like an easy fee to get around, by simply putting furniture in a home and still not occupying it. It is ill thought out and sounds suspiciously like a way to just increase council tax takings without providing additional services/improving current services ... which are already extravagantly price already for what we receive.

For the record, I am not even a home owner; I privately rent. I would love to see these homes available for occupation and would welcome the ability to get on the proper ladder myself, with sufficiently sized, reasonably priced homes. Sadly that is yet to exist in Bromley.

Name and job title of completing officer

Claudine Douglas-Brown, Assistant Director Exchequer Services

1. Summary of Proposal, impact on groups with protected characteristics and mitigating actions

<p>a) What is your proposal? To increase the empty homes premium from the financial year 2021/22 to 100% for properties empty longer than 2 years, increasing to 200% where the property has been empty for 5 years and 300% when the property has been empty over 10 years.</p> <p>Initial calculations suggested that 304 properties would be impacted by the increase in the premium, out of these 95 have been empty for over 5 years.</p>
<p>b) Impact on groups with protected characteristics and mitigating actions</p> <p>None identified</p>
<p>c) Summarise any potential negative impact(s) identified and mitigating actions</p> <p>n/a</p>

2. Assessing impact

<p>You are required to undertake a detailed analysis of the impact of your proposals on groups with protected characteristics. You should refer to borough profile data, equalities data, service user information, consultation responses and any other relevant data/evidence to help you assess and explain what impact (if any) your proposal(s) will have on each group. Where there are gaps in data, you should state this in the boxes below and what action (if any), you will take to address this in the future.</p>	<p>What does the evidence tell you about the impact your proposal may have on groups with protected characteristics? Click the relevant box to indicate whether your proposal will have a positive impact, negative (minor, major) or no impact</p>
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Protected characteristics	For each protected characteristic, explain in detail what the evidence is suggesting and the impact of your proposal (if any). Click the appropriate box on the right to indicate the outcome of your analysis.	Positive impact	Minor impact	Major impact	No impact
Age	<p>This proposal is only affecting the empty properties. Where the property has been left as the resident is receiving care which may be due to age then this policy change will not affect them as there is a council tax exemption which applies. Council tax is only payable by persons over the age of 18. Age is not held on the council tax system unless noted as an indicator of vulnerability. This policy is dependent on the length of time the property has remained empty not on a council tax payers age.</p>				✓
Disability	<p>This proposal is only affecting empty properties where they have been empty for 2 years or more. This should allow any customers who need additional support to sell or rent their empty property time to get this in place. This policy is dependent on the length of time the property has remained empty not on a council tax payers disability. A customer's disability will only be held on the council tax records if they are: -</p> <ul style="list-style-type: none"> a) claiming a disabled band reduction which is only applicable on occupied properties b) claiming a discount as a carer of someone else in the property which is only applicable on occupied properties c) Claiming a discount as severely mentally impaired which is only applicable on occupied properties. 				✓

Equality Impact Assessment – Introduction of Empty Homes Premium Appendix 2

Gender assignment	This proposal is only affecting empty properties. This policy is dependent on the length of time the property has remained empty not on a council tax payers gender reassignment. This information is not held on the council tax records.				✓
Marriage and civil partnership	This proposal is only affecting empty properties where they have been empty for 2 or more years. Whilst a council taxpayers title may be held on our records, this policy is dependent on the length of time the property has remained empty not on a council tax payers marital or civil partnership status.				✓
Pregnancy and maternity	This proposal is only affecting empty properties where they have been empty for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers pregnancy or maternity status. This information is not held on the council tax records unless it has been noted as indicator of vulnerability.				✓
Race/Ethnicity	This proposal is only affecting empty properties where they have been empty for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers pregnancy or maternity status. This information is not generally held on the council tax records unless it has been noted as indicator of vulnerability.				✓
Religion or belief	This proposal is only affecting empty properties where they have been empty for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers religion or belief. This information is not held on the council tax records.				✓
Sex	This proposal is only affecting empty properties where they have been empty for 2 or more years.				✓
Sexual Orientation	This proposal is only affecting empty properties where they have been empty for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers sexual orientation. This information is not held on the council tax record.				✓

3. Actions to mitigate/remove negative impact

Only complete this section if your assessment (in section 2) suggests that your proposals may have a negative impact on groups with protected characteristics. If you have not identified any negative impacts, please complete sections 4 and 5.

In the table below, please state what these potential negative impact(s) are, mitigating actions and steps taken to ensure that these measures will address and remove any negative impacts identified and by when. Please also state how you will monitor the impact of your proposal once implemented.

State what the negative impact(s) are for each group identified in section 2. In addition, you should also consider and state potential risks associated with your proposal.	Measures to mitigate negative impact (provide details, including details of and additional consultation undertaken/to be carried out in the future). If you are unable to identify measures to mitigate impact, please state so and provide a brief explanation	What action(s) will you take to assess whether these measures have addressed and removed any negative impacts identified in your analysis? Please provide details. If you have previously stated that you are unable to identify measures to mitigate impact please state below.	Deadline date	Lead Officer

Signed: Claudine Douglas-Brown, Assistant Director Exchequer Services

Date: 16th December 2020

Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: 13 January 2021

Decision Type: Non-Urgent Executive Key

Title: OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2021/22

Contact Officer: Matt Wyatt, Head of Facilities and Capital Projects
Tel: 020 8313 4580 E-mail: matt.wyatt@bromley.gov.uk

Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: (All Wards);

1. Reason for report

- 1.1 The report sets out the proposed maintenance budgets and planned programme for 2021/22.
 - 1.2 The report also details a request for additional budgetary provision of £2m for essential works in 2021/22 and 2022/23.
-

2. RECOMMENDATIONS

Members are asked:

- 2.1 subject to the Council agreeing the budget, to approve an overall expenditure of £2.188m for the Building Maintenance budget in 2021/2022.
- 2.2 to delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.
- 2.3 to approve an additional provision of £1m in each of the next 2 financial years 2021/22 and 2022/23 to be set aside in the Infrastructure Investment earmarked reserve to fund essential and statutory works.
- 2.4 where urgent works are needed in the current financial year, funding to be drawdown from Central Contingency in 2020/21 and the additional provision of £1m in 2021/22 will be reduced by an equal amount.

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: £2.188m annual costs plus £2m non-recurring costs
 2. Ongoing costs: £2.188m
 3. Budget head/performance centre: Repairs and Maintenance Budget
 4. Total current budget for this head: £2.188m
 5. Source of funding: 2021/22 revenue budget plus Central Contingency
-

Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 Building Maintenance Budget

- 3.1.1 The Total Facilities Management Contract commenced on 1 October 2016 and Amey Community Ltd has responsibility for delivering building maintenance. This contract expires on 31 October 2021. The proposed budget for 2021/22 is unaffected by this eventuality.
- 3.1.2 This report outlines the proposed allocations against the various budget heads for 2021/22 as proposed by Amey in consultation with the Council's Client Team. In addition to its consultation and communication with the Council, Amey Community Ltd is continuing to hold Focus Groups with each department. This ensures that the local knowledge used in the compilation of the programme is maintained and representatives are notified of any planned programmed works being undertaken in the buildings connected with their services.

3.2 Additional Budgetary Provision request

- 3.2.1 Over and above the existing maintenance budget proposals, a considerable number of additional works have been identified, which have high cost implications. It is not possible to fund these additional works from existing budgets.
- 3.2.2 The additional works are essential to ensure Health and Safety or statutory compliance, to prevent building closure, to ensure the council's IT resilience or to safeguard staff. They are shown in the table below and amount to approximately £651,500. Higher cost items include part replacement of the generator/UPS system serving the Civic Centre and essential fire improvement works at Central Library. It may be necessary to complete a proportion of these works in 2020/21.
- 3.2.3 The maintenance budget was reduced by £1M approximately 8 years ago when it was intended that a major refurbishment of the Civic Centre would be undertaken as part of a proposed Civic Centre accommodation improvement scheme. In recognition of the risks arising from the reduction in the building maintenance annual revenue budget, an earmarked reserve for Infrastructure Investment was created. This reserve was set up to help ensure there is provision within the Council's overall resources to partly mitigate against such risks. However, the balance of the Fund now stands at £139k and is not enough to meet the current identified and anticipated needs of the portfolio.
- 3.2.4 It should be noted that some of the works proposed at the Civic Centre site would have formed part of the previously anticipated Civic Centre accommodation improvement programme. As this programme is not currently progressing it should be noted that the assets in question which were previously identified as being beyond economic repair and therefore suitable for inclusion in that programme have continued to age and cause a drain on the revenue budget resource. Amey have undertaken various inspections and recently confirmed areas which require urgent attention in view of the accommodation improvement programme being deferred.
- 3.2.5 The approach taken in terms of maintenance has been that to ensure that the operational estate is maintained to ensure that it meets the various requirements of statutory and regulatory compliance in terms of Health and Safety. The consequence of this over the years has meant that the various elements of buildings have been repaired where possible but not replaced. As these elements continue to age, the estate now finds itself in a position where various components are now beyond economic repair and are causing a detrimental drain on existing financial resources.

3.2.6 The table below shows the initial identified additional works and their estimated costs;

Site	Description	Value £s
66-68 Cotmandene Crescent	Heating	14,000
Civic Centre	Emergency Lighting	46,000
Astley Centre	Emergency Lighting	13,000
Central Library	Fire Doors	284,000
Central Library/ Theatre car park	Pigeon netting	5,500
Poverest Adult Education Centre	Electrical remedial works	20,000
Civic Centre	HV/ UPS Works	100,000
8 Masons Hill	Security Works	54,000
Various Sites	Boiler Repairs	50,000
Willet Recreation Ground	Replacement of water main	45,000
Various Sites	A/C Units	20,000
TOTAL		651,500

3.2.7 In addition, condition surveys have been instructed across the whole of the operational property portfolio – these are due for completion by June 2021. Once evaluated, there will be a clearer picture of expenditure requirements over the subsequent 10 years and this will feed into future budgets requests.

3.2.8 Consequently, this report requests additional budget provision of £1m in 2021/22 and £1m in 2022/23. The balance of the £1m requested for 2021/22 would be drawn down as urgent need arises in order to complete further statutory or unavoidable works that are identified. The contract with Amey Communities Ltd will terminate in 2021/22 and it is envisaged that the majority of these works will be instructed and managed by the LBB projects team rather than be delivered through the Amey contract.

3.2.9 The proposed additional provision of £1m in 2022/23 reflects the likelihood of an increase in maintenance and repair works identified by the condition surveys. As stated, a clearer picture will be available once all surveys have been evaluated.

3.2.10 It should be noted that the ongoing operational review of Council property may mitigate some of this expenditure (as a result of asset disposal) along with generating income. The Buildings Maintenance budget and the additional requested funding will be allocated to ensure that there is no unnecessary expenditure on properties that may subsequently be sold or significantly altered.

3.2.11 The primary objective of council's operational property review is to identify and deliver an optimal operational estate which balances current and future accommodation requirements for excellent service delivery with the overarching need to achieve value for money across the council's finances and estate.

Proposed Maintenance Budgets for 2021/22

3.3 The proposed maintenance budget for 2021/22 is £2.188m. This programme is broken down into the following budget heads:

- Reactive Maintenance

- Cyclical Maintenance
- Asbestos Management
- Water Treatment Works
- Planned Programme
- Fire Risk Assessments

3.4 The maintenance budget heads are described in more detail below

REACTIVE MAINTENANCE

3.5 Funding for reactive maintenance is allocated to individual service cost centres based on previous year's expenditure. This budget is used to fund works of an unplanned or emergency nature enabling the Council to keep operational buildings open and to provide services to the people of Bromley. The pressure on this budget increases as fewer planned maintenance projects are undertaken and the buildings become more dilapidated. The proposed budget for 2021/22 is £917,700.

CYCLICAL MAINTENANCE

3.6 Cyclical Maintenance represents a periodic programme of weekly, monthly, semi-annual, annual, quinquennial and so on routines, which are based on statutory requirements and recommended maintenance routines for major plant. It ensures compliance with statutory regulations and ensures that major plant is maintained properly. It also identifies plant at risk of failure. The proposed budget for 2021/22 is £388,250.

ASBESTOS MAINTENANCE

3.7 This budget enables the Council to meet its statutory obligations for the management of asbestos in its buildings, which includes annual condition monitoring, maintenance, testing and removal. The proposed budget for 2021/22 is £82,900.

3.8 The costs of asbestos inspection and removal prior to the commencement of building projects, including those in the planned programme are now a cost against the individual project. Each project within the planned programme has a contingency added for asbestos costs.

WATER TREATMENT WORKS

3.9 This budget enables the Council to meet its statutory obligations with regard to the control of Legionella and water hygiene. The proposed budget for 2021/22 is £226,000.

PLANNED PROGRAMME

3.10 The planned programme funds planned works on operational premises and on investment properties for which the Council has repairing obligations under the terms of the lease or tenancy agreement. The planned programme safeguards the long-term life of the Council's property portfolio and is used for high cost items of work that cannot be funded from other budgets. It includes only the very highest priority schemes. It is also used to deal with any in year emergencies. The proposed budget for 2021/22 is £509,000.

3.11 The proposed programme is shown in Appendix A.

- 3.12 This year it is proposed to include a general contingency to deal with any in year emergency projects. If there are no in- year emergencies then the budget can be used for other high priority works not included in the programme, but which also need to be undertaken.

FIRE RISK ASSESSMENTS

- 3.13 The Regulatory Reform (Fire Safety) Order 2005 requires those in charge of commercial buildings to carry out detailed fire risk assessments regularly. There is no fixed period for carrying out assessments, but they should be carried out whenever there are significant changes, which could affect the fire risk, including changes to the building, staff, occupancy, activities, legislation etc. Identifying when significant changes occur is an almost impossible task for building owners, particularly if, as in Bromley's case, there are so many different departments and organisations responsible for their management, so the Council has adopted best practice and is carrying out the Fire Risk Assessments annually. The proposed budget for 2021/22 is £63,770.

WITHDRAWN BUDGETS

- 3.14 The Disability Access, Redecorations and Minor Improvement budgets were withdrawn several years ago.
- 3.15 The Council has a responsibility under the Equality Act, to ensure that, where a public service is offered, it is available to all members of the public. Individuals cannot be discriminated against because of their physical disabilities. In many instances' compliance can be provided by a change in the way that service is provided. However, in some cases physical adaptations to the building are required to ensure accessibility. Disability Access works to operational buildings were carried out a number of years ago. If any further adaptations are required in the course of the year in order to comply with the Act additional funding will need to be identified from outside the R&M budgets.
- 3.16 The suspension of the programme of internal and external redecoration at operational buildings continues to result in a deterioration of building elements and appearance. The condition surveys expected in June 2021 will provide greater detail in this regard, however replacement of failed components, i.e. rotten windows, will usually incur greater cost in the medium term than regular planned maintenance.
- 3.17 Individual departments are now expected to fund any requested improvements works from their own budgets.

VARIATIONS TO PROGRAMMES

- 3.18 In previous years, the responsible Director been authorised to vary the programmes during the course of the year where such action is considered necessary to either protect the Council's assets or make the most effective use of resources. It is proposed that this authority continues and it is recommended that the Director of Housing, Planning, Property and Regeneration has authority to vary the programmes.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.

5 POLICY IMPLICATIONS

- 5.1 It is essential that the Council optimises the utilisation of its assets and ensures that it retains only those properties that meet the corporate and service aims and objectives. This is being addressed by the operational property review.

6 FINANCIAL IMPLICATIONS

- 6.1 The building maintenance budget (excluding education properties) is managed by Amey Ltd in partnership with the Council (noting that this contract is due to expire in October 2021). The draft 2021/22 budget has an amount of £2.188m set aside for repairs and maintenance.
- 6.2 The table below shows the draft budget for 2021/22 and the proposed apportionment of the budget across the different budget heads:

Service	2021/22 Draft Budget
Reactive/Unplanned	917,700
Cyclical Maintenance	388,250
Asbestos Management	82,900
Water Treatment Works	226,000
Planned Programme	509,000
Fire Risk Assessments	63,770
Total Building Maintenance Budget	2,187,620

- 6.3 If approved, additional provision of £1m in each of the next two financial years will be set aside in the Infrastructure Investment earmarked reserve . This will provide for additional statutory or unavoidable works of £2m over and above the works funded from the £2.188m maintenance budget. it is proposed that authority to drawdown from the reserve for these works would be delegated to the Director of Housing, Planning, Property and Regeneration in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning & Contract Management.
- 6.4 As stated in 3.2, some of the initial urgent works may need to commence in the current financial year and these costs would be to need to be funded from Central Contingency in 2020/21. In this event, the provision of £1m in 2021/22 to be set aside in the earmarked reserve will be reduced by an equal amount.

LEGAL IMPLICATIONS

- 7.1 There is, as is outlined in this report, a range of specific legal duties which requires the Council to undertake maintenance of its properties. Failure to ensure that its properties and buildings are maintained to a level to avoid risks to its staff and members of the public can lead to criminal and civil liability. The funding is allocated against the different budget heads in a way that will ensure that the Council fulfils these obligations.
- 7.2 Amey Community Ltd is responsible for procuring and delivering the maintenance programmes and the Client Team will monitor their activities and delivery in accordance with the terms of the contract.

Non-Applicable Sections:	HR and Procurement
Background Documents: (Access via Contact Officer)	

Appendix A: Planned Programme 2021/22

Operational Premises	Works	Project Cost	Comments
Blenheim Family Centre	Splitting water main	£25,000	To install new independent mains water supply to C&FC (existing supply shared with school)
Saxon Day Centre	Replacement windows and doors	£36,000	Replacement windows and doors to the garden elevation due to rotten timbers
Crystal Palace Park	Power cable and pumps	£60,000	Installation of new cable and two pumps on dinosaurs' island.
Harvington Estate	Partial demolition of pavilion	£30,000	Demolition of a structurally unstable section of the building following works to make safe
Alexandra Recreation Ground	Water supply pipe	£35,000	Replacement supply pipe to bowls club and paddling pool following a series of leaks/failures
Civic Centre Old Palace	Repairs to steps and handrails	£8,000	Provision of handrails to existing brick steps from rear of Palace
Kelsey Park Lodge	Roofing and internal repairs	£34,000	Repairs to defective roof and reinstatement of internal finishes
Walnuts Leisure Centre	Refurbishment of Air Handling Units	£59,000	Refurbishment of air handling plant serving the soft play area which has reached reasonable end of life
Beckenham Public Halls	New fire alarm system	£50,000	The existing fire alarm system has reached the end of serviceable life and requires replacement
West Wickham Leisure Centre	AHU to main pool	£22,000	Replacement controls
Fire Risk Assessment remedials	Remedial works	£50,000	Phase 2 of a remedial programme following requirements highlighted in FRAs
Library portfolio	Essential remedial works	£50,000	Contingency to allow for essential repairs and maintenance to roof coverings, fabric repairs and heating plant across all libraries
General Contingency	Emergency works	£50,000	General contingency to deal with in year emergency projects
TOTAL PLANNED		£509,000	

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Report No.
ACH20-088

London Borough of Bromley

Part 1 - Public

Decision Maker: EXECUTIVE

Date: 13th January 2021

Decision Type: Non-Urgent Executive Key

Title: **CONSIDERATION FOR AGREEMENT TO EXEMPT FROM TENDERING: SERVICE FOR CO-OCCURRING MENTAL HEALTH, ALCOHOL AND DRUGS CONDITIONS**

Contact Officer: Mimi Morris-Cotterill, Assistant Director (Public Health)
Tel: 020 8461 7779 Email: mimi.morris-cotterill@bromley.gov.uk

Chief Officer: Dr Nada Lemic, Director of Public Health

Ward: All Wards

1. REASON FOR REPORT

- 1.1 Services for co-occurring mental health, and alcohol and/or drug use conditions (COMHAD) are delivered locally by Oxleas Foundation Trust (Oxleas) as part of the local NHS Mental Health contract held by Bromley Clinical Commissioning Group (BCCG). The COMHAD part of the contract is funded and paid for directly by the Council and forms part of the Section 75 arrangement between the Council and the BCCG.
 - 1.2 BCCG has now become part of the wider South East London Clinical Commissioning Group and given local provision is pertinent to the client group it serves. It has been agreed that the COMHAD element will be disaggregated from the BCCG contract.
 - 1.3 This report also sets out the case for a direct award of a contract, via an exemption from tendering, to be granted to Oxleas.
-

2. RECOMMENDATION(S)

- 2.1 **The Adult Care and Health Policy Development & Scrutiny Committee is asked to note and comment on the contents of this report prior to the Executive being requested to:**
 - i) **Approve the direct new award of contract, via an exemption to competitive tendering, to Oxleas NHS Foundation Trust for a period of 3 years from 1st April 2021 (with the option to extend for up to a further two years) at an annual value of £87,000 (average) and a whole life value of £432,000.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: the Co-occurring Mental Health, Alcohol and Drugs Condition Service is vital for vulnerable adults to ensure they receive effective treatment.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Healthy Bromley
-

Financial

1. Cost of proposal: Estimated Cost: £432k for the maximum five year period
 3. Ongoing costs: Recurring Cost: £87k per annum (average)
 3. Budget head/performance centre: Public Health
 4. Total current budget for this head: £64k (Increased cost will be contained within the overall Substance Misuse budget).
 5. Source of funding: Public Health Grant
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: Waiver to exempt from tendering
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 Alcohol and drug dependence is common among people with mental health problems. PHE Better Care Guide for co-occurring mental health and drug/alcohol states around a third of people using mental health services will have some form of drug and/or alcohol use condition(s).
- 3.2 Evidence suggests that people with co-occurring conditions are often unable to access the care they need from both mental health and addiction services. Individuals experiencing mental health crisis may experience difficulty in accessing care due to intoxication despite the heightened risk of harm that this brings. Death by suicide is also common, with a history of alcohol or drug use being recorded in 54% of all suicides in people experiencing mental health problems¹. Suicide risk is particularly closely associated with males, locally 52% of all COMHAD referrals in 2019-20 were male.
- 3.3 Bromley's service for people with co-occurring mental health and alcohol/drug use conditions (shortened to COMHAD for ease of reading) aims to support both Bromley mental health and Bromley substance misuse services that enable the long-term recovery, rehabilitation and social re-integration of people in Bromley affected by co-occurring substance use and mental ill health.
- 3.4 Two key underpinning principles of "Everyone's Job" and "No Wrong Doors" ensure service providers work together to improve access to services which can reduce harm, improve health and enhance recovery, enabling services to respond effectively and flexibly to presenting needs and prevent exclusion.

4.1 SUMMARY OF THE BUSINESS CASE

Care and Support

- 4.1.1 The service for co-occurring conditions is provided by Oxleas NHS Foundation Trust (Oxleas) as part of their mental health provision in Bromley and included in the local NHS Mental Health contract held by Bromley Clinical Commissioning Group (BCCG). Although the 'contract' has been held through BCCG, those arrangements have been in place for some time; and prior to that were directly funded by LBB. Hence the Executive decision is required as, technically, the cumulative value is significant.
- 4.1.2 However, the service is funded and paid for directly by the Council. The annual cost is £64k per annum and funds two posts of 1.5 wte clinical staff. It is managed and supported by a Nurse Consultant whose input, including clinical supervision, is crucial to the successful and safe delivery of the service.
- 4.1.3 COMHAD is a small element of a wide range of mental health service but an important pathway to avoid people who may otherwise be excluded from services due to their alcohol/drug use and likewise depending on the severity of their mental illness, they may be excluded from alcohol and drug services.
- 4.1.4 In 2018/19, a clinical audit was conducted which led to a new service specification being developed with well-defined assessment process and pathway of care clearly identified. This ensures when people with co-occurring conditions experiencing crisis with episodes of intoxication are being managed safely in a timely manner.
- 4.1.5 Applying the principles of "Everybody's Job" and "No Wrong Doors" has since improved joint responsibility and strengthened collaborative delivery of care by both local mental health and substance misuse services. The strength of the current approach is the integrated model, in terms of comprehensive assessment and care planning around co-occurring conditions, with the substance misuse service as well as across mental health teams within Oxleas. Organisationally, there is a holistic approach to support the clients' health and wellbeing.
- 4.1.6 Transformation of the service is ongoing to foster the culture of "Everybody's Job" and "No Wrong Doors" not only within Oxleas and Change, Grow, Live (known as CGL, Bromley substance misuse

¹ The National Confidential Inquiry into Suicide and Homicide by People with Mental Illness Annual Report 2016: England, Northern Ireland, Scotland and Wales October 2016. University of Mancheser

service Provider) but also across other local providers. This is to ensure people with co-occurring conditions have easy access to the local mainstream mental health and psychological therapies (IAPT) services as well as a wide range of ongoing care and recovery support are accessible from every access point.

- 4.1.7 Hence, more work is required to forge closer operational relationship and collaboration with key partners in the local health and social care system, such as housing, social services, Oxleas acute mental health teams at Green Parks, King's Emergency Department and the local Jobcentre Plus. Interaction with these agencies will undoubtedly bring about the best outcomes for this client group.

Finance and Contractual Arrangements

- 4.1.8 At the same time as the clinical audit and prior to BCCG merging to become the South East London CCG, a review of the commissioning arrangement for COMHAD was carried out. Given the level of local close partnership working required in borough, it was considered more appropriate for the Council to establish a separate contract directly with Oxleas.

- 4.1.9 Exploring the potential and impact of separating COMHAD from the main mental health contract began and Oxleas commenced unbundling the cost of the service. It was found that the contract value of £64k per annum which funds the 1.5 wte posts has not been uplifted over the years and does not reflect individual staff progression along their payscale. It is well below the actual pay and travelling costs. Unbundling the cost of the service also revealed that the management cost of the Nurse Consultant is not included.

- 4.1.10 The above process and discussions with Oxleas took a considerable time and were disrupted due to the Covid-19 pandemic. Negotiation on costing resumed in the summer 2020 and Oxleas have agreed to waive the management cost and future NHS annual pay rise known as Agenda for Change. However, the actual salary and travelling costs will have to be adjusted. Despite this, Oxleas is still offering value for money as undoubtedly any potential provider will include an element of management cost.

- 4.1.11 Given the need to embed the changes and for the culture to permeate throughout partner organisations as well as the requirement of a localised service, approval is sought for a direct award with the contract value adjusted, via an exemption from tendering, be granted to Oxleas NHS Foundation Trust for a period of 3 year with the potential to extend for a further two years.

- 4.1.12 Prior to seeking approval for a further 2 year extension, it is proposed to conduct a feasibility study. The aim of the study is to undertake some soft market testing with a view to identify potential providers and to see how feasible it is for an external provider to secure a seamless service when they have to in-reach for local mainstream mental health provisions at the same time maintain close partnership with the local substance misuse service. The purpose of the study is also to assess costs and value for money. While commissioners are confident an external provider cannot fulfil this brief, it is recommended to revisit this in the future in case broader changes in the mental health service landscape enable other opportunities.

- 4.1.13 The total adjusted value for a 3 year contract is £253,000 and £432,000 for a 5 (3+2) year contract. The difference in value between the current and the proposed contract over the proposed 3 year and 5 year period is £55,000 and £97,000 respectively - £18,000 for the first year to a maximum of £21,000 in the fourth and subsequent years. The difference can be fully met within the current Public Health Substance Misuse budget.

4.2 SERVICE PROFILE/DATA ANALYSIS

- 4.2.1 Following the 2019 audit recommendations, the model was reconfigured to reflect needs of the Bromley population. Oxleas has done a substantial amount of work, both with internal colleagues and across the system to help enable a comprehensive understanding of COMHAD and the value of referral to the service. As the wider system awareness raising took place, referrals increased twelve fold for the rest of the year. Continued efforts are being made to further increase referrals.

- 4.2.2 The age range of those referred to the service covers all ages over 18, however over one third of referrals in 2019-20 were aged between 25 and 34. This indicates the service is supporting a good number of relatively young clients, for those who successfully engage with the service, there is an increased likelihood that there will be successful longer term outcomes for them. The importance of supporting younger adults with mental health and addiction issues are well documented. Prevention of reoccurrence of episodes is greatly reduced, the earlier the age of the person accessing treatment and support (Whiteford et al 2013).
- 4.2.3 In 2019-20 activity increased significantly, indicating the new model has embedded successfully within the system. The liaison role, a full-time role in the clinical Psychiatric Liaison Service at Princess Royal University Hospital, is working in an integrated way with the drug and alcohol service. This involves a focus on high impact service users and joint co-ordination of referrals into the relevant services. The liaison worker also holds a caseload of complex High Impact service users who are presenting frequently at A & E with co-morbid mental health and drug/alcohol issues.
- 4.2.4 Going forward there are a number of areas identified that require strengthening within the model to maximise its effectiveness in the system. Arrangements for continuation of detoxification once service users are discharged from in-patient care is one of the issues being worked through.

4.3 OPTIONS APPRAISAL

- 4.3.1 **Option 1:** Do nothing but Oxleas cannot continue provision without increased funding.

Benefits: None

Disadvantages: This is not an option as the Council has a statutory responsibility for people with mental health problems.

There are significant reputation risks associated with early and unexpected deaths in the absence of a co-ordinated service and approach that bridges between mental health and substance misuse services.

Investment already made in improving the service will be lost as any new provider will need to develop the necessary pathways and referrals and trusted relationships with key stakeholders including local clinicians and care teams.

- 4.3.2 **Option 2:** Tender the Service.

Benefits: Testing the market to determine viability of procuring the service

Disadvantages: There is a limited number of specialist services in the market. Easy access to local treatment and support is crucial to ensure people with co-occurring conditions are not excluded from services.

Existing close working relationship between local mental health and substance misuse services will be lost. Pathway for other key provisions such as IAPT and community based primary mental health services will also need to be re-established. This will delay the already well developed transformation programme and the opportunity cost will therefore be significant.

- 4.3.3 **Option 3:** Approve the new contract value and direct award to Oxleas, via an exemption from tendering, for a period of 3 years plus an extension for a further period of 2 years.

Benefits: Longevity of the contracts will maintain current provision of service and pace of change. It will also safeguard the trusted relationship between the service and their users, galvanise the existing partnership between multi-agencies, enshrining the underpinning principles of Everyone's Job and No Wrong Doors to improve access and quality of care. The new contract continues to offer value for money.

Disadvantages: None identified

4.4 PREFERRED OPTION

- 4.4.1 **Option 3:** Approve the new contract value and direct award to Oxleas, via an exemption from tendering, for a period of 3 years with a further extension of 2 years.

It is proposed that a direct award, via an exemption from tendering, with the new contract value be granted for a period of 3 years with the potential of further 2 years to embed the transformation, provide continuity and ensure the trusted relationships between services, users and key stakeholders can be maintained.

4.5 MARKET CONSIDERATIONS

- 4.5.1 The ability to engage this client group on an ongoing basis and to ensure compliance until successful discharge/abstinence depends on prompt provision of local treatment and support services post assessment. While there are other out of borough mental health specialist providers in the market that can deliver the COMHAD service, ease of access and proximity of facilities are paramount and could be a barrier to entrance by potential providers.
- 4.5.2 Oxleas is the only provider who can offer a wide range of integrated in-borough mental health services that span from acute to community and primary care. This has facilitated the current transformation enabling the COMHAD team to deliver a seamless service. While it would not be impossible, it would be difficult and would take a long time for an external provider to negotiate with Oxleas, who remains the provider of mainstream mental health services, the safe arrangements for onward referral by the COMHAD team. During this transition period, there is the likelihood of vulnerable clients being passed to and from services, leading to risks of clients falling through the gap with detrimental consequences and for some highly vulnerable clients, this could lead to suicides and deaths.
- 4.5.3 Over the last two years, Oxleas has carried out significant work to transform the Service with evidence to show improvements not only within their own team but also establish close liaison with the substance misuse service. The next stage of transformation will focus on the wider system development and partnerships. Re-procuring the service at this juncture would mean the progress made over the last two years and the benefits realised so far would be lost. The momentum and pace of change could not be maintained due to the distraction and disruption brought about by the competitive tendering process, thereby diluting the quality of care.
- 4.5.4 The recent work on re-defining the assessment and liaison processes, clarifying the referral routes and pathways will have to be re-worked and relationships with key partners to be re-established by the incoming provider. The trusted relationship and continuity of seamless care built up over the last two years with some of the more entrenched COMHAD clients would be lost with the risk of these clients being disengaged and lost to the system.
- 4.5.5 As highlighted in 4.1.10 above, Oxleas has agreed to waive future pay rises, the cost for clinical supervision and management plus any other fixed costs such as premises and facilities. These are offered as value for money. It is unlikely that potential bidders will be willing or able to absorb these on costs, making the tender value too low to attract any bidders.
- 4.5.6 Given the above deliberation, Oxleas is therefore considered the most suitable provider to continue with the delivery of services for COMHAD conditions.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Last year's audit report included feedback from service users who were seen in both the community (73%) and Green Parks House (26.7%).

- 5.2 93% reported being either likely or extremely likely to recommend the service to a friend or relative, whilst one described themselves as neither likely or unlikely. Comments left were all positive and included “frank and open discussion with non-judgemental approach. Much needed and welcome”, “[...] was really helpful and understanding. Explained everything very well” and “the person I saw today listened well and helped me further understand and explain my difficulties, even today will be a help towards my life”.
- 5.3 In terms of information provision 89% service users felt they had been provided with sufficient information about their care and treatment. They felt they had been involved as much as they would have liked in decisions about their care and treatment. Service users feedback that they felt that they had been treated with dignity and respect and all felt that the service had been helpful.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 6.1 **Estimated Contract Value** – £432,000
- 6.2 **Other Associated Costs** – None Identified
- 6.3 **Proposed Contract Period** – 3 + 2 years from 1st April 2021 to 31st March 2026
- 6.4 The request for exemption from tendering for the Public Health Contract with Oxleas NHS Foundation Trust for the Service for Co-occurring Mental Health and Alcohol and Drugs Conditions is in line with CPR 13.1.

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 This option provides continuity and affords the opportunity to build on trusted relationships. It will maintain the pace of change and help to embed the underlying key principles and approach to deliver a safe and accessible service that meets the needs of this highly vulnerable group of our local population.

8. POLICY CONSIDERATIONS

- 8.1 This report is in relation to the business processes that will be established or maintained to administer existing contracted services. Authorisation to commission these services remain with Members working within the stipulation and statutory responsibilities laid out in the Public Health grant. The work is in accordance with the Health and Social Care Act 2012 and the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) (Amendment) Regulations 2017.

9. IT AND GDPR CONSIDERATIONS

- 9.1 Oxleas NHS Foundation Trust has an established data sharing protocol with other key stakeholders involved in providing this Service enabling a smooth transition of data transfer.

10. PROCUREMENT RULES

- 10.1 This report seeks to award a contract to Oxleas NHS Foundation Trust for a duration of three years with the option to extend for a further period of two years (five years in total) at an estimated whole life value of £432,000.

- 10.2 This is a Services contract and the value of this procurement falls below the thresholds set out in Part 2 of the Public Contract Regulations 2015, so is only subject to Part 4 of the Regulations.
- 10.3 This action is permissible under the general waiver power of the Council's Contract Procedure Rule 3.1. The Council's specific requirements for authorising an exemption are covered in Contract Procedure Rule 13 with the need to obtain the Approval of the Portfolio Holder following Agreement of the Chief Officer, the Assistant Director of Governance and Contracts, the Director of Corporate Services and the Director of Finance.
- 10.3 As the Contract value is over £25k, an award notice will need to be published on Contracts Finder.
- 10.4 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

- 11.1 The total cost of the proposed contract is £432k over the maximum 5 year period as set out below:

	2021-22	2022-23	2023-24	Total years 1-3	2024-25	2025-26	Total years 4-5	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff A	57	57	58	172	61	61	122	294
Staff B	24	25	26	75	26	27	53	128
Total Pay Costs	81	82	84	247	87	88	175	422
Staff Travel	2	2	2	6	2	2	4	10
Total cost	83	84	86	253	89	90	179	432
Budget *	65	66	67	198	68	69	137	335
Variation	18	18	19	55	21	21	42	97
* Assumes 2% inflation per annum								

- 11.2 As highlighted in paragraph 4.1.9, the cost of the current contract does not reflect the actual cost of providing the service. As a result, the proposed contract will result in increased costs of £18k in year 1 as shown above, which will be contained within the overall Substance Misuse budget.

12. PERSONNEL CONSIDERATIONS

- 12.1 There are no personnel considerations.

13. LEGAL CONSIDERATIONS

- 13.1 This report seeks to approve a direct award of Contract to Oxleas NHS Foundation Trust, (to provide the Service for co-occurring Mental Health and Drugs Conditions), with exemption from competitive tendering, for the duration of three years (with the option to extend for up to a further 2 years (i.e. a 3 + 2 year Contract, totalling a maximum five year period) for an estimated Contract value of £432k. The Proposed Contract period will commence from 1st April 2021 till 31st March 2026. The contract has an overall whole life cost of the Contract over the whole life of £432k.

- 13.2 This a public services/works Contract within the meaning of the Public Contracts Regulations 2015 whereby the value of the contract is below the relevant threshold and falls within the services outlined in Schedule 2 of the Public Contracts Regulations (PCR) 2015. Part 4 of the Regulations is also applicable.
- 13.3 This action is permissible under the general waiver power of the Council in accordance to CPR 3.1. Under the Council's Contract Procedure Rules, the Councils requirement for authorisation of an exemption to a Contract, is in accordance to CPR 13. The decision to commence an exemption of this value of the Contract (i.e. £432k over the proposed contract period), must be via the approval of the Portfolio Holder following Agreement of the Chief Officer, the Assistant Director of Governance and Contracts, the Director of Corporate Services and the Director of Finance. In accordance with CPR 2.1.2, all Officers must take all necessary professional advice.
- 13.4 As the Contract is a direct award of Contract, (holding a threshold value over 25k), a Contract award notice (regulation 50 of the PCR), will need to be published via Contracts Finder within 30 days of awarding the Contract.
- 13.5 The Contract can be awarded in accordance with the Council's Contract Procedure Rules and the Public Procurement Regulations 2015

Non-Applicable Sections:	N/A
Background Documents: (Access via Contact Officer)	NA

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Report No.
HPR2020/046

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**
For pre-decision scrutiny by the RRH PDS Committee

Date: **RRH PDS: 16th December 2020**
Executive: 13th January 2021

Decision Type: Non-Urgent Executive Key

Title: **Update on the Transfer of Crystal Palace Park**

Contact Officer: Lizzi Hewitt-Brown, Programme Manager - Regeneration
Tel: 020 8313 4097 E-mail: Lizzi.hewitt-brown@bromley.gov.uk

Chief Officer: Sara Bowrey, Director of Housing, Planning and Regeneration

Ward: Crystal Palace

1. REASON FOR REPORT

- 1.1 In order to meet the requirements of the Council's Regeneration Plan for Crystal Palace Park, the Crystal Palace Park Trust (the Trust) has made strides to establish itself since its incorporation in May 2018.
- 1.2 Officers are preparing for a phased handover of responsibility for the park. It is anticipated that this will begin with a transfer of management, maintenance and events from April 2022 (for which a separate report will be brought forward in Summer 2021). In order to develop the detail of this transfer and present the recommended option(s) to the Executive, specialist legal resources are required.

2. RECOMMENDATION(S)

- 2.1 The Renewal, Recreation and Housing PDS Committee are asked to note and comment on the contents of this report, prior to the Executive being asked to approve:

- 2.1.1 The draw down of £40,000 from the Central Contingency for specialist legal resources to establish the trust governance model for Crystal Palace Park

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility which is easily accessible by public transport and car.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Quality Environment, Children and Young People
-

Financial

1. Cost of proposal: Estimated cost £40,000
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Culture
 4. Total current budget for this head: £890k
 5. Source of funding: Central Contingency
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): It is estimated that Crystal Palace Park receives 1.4m visits each year.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Councillors would like to follow through with more detailed questions however they wish to support the recommendations in principle. Councillor Wilkins has commented that 'we now have a clear and deliverable road map which will result in multi-layered regeneration of CP Park for future generations.'

3. COMMENTARY

- 3.1 On 24th March 2015, the Executive agreed to develop and deliver the Regeneration Plan for Crystal Palace Park, including an alternative management option (Report No. DRR15/020). The Regeneration Plan's Outline Planning Application was submitted to the Local Planning Authority in January 2020 and is awaiting determination (Report No. DRR20/018).
- 3.2 Crystal Palace Park is internationally significant and has numerous, valuable heritage assets including the Grade I listed dinosaurs, which were put on Historic England's Heritage at Risk Register earlier in 2020. However, specialist conservation and maintenance is costly and due to compounded underinvestment since the palace burnt down in 1936, the Council has not been able to provide the level of routine and one-off funding required by a park of this scale and historic significance.
- 3.3 The benefit of the independent governance model, the Crystal Palace Park Trust, is that the park becomes self-contained, and the income generated in the park can be ring-fenced for the park. This in turn means the park's valued features, which are close to being lost, will benefit from the level of funding needed to secure them for future generations.
- 3.4 To support this model, the Crystal Palace Park Trust has made commendable strides recently. When it was incorporated as a Private Company Limited by Guarantee (Company No. 11360503) in 2018, the Board of Trustees comprised nine, independently appointed, local people, with appropriate professional skills and experience. Since this time, the Trust has developed significantly. There are now 10 Trustees (with some changeover) with relevant experience including licensing, governance, planning, fundraising, landscape architecture and finance. In addition, the Trust has established a number of sub-committees in key areas including fundraising, heritage and landscape, events and communications. Finally, the Trust has also constituted a wholly owned trading subsidiary – Crystal Palace Park Events Limited (Company No. 12855520) – whose directors are drawn for the Crystal Palace Park Trust Board.
- 3.5 To date, the Trust has been a key stakeholder in shaping the park's Regeneration Plan and has worked with consultants Fourth Street, and the Council, to develop a sustainable business model for the park. The business model is events-led and was signed off by the Executive in 2017 (Report No. DRR17/029). It was also submitted as part of the Financial Viability Assessment with the Outline Planning Application in January 2020.

Phased handover: interim arrangement

- 3.4 It was originally anticipated that full responsibility for the park would be transferred to the Trust in one go, when enough of the capital regeneration works have been completed. However, as noted above, several challenges have meant that outline planning permission has not yet been achieved and the capital works are delayed.
- 3.5 While interlinked, the new governance model does not have to be dependent on achieving outline planning permission. Given the commendable progress that the Trust has made since incorporation, there is an opportunity for the Trust to take on responsibility for the park in a phased approach, beginning with management, maintenance and events. This phasing would allow the Trust to have a more meaningful interim role in the park where it can build momentum by generating income from events, as well as taking on responsibility for the park in a stepped approach, reducing the risk to the Council.
- 3.6 The Trust has expanded its professional events network since incorporation and is close to securing two significant contracts for events over the next 3-6 years (Report No. HPR2020/047). The income generated from these events will go a considerable way to build the Trust's operational capacity, providing financial resources to employ a body of staff.

- 3.7 The park is currently managed and maintained by the Council's Parks Management and General Maintenance (PM and GM) contract with Idverde. It is important to note that the PM and GM contractor was aware at the point of tender of the Council's desire to transfer the park to the Trust during this contract, and there is a break mechanism in the contract to do this. As such, Idverde has openly engaged with Officers and the Trust to support this process, and has reserved a number of event days in 2021 for Trust events. However, given that Idverde also needs to optimise income from events, the Trust's ability to further build its portfolio and generate income to invest back into the park is clearly limited at this stage.
- 3.8 In order for the Trust to continue building momentum in the park and establish a strong foundation for when overall governance is transferred at a later stage, it is proposed that the Trust adopts responsibility for management, maintenance and events from April 2022.

Requirements for interim arrangement

- 3.9 The Council's internal Legal Officers have advised that the proposed interim arrangement is likely to be complex and have therefore recommended appointing an external legal firm with a specialism in charities, local government and public assets. Officers have therefore undertaken market research into firms with expertise and experience in this area to understand the scope and associated fees required.
- 3.10 The most suitable firm would be appointed to develop options for how the transfer of management, maintenance and events to the Trust can be facilitated, and to develop the necessary documentation.
- 3.11 Noting the importance of understanding the final scenario i.e. full governance transfer to the Trust, the appointed firm would also be required to map out the options to achieve this, considering issues such as state aid. However, documentation for the final scenario is not required at this stage.

4. SUMMARY OF THE BUSINESS CASE

- i) The full implications of the interim arrangement with the Trust will not be known until the details have been developed, and the Trust's interim business plan can be finalised.
- ii) However, it is anticipated that the Trust will start generating enough income to enhance the scope of management and maintenance in the park, as well as investing funds in specific projects.
- iii) For example, during the first Covid-19 lockdown, one of the Grade II listed Sphinxes (which was conserved in recent years) was vandalised. Officers have not yet been able to identify a budget to repair the damage, and the sculpture stands vulnerable to the elements.
- iv) If the interim arrangement is progressed, the Trust will reinvest any income into the park. It is therefore highly likely that the park's historic assets will benefit from more routine investment.
- ii) The interim arrangement is not expected to result in a cost saving to the Council – this is anticipated when the final scenario is achieved. However, there is strong potential for the park and its users to significantly benefit from this approach through greater, ringfenced investment in the park.

4.1 SERVICE PROFILE/DATA ANALYSIS

- 4.1.1 N/A

4.2 OPTIONS APPRAISAL

- 4.2.1 If the interim arrangement is not pursued, the Trust's capacity for growth and impact in the park will be limited until enough of the regeneration works are delivered and the full governance transfer is made. Relying on this alone increases the risk of success in executing the final scenario and securing the park's future because the Trust is not given the opportunity to build experience over time.
- 4.2.2 Developing the interim and final arrangements internally are not considered options due to the specialist area and level of dedicated resources required.
- 4.2.3 Recharging the cost of developing the transfer arrangements to the Trust is not considered an option as the Council needs to act independently in developing the contractual agreements to ensure the Council's interests are not compromised.

4.3 PREFERRED OPTION

- 4.3.1 The preferred option is to secure £40,000 to appoint a specialist external legal firm to undertake this work for the reasons set out in the commentary.

4.4 MARKET CONSIDERATIONS

- 4.4.1 The required legal advice is a specialist area and therefore it is anticipated that a direct award will be made under a suitable legal framework.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Officers have been working closely with the Crystal Palace Park Trust to develop a road map of next steps in the governance and business aspects of the Regeneration Plan.
- 5.2 The Council's legal officers have also been heavily involved in developing the detail needed to achieve the roadmap.
- 5.3 If the Executive commits the requested funds, a report will be brought forward in Summer 2021 detailing the full direction of travel for the Trust and the detail of how to achieve it.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 6.1 **Estimated Contract Value** – £40,000
- 6.2 **Other Associated Costs** – N/A
- 6.3 **Proposed Contract Period** – Six months

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 To maximise the sustainability of the Regeneration Plan, a phased approach to handing over the responsibility of the park to the Crystal Palace Park Trust is recommended. In so doing, the Trust will build the financial and operational capacity required to be custodian of a park of this size and historical significance.

8. POLICY CONSIDERATIONS

- 8.1 Crystal Palace Park is shown within various designations and policies in the Local Plan and the London Plan. There is outline planning permission in place for the 2007 Masterplan, which established the planning principles of the Regeneration Plan.
- 8.2 The Regeneration Plan requires a separate planning consent which was submitted in January 2020 and is being determined. The creation of a the Trust and transfer of the park forms an integral part of the Regeneration Plan.

9. IT AND GDPR CONSIDERATIONS

- 9.1 A DPIA will be undertaken before appointing a specialist firm.

10. PROCUREMENT RULES

- 10.1 The procurement of a legal resource via a compliant framework at a value of £40k can be authorised at the officer level by the relevant Budget Holder in accordance with Section 13 of the Contract Procedure Rules.

11. FINANCIAL CONSIDERATIONS

- 11.1 The cost of the specialist legal advice is estimated at up to £40,000 for which there is no budget, and therefore a drawdown from Central Contingency is requested.
- 11.2 The Council receives an annual income of £30,000 from rental of the park café which is ring-fenced for use within the park. Although this year's rental has already been committed, income from April 2021 could be earmarked and used to repay Central Contingency in future years.
- 11.3 Once the Trust is fully operational, responsibility for park maintenance will transfer from the Council. Idverde is currently contracted to provide this service although they tendered on the basis of novating this element of the contract to the Trust. Further work will be needed to determine the actual budget impact of ending this arrangement including income currently generated from events.
- 11.4 The Trust currently operates at no cost to the Council as the Trust members work on a voluntary basis. As reported above, the Trust have actively been seeking to secure future events to generate income to support their set up costs, although the future governance and operating model and business plan will need to be agreed by the Council prior to transfer of responsibilities.

12. PERSONNEL CONSIDERATIONS

- 12.1 There are no personnel considerations at present. It is expected that any impacts on personnel through the transfer of the park will be developed and understood through this commission.

13. LEGAL CONSIDERATIONS

- 13.1 The Council has the legal power to hold, maintain and develop its landholdings and buildings in connection with its functions including powers available under various Parks and Open Spaces legislation relating to Crystal Palace Park. In furtherance of these powers the Council may provide and commission through a contract from a Framework Panel of solicitors the legal services outlined in this report.

- 13.2 Due to the specialist legal status of the park and its importance to the Council and residents, it is necessary to ensure that the best options available to achieve the Council's aims are explored and understood in relation to management, governance, structures, transfer, grant and loan options including the impact on the current management contract and engagement with the Trust in the immediate, interim and longer term. This will require a dedicated legal resource and is likely to involve flexible and novel legal solutions including the accommodation of best value and state aid.
- 13.3 The commissioning of the services contract to provide legal support is a public services contract within the meaning of the Public Contracts Regulations 2015. Due to value of the contract falling below the relevant threshold a full EU procurement is not required. However, the award must still comply with the EU Treaty Principles of transparency, fairness and non-discrimination applied in a proportionate way.
- 13.4 The report has described the reasons and justification for the use of Frameworks where Bromley have been specifically joined as a member user and in all the circumstances described when the delegated officer makes an award decision this would be in compliance with the Treaty Principles.
- 13.5 The procurement comments to this report deals with compliance with the CPRs setting out procurement strategy and through using a compliant Framework available to the Council in accordance with its user rules.

Non-Applicable Sections:	4.1
Background Documents: (Access via Contact Officer)	DRR15/020 'Crystal Palace Park' DRR17/029 'Crystal Palace Park: Regeneration Plan' DRR20/018 'Crystal Palace Park' HPR2020/047 'Authority to create grant mechanism in event permits for Crystal Palace Park Trust'

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Report No.
HPR2020/047

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive
For pre-decision scrutiny by the RRH PDS Committee on 16th December 2020

Date: Wednesday 13th January 2021

Decision Type: Urgent Executive Key

Title: Authority to create grant mechanism in event permits for Crystal Palace Park Trust

Contact Officer: Lizzi Hewitt-Brown, Programme Manager - Regeneration
Tel: 020 8313 4097 E-mail: Lizzi.hewitt-brown@bromley.gov.uk

Chief Officer: Sara Bowrey, Director of Housing, Planning and Regeneration

Ward: Crystal Palace

1. REASON FOR REPORT

- 1.1 This report provides Members with an update on the development of the Crystal Palace Park Trust, setting out how the Trust will obtain seed funding through events in Crystal Palace Park. It also requests Members to consider waiving the hire fee for the use of the park for events by the allocation of a grant.
- 1.2 The allocation of a grant will form part of the Council's event permit to the Trust. The Trust cannot sign its contract with the two event promoters until the permit is agreed. Signing the contract has been delayed while details within the permit have been decided. Therefore it is now urgent that the permits and contracts are signed to secure the events and seed funding for the Trust.

2. RECOMMENDATION(S)

- 2.1 The Renewal, Recreation and Housing PDS Committee are asked to:
 - Note and provide comment on the content of this report to the Leader.
- 2.2 The Executive is asked to:
 - Authorise a grant mechanism within the Festival Republic event permit that allows the hire fee of £50,000 to be paid to the Trust per annum for up to six years in accordance with the grant terms set out in paras. 4.4

- Authorise a grant mechanism within the Winterstow Ltd. event permit that allows the hire fee of £20,000 to be paid to the Trust per annum for five years in accordance with the grant terms set out in paras. 4.4
- Delegate authority to the Chief Officer (Director of Housing, Planning and Regeneration) in consultation with the Director of Environment and Public Protection, and the Portfolio Holder of Renewal, Recreation and Housing, to make decisions on the inclusion of grant mechanisms in further event permits between the Council and the Crystal Palace Park Trust or associated bodies, including its trading subsidiary, Crystal Palace Park Events Limited (CPPEL)

Impact on Vulnerable Adults and Children

1. Summary of Impact: The income generated from events in Crystal Palace Park is ringfenced for improvements in the park which will enhance it as a safe destination for vulnerable adults and children.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Quality Environment, Children and Young People, Regeneration
-

Financial

1. Cost of proposal: Estimated cost - The grant within the Festival Republic event permit has a value of £50k per year for up to six years (minimum three years), totalling a potential grant value of £300k.

The grant within the Winterstow Ltd. event permit has a value of £20k per year for five years, totalling a grant value of £100k.

The cost of the proposal currently is therefore £400k which will be met from the hire fees paid by CPPEL.

2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: CPPEL will pay the hire fee to the Council which will be paid to the Trust as a grant
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): An estimated 1.4 million visits are made to Crystal Palace Park each year
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Councillors would like to follow through with more detailed questions however they wish to support the recommendations in principle. Councillor Wilkins has commented that 'we now have a clear and deliverable road map which will result in multi-layered regeneration of CP Park for future generations.'

3. COMMENTARY

- 3.1 On 24th March 2015, the Executive agreed to develop an alternative management option for Crystal Palace Park (Report No. DRR15/020). On 5th July 2017 (Report No. DRR17/029) the Executive approved the Regeneration Plan. The Council's Regeneration Plan for Crystal Palace Park sets out a three-pronged strategy to regenerate the park through 1) physical regeneration works, 2) a new form of governance whereby the Crystal Palace Park Trust manages the park, and 3) a sustainable events-led business model which enables the Trust to manage the park.
- 3.2 The formation of the Crystal Palace Park Trust is an integral part of the wider Regeneration Plan, and offers significant long term benefits to the Council. As current custodians of this historical park, the Council carries considerable responsibilities; overall management of such a unique site requires specific skills and expertise. The rationale behind establishing the Trust was to put in place a new organisation with the appropriate skills and experience to secure the park's future. This would be achieved by generating new income in the park and re-investing it, which would also compliment the Council's investment in the Park. This model has been adopted by other councils including Newcastle City Council which has established a very successful trust (Urban Green Newcastle) to manage the city's parks and allotments - Officers have met with this trust.
- 3.3 The mechanism for transferring governance to the Trust is in development.
- 3.4 The Council's Regeneration Plan requires that the Trust establishes itself as an organisation that is capable of taking on the governance of a regional park. The Trust has responded to this requirement proactively. The Crystal Palace Park Trust was incorporated as a Private Company Limited by Guarantee (Company No. 11360503) in May 2018. Its charitable objects are as follows:
- Preserve, protect, manage and improve the physical and natural environment of the park
 - Promote health and wellbeing, community participation, and the enjoyment of the park through sports, recreation and leisure, and arts, heritage and culture
 - Provide and promote learning about the history and heritage of the park and its physical and natural attributes
 - Support further charitable purposes that relate to the park and its surrounding area

4. SUMMARY OF THE BUSINESS CASE

- i) As part of the Regeneration Plan for Crystal Palace Park, the Council expects the Crystal Palace Park Trust to deliver an events-led business model for the park that will secure the future of the park through ring-fenced income.
- ii) Officers and the Trust have engaged with the Council's current Park Management and General Maintenance Contractor, Idverde, in developing these events. Idverde was awarded the contract in 2019 in the knowledge that events, and management and maintenance of the park, would novate across to the Trust, and have worked positively with officers to support this.
- iii) In working to meet this expectation, the Trust is close to securing two significant events contracts in the park.
- iv) However, the Council has a fiduciary duty to receive a fair market fee for the hire of the park for events.

- v) To enable the Trust to maximise the income ringfenced for the benefit of the park, a grant mechanism in the event permit would allow the Council to transparently grant the hire fee back to the Trust.
- vi) In so doing, a potential total of £400k will be invested in the park by the Trust over the next six years for heritage and / or environmental activities and / or outputs.
- vii) Other income generated by the Trust from these events will either be spent in the park in line with the Trust's charitable objects, or in ensuring the Trust has sufficient organisational capacity to increase its responsibilities in the park and meet the requirements of the Regeneration Plan.
- viii) Administration of the grant will be managed by Officers in the Regeneration team, ensuring the relevant Officers in Environmental Services are consulted before any activities or outputs are undertaken in the park with the grant money.
- ix) It is not recommended that the Council retains the market fee as the Trust needs to maximise income to meet the requirements of the Council's Regeneration Plan. Reducing the Trust's income would weaken the Trust's financial and operational position, which in turn increases the risk of transferring the governance of the park in the coming years.

4.1 SERVICE PROFILE/DATA ANALYSIS

4.1.1 N/A

4.2 OPTIONS APPRAISAL

4.2.1 Option One

The first option is to create a grant mechanism in the the event permit so that the hire fee paid from Crystal Palace Park Events Limited (CPPEL) to the Council, is granted back to the Trust to be spent on environmental and / or heritage activities.

This option means that the Trust can maximise the income it generates, committing it both to park improvements as well as building organisational capacity.

Para. 4.3 which sets out Option One as the preferred option in more detail.

4.2.2 Option Two

The second option is to not authorise the grant mechanism in the permit. If the grant mechanism is not permitted, the income from the hire fee would be retained by the Council and spent at the Council's discretion.

However, since the palace burnt down in 1936, the park has not received the level of routine funding needed to maintain all its historic features. As a result, the park is on Historic England's Heritage at Risk Register. By establishing the three-pronged Regeneration Plan, the Council has committed to solving this issue. It has set the Crystal Palace Park Trust the task of ensuring it has the organisational and financial capacity to successfully govern the park.

The Trust is working to fulfil this requirement and in so doing, will safeguard the Council-funded regeneration works and maintain the park's historic features to an enhanced standard. If the park is tackled holistically in this way, the decades of decline will be reversed for future generations.

If the hire fee is not granted to the Trust, the remaining events income will need to be spread across park investment and building organisational capacity. This option is therefore discounted as it would diminish the strength of the Trust's position, which is required to ensure the holistic Regeneration Plan is successful.

4.2.3 Option Three

The final option is to waive the hire fee entirely so that CPPEL would retain the income, and gift monies back to the Trust at its discretion. However, as the Council has a fiduciary duty to get a fair market fee for the hire of the park for events, this is not a true option and has been discounted.

4.2.4 Therefore Option One is recommended.

4.3 **PREFERRED OPTION**

4.3.1 In the last four months, the Trust has made further significant progress with the establishment of a trading subsidiary, Crystal Palace Park Events Limited (Company No. 12855520), and is currently applying for charitable status. In addition, the Trust has developed sub-committees, governing documents, organisational policies and procedures, and expanded its professional network to bring high-profile event promoters to the park.

4.3.2 As such, the Trust is close to securing two significant events contracts, one with Festival Republic (for events on the terraces on three consecutive years, with potential to extend a further three years), and the second with Winterstow Ltd. (for a summer events season on the Concert Platform, over five consecutive years). Festival Republic is a high profile event promoter with an impressive portfolio of festivals including Download, Latitude and Wireless. Winterstow Ltd. was founded specifically for Crystal Palace Park by promoter Marcus Weedon who has also launched Field Day in Victoria Park (2007) and Winterville (2014), now hosted on Clapham Common.

4.3.3 These events will secure vital income for the Trust enabling it to begin employing staff and investing in the park. It is worth noting that most trusts of this nature would require 'seed' funding from a local authority. The Trust securing these events will optimise their ability to function as a legal entity without financial risk to the Council.

4.3.4 To support the Regeneration Plan's Outline Planning Application as an Enabling Development case, income generated in Crystal Palace Park is being reinvested in the park. This is the case of the sale of two sites on the periphery of the park to fund much of the Regeneration Plan (Report No. DRR20/018). It is also the case with the rental income from the new café in the park (Report No. DRR15/020).

4.3.5 However, it is the Council's fiduciary duty to get a fair market fee for the hire of the park for events. This fee cannot be waived as it would mean the Council falls short of its duty to be transparent about the way the Council spends and protects its money. Instead, the income can be returned to the Trust in the form of a grant to help secure the park into the future.

4.3.6 The hire fee for the Festival Republic event has been calculated at £50,000 per annum, and for the Winterstow Ltd. event is £20,000 per annum. These values reflect Idverde UK's hire fees for these types and sizes of events.

4.3.7 The income from these two events goes a significant way in ensuring that the Trust is the proficient organisation required by the Council to take on the governance of Crystal Palace Park, securing its future and de-risking the governance transfer. Therefore, permission is sought to create a mechanism in the event permit that means the hire fee paid from CPPEL to the Council, can be granted back to the Trust.

4.3.8 Subject to CPPEL securing the two events contracts, Officers propose that the value of the hire fees will be granted to the Trust on the condition that it is only spent to undertake heritage and / or environmental activities and / or outputs in the park in accordance with the grant

clauses. This will mean that, while the grant money is ring-fenced for the park, the Council will be able to influence the way it is being spent, ensuring it is in line with the Council's regeneration aims. The grant clauses are set out in para. 4.4.

- 4.3.9 It may be the case that further events are hosted in the park by CPPEL or the Trust. Permission is therefore sought to delegate authority to the Chief Officer (Director of Housing, Planning and Regeneration) in consultation with the Director of Environment and Public Protection, and the Portfolio Holder for Renewal, Recreation and Housing, to use their discretion to authorise the use of the same grant mechanism in future event permits for events hosted in the park by the Trust, or its associated bodies including the CPPEL trading subsidiary.

Grant clauses

- 4.4 The following grant clauses have been included in the event permit by Legal Officers and have been agreed with Officers from Regeneration and Environmental Services, as well as with Idverde UK and the Crystal Palace Park Trust. In the Festival Republic permit, the sum in 4.4.1 is £50,000. In the Winterstow Ltd. permit, the sum in 4.4.1 is £20,000.
- 4.4.1 The Council and the Trust agree that the Council shall pay the Trust a sum of £XXX (being the sum of the Hire Fee) ("the Grant") each year of the Term and any Extended Term.
- 4.4.2 The Grant shall be paid to the Trust on the condition that the Trust spends the Grant only to deliver either by undertaking or procuring heritage and/or environmental activities and/or outputs in the Crystal Palace Park in accordance with these Grant Clauses ("the Project").
- 4.4.3 The nature and specification of any activities and/or outputs under the Project shall be approved by the Council in its discretion and shall be undertaken or procured by the 5th April in the year following the Events or such other period as agreed between the Council and the Trust as further provided for below in these Grant Clauses.
- 4.4.4 The Parties acknowledge that where the delivery of any activities and/or outputs under the Project requires compliance with the Council's internal decision-making processes and proper procurement procedures under the Council Constitution then these must be complied with.
- 4.4.5 The Trust agrees to provide the Council documentary evidence upon request that such approved activities and/or outputs under the Project have been undertaken or procured in accordance with the Project as approved together to the approved value.
- 4.4.6 To the extent that the activities and/or outputs under the Project are not delivered by the said date each year or to the value, the shortfall shall be immediately be repayable to the Council as a Hire Fee or with the agreement of the Council be rolled into the next year to be spent in accordance with the Project and the terms of these Grant Clauses.
- 4.4.7 The Grant shall be payable to the Trust at the point of idverde issuing Hire Fee payment invoice. For clarity the Council will not be liable for the grant payment if the events do not happen, and the hire fee for the park is not triggered. For administrative ease CPPEL shall instead of paying the Hire Fee directly to idverde shall instead pay the Hire Fee to the Trust which shall represent the Grant payment from the Council to the Trust and thereby discharge each Parties mutual payment obligations. The Trust shall pay the Grant sum into an account of the Trust which is expressed to subject the obligations under these Grant Clauses.
- 4.4.8 Where the Council acting reasonably considers the Trust to be in material breach of these Grant Clauses or the Project is no longer achievable, the Trust and the Council shall first attempt to resolve the issue and where the issue is not resolved the Council may, on giving 21 days written notice to the Trust, terminate the Grant under these Grant Clauses whereupon the Trust must return all or part of the Grant paid as determined by the Council acting reasonably. For the avoidance of doubt notwithstanding the action taken under this

clause the Permit shall remain in full force and operation except that the Hire Fee shall be payable to idverde without any further regard to these Grant Clauses

4.4 MARKET CONSIDERATIONS

- 4.4.1 The Council must uphold its fiduciary duty to gain a fair market fee for the hire of the park for events. It is requested that this market hire fee is granted back to the Trust to maximise the Trust's investment in the park.

5. STAKEHOLDER ENGAGEMENT

- 5.1 The Council's Legal Officers have been engaged throughout the development of the event permit, both advising on Council's duty to gain a fair market fee and on the grant mechanism and terms to be included in the permit.
- 5.2 The Crystal Palace Park Trust has been engaged throughout the same process and is in agreement with the grant terms and the commitment to ringfence the grant monies for heritage and / or environmental activities and / or outputs by 5th April the following year.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 6.1 **Estimated Grant Value** – £400k
- 6.2 **Other Associated Costs** – N/A
- 6.3 **Proposed Grant Period** – Six years

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 The grant mechanism is considered by Officers to be most beneficial option to secure the park's sustainable future. The park will benefit from an enhanced level of investment which will positively impact existing and new visitors to the park in the coming decades.

8. POLICY CONSIDERATIONS

- 8.1 Crystal Palace Park is shown within various designations and policies in the Local Plan and the London Plan. There is outline planning permission in place for the 2007 Masterplan, which established the planning principles of the Regeneration Plan.
- 8.2 The Regeneration Plan requires a separate planning consent which was submitted in January 2020 and is being determined. The Trust's business model for the park was submitted as part of the Financial Viability Assessment within the Regeneration Plan's Outline Planning Application.

9. IT AND GDPR CONSIDERATIONS

- 9.1 There are no IT or GDPR considerations at present.

10. PROCUREMENT RULES

10.1 There are no procurement considerations.

11. FINANCIAL CONSIDERATIONS

11.1 The Council has a fiduciary duty to receive a fair market fee for the hire of the park for events. A grant mechanism would allow the Council to transparently grant the hire fee back to the Trust. In so doing, a potential total of £400k will be invested in the park by the Trust over the next six years in accordance with the grant conditions.

11.2 The Trust has actively been seeking to secure future events to generate income to support their set up costs and future investment in lieu of needing financial support from the Council. The Trust's governance, operating model and business plan remain to be finalised and agreed by the Council, which is expected in 2021. However, the conditions set out in 4.4 will enable Officers to ensure that the grant is applied as the Council expects and should provide adequate governance safeguards prior to this.

11.3 Although the Regeneration Plan set out a commitment where new income generated in the park would be reinvested within it, the Council can choose not to award the grant and retain the additional fee income of up to £400k.

12. PERSONNEL CONSIDERATIONS

12.1 N/A

13. LEGAL CONSIDERATIONS

13.1 The Council has a legal power to hold, maintain and develop its landholdings and buildings in connection with functions including powers available under various Parks and Open Spaces legislation relating to Crystal Palace Park. In furtherance of these powers the Council has entered into a Management and Maintenance contract with Idverde. As part of the Contract, Idverde manages the land which includes the issuing and management of permits and fees for events in the Park.

13.2 In accordance with the Council's fiduciary duty, the Council has a legal duty to use its funds, resources and assets prudently in the best interests of its residents. This report confirms that the permit hire fee obtained represents a fair market value for the events and that the making of a grant back to the Trust is a sensible use of these funds as explained in more detail in the options section of this report. The Council's stewardship to protect these funds is achieved through grant terms which requires an agreed project use, and which introduces sufficient checks, pre-conditions and recovery of the grant. Transparency will further be achieved through the identification of the grant monies in the accounts of the Council, the Trust and its subsidiary CPPEL.

13.3 The Council's Constitution under the Executive Procedure Rules section 1.3 would permit the delegation to an officer as requested in the recommendations to this report.

Non-Applicable Sections:	4.1, 12
Background Documents: (Access via Contact Officer)	DRR15/020 'Crystal Palace Park' DRR17/029 'Crystal Palace Park: Regeneration Plan' DRR20/018 'Crystal Palace Park'

Report No.
HPR2020/048

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**
For pre-decision scrutiny by the RRH PDS Committee on 16th December 2020

Date: 13th January 2021

Decision Type: Urgent Executive Key

Title: **Future of the Crystal Palace Concert Platform**

Contact Officer: Lizzi Hewitt-Brown, Programme Manager - Regeneration
Tel: 020 8313 4097 E-mail: Lizzi.hewitt-brown@bromley.gov.uk

Chief Officer: Sara Bowrey, Director of Housing, Planning and Regeneration

Ward: Crystal Palace

1. REASON FOR REPORT

- 1.1 Officers have been to market for proposals for the future use of the Concert Platform in Crystal Palace Park which has been largely redundant for over 10 years and has fallen into disrepair.
 - 1.2 This report recommends a lease in principle to one of the bids received.
 - 1.3 Please refer to Part 2 for further information.
-

2. RECOMMENDATION(S)

- 2.1 The Renewal, Recreation and Housing PDS Committee are asked to:
 - Note and provide comment on the content of this report to the Executive.
- 2.2 The Executive is asked to:
 - Please refer to Part 2.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Please refer to Part 2.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Quality Environment.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): None
 2. If from existing staff resources, number of staff hours: None
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Crystal Palace Park currently receives an estimate 1.4 million visits per annum. By revitalising the Concert Platform, it is expected that new and different audiences will be brought to the park.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Councillors would like to follow through with more detailed questions however they wish to support the recommendations in principle. Councillor Wilkins has commented that 'we now have a clear and deliverable road map which will result in multi-layered regeneration of CP Park for future generations.'

3. COMMENTARY

- 3.1 In 1996, the Council hosted a competition to design a permanent concert platform in Crystal Palace Park, which was won by Ian Ritchie Architects. The Concert Platform (the Platform) was completed in 1997 and hosted its first concert the same year.
- 3.2 However, the Platform did not prove viable as a commercial venue at the time. As a result, it is now mostly unused and has fallen into disrepair. The Council owns the Platform and is responsible for its maintenance.
- 3.3 The Platform is greatly valued amongst the local community and was designated an Asset of Community Value in 2020. Officers were approached in 2019 by a community group (the Concert Platform Working Group) to reactivate its use.
- 3.4 As such, Officers created an opportunity to invite competitive proposals that provide a sustainable future for the Platform, benefit the park, the local community and enhance public recreation.
- 3.5 Please refer to Part 2 for further information about the requirements of the proposals, and a summary of the proposals received.

4. DESCRIPTION OF SERVICE AND SUMMARY OF THE BUSINESS CASE

- 4.1 Please refer to Part 2.

5 LEASE AWARD RECOMMENDATION

- 5.1 **Recommended Provider** – Please refer to Part 2.
- 5.2 **Estimated Value** – N/A
- 5.2 **Other Associated Costs** – N/A
- 5.3 **Proposed Lease Period** – Please refer to Part 2.

6 MARKET CONSIDERATIONS

- 6.2 The opportunity was advertised for just under two months through appropriate channels including the London Tenders Portal and local websites. Due to the unique nature of the opportunity and specific requirements of the project, few responses were received.

7. STAKEHOLDER ENGAGEMENT

- 7.1 The brief and requirements for proposals were developed in consultation with the Concert Platform Working Group to ensure that the community's aspirations for the Platform are achieved.
- 7.3 Interest has been received from theatre companies hoping to hire the Platform for performances, including a summer Shakespeare production.

8. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 8.1 Please refer to Part 2.

9. POLICY CONSIDERATIONS

- 9.1 Crystal Palace Park is shown within various designations and policies in the Local Plan and the London Plan. There is outline planning permission in place for the 2007 Masterplan, which established the planning principles of the Regeneration Plan.
- 8.2 The Regeneration Plan requires a separate planning consent which was submitted in January 2020 and is being determined. Refurbishing the Concert Platform is not within this planning consent and therefore needs to be brought forward separately.

10. IT AND GDPR CONSIDERATIONS

- 10.1 N/A

11. PROCUREMENT RULES

- 11.1 There are no procurement considerations.

12. FINANCIAL CONSIDERATIONS

- 12.1 Please refer to Part 2.

13. PERSONNEL CONSIDERATIONS

- 13.1 N/A

14. LEGAL CONSIDERATIONS

- 14.1 Under section 123(2) of the Local Government Act 1972, a local authority has the power to dispose of land. The main caveat to this is that the council must not do so for “a consideration less than the best that can reasonably be obtained.”
- 14.2 As the land in the park is designated open space, the Council was required to advertise the disposal pursuant to Section 123(2A) of the Local Government Act 1972. A Public Notice featured in the News Shopper for two consecutive weeks from the 11th-17th and 18th-24th November 2020. No objections were received during the consultation period.

Non-Applicable Sections:	10, 13
Background Documents: (Access via Contact Officer)	

Report No.
HPR2020/051

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

For pre-decision scrutiny at the Renewal, Recreation and Housing Policy Development and Scrutiny Committee 16th December 2020

Date: 13th January 2021

Decision Type: Non Urgent Executive Key

Title: LAND APPROPRIATION

Contact Officer: Isabelle Haddow, Interim Head of Regeneration
E-mail: isabelle.haddow@bromley.gov.uk

Chief Officer: Sara Bowrey, Director of Housing, Planning and Regeneration

Ward: Chislehurst and Crystal Palace

1. Reason for report

- 1.1 This report concerns the appropriation of the land at Anerley Town Hall Overflow car park and Bushell Way following the planning permission granted for the sites in December 2020.
- 1.2 These projects are now moving from the planning phase into the delivery phase including dealing with overriding of easements and rights in land.

RECOMMENDATION(S)

That Members of the Renewal, Recreation and Housing Policy Development and Scrutiny Committee:

- 2.1 Note and comment on the contents of the report.

It is recommended that the Executive:

- 2.2 Exercises the Council's powers of appropriation pursuant to section 226 of the Town & Country Planning Act 1990;
- 2.3 Resolves that it is the intention of the Council to appropriate the relevant land for planning purposes in order to engage section 203 of the Housing and Planning Act 2016 to override any easements and other rights to enable the Council to carry out the developments at Anerley Town Hall Overflow car park and Bushell Way.

- 2.4 Resolves to give delegated authority to the Director of Renewal, Recreation and Housing in consultation with the Portfolio Holder for Renewal, Recreation and Housing and the Director of Corporate Services to approach any affected parties to agree statutory compensation and ensure that all appropriate legal documents are completed.
- 2.5 Notes that the valuations of the sites for appropriation to the Housing Revenue Account are £470k for Anerley Town Hall car park and £1,350k for Bushell Way.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safe Bromley Supporting Independence Vibrant, Thriving Town Centres Healthy Bromley Regeneration Not Applicable: Further Details
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Financial

1. Cost of proposal: The estimated cost of any compensation cannot be quantified at this point
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £6.2m
 5. Source of funding: Section 106 contributions, Internal Borrowing from the General Fund, GLA Affordable Housing Grant
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Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable Not Applicable: Further Details
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. BACKGROUND

- 3.1 The London Borough of Bromley (LBB) granted planning permission for 10 affordable homes (4x 1 bed and 6x 2 bed) on the 19th November 2020 under ref: 20/02944/FULL1 at Anerley Town Hall overflow car park. The site is in use as a private overflow car park for the Anerley Town Hall. Planning permission for 25 affordable homes (10x one bedroom, 15x two bedrooms) on the 19th November 2020 under ref: 20/02903/FULL1 at Bushell Way. The site is owned by the Council, previously the site was Banbury House and is currently vacant.
- 3.2 The sites were identified for redevelopment as part of the Council's strategy to support the housing challenges facing the borough. There are currently around 1700 households in Temporary Accommodation within the borough, of which many are in costly forms of nightly paid accommodation. This incurs a large cost to the Council and unstable living conditions for many of the borough's residents. The development has been delivered in direct response to these issues and are both 100% affordable.
- 3.3 In order to override any easements or rights with either of the sites the Council will need to appropriate the development site for planning purposes pursuant to section 246(1) of the Town and Country Planning Act 1990.
- 3.4 A local authority may exercise the power of appropriation where it considers development or re-development meets certain objectives. There must be a compelling case in the public interest to appropriate the land for planning purposes under section 226 of the Town and Country Planning Act 1990, to engage section 203 of the Housing and Planning Act 2016 and enable the development to proceed and the public benefits to be realised. This report recommends that the land is appropriated, and outlines how it meets the relevant objectives.
- 3.5 The report also outlines the proposed approach of appropriating the land into the Housing Revenue Account (HRA). The decision to open the HRA was made in July 2020 by Full Council decision. The HRA is an account used to record all expenditure and income on running a Council's own housing stock and closely related services or facilities. It sits as a separate ring-fenced budget outside of the General Fund.
- 3.6 The basic premise for operation of an HRA is that all costs are met through the rental stream from tenanted properties. The report Housing Finances (ref: HPR2020/038) recommends that the sites are held in the HRA, as this will enable the Council to avail of grant funding for affordable housing. The timing of the appropriating into the HRA is important to ensure that the HRA is in surplus, ensuring the Council is eligible for the GLA Grant to support the scheme funding.
- 3.7 There is also a sequence to appropriation that the Council is guided by. The appropriation for planning purposes will allow the Council to start development on site. Works will commence after the expiry of the 6 week planning Judicial Review period.
- 3.8 Whilst the process of transferring the sites into the HRA does not take place on the open market, a market valuation of the site has been undertaken. The timing of appropriating into the HRA is important to ensure that the costs of the land value do not make it unviable for the HRA. The Leader previously agreed to delegate this to the Director of Housing, Planning and Regeneration in consultation with Director of Corporate Services and Director of Finance to undertake this at the relevant time.

4. PLANNING PERMISSION

- 4.1 Through the planning process, the Council has engaged and consulted a wide range of consultees upon the potential impact of development. The development of the planning

proposal has been subject to a range of public awareness and engagement exercises, including public engagement prior to the submission of the application to the London Borough of Bromley's Planning department. public engagement has taken place using a number of means in conformity with the Council's Statement of Community Involvement, including:

- 273 letters and consultation material sent to local residents and businesses in the vicinity of the proposed development at Anerley
- 180 letters and consultation material sent to local residents in the vicinity of the proposed development at Bushell Way.

- 4.2 Comments received through any of the public engagement were considered as part of the project group and updated proposals were submitted to Planning. All public engagement was undertaken in accordance with the Statement of Community Involvement policy with a formal statement submitted as part of the application.
- 4.3 The applications were then submitted to Planning and subject to 21 days of formal consultation, the application received comments and objections on the following matters for Anerley and Bushell:
- Traffic/parking
 - Overlooking
 - Construction
 - Design
 - Highways safety
- 4.4 All relevant planning matters have been overcome through both the planning application process and no objections remained. In relation to Anerley: three objections were received in relation to a potential loss of daylight from two from neighbouring properties to the south and west of the Development and one from a tenant in the Anerley Town Hall building. A Daylight and Sunlight Assessment has been submitted and there was considered to be little impact from a Planning perspective. No further correspondence has been received on this matter.
- 4.5 In relation to Bushell Way: twenty-five objections were received. All of these planning related objections were resolved through the formal planning process and there were no technical objections outstanding. Two comments were received in relation to sunlight/daylight and one from a neighbouring property in regard to existing rights of access within the Development envelop.
- 4.6 The Council was lawfully able to consider the applications as Local Planning Authority and the Development Control Committee resolved to grant planning permission at it's meeting on 19th November 2020. Planning permission takes effect from the date the permission is signed, and this will be happening imminently. There is no right of appeal against the grant of a planning permission is granted and any challenge needs to be brought by Judicial Review which must be commenced within 6 weeks form the date of the decision.
- 4.7 It is clear from the reasons given for the grant of planning permission that the both developments meet the planning requirements with the overall effects of the Development found to be acceptable. The project is now moving from the planning phase into the delivery phase including dealing with all the property aspects including rights and restrictive covenants.
- 4.8 Whilst the consultation undertaken by the Council was not directed towards the appropriation, further public consultation is not considered necessary to enable the Council to form the view that the proposed development as a whole is in the public interest. The Council will engage

directly with the particular right holders if any, in respect of the release of rights in order to engage the provisions of section 203 of the 2016 Act to commence the development.

- 4.9 The searches have identified utilities and infrastructure under the sites – the contractors will discuss the issues with Thames Water to understand their requirements in due course and to enter into any further legal agreements as required. The compensation won't be at the same level as statutory compensation as Section 203 does not apply to statutory undertakers.

5. OPTIONS AND ANALYSIS

- 5.1 In assessing this report, officers have considered the likely implications of not exercising the Council's statutory powers to appropriate the land for planning purposes and to engage section 203 of the 2016 Act. These are:

- that the Development will not proceed as proposed and the public benefits will be lost;
- Following commencement of development, an injunction could be brought forward by affected neighbours for the infringement of their rights of light.

- 5.2 This does not preclude the prospect of an injunction, which is the primary remedy for any infringement of a right. However, since the planning application has been submitted no further correspondence on any of the objections received have been received, that the impact of the development is not considered to be substantive based on the analysis at planning and the time to reach negotiated settlements causing delays to development; officers do not consider this risk to appropriating the land for planning purposes proportionate.

- 5.3 Furthermore, the grant of planning permission provides strong support that the development will be of benefit to the public, which may be relevant to the question for a court as to whether or not to grant an injunction, but is by no means conclusive in light of current case law. Because of the urgent need for Temporary Housing, officers had prioritised the public benefits but will resolve any claims for compensation where an actionable right is found to exist after receipt of the Right of Light Report when it has been commissioned.

- 5.4 Significant uncertainty therefore leads officers to consider that removing the risk of injunction is important in order to deliver the wider social benefits of the scheme.

6. RIGHTS OF LIGHT AND COVENANTS

- 6.1 Based on the aforementioned considerations during Planning, the Council has commissioned Rights of Light surveys in order to ascertain whether the development will infringe on the legal rights of light enjoyed by property owners.

- 6.2 For Anerley: due to the scale, height and massing of the proposed development, the location of it in relation to neighbouring property, officers do not consider there is a risk of any rights being infringed upon. As the survey has not been received as yet, the Council will enter into discussions with any property owners whose rights to light may be adversely affected by the Council's development. As part of the submission to planning, a Daylight and Sunlight survey was completed. This is for the purposes of a daylight and sunlight assessment which met the planning tests by concluding the proposed development sufficiently safeguards the daylight and sunlight amenity of the neighbouring properties.

- 6.3 At Bushell: A Shadow Study Report was undertaken, which used a massing model to create sun path diagrams to assess the impact upon neighbouring properties over different times of the year and the day. The study concluded that the rear garden of 1 Bushell Way is affected by the proposed only in January; the shadowing effect of the proposed building on 1 Bushell Way is

not dissimilar to the previous building on this site; and, there is minimal impact of shadowing on any of the remaining surrounding buildings.

- 6.4 It is important to note that ascertaining the current beneficiaries may become a protracted process and given the council's need for urgent Temporary Accommodation in the Borough, it will be necessary to appropriate the land for planning purposes presently and to reach agreement with any affected parties thereafter.

7. COVENANTS AND RIGHTS OF ACCESS

- 7.1 See Part 2.

8. STATUTORY POWERS OF APPROPRIATION

- 8.1 Section 203 of the Housing and Planning Act 2016 is the legal mechanism by which the council is permitted to proceed to carry out the development works notwithstanding that they will interfere with a covenant, easement or any other third party right. The party with the benefit of such a right is no longer able to protect that right by way of an injunction preventing the Council from commencing the development. Instead, the injured party or parties will gain the right to statutory compensation.
- 8.2 Under Section 204 of the Housing and Planning Act 2016 the Council is liable to pay compensation for any interference with the relevant right or interest or breach of restriction which is authorised by section 203 of the 2015 Act. The compensation is calculated on the same basis as compensation payable under the Compulsory Purchase Act 1965.
- 8.3 Section 226 of the Town and Country Planning Act 1990 permits the Council to appropriate land which is required for planning purposes to facilitate the delivery of the development permitted by the grant of planning permission together with the realisation of the associated public benefits.
- 8.4 Section 246 of the Town and Country Planning Act 1990 provides that reference to the appropriation of land for planning purposes is a reference to the appropriation of it for purposes for which land can be acquired under sections 226 and 227 of the 1990 Act.

9. MEETING THE REQUIREMENTS

- 9.1 As the planning permission is in place, the next stage is to appropriate the land for planning purposes. There are compelling reasons for the Council to appropriate the site as the proposed development will facilitate the carrying out of the development for which planning permission has been granted in relation to the land.
- 9.2 Following the appropriation of the land, construction can proceed without risk of the Council being restrained by and Injunction by the beneficiary of any right or covenant.
- 9.3 A local authority can exercise the power of appropriation where the development or re-development is likely to contribute to the achievement of any one or more of the following objectives:
- (a) the promotion or improvement of the economic well-being of their area;
 - (b) the promotion or improvement of the social well-being of their area;
 - (c) the promotion or improvement of the environmental well-being of their area.

9.4 It is considered that the Anerley Town Hall Overflow Car Park planning permission meets the above conditions, for the following reasons:

(a) the promotion or improvement of the economic well-being of their area;

- The development will provide 10 households currently living in temporary accommodation a permanent form of housing at affordable rent levels. This will provide residents and households a form of rental stability, greater financial security, enabling those to make positive economic choices to the benefit of the economic well-being of the area.
- The scheme is located in close proximity to Anerley Road, near to a number of retail and other amenities. Development in these areas is expected to maximise the benefits to support and enhance the vitality and viability. The development proposal will provide 10 additional houses. The close proximity to the local shops is likely to support the economic vitality of the local shopping parade as future residents are likely to use and depend on these local amenities. Furthermore, the future residents of the site will use other local services in the area, supporting the economic wellbeing of the area.

(b) the promotion or improvement of the social well-being of their area;

- The development will benefit the social well-being of the area as it will provide 10 affordable houses for those currently living in temporary accommodation. The houses will benefit those currently in temporary accommodation as well as those in the future as the site will remain as affordable housing in perpetuity.
- The scheme will also create mixed, sustainable communities as the scheme will provide for a range of household sizes, as the 1 and 2 bedroom houses will be able to accommodate for 1-3 people. Families and those living independently will be accommodated as part of the proposal, promoting community cohesion as part of the development area and to the wider area.
- The site is also located in a built up area of the borough, in close proximity to Anerley train station and other public transport links.

(c) the promotion or improvement of the environmental well-being of their area.

- It is a sustainable development which uses sustainable off site building methods reducing waste, noise, to the local area and reduces carbon emissions. The houses will also be low carbon in terms of running costs, with environmental and economic benefits by reducing bills for residents.
- It is a new, modern development which improves the overall façade of the area. This development will implement new amenities such as landscaping, and electric car charging vehicle points. This sustainable development will make individuals in the area more environmentally aware of the environment, their choices and will encourage them to live sustainably.

9.5 It is considered that the Bushell Way planning permission meets the above conditions, for the following reasons:

(a) the promotion or improvement of the economic well-being of their area;

- The development will provide 25 households currently living in temporary accommodation a permanent form of housing at affordable rent levels. This will provide residents and households a form of rental stability, greater financial security, enabling those to make positive economic choices to the benefit of the economic well-being of the area.

- The scheme is located in a residential area with a range of local amenities and local services. Those residing in the homes will benefit existing businesses and use other local services in the area, supporting the economic wellbeing of the area.

(b)the promotion or improvement of the social well-being of their area;

- The development will benefit the social well-being of the area as it will provide 25 affordable houses for those currently living in temporary accommodation. The houses will benefit those currently in temporary accommodation as well as those in the future as the site will remain as affordable housing in perpetuity.
- The scheme will also create mixed communities as the scheme will provide for a range of household sizes, as the 1 and 2 bedroom houses will be able to accommodate for 1-4 people. Families and those living independently will be accommodated as part of the proposal, promoting community cohesion as part of the development area and to the wider area.

(c)the promotion or improvement of the environmental well-being of their area.

- It is a sustainable development by using off-site construction methods reducing waste and noise. The modular units will also help to keep running costs at a minimum for residents which promotes an environmentally and economical way of living.
- The site is currently vacant and boarded off. This development will implement new amenities such as landscaping, cycle parking, electric charging vehicle points, pedestrian which further improve the overall area and its surroundings. The development will encourage individuals to live sustainably and boost local biodiversity with swift boxes and bug beds within the development.
- Furthermore, the scheme is designed to Secure by Design and will improve access and ingress and lighting providing benefits to those residing in the area.

10. IMPACT ON VULNERABLE ADULTS AND CHILDREN

10.1 The proposed recommendations support the delivery of affordable housing, supporting children and vulnerable people through the provision of housing supply.

11. POLICY IMPLICATIONS

11.1 Ensuring the delivery of the housing scheme at Anerley Town Hall Overflow Car Park will meet the Council's Housing and other policy objectives.

12. FINANCIAL IMPLICATIONS

12.1 In exercising its statutory powers to appropriate the Land in Anerley Town Hall Overflow Car Park and Bushell Way, the Council may incur compensation costs which are unquantified at this stage. The survey costs are estimated to be around £1k and £3k respectively and will come out of the existing project budget.

12.2 It is currently anticipated that any such costs will be contained within the existing contingency allocation for the scheme.

12.3 In November 2020 the Leader agreed to delegate authority to the Director of Housing, Planning and Regeneration in consultation with the Director of Corporate Services and the Director of

Finance at the relevant time to appropriate these sites from planning purposes to housing purposes to be accounted for within the Council's Housing Revenue Account (HRA).

- 12.4 Valuations of the sites have now been carried out by Cushman & Wakefield, which value the sites at £470k for Anerley Town Hall car park and £1,350k for Bushell Way, which compares to the estimated values of £700k and £1,750k respectively (based on £70k per property) that were included in the Housing Finances report that was scrutinised by the Renewal, Recreation and Housing PDS Committee in November 2020.
- 12.5 The appropriation of the sites to the HRA would therefore result in a reduction to the General Fund Capital Financing Requirement (CFR) of £1,820k and an increase of the same amount to the HRA CFR.
- 12.6 Indicative financial implications relating to these sites was included in the Housing Finances report. As the land appropriation values are lower than those assumed in that report, the surplus generated by these sites within the HRA will increase, and full details will be included in the 30 year HRA business plan that is currently being developed.

13. PERSONNEL IMPLICATIONS

- 13.1 No personnel implications applicable.

14. LEGAL IMPLICATIONS

- 14.1 The legal powers available to the Council to appropriate the Land at Anerley Town Hall Overflow Car Park for planning purposes, in order to engage the provisions of Section 203 of the Housing and Planning Act 2016 Act and override third party rights, are identified and explained in paragraphs 7 - 8 of this report.
- 14.2 An appropriation for planning purposes following the grant of planning permission under section 246 of the Town and Country Planning Act confirms that the process is the same as the CPO process under sections 226 and 227 of the Town and Country Planning Act 1990 and a compelling case in the public interest must therefore be made.
- 14.3 In holding land for planning purposes, the Council will need to allocate it for 'planning and development' on the General Fund balance sheet.
- 14.4 Pursuant to s232 of the Town and Country Planning Act 1990, where land has been appropriated for planning purposes and is being held for that purpose, a Local Housing Authority can thereafter appropriate it for any purpose for which they are or may be authorised in any capacity to acquire land under any other enactment. In relation to land appropriated under section 232, the appropriation provisions in section 122(1) of the Local Government Act 1972 are excluded.
- 14.5 Where land is appropriated pursuant to s232 of the Town and Country Planning Act 1990 the stipulation in section 122(1) that the 'land must no longer be required for the purposes for which it is currently appropriated...' does not apply. Under s232 as long as land is held for planning purposes it can then be appropriated under any other enactment which authorises a Local Authority to acquire land.
- 14.6 Section 17(1)(a) of the Housing Act 1985 authorises a Local Housing Authority to acquire land as a site for the erection of houses.

14.7 Following the appropriation of the land under 232 of the Town and Country Planning Act 1990 as a site for the erection of houses under section 17(1) of the Housing Act 1985, the land will have to be re-allocated on the balance sheet as housing land within the Housing Revenue Account.

14.8 If the council is required to pay compensation relating to third party rights , that will be calculated based on any diminution in value of the land benefiting from the covenant.

15. PROCUREMENT IMPLICATIONS

15.1 N/A

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

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