



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 21 May 2020

To: Members of the  
**EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND  
SCRUTINY COMMITTEE**

Councillor Simon Fawthrop (Chairman)  
Councillor Christopher Marlow (Vice-Chairman)  
Councillors Gareth Allatt, Julian Benington, David Cartwright QFSM, Mary Cooke,  
Ian Dunn, Nicky Dykes, Robert Evans, Will Harmer, Russell Mellor,  
Michael Rutherford, Michael Tickner, Stephen Wells and Angela Wilkins

A meeting of the Executive, Resources and Contracts Policy Development and  
Scrutiny Committee will be held on **WEDNESDAY 27 MAY 2020 AT 6.30 PM**

**PLEASE NOTE: This will be a 'virtual meeting', and a link will be available on  
the Council website to enable members of the press and public to see and hear  
the Committee. The link will be published before the start of the meeting.**

MARK BOWEN  
Director of Corporate Services

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

## **PART 1 AGENDA**

**Note for Members:** Members are reminded that Officer contact details are shown on each  
report and Members are welcome to raise questions in advance of the meeting.

### **STANDARD ITEMS**

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 DECLARATIONS OF INTEREST**

### **HOLDING THE EXECUTIVE TO ACCOUNT**

- 3 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**
  - a DISCRETIONARY BUSINESS GRANTS\_(Pages 3 - 8)**
  - b PROVISIONAL FINAL ACCOUNTS 2019/20\_(Pages 9 - 76)**

**c CAPITAL PROGRAMME OUTTURN 2019/2020\_(Pages 77 - 88)**

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Report No.  
HPR2020/011

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** LEADER OF THE COUNCIL

**Date:** For Pre-Decision Scrutiny by ERC PDS on Wednesday 27<sup>th</sup> May 2020

**Decision Type:** Urgent Executive Key

**Title:** DISCRETIONARY BUSINESS GRANTS

**Contact Officer:** Lydia Lee, Assistant Director Culture and Regeneration  
Tel: 020 8313 4456 E-mail: Lydia.Lee@bromley.gov.uk

**Chief Officer:** Director of Housing, Planning, Property and Regeneration

**Ward:** All wards

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1. Reason for report

Central Government (Department for Business, Energy and Industrial Strategy) has confirmed further grant funding for businesses, which will be distributed by Local Authorities at their discretion. This grant funding is expected to be distributed from June onwards.

This report seeks approval for officers to distribute the funding in line with locally defined government criteria in addition with local eligibility criteria. Council officers have spoken to members of the business community and other London local authorities during the development of this criteria.

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2. **RECOMMENDATION(S)**

**That the Leader of the Council:**

**2.1 Approves the recommendations for the distribution of this grant fund set out in the commentary of this report, namely: the recommended local parameters in relation to the national guidance set out in paragraphs 3.6 and 3.7; and the local eligibility criteria set out in paragraph 3.9.**

**2.2 Agrees that the Director of Housing, Planning, Property and Regeneration has delegated authority to: make changes to the grant distribution approach if required once the Government's technical note is issued; and to exercise limited discretion during the award process. This delegated authority will include consultation with the Portfolio Holder for Renewal, Recreation and Housing.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The recommended local criteria prioritises businesses that have the biggest positive impact on the borough's communities, whether through charitable activity, employment or skills development.
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### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: Estimated Cost: £2,402,500
  2. Ongoing costs: Non-Recurring Cost
  3. Budget head/performance centre: New budget head for Discretionary Business Grants
  4. Total current budget for this head: N/A New budget
  5. Source of funding: Central Government (BEIS) grant funding
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### Personnel

1. Number of staff (current and additional): 6 FTEs
  2. If from existing staff resources, number of staff hours: Approximately 1300 staff hours.
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### Legal

1. Legal Requirement: Non-Statutory - Government Guidance
  2. Call-in: Not Applicable
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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): 500 local businesses.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 Central Government (Department for Business, Energy and Industrial Strategy) has confirmed further grant funding for businesses, which will be distributed by Local Authorities at their discretion. Guidance has been provided and a further technical note is expected shortly to inform local decision making.
- 3.2 The amount of funding for distribution in the borough of Bromley will be £2.4m. The government has identified a set of business types that should benefit from the scheme, which largely recognises those that will have missed out on the previous Business Rate grant funding:
- Small businesses in shared offices or flexible workspaces, including units in larger complexes.
  - Regular market traders with fixed property costs.
  - Bed and breakfasts that pay Council tax instead of business rates
  - Charity properties in receipt of charitable rate relief.
- In addition Bromley Council will specifically include park cafes within its advertised list of eligible business types. Park cafes normally do not pay business rates and therefore would have been excluded from the previous grant funding available. In addition quality green spaces is a Council priority.
- 3.3 Indicative data has been collected in relation to these business types and this suggests that it is likely that the demand on the available funding will outstrip supply. Based on the high level research undertaken, the current estimate is that around 500 businesses could be eligible for this funding, although this estimate has to be treated with some caution. Therefore it is recommended that local priorities and eligibility criteria is agreed for this funding pot. These local priorities can always be lifted at a later date if the demand is not as significant as projected.

#### National eligibility criteria

- 3.4 It is a mandatory requirement of the national criteria that to receive a grant businesses must demonstrate that they are:
- Not eligible for or in receipt of cash grants under other Government COVID-19 support schemes (excluding the Coronavirus Job Retention Scheme).
  - Trading on 11<sup>th</sup> March 2020.
  - Not in administration, insolvent or issued with a striking-off notice.
  - Not in breach of State Aid rules when accepting the funding.
- Therefore the Council will enforce this criteria in distributing the funding.
- 3.5 The guidance also states that funding should be primarily and predominately for businesses that are:
- Small or micro enterprises as defined by the Companies Act 2006 and section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015.
  - Have ongoing and fixed property related costs.
  - Can demonstrate that they have suffered a significant fall in income due to COVID-19.
  - Occupy a property or part of a property with a rateable value, annual rent, or annual mortgage payment of below £51k.
- 3.6 To reflect this additional national guidance outlined in paragraph 3.5 it is recommended that the Council follows this guidance in the criteria requirements and puts the following local parameters in place requiring applicants to demonstrate:
- That their turnover and number of employees does not exceed that as defined by the Companies Act 2006 in relation to Small and Micro enterprises and section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015.
  - That their average monthly turnover since 11<sup>th</sup> March 2020 has reduced by more than 50% on the previous year. This is to ensure that funding is directed to those businesses that have suffered the most significant impact on their income as a result of the coronavirus.

- That they do not have cash reserves of over a set amount depending on their turnover bracket. This is to ensure that funding is given to those businesses that cannot otherwise survive the impact of coronavirus.
  - Not more than £200k for businesses with a turnover of between £1m and above
  - Not more than £100k for businesses with a turnover of between £500k and £999k
  - Not more than £50k for businesses with a turnover of less than £500k
  - That businesses are registered, ie their main business is in the London Borough of Bromley, and trade in the London Borough of Bromley
  - That they are a private enterprise trading as self-employed, a partnership or a Limited Company. Note that many self-employed business structures will have received a self-employment grant and therefore will not be eligible under the national criteria.

3.7 In addition it is recommended that only one grant is paid per business, unlike the small business grant and the retail, hospitality and leisure grants which were payable per property. This is because the amount of grant will not be based on rateable value, but on the overall financial position/size of the business.

#### Local eligibility criteria

3.8 To further prioritise businesses, given that it is expected supply will out strip demand for this grant programme, it is recommended that local eligibility criteria is also agreed. The national criteria, as defined locally, eg a minimum of 50% drop in turnover, should by default ensure those most in need benefit, and therefore the local criteria's purpose is to reflect the Council's wider ambitions as set out in the new emerging Corporate Plan.

3.9 It is recommended that applicants must demonstrate they meet at least two of the following, that:

- A minimum of 25% of their staff live in the borough. This is to recognise the business's wider contribution to the local economy as an employer of local people.
- Their annual turnover is under £2m. This is in recognition that our local economy is particularly reliant on micro businesses (which make up 93% of the 15,475 businesses in the borough). In addition businesses with a turnover of less than £2m are less likely to be able to access significant business loans or have access to specialist advice.
- They have an apprenticeship and/or internship scheme which is currently active. This recognises their commitment to the long-term success of the local economy through the provision of opportunities for developing young people's skills.
- They are a charity whose charitable objectives, as registered with the Charity Commission, directly benefit borough residents.
- Are located (main registered office) in one the borough's Renewal Areas or a SOLDC, as defined by the borough's Local Plan as priority areas of economic development.

#### Size of grants and application process

3.10 The size of grants distributed will be defined by the number of applications to spread the funding as fairly as possible. Businesses with an annual turnover of more than £2m will all receive the same grant value. Businesses with an annual turnover of between £1m and £2m will all receive the same grant value. Businesses with an annual turnover of between £500k and £999k will all receive the same grant value. Businesses with an annual turnover of under £500k will also all receive the same grant value.

3.11 Basing the grant value on the annual turnover of the business relates it to the overall financial position of the business and therefore is likely to be proportionate to the extent of their liabilities and cash flow requirements. Note that because of the size of the funding pot available grants are expected to be small in value, in addition it should be noted that the Government guidance includes grant caps.

- 3.12 The application process will be via an online form which will be administered in partnership with Liberata. Businesses will be required to submit evidence in relation to the eligibility criteria however this will be kept to the minimum possible to ensure the applications can be administered with some speed, recognising that these grants will be crucial to the functioning of some businesses. A clear checklist will be provided to try and ensure businesses correctly submit their application first time around.
- 3.13 Subject to Executive approval the grant scheme will be launched in early June, clearly setting out the criteria and the evidence required from businesses to apply. One week later the scheme will open for applications and it will remain open for two weeks. It is expected that all grants will have been paid by mid-July.

### Communications

- 3.14 Unlike the previous business grant scheme funded by Government during the Covid-19 pandemic period there is no specific list of recipients. The number of likely eligible businesses has been calculated at a high level based on the information available to the Council. However it should be noted that our findings relate to those of other London Councils and the majority are expecting demand to outstrip supply and are planning their administration of the grant scheme on that basis.
- 3.15 As there is no specific list of eligible businesses, the Council's communications approach will be crucial to reaching businesses that could be eligible for funding prior to the application window closing. Dedicated communications resource will be required for three weeks to manage press releases and social media content. Additionally permission will be required for the Culture and Regeneration Division to directly instruct Bromley Knowledge on new website content and updates throughout the application period to ensure that there are no delays.
- 3.16 Messaging to businesses will be supported by the Council's business support partners via the Covid-19 Business Support Task Force, who have been consulted and have had opportunity to feed into the local approach to the proposed distribution and administration of this funding.

### Resources

- 3.17 To administer the grant scheme Council officer resource will be required to support Liberata. This is currently estimated at an additional 6FTEs for six weeks. This resource will require officer time to be redeployed from other Council departments, which is the same approach that was taken to support the administration of the Business Rate grant funding. As set out in paragraph 3.15 dedicated communications resource will also be required for an estimated three weeks.
- 3.18 The cost of Liberata managing the grants process is still to be determined, and it is likely to depend on factors such as the number of applications received. It is not clear at this stage what funding will be provided by Government towards the cost of administering the scheme

## **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 The recommended local criteria prioritises businesses that have the biggest positive impact on the borough's communities, whether through charitable activity, employment, or skills development.

## **5. POLICY IMPLICATIONS**

- 5.1 This is a one off grant programme that is being defined locally in line with Central Government guidance. There are no wider policy implications for the Council.
- 5.2 In defining the local eligibility criteria, officers have reflected the Council's strategic and policy objectives by taking in to account key documents such as the emerging Corporate Plan, the emerging Regeneration Strategy and the adopted Local Plan.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The overall funding available for payments to businesses, provided by Government, totals £2,402,500.
- 6.2 There are currently discussions ongoing with Liberata to consider the cost of administering the scheme for the Council. Any final cost will depend on the final scheme arrangement and ensuring value for money is delivered. It is not clear at this stage what funding will be provided by Government towards the cost of administering the scheme.
- 6.3 The actual grant paid to individual businesses will be dependent on the overall number of eligible applicants, which cannot be accurately estimated at this stage. However the calculation of the final individual payments will be contained within the overall level of funding available.

## 7. LEGAL IMPLICATIONS

- 7.1 In response to the Coronavirus, COVID-19, this discretionary fund is aimed at small businesses that were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund. The Government has published guidance dated 13 May 2020 in relation to the administration of the Local Authority Discretionary Grant Funds. The grant must be administered within the parameters set out in the guidance and at the discretion of the Council. The report sets out the criteria the Council will apply to distribute the grant. Officers should ensure grant recipients sign appropriate grant terms and conditions which should deal with claw back provisions in the event of fraud.
- 7.2 The Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to business it deems as eligible.

<b>Non-Applicable Sections:</b>	Personnel implications; procurement implications
Background Documents: (Access via Contact Officer)	[Title of document and date]



Report No.  
FSD20046

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** LEADER OF THE COUNCIL

**Date:** For Pre-Decision Scrutiny by ERC PDS on Wednesday 27<sup>th</sup> May 2020

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** PROVISIONAL FINAL ACCOUNTS 2019/20

**Contact Officer:** David Bradshaw, Head of Finance  
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

**Chief Officer:** Director of Finance

**Ward:** Borough Wide

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1. Reason for report

- 1.1 This report considers the 2019/20 provisional outturn at portfolio level and Council wide as well as the potential implications for the Council's financial position in 2020/21. The purpose of the report is to give a broad overview of the financial outturn.
- 1.2 The 2019/20 provisional outturn provides for no variation in general fund balances, subject to the recommendations in this report being agreed.
- 1.3 More detailed reports will be submitted to individual PDS Committees. Details of the carry forward requests and a summary of the Council's capital programme are also considered in the report.

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2. **RECOMMENDATION(S)**

a. **Leader is requested to:**

- (a) consider the provisional revenue and capital outturns for the 2019/20 financial year and the earmarked balances on the General Fund as at 31<sup>st</sup> March 2020;
- (b) consider the variations in 2019/20 impacting on the Council's 2020/21 financial position;
- (c) consider the comments from Chief Officers as detailed in Appendix 2;

- (d) approve the requests for carry forwards totalling £910k (net) as detailed in Appendix 6, subject to the funding being allocated to the Central Contingency in 2019/20 to be drawn down on the approval of the relevant Portfolio Holder;**
- (e) agree the release of £315k from the 2019/20 Central Contingency as detailed in para. 3.6.2;**
- (f) agree the release of £52k from the 2019/20 Central Contingency as detailed in para. 3.6.3;**
- (g) agree the release of (£2,200k) from the 2019/20 Central Contingency as detailed in para. 3.6.4;**
- (h) agree the release of £28k from the 2019/20 Central Contingency as detailed in para. 3.6.5;**
- (i) agree the release of £25k from the 2019/20 Central Contingency as detailed in para. 3.6.6;**
- (j) note the return to contingency of £474k of additional grant to the 2019/20 Central Contingency as detailed in para 3.6.7;**
- (k) agree that a sum of £8,821k be set aside as a contribution to the Housing Invest to Save Fund earmarked reserve as detailed in para. 3.7.2;**

### Impact on Vulnerable Adults and Children

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

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Recurring Cost
  3. Budget head/performance centre: Council wide
  4. Total current budget for this head: £212.5m
  5. Source of funding: See Appendix 1 for overall funding of Council's budget
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### Personnel

1. Number of staff (current and additional): 2,061 fte posts (per 2019/20 Budget) which includes 493 for budgets delegated to schools
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: 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: 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 2019/20 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers (including council tax payers) and users of our services.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Council Wide

### 3. Commentary

#### 3.1 Provisional Final Outturn 2019/20

3.1.1 The Resources Portfolio Plan included the target that each service department would spend within its own budget. A summary of the overall budget and the provisional outturn for 2019/20 is shown in the table below.

3.1.2 The 2019/20 provisional outturn shows no overall net movement in general fund balances, subject to approval of the contributions to earmarked reserves, as detailed in section 4.1.

<b>Provisional Outturn on Services &amp; Central Items</b>	<b>2019/20 Original Budget £'000</b>	<b>2019/20 Latest Budget £'000</b>	<b>2019/20 Provisional Outturn £'000</b>	<b>2019/20 Variation £'000</b>
<b>Portfolio</b>				
Adult Care and Health	69,505	69,101	69,280	179
Children, Education & Families	44,678	44,787	46,135	1,348
Environment & Community	31,294	31,319	30,638	Cr 681
Public Protection & Enforcement	2,447	2,515	2,732	217
Renewal, Recreation & Housing	16,015	15,763	14,861	Cr 902
Resources, Commissioning and Contracts Management	46,040	46,031	44,405	Cr 1,626
<b>Total Controllable Budgets</b>	<b>209,979</b>	<b>209,516</b>	<b>208,051</b>	<b>Cr 1,465</b>
Capital Charges, Insurance and Pension Costs	11,769	42,149	42,149	0
Non General Fund Recharges	Cr 793	Cr 767	Cr 767	0
<b>Total Portfolio Budgets</b>	<b>220,955</b>	<b>250,898</b>	<b>249,433</b>	<b>Cr 1,465</b>
Adj. for Carry Forwards from 2019/20 to 2020/21	0	0	910	910
Capital, Insurance & Pension a/c Requirements	Cr 10,265	Cr 40,671	Cr 40,671	0
<b>Total Portfolio Budgets (adj. for carry forwards and accounting requirements)</b>	<b>210,690</b>	<b>210,227</b>	<b>209,672</b>	<b>Cr 555</b>
Income from Investment Properties	Cr 10,290	Cr 10,264	Cr 9,519	745
Interest on General Fund Balances	Cr 3,291	Cr 3,291	Cr 5,133	Cr 1,842
<b>Total Investment Income</b>	<b>Cr 13,581</b>	<b>Cr 13,555</b>	<b>Cr 14,652</b>	<b>Cr 1,097</b>
Contingency Provision (see Appendix 4)	11,155	14,335	0	Cr 14,335
Other Central Items	1,262	1,512	10,752	9,240
	<b>12,417</b>	<b>15,847</b>	<b>10,752</b>	<b>Cr 5,095</b>
<b>Subject to Approval</b>				
- Housing Investment Fund Reserve	0	0	8,821	8,821
	<b>0</b>	<b>0</b>	<b>8,821</b>	<b>8,821</b>
<b>Total Variation on Services and Central Items</b>	<b>209,526</b>	<b>212,519</b>	<b>214,593</b>	<b>2,074</b>
Prior Year Adjustments	0	0	Cr 1,679	Cr 1,679
<b>Total Variation</b>	<b>209,526</b>	<b>212,519</b>	<b>212,914</b>	<b>395</b>
Carry forwards from 2019/20 to 2020/21	0	0	Cr 910	Cr 910
<b>Net Variation (after allowing for carry forwards)</b>	<b>209,526</b>	<b>212,519</b>	<b>212,004</b>	<b>Cr 515</b>

#### 3.2 Portfolio Budgets

3.2.1 A detailed breakdown of the Latest Approved Budgets and Provisional Final Outturn across each Portfolio, together with an analysis of variations, is shown in Appendix 3.

3.2.2 Chief Officer comments are included in Appendix 2.

### **3.3 Carry Forward Requests**

- 3.3.1 After allowing for government grant funding, a net sum of £910k is requested to be carried forward into 2020/21.
- 3.3.2 This includes significant grant funded requests of £2,765k for Improved Better Care Fund and £1,534k for Public Health as detailed below. As in previous years it is proposed that the carry forwards are allocated to the 2020/21 Central Contingency Sum to be drawn down on the approval of the relevant Portfolio Holder.
- 3.3.3 Full details of the carry forward requests are set out in Appendix 6.
- 3.3.4 Improved Better Care Fund (IBCF)

The IBCF is a partially time limited grant to local authorities for spending on adult social care that was announced in the spring budget in March 2017. The grant may only be used for the purposes of meeting adult social care needs, reducing pressures on the NHS including supporting more people to be discharged from hospital when they are ready and ensuring that the local social care provider market is supported.

Following approval at the Executive on 10th October 2017, IBCF funding was released from the central contingency and allocated to the ACH budget. The grant for 2019/20 was £7.504m. Not all projects have progressed as far as initially anticipated and this has led to an underspend totalling £2.765m in 2019/20. It is requested that Members agree the carry forward of this amount into 2020/21. In line with the report to the Executive, underspends can be carried forward to support expenditure in future years and spending commitments are in place. The carry forward includes commitments to balance Adult Social Care growth pressures in 2020/21.

#### **3.3.5 Public Health**

The grant for Public Health was £14.320m in 2019/20 which was a reduction from the previous financial year. The grant conditions require quarterly financial reporting to the Department of Health against a set of standardised budget reporting lines and the expenditure must be explicitly linked to the Health and Wellbeing Strategy, Public Health Outcomes Framework and the Joint Strategic Needs Assessment. There is also a statement of assurance that needs to be completed and signed off by the Chief Executive and Director of Public Health at year end.

Public health have had underspends in each of the last five years. These were £141k in 2014/15, £152k in 2015/16 and £330k in 2016/17, £395k in 2017/18 and £761k in 2018/19. This total balance of £1,779k was carried forward to 2019/20 to fund public health initiatives as per the terms of the grant, however it was not required. There was an overspend of £245k in 2019/20 and it is requested that the cumulative balance of £1,534k is carried forward to fund public health initiatives that may be required in 2020/21 and future years.

Any monies not utilised can be carried over as part of a Public Health Reserve into the next financial year. In utilising those funds the following year the grant conditions will still need to be complied with.

### **3.4 Interest on Balances**

- 3.4.1 Despite the decrease in the Bank of England base rate from 0.75% to 0.25% in March 2020, and then to 0.10%, there has been relatively little impact on interest income from lending to banks. This is partly due to banks having the continued ability to borrow from the Bank of

England at very low rates as well as the strengthening of 'balance sheets' reducing the need to borrow and the fact that expected increases in the base rate had already been 'priced in'.

3.4.2 In addition, the utilisation of the Investment and Growth funds as well as the Highways Investment Scheme, have reduced the resources available for treasury management investment. However, the treasury management strategy has been revised to enable alternative investments of £100m which will generate additional income of around £2m compared with lending to banks. Balances available for investment were anticipated to decrease in 2019/20 as a result of the utilisation of capital receipts and earmarked revenue reserves and the internal lending for the Site G development will have an impact on investment income until the future capital receipts are realised. A decrease of £200k was included in the draft 2019/20 budget to reflect this.

3.4.3 In the last budget monitoring report to Executive, it was estimated that the 2019/20 outturn for interest earnings would be around £1,500k above budget, primarily due to the revised strategy of increasing lending to housing associations and the Council has also increased its investments with an additional sum having been invested in a Multi-Asset Income Fund. In addition the Council has benefitted from higher than forecast investment balances than forecast due to slippage on the capital programme, and has received more interest from its investments in Money Market Funds (MMFs); the average interest rate from MMF investments in 2019/20 was 0.7% compared to 0.6% in 2018/19. The provisional outturn is £1.8m above budget.

### 3.5 Income from Investment Properties

3.5.1 There is a total deficit of £745k in 2019/20 for income from Investment Properties as summarised in the table below:

<b>Summary of Variations</b>	<b>£'000</b>
Shortfall in savings anticipated relating to TFM contract	424
Shortfall in Glades income	173
Additional Walnuts Shopping Centre income	Cr 26
Shortfall in Rent from Properties Purchased from Investment Fund	268
Increased Turnover Rent from Biggin Hill Airport	Cr 111
Minor variations	17
<b>Total variations within Investment Income</b>	<b>745</b>

3.5.2 In 2019/20 the Council's investment approach has generated net revenue income of £14.6m from investment properties (£9.5m) and treasury management (£5.1m). Without this income, equivalent service reductions would have been required. The diverse range of investments enables more income to be achieved whilst mitigating the Council's exposure to risk.

### 3.6 Central Contingency Sum

3.6.1 The 2019/20 Central Contingency contained various provisions which reflected uncertainty around potential costs, grants and service pressures. There is a total net variation of £14.3m relating to provisions that were not required in the 2019/20 financial year. Further details of the allocations from, and variations in, the 2019/20 Central Contingency are included in Appendix 4.

3.6.2 Grant and expenditure of £315k was set aside in the contingency to cover costs of Brexit during 2019/20 and has been allocated to departmental budgets.

- 3.6.3 At the end of March 2020 the Department of Education announced further grant funding of £52k for Bromley as part of the Supporting Families; Investing in Practise programme. The funding will be used to enhance and extend a current contract
- 3.6.4 Executive agreed to join the London Business Rate Pool in 2018/19 which was a pilot scheme. The scheme provided the full (100%) devolution of business rates with the growth shared across London boroughs and the GLA. The Government agreed to allow the continuation of the pilot for 2019/20 but reflecting a reduced share (75%) of business rates. The 2019/20 budget includes estimated net income of £2.2m to reflect a combination of the growth in the previous year but partly offset by the reduced share of business rate growth (100% reduced to 75%).was assumed as part of the 2019/20 budget and this has been drawn down from contingency. Paragraph 3.10 gives further details.
- 3.6.5 A £28k of drawdown from contingency reflects legal costs incurred to 31 March 2020 regarding a specific complex child care case. Further drawdowns anticipated in the new financial year.
- 3.6.6 Adult education were recently successful in a bid for a small grant from the GLA for equipment for the Adult Education Centres. This had to be matched funded and the drawdown of £25k from the contingency matches the £25k grant from the GLA.
- 3.6.7 A sum of relating to the use of grant of £474k has been returned to the contingency. This is made up of the following:-
- a) A sum of £78k is to be returned to central contingency which relates to the retention of a central government grant regarding Universal Credit advice. The cost of this arrangement has been funded from existing budgets and, therefore, the grant equivalent is being returned to the central contingency.
  - b) GLA grants of £81k were received to fund additional property inspection work and related activities, to maximise business rates and council tax revenues in LB Bromley. However as the cost of the works undertaken during the year have been funded from existing budgets, the grant equivalent is being returned to the central contingency.
  - c) £315k relates to central government grants regarding preparation for Brexit. As the cost of the works undertaken during the year has been funded from existing budgets, the grant equivalent is being returned to the central contingency.
- 3.6.8 As shown elsewhere in this report, it is proposed that the overall underspends remaining, including those in the Central Contingency, will be utilised to provide one-off funding for a Housing Invest to Save Fund. This reflects an approach that has been used by the Council to utilise such monies for future investment to deliver savings and a more sustainable budget position.

### **3.7 Contribution to support future years funding**

- 3.7.1 The Council Tax report 2020/21 to Executive on 12<sup>th</sup> February 2020 identified a budget gap of £0.8m in 2021/22 rising to £16.9m per annum by 2023/24. It is therefore essential that the use of any underspends/additional income identified is considered towards providing sustainable income for the future and/or providing transitional financial support in addressing the future years' budget gap. The proposed use of the additional income/underspends is shown below.

#### **3.7.2 Housing Invest to Save Fund**

The most significant growth/cost pressure facing the Council relates to the cost of homelessness and there will be investment choices identified through the Council's

Transformation programme to reduce homelessness costs. With a combination of additional income, underspends and unspent monies within the 2019/20 Central Contingency Sum it is proposed that a sum of £8,821k is set aside as an earmarked reserve to contribute towards the significant future housing investment required. The utilisation of this funding would be reported to a future meeting of the Executive as part of the Transformation proposals.

### **3.8 Earmarked Reserves**

3.8.1 Background on the Council's approach to reserves in managing risk and uncertainty, as well as addressing the future years budget gap, were included in Appendix 4 of the 2020/21 Council Tax report to Executive on 12<sup>th</sup> February 2020.

3.8.2 A summary of the actual balances held in earmarked reserves as at 31<sup>st</sup> March 2020 is provided in Appendix 7. Details relating to the balances held by schools are set out in Appendix 9 and a summary of the Invest to Save Fund is provided in Appendix 10.

3.8.3 Full details of the current position on the Growth and Investment Fund are included in the Capital Programme Outturn 2019/20 report elsewhere on the agenda.

### **3.9 Prior Year Adjustments resulting in a Net Credit Provision of £1,679k**

3.9.1 Financial provisions were made in prior years accounts for Learning Disability and Mental Health Services, and an element of these are no longer required and have therefore been released in 2019/20 resulting in a credit of £625k.

3.9.2 Central Government has recently agreed to compensate for legal action taken against LBB by property search companies in response to erroneous charges on property searches following the introduction of the Environmental Information Regulations 2004. A one-off grant of £388k has now been received in settlement.

3.9.3 A number of provisions were set up in previous financial years in respect of backdated utility costs that were potential liabilities to LBB following new contract arrangements. A recent review of these provisions has concluded that the risk of this has reduced allowing an amount of £313k to be released.

3.9.4 A credit of £55k relates to backdated Council Tax benefit adjustments which, under the Council Tax Support Scheme, do not result in a corresponding reduction in subsidy income.

3.9.5 There are variations totalling £220k relating to the write-back of credit balances on NNDR and Council Tax

3.9.6 There are variations totalling £78k regarding Land Charges provision. This relates to a provision made before 2019/20 for possible historic Land Charge search fee repayments to personal search companies for which the service manager has confirmed the Council is no longer liable.

### **3.10 Business Rate Pool**

3.10.1 Executive agreed to join the London Business Rate Pool in 2018/19 which was a pilot scheme. The scheme provided the full (100%) devolution of business rates with the growth shared across London boroughs and the GLA and it provided additional income of £5.1m.

3.10.2 The Government agreed to allow the continuation of the pilot for 2019/20 but reflecting a reduced share (75%) of business rates. A combination of the growth in the previous year,



partly offset by the reduced share of business rate growth (100% reduced to 75%) is currently expected to generate income of £2.2m in 2019/20.

3.10.3 The Government did not extend the pilot into 2020/21. 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 is a potential opportunity for the Council to have a share of any gains made across London for 2020/21. Executive has agreed that Bromley will join the pan-London pool for 2020/21.

#### 4. GENERAL FUND BALANCE

4.1 Subject to approval of the proposals detailed in this report, and taking account of the provisional final outturn on Portfolio budgets and Central Items, there will be no variation to the level of general reserves as at 31<sup>st</sup> March 2020 as detailed below:

	2019/20 Provisional Outturn £'000
<b>General Fund Balance as at 1st April 2019</b>	<b>Cr 20,000</b>
Net Variations on Services & Central items (para 3.1)	Cr 515
Variations in Business Rates Retention Scheme and General Government Grants	Cr 160
	<u>Cr 20,675</u>
Adjustment to Balances	
Carry Forwards(funded from underspends in 2018/19)	675
<b>General Fund Balance as at 31st March 2020</b>	<b><u>Cr 20,000</u></b>

#### 5. IMPACT ON FUTURE YEARS

5.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised in the following table:

	2019/20 Budget £'000	2020/21 Impact £'000
<b>Adult Care &amp; Health Portfolio</b>		
Assessment & Care Management - Care Placements	21,709	2,857
Learning Disabilities - Care Placements, Transport & Care Management	35,582	1,713
Mental Health - Care Placements	6,581	923
Better Care Funding	0 Cr	464
National Living Wage	318 Cr	318
		4,711
<b>Children, Education &amp; Families Portfolio</b>		
Children's Social Care	37,314	1,820
		1,820
<b>Renewal, Recreation and Housing</b>		
Supporting people	929 Cr	116
Housing Needs	8,838	143
		27
<b>TOTAL</b>		<b>6,558</b>

- 5.2 A significant part of the above has been reflected in the 2020/21 as part of the budget setting process. The main increases in the full year effect compared to the last monitoring report are in the area of adult and children's social care. Additional full year costs of £3.4m were assumed in the 2020/21 budget and officers will continue to explore options to mitigate these additional costs such as through the utilisation of the additional Better Care Fund allocation of £658k above the 2.5% inflation assumptions that has recently been announced for 2020/21.
- 5.3 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.
- 5.4 Further details, including any full year impact already reflected in the 2020/21 Budget as well as action to be taken to contain future cost pressures, are included in Appendix 5.

## 6. CONTINGENT LIABILITIES AND PROVISIONS

- 6.1 Details of contingent liabilities and provisions will be included in the draft statement of accounts which will be available for audit at the end of June (see 13.1).

## 7. CAPITAL EXPENDITURE AND RECEIPTS

### 7.1 Capital Expenditure

- 7.1.1 The final capital outturn for the year was £23.4m, compared with the final approved budget of £30.9m agreed in February 2020.
- 7.1.2 At that time, further slippage of £5m was assumed for capital financing purposes so the overall variation in the capital financing requirement (capital receipts, government grants, other external contributions and revenue contributions) is £2.5m, the majority of which was due to slippage of expenditure into later years.

## 7.2 Capital Receipts

- 7.2.1 Under the “prudential” capital system in operation from 1st April 2004, most capital receipts are “useable” and may be applied to finance capital expenditure. Available capital receipts totalled £31.0m, including an unapplied balance of £29.3m brought forward from 2018/19. A total of £6.6m was applied in 2019/20 and a balance of £24.4m has been carried forward to finance capital expenditure in future years. No capital contribution from the General Fund was required in 2019/20. Further details are included in the capital outturn report elsewhere on this agenda.

## 8 SECTION 106

- 8.1 An update on balances as at 31<sup>st</sup> March 2020 is included in Appendix 8 of this report. Further details on the arrangements for utilising Section 106 monies will be reported to the Executive and Resources PDS Committee in July 2020.

## 9 THE SCHOOLS BUDGET

- 9.1 Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget.
- 9.2 There is a total in-year overspend of £1,353k on DSG funded services, with a total to carry forward to 2020/21 of £1,733k. Subject to approval, surplus funds may be given to schools as a one off payment, carried forward centrally to offset any future unknown pressures, or a combination of the two. Further details of the in-year variation and plans for spending some of the amount carried forward are provided in Appendix 9.

## 10 ACADEMIES

- 10.1 During the 2019/20 financial year 1 school converted to academy status.
- 10.2 The impact of these arrangements is that when schools convert to academy status their balances are removed from the accounts as the schools are autonomous and no longer under the Council’s control and therefore have their own financial arrangements in place. This generally results in a reduction in maintained balances. During 2019/20 total balances have reduced from £1,757k to £1,739k.
- 10.3 Further details of schools’ balances are provided in Appendix 9.

## 11 COLLECTION FUND

- 11.1 It is a statutory requirement to maintain a Collection Fund at arm’s length from the remainder of the Council’s accounts. The Fund is credited with income from Council Tax and Business Rates and charged with sums payable to the Council, GLA and Central Government.
- 11.2 There is a Council Tax surplus on the fund in 2019/20 of £6.5m. The surplus income is mainly due to good debt recovery levels despite the previous recessionary period, an increase in new properties in the borough and the successful impact of action following the data matching exercise on single person discounts. The financial impact of the council tax support scheme was also lower than budgeted. A one-off sum of £1.3m will be allocated to the GLA and £5.2m to the Council in 2021/22.

- 11.3 There is an overall deficit of £1.1m relating to the collection and distribution of Non Domestic Rates under the Business Rates Retention Scheme. This is mainly due to downward revaluations of properties during the year and an increase in the provision for outstanding appeals based on information from the Valuation Office Agency. This highlights the challenges of predicting accurate levels of retained business rates under the scheme and the volatility of projections arising from successful appeals. Of the 2019/20 deficit, £0.3m will be allocated to the GLA, £0.3m to Central Government and £0.5m to Bromley. In accordance with statutory provisions, this will be distributed in 2020/21 & 2021/22.
- 11.4 The volatility arising from the level of downward revaluations and outstanding appeals provides a significant challenge in accurately forecasting the level of business rates income that the Council can retain and there may well be further volatility during 2020/21 and in future years.
- 11.5 A further complexity arises from the timing of income with a requirement for business rates to be accounted for through the Collection Fund. This means that in-year surpluses or deficits are distributed in either of the following two years, depending on when they are provisionally estimated, with any resulting variations from those provisional estimates being adjusted in the subsequent year.
- 11.6 In addition, funding provided by way of Section 31 grant to compensate authorities for reduced rating income associated with various business rate measures and relief schemes is allocated directly to the general fund in the year it is due. This can result in the Collection Fund having an in-year surplus or deficit, which will impact on the general fund in a future year, whilst the general fund has an in-year variation relating to the receipt of these grants.
- 11.7 The overall impact in 2019/20 is a deficit of £1.1m on the collection fund, as detailed in para. 11.3, and a net credit variation in the Council's general fund of £0.1m, mainly relating to Section 31 grant income.

## **12 FINANCIAL CONTEXT**

- 12.1 The 2020/21 Council Tax report to Executive on 12th February 2020 identified the latest financial projections and a future year budget gap of £16.9m per annum by 2023/24. This is mainly due to the impact of inflation, service and cost pressures and ongoing significant reductions in government funding.
- 12.2 The Council has adopted a prudent approach in setting the revenue budget and to date has delivered budget savings of over £100m since austerity began. This was mainly required due to the significant level of government funding reductions facing the Council despite service cost pressures remaining. This prudent approach and robust financial management has provided an opportunity to release resources to help deliver a more sustainable budget in the future.
- 12.3 Although this report covers costs and income in 2019/20, the current COVID-19 crisis is expected to have a negative impact on the delivery of any savings in the 2020/21 Budget as well as result in additional costs and income losses which may not be fully funded by Government Grant. There is likely to be a further negative financial impact on the future years financial forecast. Further details were reported to the Leader/Executive on 19th May 2020 and an update will be reported, as part of the 2019/20 Financial Monitoring report to the meeting of Leader /Executive on 8th July 2020.
- 12.4 On the basis that one of the most significant cost pressures facing the Council relates to homelessness costs and that significant savings could be delivered through investment in

accommodation for homeless families, this report includes proposals that an additional sum of £8.8m is set aside as part of a Housing Invest to Save Fund. These monies can be used to contribute towards investment in housing to deliver savings on the council’s future revenue budget.

- 12.5 Part of the savings/additional income reflected the in provisional 2019/20 outturn have already been reflected in the 2020/21 budget. Although a prudent approach in considering the 2020/21 Central Contingency sum remains the four year financial forecast reported to Executive in February 2020, as part of setting the 2020/21 Council Tax, assumes reductions of £8m by 2023/24. The Council’s four year financial forecast will be updated in due course to reflect the impact of the provisional 2019/20 outturn and when more details of the medium term impact of COVID-19 situation (‘new normal’) are known.

### **13 STATUTORY ACCOUNTS**

- 13.1 The draft statutory accounts will be signed off by the Director of Finance by 30th June, which meets the revised deadline of 31st August 2020 under the Accounts and Audit Regulations 2020. Following completion of the external audit, the accounts will be reported to the General Purposes and Licensing Committee, approved and published by the revised deadline of 30 November.

### **14 IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 14.1 The 2019/20 budget reflects the financial impact of the Council’s strategies and service plans which impact on all of the Council’s customers and users of our services.

### **15 POLICY IMPLICATIONS**

- 15.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to ensure good strategic financial management and robust discipline to deliver within our budgets.
- 15.2 The “2019/20 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2020/21 to minimise the risk of compounding financial pressures in future years.
- 15.3 Chief Officer’s comments are included in Appendix 2.

### **16 FINANCIAL IMPLICATIONS**

- 16.1 These are contained within the body of the report with additional information provided in the appendices.

<b>Non-Applicable Sections:</b>	Legal, Personnel
Background Documents: (Access via Contact Officer)	2020/21 Council Tax – Executive 12 <sup>th</sup> February 2020; 2019/20 Council Tax – Executive 13 <sup>th</sup> February 2019; Draft 2019/20 Budget and Update on Council’s Financial strategy 2020/21 to 2022/23 - Executive 16 <sup>th</sup> January 2019; Budget Monitoring Reports in 2019/20 – Executive; Financial Management Budget Monitoring files

	<p>across all Portfolios; Provisional Final Accounts 2018/19 - Executive 21<sup>st</sup> May 2019; Treasury Management Annual Investment Strategy 2020/21 – Council 24<sup>th</sup> February 2020; Treasury Management Quarterly Performance reports – Executive and Resources PDS Committee; Capital Programme Outturn 2019/20 (elsewhere on the agenda).</p>
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## GENERAL FUND - PROVISIONAL OUTTURN FOR 2019/20

Portfolio	2019/20 Original Budget £'000	Budget Variations allocated in year # £'000	2019/20 Final Approved Budget £'000	2019/20 Provisional Final Outturn £'000	Variation £'000	Variation previously reported to Exec 01/04/20 £'000
Adult Care & Health	69,505	Cr 404	69,101	69,280	179	607
Children, Education & Families (incl. Schools' Budget)	44,678	109	44,787	46,135	1,348	1,332
Environment & Community	31,294	25	31,319	30,638	Cr 681	Cr 276
Public Protection & Enforcement	2,447	68	2,515	2,732	217	Cr 15
Renewal, Recreation & Housing	16,015	Cr 252	15,763	14,861	Cr 902	Cr 182
Resources, Commissioning & Contracts Management	46,040	Cr 9	46,031	44,405	Cr 1,626	Cr 1,074
<b>Total Controllable Budgets</b>	<b>209,979</b>	<b>Cr 463</b>	<b>209,516</b>	<b>208,051</b>	<b>Cr 1,465</b>	<b>392</b>
Capital, Insurance & Pensions Costs (see note 2)	11,769	30,380	42,149	42,149	0	0
Non General Fund Recharges	Cr 793	26	Cr 767	Cr 767	0	0
<b>Total Portfolios (see note 1)</b>	<b>220,955</b>	<b>29,943</b>	<b>250,898</b>	<b>249,433</b>	<b>Cr 1,465</b>	<b>392</b>
Adjustment for Carry forwards from 2019/20 to 2020/21	0	0	0	910	910	0
Reversal of net Capital Charges (see note 2)	Cr 10,265	Cr 30,406	Cr 40,671	Cr 40,671	0	0
	<b>210,690</b>	<b>Cr 463</b>	<b>210,227</b>	<b>209,672</b>	<b>Cr 555</b>	<b>392</b>
<b>Central Items:</b>						
Income from Investment Properties	Cr 10,290	26	Cr 10,264	Cr 9,519	745	798
Interest on General Fund Balances	Cr 3,291	0	Cr 3,291	Cr 5,133	Cr 1,842	Cr 1,500
<b>Total Investment Income</b>	<b>Cr 13,581</b>	<b>26</b>	<b>Cr 13,555</b>	<b>Cr 14,652</b>	<b>Cr 1,097</b>	<b>Cr 702</b>
<b>Contingency Provision (see Appendix 4)</b>	<b>11,155</b>	<b>3,180</b>	<b>14,335</b>	<b>0</b>	<b>Cr 14,335</b>	<b>Cr 9,306</b>
<b>Other central items</b>						
Contribution to the Housing Investment Fund reserve	0	0	0	2,531	2,531	2,531
Contribution to the Collection Fund Surplus reserve	0	0	0	6,753	6,753	6,753
Contribution to the Housing feasibility/viability reserve	0	250	250	250	0	0
LRB Receipts	0	0	0	Cr 44	Cr 44	0
Levies	1,262	0	1,262	1,262	0	0
<b>Total other central items</b>	<b>1,262</b>	<b>250</b>	<b>1,512</b>	<b>10,752</b>	<b>9,240</b>	<b>9,284</b>
<b>Carry Forwards from 2019/20 to 2020/21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 910</b>	<b>Cr 910</b>	<b>0</b>
<b>Prior Year Adjustments</b>						
Adult Social Care provision	0	0	0	Cr 625	Cr 625	Cr 577
Property Searches Compensation Grant	0	0	0	Cr 388	Cr 388	Cr 388
Utility Costs provision	0	0	0	Cr 313	Cr 313	Cr 200
NNDR and Council Tax Credits	0	0	0	Cr 220	Cr 220	0
Land charges provision	0	0	0	Cr 78	Cr 78	0
Council Tax Benefit adjustments	0	0	0	Cr 55	Cr 55	0
<b>Total Prior Year Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 1,679</b>	<b>Cr 1,679</b>	<b>Cr 1,165</b>
<b>Subject to approval at Executive 19 May 2020</b>						
Contribution to the Housing Investment Fund reserve	0	0	0	8,821	8,821	0
	0	0	0	8,821	8,821	0
<b>Total all central items</b>	<b>Cr 1,164</b>	<b>3,456</b>	<b>2,292</b>	<b>2,332</b>	<b>40</b>	<b>Cr 1,889</b>
<b>Bromley's Requirement before balances</b>	<b>209,526</b>	<b>2,993</b>	<b>212,519</b>	<b>212,004</b>	<b>Cr 515</b>	<b>Cr 1,497</b>
Carry Forwards from 2018/19 (see note 3)	0	Cr 675	Cr 675	0	675	699
<b>Adjustment to Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>798</b>
	209,526	2,318	211,844	212,004	160	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 40,391	0	Cr 40,391	Cr 40,524	Cr 133	0
Continuation of London Business Rate Pool	0	Cr 2,200	Cr 2,200	Cr 2,300	Cr 100	0
New Homes Bonus	Cr 2,531	0	Cr 2,531	Cr 2,531	0	0
New Homes Bonus Topslice	0	Cr 118	Cr 118	Cr 45	73	0
Collection Fund Surplus	Cr 6,753	0	Cr 6,753	Cr 6,753	0	0
<b>Bromley's Requirement</b>	<b>159,851</b>	<b>0</b>	<b>159,851</b>	<b>159,851</b>	<b>0</b>	<b>0</b>
GLA Precept	42,124	0	42,124	42,124	0	0
<b>Council Tax Requirement</b>	<b>201,975</b>	<b>0</b>	<b>201,975</b>	<b>201,975</b>	<b>0</b>	<b>0</b>

# Budget Variations allocated to portfolios in year consists of:	£'000	
1) Carry forwards from 2018/19	675	(see note 3)
2) Capital, Insurance and Pension Accounting requirements	30,406	(see note 2)
2) Allocations from the central contingency provision	<u>Cr 1,138</u>	(see Appendix 4)
	<u>29,943</u>	

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2019/20 Original Budget £'000	Budget Variations allocated in year # £'000	2019/20 Latest Approved Budget £'000	2019/20 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 01/04/20
People Department	128,139	5,649	133,788	135,315	1,527	1,926
Place Department	66,781	21,947	88,728	87,197	Cr 1,531	Cr 542
Chief Executive's Department	26,035	2,347	28,382	26,921	Cr 1,461	Cr 992
	<u>220,955</u>	<u>29,943</u>	<u>250,898</u>	<u>249,433</u>	<u>Cr 1,465</u>	<u>392</u>

2) Reversal of net Capital Charges

This is to reflect the technical accounting requirements contained in CIPFA's Code of Practice for Local Authority Accounting and has no impact on the Council's General Fund.

3) Carry Forwards from 2018/19

Carry forwards from 2018/19 into 2019/20 totalling £906k were approved by Council and the Executive. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2018/19" report.



## **Comments from the Executive Director of Environment and Community Services**

### **(Environment and Community Services Portfolio)**

The Environment and Community Services Portfolio had an overall underspend of £681k in 2019/20; after taking carry forward requests of £228k into account, the net underspend is £453k. This is made up of a number of projected variations with the main items detailed below.

Within waste, there continued to be projected variations across these volatile service budgets although the overall budget was on target after taking into account a delay in introducing the green garden waste debt management system which is requested to be carried forward. Collection costs were higher than anticipated for a range of reasons, whilst income from recyclates and trade waste under achieved against the budget. However, this was largely offset by a reduction in disposal costs including a significant fall in the cost of landfill.

Whilst income from parking charges continued to be lower than budgeted, primarily as a result of the continuing downward trend in parking usage, there was a significant increase in income from Penalty Charge Notices (PCNs) issued against previous periods, partly because the parking contractor, at their expense, deployed a greater number of Civil Enforcement Officers (CEOs) during the year. Together with an underspend on the parking shared service, this resulted in an overall underspending of £221k.

### **Analysis of Risks**

#### **– Environment and Community Services Portfolio**

In respect of waste, the new contracts have been in place since April 2019. Contract costs are subject to volatility as any growth in the number of properties and tonnages collected will incur additional expenditure, due to the extra collections that would be required and the additional waste that is generated. Any fluctuations on the market prices will affect the income from sales of recyclates income. Another potential risk area is recycling paper income. Wet weather affects the quality of the paper collected and therefore may lead to issues arising with the processing of it as 'paper' and a loss of income.

There continues to be the risk in Parking from fluctuations in both income from On and Off Street Parking as usage varies, as well as changes in enforcement income. Although the latter is currently projected to overachieve, income levels are difficult to predict as accurately as levels of parking are dependent on a wide variety of factors of which some are beyond the Council's control.

Many of the Portfolio's services can be affected by severe weather events which cannot be predicted. In particular, the highways winter service, grounds maintenance and trees.

Furthermore, the immediate and ongoing impact of the Covid-19 pandemic on budgets are only now becoming apparent. Significant losses in parking income in particular are expected as town centres have been severely affected during lockdown restrictions. The impact in 2020/21 and future years is difficult to assess at this stage and will be largely dependent on the easing of restrictions and recovery of the wider economy.

#### **– Public Protection and Enforcement Portfolio**

The Public Protection and Enforcement Portfolio was over spent by £217k in 2019/20 due to the Council needing to provide for its share of liabilities owing to the South London Coroners Consortium in relation to the Croydon tram crash inquest and an additional judicial review (Rizvi inquest). Although any high profile inquests or a significant increase in the volume of cases could increase cost to the Coroners Service.

Any high profile inquests or a significant increase in the volume of cases could increase cost to the Coroners Service. In addition, the effects of the Covid-19 pandemic are difficult to judge at this time although income from public protection services will be severely affected. There is further uncertainty regarding the impact of increased deaths on the Council's Coroners and mortuary service costs.

## **Comments from the Director of Corporate Services (Resources, Commissioning & Contract Management Portfolio) including Risk Areas**

Overall the variance for the Corporate Services Division is projected to be £47k underspent. However there are two relatively large variances offsetting each other within Legal and Information Systems.

Legal Services has ended the year with a net overspend of £389k due to additional counsel fees and court costs relating to caseloads, mainly within children's services including the recent addition of a significant childcare case, but also due to increased commercial and planning cases.

The Information Systems & Telephony variance is an underspend of £353k in part relating to General Data Protection Regulations (GDPR) staffing and systems purchases which have been delayed, but also due to reduced usage against the core contract. A request will be made to carry forward £90k this variance in order to cover the staffing element of the GDPR work and potentially a further £42k of systems costs. The remainder of the underspend in this year has been related to usage against the core contract, however this is expected to change with the impact of COVID-19. The day to day support required from the BT helpdesk increased dramatically in the final month of the year, with up to 1,400 members of staff working from home. The contract cost is estimated to have increased by £60k for the two weeks to 31 March 2020. This level of support has continued through April and is expected for May and possibly further. With this in mind the underspend reported within the ISD service for 2019/20 is requested to be carried forward into 2020/21 to fund the expected increased costs to come.

### **Analysis of Risk**

The majority of the overspend within Legal Services is due to additional counsel fees and court costs relating to caseloads within children's services, and also increased numbers of commercial and planning cases. Historically major planning cases have been funded outside of the legal budget. There is a clear trend showing an increase in both adult social care and education work which is demand led and presently unfunded and may cause further budget pressures in 2020/21.

Caseloads in children's services continue at a higher level than has previously. Historically caseloads have been circa 48 new cases per annum. In 2017/18, 74 sets of proceedings were issued which is on a downward trend from 2016/17 when there were 98 sets of new childcare cases. In 2018/19, there were approximately 60 cases. However, 70 sets of proceedings were issued for 2019/20. There is also a spike in private law proceedings with legal services being involved in 41 cases. A minimum court fee of £2,025 is payable on each case with applications within proceedings adding a further £155 which means the additional 23 cases will have generated a minimum cost pressure of £47,265. The only way to avoid this would be not to issue proceedings, which is not a realistic option. In addition, there are fees for instructions of experts (£150 per application) and for placement orders where the care plan is adoption (£455 per family). There has also been a growth of cases where translation services are required (currently representing c20% of cases) and costs are being incurred for translation of documents and additional hearings. The legal service has no control over the number of cases it is instructed on or on cases where the additional fees mentioned need to be met.

Childcare cases typically take between 3-9 months to conclude, therefore there is an ongoing cost pressure from cases which were issued in 2018/19 which were not concluded in that year, which has been exacerbated by the continuing high level of new instructions. The recent high turnover of staff in the team, which has also had a major impact on using in-house staff for advocacy, has been halted, however the significant increase in cases has led to continued reliance on Counsel to conduct proceedings.

### **Comments from the Director of Adult Social Care**

Pressure has continued over this period with the acute hospital remaining under significant pressure over the period post Christmas and beyond. However the council has continued to minimise the impact on Delayed Transfers of Care, with the flow of patients out of hospital being maintained.

As with the last reporting period the overall number of older people receiving support has increased very minimally, however the complexity of need has increased, meaning that we have continued having to pay increased fees for care. Work has continued to minimise the risk of this by working with the care home sector to stabilise care provision and fulfil our duty to manage the market. The correct coding of older people with mental health needs into this budget line has also had an impact, with the subsequent decrease in the mental health budget showing.

The Plans that were put in place with health to ensure that we could respond appropriately to the increased pressure during the winter months have proved effective and where appropriate these have continued.

Plans put in place to bring spend back under control continue to be monitored on a fortnightly basis through both the Leadership Team and the Transformation Board. Senior managers are taking this issue very seriously and are evidencing a better understanding of the underlying system issues that impact on both spend and performance. The current actions are beginning to show results, particularly in the Learning Disability budget lines. Further actions are being developed to manage demand into future years.

Work has continued to reduce the reliance on agency staff with an improvement in the percentage of front line staff who are in permanent roles at the front line to 81%. The newly appointed Assistant Director of Joint Commissioning commenced in post on 6th April 2020 as planned.

### **Comments from the Director of Housing, Planning and Regeneration**

£4.478m of net growth was applied to the housing budget for 2019/20 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. The budget has been adjusted to return £331k of this growth allocation to reflect that nightly paid placement numbers at the beginning of the year were 51 less than predicted due to the increased preventative work and supply of properties through the More Homes Bromley acquisition programme.

Whilst approaches remain high, this ongoing supply of acquired properties and prevention work has continued to slow the rate of growth in nightly paid accommodation placements reducing the average increase from 15 per to 5 per month. This however relies on the supply of acquired properties continuing to come through. This results in a final £229k overspend on temporary accommodation with an £110k underspend on housing overall.

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however trends are regularly monitored in order that appropriate action can be taken.

Action has successfully been taken to negate the risk of Government Designation for Special Measures due to Planning performance for the current year. However this is based on the actions identified being implemented to reduce the risk of Government Designation in future years.

There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate, if the Council is found to have acted unreasonably.

For major appeals, which can arise unpredictably, there is often a need for specialist external consultants advice which creates additional costs.

The key risks in the Renewal, Recreation and Housing Portfolio continue to be:-

- i) Increased homelessness and the associated costs
- ii) Introduction of the Homeless Reduction Act
- iii) Increased rent arrears arising from roll out of Welfare reform
- iv) Reduced vacant housing association properties coming forward for letting

Finally, the immediate and ongoing impacts of the Covid-19 pandemic on budgets are only now becoming apparent. Significant losses in income, in particular from commercial rents, are expected as town centres have been severely affected during lockdown restrictions. The impact in 2020/21 and future years is difficult to assess at this stage and will be largely dependent on the easing of restrictions and recovery of the wider economy.

**- Children, Education and Families Portfolio**

The Children, Education and Families Portfolio has an overspend of £1,348,000 for the year.

The Education Division has an overspend of £131k, mainly due to SEN Transport and staffing pressures in some areas of the division.

There is a current projected overspend in DSG of £1,353k. This will be taken from the £2,495k carried forward from 2018/19. It was agreed that £278k of the brought forward balance could be used to support services in-year. The carry forward figure will need to be adjusted for the Early Year adjustment for 2018/19 of an additional £869k of grant. This gives us an estimated DSG balance of £1,733k at the end of the financial year. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. The Council are contributing £1.9m of core funding to DSG services in 2019/20.

## Adult Care and Health Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Division Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>PEOPLE DEPARTMENT</b>								
<b>Adult Social Care</b>								
23,299	Assessment and Care Management	21,387	21,390	23,910	2,520	1	2,335	2,857
	- Better Care Funding - Discharge to Assess			Cr 850	Cr 850	2	Cr 850	0
139	Direct Services	160	160	120	Cr 40	3	9	0
103	Quality Assurance & Safeguarding	195	304	323	19	4	0	0
34,198	Learning Disabilities	35,089	35,582	36,120	538	5	590	1,713
	- Management action			0	0		Cr 10	0
6,416	Mental Health	6,554	6,581	7,051	470	6	702	923
Cr 677	Better Care Funding - Protection of Social Care	0	0	Cr 770	Cr 770	7	Cr 619	Cr 464
0	Better Care Funding - Additional Pressures	0	0	Cr 900	Cr 900	8	Cr 900	0
Cr 1,190	Winter Pressures Grant	0	0	0	0		0	0
	National Living Wage	1,500	318	0	Cr 318	9	Cr 318	Cr 318
<b>62,288</b>		<b>64,885</b>	<b>64,335</b>	<b>65,004</b>	<b>669</b>		<b>939</b>	<b>4,711</b>
<b>Programmes</b>								
2,316	Programmes Team	2,552	2,538	2,354	Cr 184	10	Cr 153	0
932	Information & Early Intervention							
	- Net Expenditure	1,148	1,148	1,049	Cr 99	11	Cr 56	0
Cr 932	- Recharge to Better Care Fund (Prot of Soc Care)	Cr 1,148	Cr 1,148	Cr 1,049	99		56	0
	Better Care Fund							
	- Expenditure	21,025	23,957	23,764	Cr 193	12	0	0
Cr 22,469	- Income	Cr 21,085	Cr 24,017	Cr 23,823	194		0	0
	Improved Better Care Fund							
	- Expenditure	8,570	11,471	11,471	0	13	0	0
Cr 8,548	- Income	Cr 9,070	Cr 11,471	Cr 11,471	0		0	0
	Health Support for Social Care							
	- Expenditure	0	3,593	3,593	0	14	0	0
Cr 1,100	- Income	0	Cr 3,593	Cr 3,593	0		0	0
<b>2,224</b>		<b>1,992</b>	<b>2,478</b>	<b>2,295</b>	<b>Cr 183</b>		<b>Cr 153</b>	<b>0</b>
<b>Strategy, Performance &amp; Engagement</b>								
355	Learning & Development	382	383	288	Cr 95		Cr 36	0
2,091	Strategy, Performance & Engagement	2,386	2,044	1,832	Cr 212		Cr 143	0
<b>2,446</b>		<b>2,768</b>	<b>2,427</b>	<b>2,120</b>	<b>Cr 307</b>	15	<b>Cr 179</b>	<b>0</b>
<b>Public Health</b>								
14,764	Public Health	14,180	14,181	14,181	0		0	0
Cr 14,708	Public Health - Grant Income	Cr 14,320	Cr 14,320	Cr 14,320	0		0	0
<b>56</b>		<b>Cr 140</b>	<b>Cr 139</b>	<b>Cr 139</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>67,014</b>	<b>TOTAL CONTROLLABLE ADULT CARE &amp; HEALTH</b>	<b>69,505</b>	<b>69,101</b>	<b>69,280</b>	<b>179</b>		<b>607</b>	<b>4,711</b>
1,673	<b>TOTAL NON CONTROLLABLE</b>	1,097	Cr 912	Cr 912	0		0	0
2,271	<b>TOTAL EXCLUDED RECHARGES</b>	2,362	3,454	3,454	0		0	0
<b>70,958</b>	<b>TOTAL ADULT CARE &amp; HEALTH PORTFOLIO</b>	<b>72,964</b>	<b>71,643</b>	<b>71,822</b>	<b>179</b>		<b>607</b>	<b>4,711</b>

## Reconciliation of Latest Approved Budget

£'000

## 2019/20 Original Budget

72,964

## Carry forwards requests

## Better Care Fund

- expenditure

58

- income

Cr 58

## Improved Better Care Fund

- expenditure

3,967

- income

Cr 3,967

## Public Health Grant

- expenditure

1,779

- income

Cr 1,779

## Other:

Business Support posts transferred to Chief Executive's Dept

Cr 59

Return of 2018/19 National Living Wage Funding to Contingency

Cr 567

Leadership restructure

Cr 207

Contributions to creation of Local Offer Development Officer

21

Policy &amp; Projects posts transferred to Chief Executive's Dept

Cr 112

Blue Badges

42

Additional Better Care Fund

- expenditure

659

- income

Cr 659

Improved Better Care Fund - expenditure

500

Merit awards 49

**Memorandum Items:**

Capital Charges	Cr	3,737
Insurance		139
Repairs & Maintenance	Cr	159
IAS19 (FRS17)		1,677
Excluded Recharges		1,092

**Latest Approved Budget for 2019/20**

71,643

## **REASONS FOR VARIATIONS**

### **1. Assessment and Care Management - Dr £2,520k**

The overspend in Assessment and Care Management can be analysed as follows:

	<u>Current</u>	
	<u>Variation</u>	
		£'000
<u>Physical Support / Sensory Support / Memory &amp; Cognition</u>		
<b>Services for 65 +</b>		
- Placements		924
- Domiciliary Care / Direct Payments		2,063
		<u>2,987</u>
<b>Services for 18 - 64</b>		
- Placements		804
- Domiciliary Care / Direct Payments	Cr	189
		<u>615</u>
<b>Other</b>		
- Staffing	Cr	223
- Extra Care Housing	Cr	329
- Day Care	Cr	590
- Community DoLS	Cr	703
- D2A	Cr	272
- Credit Loss Allowance		1,289
- Other	Cr	254
	Cr	<u>1,082</u>
		<u>2,520</u>

The 2019/20 budget included funding for the full year effect of the 2018/19 overspend, less savings agreed as part of management action to reduce this overspend.

#### Services for 65+ - Dr £2,987k

Since the last report to Members, numbers in residential, nursing care and shared lives placements have reduced slightly but continue to be above the budget provision of 414 places, currently by 32 with a final overspend of £471k for the year. Although the full year effect of the 2018/19 overspend was funded in the 2019/20 budget, this was offset by savings of £561k expected from continuation of the Discharge to Assess (D2A) service. This however has not realised the savings to the extent that were expected, as has previously been reported.

In addition to permanent placements, the numbers in temporary and emergency placements are higher than the budget provision, with a final overspend of £509k reported in this area, a reduction of £61k from last reported, whilst respite care placements underspent by £56k.

The overall position on the domiciliary care and direct payments budgets is a final overspend of £2,063k, an increase of £88k from the last reported figure. Contributing largely to this overspend were the savings that were included in the 2019/20 budget that are not being achieved. Savings from reablement account for £400k, with a further £1,308k expected to be achieved from D2A. As mentioned above the savings from D2A have not been realised as expected, leading to a substantial projected overspend on the budget. Part of the overspend relates to having to use domiciliary care providers outside of the Framework for care, which costs more than those within the framework who are not always able to provide care packages.

#### Services for 18-64 - Dr £615k

Placements for 18-64 age group have ended the year with an overspend of £580k, an increase of £145k since last reported. The actual number of service user's was 55 which is 12 above the budgeted number of 43. The main pressure area relates to clients with a primary support reason (PSR) of Physical Support where the actual number of 34 is 8 above the budget provision, accounting for £433k of the overspend.

In addition to permanent placements, the numbers in temporary and emergency placements are higher than the budget provision, with a final overspend of £233k reported in this area, whilst respite care placements underspent by £9k.

The final position on the domiciliary care and direct payments budgets is an underspend of £189k, a reduction of £119k from the last reported figure.

#### Staffing - Cr £223k

Growth of £522k was added to the budget in 2019/20 to fund a recruitment and retention package across Adult Social Care. Due to the number of vacant posts, those still covered by agency staff as well as the annual retention payment not taking effect until next year the call on this budget for the current year has not been as high as expected, resulting in an underspend of £223k on the staffing budget.

#### Extra Care Housing - Cr £329k

During the year 5 of the 6 schemes (except Crown Meadow Court) were delivering hours within the minimum allocation, therefore resulting in a projected underspend. At the end of the year this trend continued, which together with a lower than expected cost of void payments, has led to an increased final underspend (an increase of £45k since the last reported figure). Additionally, the funding of step down flats from the winter resilience budget has been doubled this year to £182k further contributing to the underspend.

#### Day Care Services - Cr £590k

Day Care services continued to show reduced use of the service during the year with low numbers compared to the budget provision. Additionally, as previously reported, contracts with some providers for the provision of transport to their centres ended, with the main transport contracts taking on these clients. This has resulted in a final underspend of £590k, which is an increase of £40k on the previously reported figure.

#### Community DoLS - Cr £703k

Growth of £750k was added to the budget in 2019/20 to fund provision of a Community DoLS service. A large underspend has occurred on this budget as it has proved difficult to recruit to the posts created for the service, with only one appointment being made. This has resulted in both the staffing budget and the budget for assessment's being underspent.

#### Discharge to Assess (D2A) - Cr £272k

In July 2019 the Executive agreed to continue the Discharge to Assess (D2A) service for a further year. Staffing costs for the service as well as packages of care provided under the D2A scheme cost £1,178k this year against the budget provision of £1,450k, which reflects a part-year effect of a reduction in time spent in the D2A service. Any savings arising from this would show under the appropriate care package heading (i.e. placements or domiciliary care/direct payments), so are already included in the final outturns shown above.

#### Credit Loss Allowance - Dr £1,289k

The provision for possible bad debts relating to invoices raised by the department (now known as Credit loss Allowance) is recalculated on an annual basis, taking account of the latest debt levels and assumptions around the recoverability of various types of debt and the age of the debt. As a result of this the provision has been increased to ensure the provision is sufficient to cover the level of debts likely to be unpaid.

#### Other - Cr £254k

Other underspends in the division include:

- services for people with visual and hearing impairments - Cr £145k
- income from deferred payments scheme from charges and interest Cr £46k
- adult transport services - Cr £43k

### **2. Better Care Funding - Discharge to Assess - Cr £850k**

As referred to in note 1 above, the savings from D2A have not been realised as expected. As agreed by the Executive in July 2019, the net overspend relating to this service is being funded from the Better Care Fund for 2019/20.

### **3. Direct Care - Cr £41k**

The reablement service has had several support worker posts vacant during the year, with some now being filled in the second half of the year. This has resulted in an underspend of £193k. Similarly the Community Assessment and Rehabilitation Team service has seen 4 out of its 6 posts vacant this year, with no current plans to fill them, which has resulted in an underspend of £133k. Both of these services are funded by an element of the Better Care Fund (BCF) set aside to protect social care services, therefore the underspend does not remain within the service, but can be offset against the overall department budget as mentioned in note number 6 below.

Additionally there is an underspend on management staffing costs of £14k due to a current vacancy.

The Carelink service has outturned with an underspend of £27k. There were underspends in staffing (£13k), transport (£15k), supplies and services (£23k), and the contract for call monitoring (£8k). This was offset by a reduction in income from users of the service of £32k, partly due to increased competition from competitors.

### **4. Quality Assurance & Safeguarding - Dr £19k**

The overspend in this area relates to Staffing.

### **5. Learning Disabilities (LD) - Dr £538k**

The 2019/20 Learning Disabilities (LD) budget includes funding for both the full year effect of the 2018/19 overspend (based on the position at the time the budget was prepared) and 2019/20 anticipated demand-related pressures. Despite this, the outturn position is an overspend of £538k, a small reduction from the £580k reported in quarter 3. The overspend is largely the result of the number and cost of new and increased care packages outpacing expected growth.

The projected, and now final, year-end overspend position has broadly remained steady in net terms throughout the year. While some care packages and costs have reduced, others have increased and significant demand pressures remain. The service is facing a number of pressures including increasing numbers of young people from children's services and more clients with highly complex needs.

To deliver a balanced budget position in 2019/20 the successful management of continued demand pressures, rigorous gatekeeping and also delivery of 'tail-end' savings from the previous 'invest to save' work were required. This has not been possible, hence the £538k overspend, and the position will continue to be closely scrutinised going forward into next financial year, with management action taken to mitigate the pressures where possible.

Current indications are that there will be increasing pressures next year, with the full year effect overspend increasing to £1,713k. The increase is largely as a result of both slippage in the delivery of anticipated cost reductions and a number of new and increased high cost packages agreed in the latter part of the year. While these have a relatively small financial impact in 2019/20 there is a far greater effect in a full year.



The overspend on LD Care Management staffing has reduced from £114k (net) in December to £57k. The overspend arises mainly from the use of agency staff covering vacancies and additional staff brought in to undertake review work in the earlier part of the year. Recent action has been taken to address this and, with the introduction of the new recruitment and retention package for qualified care staff in Adult Social Care, cost pressures arising from agency staff are reducing as the positive impact of the package starts to take effect.

**6. Mental Health (MH) - Dr £470k**

Similar to Learning Disabilities above, the 2019/20 Mental Health (MH) budget includes funding for the full year effect of the 2018/19 overspend based on the position at the time the budget was prepared.

The final outturn position is an overspend of £470k compared to £702k reported in quarter 3. Many of the Primary Support Reason (PSR) misclassifications referred to in the previous report have now been corrected and this is the reason for the reduction. It is suspected that some misclassifications still remain but the residual overspend can now largely be attributed to correctly classified Mental Health clients. Clients with increasingly complex needs are increasing our reliance on expensive placements and there have been fewer care packages reducing or ending as clients move forward to independence.

**7. Better Care Fund (BCF) - Protection of Social Care Cr £770k**

A number of local authority adult social care services are funded by an element of the Better Care Fund (BCF) set aside to protect social care services. This includes funding previously received under the former Department of Health Social Care Grant.

These services are underspent by £770k in 2019/20 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

**8. Better Care Fund (BCF) - Additional Pressures Cr £900k**

Following approval in September budget monitoring, £700k of BCF underspend carried forward from previous years has been allocated to offset additional cost pressures within Adult Social Care. A further £200k was approved in the December cycle from the additional allocation announced in July (above inflation assumptions). The use of this funding has been agreed with Bromley Clinical Commissioning Group.

**9. National Living Wage - Cr £318k**

An amount of £1,500k was allocated in the 2019/20 budget for the impact of National Living Wage, of which £318k was not required.

**10. Programmes Team - Cr £184k**

The underspend relates mainly to part-year vacancies across the Programmes teams and is slightly higher than the anticipated position reported in quarter 3. The majority of posts are now filled and the current vacancy level is lower than in recent months.

**11. Information & Early Intervention - Cr £99k & Dr £99k**

There are inflationary savings on several of the contracts funded from the Information & Early Intervention (I&E) budget and also an underspend on the Primary and Secondary Intervention Services Innovation Fund. Underspends on the Innovation Fund are shared between LBB, Bromley Clinical Commissioning Group and the Better Care Fund; the LBB share of the underspend is Cr £53k.

The whole I&E (net) budget is funded from the element of the Better Care Fund set aside to protect social care services. This £99k underspend has therefore been used to offset other budget pressures within social care in line with the intentions of the funding.

**12. Better Care Fund (BCF) - Dr £1k (Net)**

Other than variations on the protection of social care element, any underspends on Better Care Fund (BCF) budgets are carried forward for spending in future years under the pooled budget arrangement with Bromley Clinical Commissioning Group. The net variation of Dr £1k is offset by a corresponding Cr £1k variation on BCF non-controllable budgets.

The income variation relates to an underspend of £70k on 2019/20 BCF (to be carried forward to 2020/21) and £124k lower than budgeted contribution from previous years funding. This is fully offset by an equivalent underspend on expenditure (when non-controllable budgets are taken into account).

Initial increases in BCF were announced as 1.79% which was included in the 2019/20 budget setting process. However in July 2019 NHS England announced that the increase would rise to 5%. The difference is an additional £659k of BCF funding and approval was given in the September cycle to draw these funds down in order for them to be utilised against new and existing BCF funded schemes.

**13. Improved Better Care Fund (IBCF) - Nil Variation**

The total amount of funding in 2019/20 is as follows:

	£'000
2019/20 IBCF allocation - recurrent	4,636
2019/20 IBCF allocation - non-recurrent (year 3)	1,677
2019/20 Winter Pressures Grant	1,191
Carry forward from previous years	3,967
	11,471

There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in the remaining years of the programme resulting in underspends totalling £2,766k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years, hence a nil variance in 2019/20, and future spending commitments are in place. These commitments include a contribution of £1.5m to fund Adult Social Care pressures in 2020/21.

#### **14. Health Support for Social Care - Nil Variation**

Approval was given earlier in the year to draw down £1.1m from the Health & Social Care Initiatives Reserve to contribute to Bromley Clinical Commissioning Group (CCG) costs of transformation for the 'One Bromley' partnership. More recently, contributions from the CCG have been agreed to a Health and Social Care Transformation Fund (£1.5m) and a Health Facilities Fund (£993k).

#### **15. Strategy, Performance & Engagement Division - Cr £307k**

There is an underspend of £307k on the People Department Strategy, Performance and Engagement Division. This has arisen from part-year staffing vacancies that are partly offset by recharges to capital to give a net underspend of £202k. The remaining central departmental running expenses were underspent by £92k along with some other minor underspends of £13k.

#### **Waiver of Financial Regulations**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive, 9 Adult placements have been agreed through the brokerage process between £50k and £100k and 6 for placements of more than £100k under delegated authority to the Director of Adult Social Care.

#### **Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. No virements have been agreed since the last report to Executive.

## Children, Education and Families Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>PEOPLE DEPARTMENT</b>								
<b>Education Division</b>								
Cr 436	Adult Education Centres	Cr 409	Cr 384	Cr 350	34	1	34	0
385	Schools and Early Years Commissioning & QA	676	690	543	Cr 147	2	Cr 91	0
6,586	SEN and Inclusion	7,829	7,874	8,206	332	3	199	0
73	Strategic Place Planning	98	99	74	Cr 25	4	0	0
Cr 6	Workforce Development & Governor Services	Cr 30	Cr 30	8	38	5	Cr 6	0
430	Access & Inclusion	527	474	356	Cr 118	6	14	0
Cr 1,340	Schools Budgets	Cr 1,264	Cr 1,273	Cr 1,243	30	7	0	0
71	Other Strategic Functions	28	23	10	Cr 13		0	0
<b>5,763</b>		<b>7,455</b>	<b>7,473</b>	<b>7,604</b>	<b>131</b>		<b>150</b>	<b>0</b>
<b>Children's Social Care</b>								
1,418	Bromley Youth Support Programme	1,518	1,522	1,427	Cr 95	8	41	0
879	Early Intervention and Family Support	1,156	1,156	920	Cr 236		Cr 122	0
5,706	CLA and Care Leavers	6,165	6,274	6,580	306		Cr 142	0
17,933	Fostering, Adoption and Resources	16,908	16,945	16,846	Cr 99		Cr 2	587
Cr 800	Management action	0	0	0	0		0	0
3,411	Referral and Assessment Service	3,407	3,411	3,581	170		239	199
2,743	Safeguarding and Care Planning East	2,912	2,857	2,943	86		45	96
4,470	Safeguarding and Care Planning West	4,575	4,597	5,163	566	864	559	
2,280	Safeguarding and Quality Improvement	582	552	1,071	519	259	379	
<b>38,040</b>		<b>37,223</b>	<b>37,314</b>	<b>38,531</b>	<b>1,217</b>		<b>1,182</b>	<b>1,820</b>
<b>43,803</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN &amp; FAMILIES</b>	<b>44,678</b>	<b>44,787</b>	<b>46,135</b>	<b>1,348</b>		<b>1,332</b>	<b>1,820</b>
5,332	<b>Total Non-Controllable</b>	1,819	8,817	8,817	0		Cr 13	0
8,391	<b>Total Excluded Recharges</b>	8,678	8,541	8,541	0		0	0
<b>57,526</b>	<b>TOTAL EDUCATION, CHILDREN &amp; FAMILIES PORTFOLIO</b>	<b>55,175</b>	<b>62,145</b>	<b>63,493</b>	<b>1,348</b>		<b>1,319</b>	<b>1,820</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
Cr 85	Education Psychology Service (RSG Funded)	Cr 116	Cr 116	37	153	9	108	0
8	Education Welfare Service (RSG Funded)	Cr 29	Cr 26	43	69		47	0
Cr 6	Workforce Development (DSG/RSG Funded)	Cr 34	Cr 32	8	40		Cr 6	0
52	Community Vision Nursery (RSG Funded)	62	62	27	Cr 35		Cr 29	0
93	Blenheim Nursery (RSG Funded)	86	86	47	Cr 39		Cr 27	0
<b>62</b>	<b>Total Sold Services</b>	<b>Cr 31</b>	<b>Cr 26</b>	<b>162</b>	<b>188</b>		<b>93</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

Original Budget 2019/20

55,175

## Carry forwards:

SEN Reforms Grant		
- expenditure		55
- income	Cr	55
SEN Pathfinder Grant		
- expenditure		8
- income	Cr	8
Early Years Grant		
- expenditure		15
- income	Cr	15
Delivery Support Fund		
- expenditure		27
- income	Cr	27
Step up to Social Work Cohort 6		
- expenditure		48
- income	Cr	48
Reducing Parental Conflict		
- expenditure		40
- income	Cr	40
FGM Focussed Outreach Grant		
- expenditure		10
- income	Cr	10
Tackling Troubled Families		
- expenditure		511
- income	Cr	511
Family Group Conferences		
- expenditure		52
- income	Cr	52

## Other:

MOPAC YOS Grant		
- expenditure		20
- income	Cr	20
Tackling Troubled Families		

- expenditure		365
- income	Cr	365
Additional MOPAC expenditure 19/20		50
Additional MOPAC Grant recharged to Children's Services	Cr	50
Expenditure on North Lodge		79
Contributions to creation of Local Offer Development Officer	Cr	21
Family Group Conferences		
- expenditure		52
- income	Cr	52
Merit awards		26
Adult Education Match Funding		25
<b>Memorandum Items:</b>		
Capital Charges		3,132
Insurance		217
Repairs & Maintenance	Cr	99
IAS19 (FRS17)		3,763
Excluded Recharges	Cr	138
Rent Income	Cr	14
<b>Latest Approved Budget for 2019/20</b>		<u><u>62,145</u></u>

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Dr £34k**

There is an overspend in Adult Education, and this is due to an estimated under collection of course fees and other income of £90k and an overspend on staffing costs (£21k). This is offset by an underspend of £77k on running costs.

The collection of the income has been effected by the COVID-19 virus lockdown. This has resulted in the education setting ceasing all on-site delivery. This will lead to some of the fee income already collected being returned to the learner in the new financial year. The service is providing online services where the subjects being taught and tutor IT equipment and broadband connections permit. However not all planned provision can be delivered on line and some students do not have access to the resources necessary to engage with online learning.

### **2. Schools and Early Years Commissioning & QA - Cr £147k**

The Nurseries underspent by £74k. This is broken down to underspend on staffing (£80k), running costs and Provisions (£54k). These are then offset by an any under collection of £60k on income. These variance would be expected at the nurseries as they have not been running at full capacity during the year.

Early Years has underspent by £48k. This is due to staff vacancies (£33k) and a small underspend on running costs (£15k).

The remaining difference relates to running costs in this area that is an underspend of £25k.

### **3. SEN and Inclusion - Dr £332k**

The SEN Transport has overspent by £57k. This is split between staffing (£23k underspent) and additional income (£161k) from services provided to other organisations. There is then an overspend of £220k for providing the transport service. Additionally there is a pressure of £21k relating to specialist legal advice the service required to resolve a supplier issue.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This has causing the statutory service they are required to provide to be underspent by £59k and the Trading Service they offer to the Schools to be overspent by £153k. This is due to the use of expensive agency staff to provide the service. This is a net overspend of £94k.

The costs for running the SEN service (included working on the EHCP's) has caused an overspend of £181k. This made up of an overspend on staffing (£126k), and a £92k overspend on running costs. This is being offset by additional income of £37k.

### **4. Strategic Place Planning - Cr £25k**

There is an underspend of £25k due to vacancies during the year (£90k) that are partly offset by recharges to capital to give a gross underspend of (£64k). The remaining central departmental running expenses were underspent by £1k.

### **5. Workforce Development & Governor Services - Dr £38k**

There is any overspend of £38k that is due to an overspend in running costs of £31k and an under collection of income (£15k). These are offset by an underspend on the staffing budgets of £8k.

### **6. Access & Inclusion - Cr £118k**

There has been an overspend of £70k in the Education Welfare Trading account due mainly to the under collection of income (£61k) and a small overspend in the running costs of £12k. This is slightly offset by the underspend on staffing (£3k)

Due to the delay in recruitment of staff within this area, there is an underspend of £43k.

Across the division there is £145k underspend on running costs.

### **7. Schools Budgets (Dr £30k)**

There is an overall small variance on the Schools Budgets this year on controllable expenditure. This is offset by an overspend on non-controllable expenditure due to more overheads being charged to the DSG budgets. The overall bottom line is balanced and the effect on the General Fund is zero.

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

The DSG overspent by £1,353k. This will be taken from the £2,495k carried forward from 2018/19. It was agreed to use £278k of the brought forward balance to support the services in-year. The carry forward figure has also been adjusted for the Early Year adjustment for 2018/19 of £869k. This gives us an DSG balance to carry forward of £1,733k in to the new financial year. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. The Council has contributed £1.9m of core funding to DSG services in 2019/20.

The in-year overspend is broken down as follows:-

There was a overspend of £182k on modular classroom rentals during the year and a underspend of £69k on what was budgeted to be spent at the start of the year for bulge classes.

The budget for the 2 year old children is expected to underspend by £120k and along with a underspend of £1,110k for 3 & 4 years old children (both normal 15 and the new additional 15 hours). Additionally there is a £12k underspend on the staffing budget that supports these payments and a £15k underspend on the DAF related spend. This is resulting in a net underspend of £1,257k.

The Home and Hospital service has overspent by £443k, mostly of staff and agency spend due to demand led pressures in the service. This continues to be an issue going forward.

The Education Welfare service has underspend of £39k due to higher than expected income collection (£35k) and a small underspend of £4k in running costs.

The Access & Admissions team has overspent by £45k and this is due to an overspend on staffing of £61k and an underspend on running costs and income of £16k.

During the year one of the Bromley Maintained schools closed, and after all payments were paid relating to the school there was £47k credit that has been returned to the DSG.

Following changes to the 6th Form Grant Allocation for the 2019/20 academic year there is a pressure of £373k on this budget.

SEN placements are projected to overspend by a total of £164k. There are underspends being caused by boarding placements (£1,002k). These underspends are then offset by overspends on day placements (£100k), Nursery Places (£57k) and SEN School Places (£395k), Alternative Provisions (£606k) and various small overspends of £8k.

Additional to the SEN Placements there is a £812k overspend on the Matrix Funding and Top Up Funding to mainstream schools.

The support we provide to SEN pupils in further education has overspent by £865k during the year.

The DSG funded element of SEN Transport has overspent by £144k due to new routes that were established in the last year. Due to the current funding regulations LBB are not permitted to increase this budget from the previous year.

The High Needs Pre-school Service is underspent by £340k for the year. £320k of this relates to backdated rent that we have been estimating (at a higher amount) for a number of years now being paid. The remaining £20k relates to small underspends in staffing (3k), running costs (£8k) and £9k of extra income.

The SIPS and Pupil Support Service are all currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relates to running costs that are not expected to be incurred during the year. These are then offset by overspends at the Complex Needs Team and other areas across within SEN. The net effect of these cost centres is a £72k overspend.

There is also a total small balance of overspends of £5k.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-69		-69		
Classroom Hire	182		182		
Free Early Education - 2 year olds	-120			-120	
Free Early Education - 3 & 4 year olds (Inc. extra	-1,110			-1,110	
Early Year Support	-12			-12	
DAF	-15			-15	
Home & Hospital	443	443			
Education Welfare Officers	-39				-39
Access & Admissions	45				45
School Balance Returned	-47				-47
6th Form Grant Allocation Changes	373	373			
Other Small Balances	7	15			-8
SEN:					
- Placements & Alternative Programmes	164	164			
- Matrix Funding	812	812			
- Support in FE Colleges	865	865			
- Transport	144	144			
- High Needs Pre-school Service	-340	-340			
- Sensory Support	-11	-11			
- SEN Inclusion Fund (SENIF)	-34			-34	
- Complex Needs Team	16	16			
- SEN Staff	101	101			
- Other Small SEN Balances	-2	-2			
<b>Total</b>	<b>1,353</b>	<b>2,580</b>	<b>113</b>	<b>-1,291</b>	<b>-49</b>

There will continue to be pressures in the DSG from 2020/21 onwards, especially in the High Needs Block area. More children are coming through the system which will put pressure on DSG resources.

### **8. Children's Social Care - Dr £1,217k**

The current budget variation for the Children and Families Division is projected to be an overspend of £1,217k. This is an increase of £35k in the overspend reported in December which was £1,182k. Despite additional funding being secured in the 2019/20 budget, increases in the number of children being looked after together with the high cost of some placements has continued to put considerable strain on the budget.

Bromley Youth Support Programme (BYSP) - Cr £95k

This variation relates to staffing budgets within the service with a projected overspend of £7k on BYSP Delivery and an underspend of £102k on the Youth Offending Service due to increased income.

#### Early Intervention and Family Support - Cr £236k

The projected underspend is made up of:

- Staffing Cr £149k
- Contract costs Cr £82k
- Running costs Cr £5k

#### CLA and Care Leavers - Dr £306k

The projected variation in this area relates to overspends on accommodation costs in relation to the Staying Put scheme of £15k, Children Looked After placement support costs of £406k, and an increase of £102k in the Bad Debt Provision for children the council has placed in accommodation. This is offset by an underspend in staffing costs of £27k and additional grant of £190k.

#### Fostering, Adoption and Resources - Cr £99k

The final position for this area is a underspend of £99k. This is due to an underspend in staffing of £37k and a net underspend of £214k across all of the various Residential, Fostering and Adoption Placements. The provision of Adoption Services has moved to the new Regional Adoption Agency, with most services now being undertaken by Coram rather than the council. The new contract started on 11th July 2019, with an annual value of £435k, and is expected to be overspent by £152k which partially offsets the underspends above. The budget for children's placements (Residential, Fostering and Adoption Placements) is underspent this year, with the underspend increasing from December due to minor movements and projections for client numbers. The analysis of this over the various placement types is shown below, with the December position shown in brackets.

- Community Home's / Community Home's with Education - Cr £731k (Cr £913k)
- Boarding Schools - Dr £78k (Dr £44k)
- Placement Support services - Dr £435k (Dr £169k)
- Secure Accommodation - Cr £431k (Cr £501k)
- Youth on Remand - Cr £402k (Cr £429k)
- Fostering services (IFA's) - Dr £1,217k (Dr £1,627k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £251k (Cr £145k)
- Transport - Cr £124k (Cr £0k)
- Adoption placements - Cr £5k (Cr £7k)

Also included in the variations above are (1) Bromley CCG have continued to contribute £1m this year towards the continuing care costs of placements and have committed to a further £900k in 2019/20. (2) additional funding for Unaccompanied Asylum Seeking Children due to the 2019-20 change in daily allowance from £91 to £114/day. this equates to an additional £8,400 per annum for each UASC child, assuming they are in all the financial year.

The main pressure area continues to be the number of placements being made into Independent Fostering agencies (IFA) which on average cost £20k to £30k more than an in-house fostering placement and are 12fte places above the budgeted provision of 67 fte places. Costs of IFA's are more expensive on average per placement than budgeted for which has also led to increases in costs

#### Referral and Assessment Service - Dr £170k

The overspend in this area relates to staffing costs which is £264k overspent as a result of the use of agency staff. This is offset by an underspend on the No Recourse to Public Funds budget of £94k, with actual numbers continuing to remain under budget.

#### Safeguarding and Care Planning East - Dr £86k

The overspend in this area relates to staffing costs which is £161k overspent as a result of the use of agency staff and various running costs that have overspent by £48k. This is offset by an underspend on Public Law Outline costs that has underspent by £123k, as the call on this budget has reduced.

#### Safeguarding and Care Planning West- Dr £566k

The overspend in this area is £566k that relates to staffing costs (£246k) and arises as a result of the use of agency staff which cost more than a permanent member of staff and various running costs that have overspent by £59k. There is also an overspend on direct payments for children with disabilities (£103k), Care Support Initiatives (£183k) and support for the placements (£77k). This is offset by an underspend on short breaks of £102k.

#### Safeguarding and Quality Improvement - Dr £519k

The overspend in this area of £519k relates to staffing costs (£470k) and arises as a result of the use of agency staff which cost more than a permanent member of staff. This includes the costs of recruiting from overseas workers and payments to recruitment agencies. There have also been some additional costs for pre inspection work for the Youth Offending Service and some other small overspends totalling £49k

### **9. Sold Services (net budgets)**

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

### **Waiver of Financial Regulations**



The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been no waiver in the Education area. In Children's Social Care there were 8 waivers agreed for placements of between £50k and £100k and 10 for more than £100k.

**Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, there have been no virements

## Environment &amp; Community Services Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>PLACE DEPARTMENT</b>							
	<b>Street Scene &amp; Green Spaces</b>							
5,328	Parks and Green Spaces	5,441	5,806	5,782	Cr 24	1	Cr 7	0
6	Business Support and Markets	Cr 26	Cr 72	Cr 119	Cr 47	2	Cr 51	0
17,096	Waste Services	17,833	17,836	17,715	Cr 121	3	0	0
4,289	Street Environment	5,288	5,484	5,469	Cr 15	4	Cr 27	0
362	Street Regulation	375	250	196	Cr 54	5	Cr 55	0
1,172	Management and Contract Support	1,255	1,269	1,307	38	6	54	0
802	Trees	769	772	739	Cr 33	7	80	0
<b>29,055</b>		<b>30,935</b>	<b>31,345</b>	<b>31,089</b>	<b>Cr 256</b>		<b>Cr 6</b>	<b>0</b>
	<b>Transport Operations and Depot</b>							
527	Transport Operations and Depot Management	746	610	513	Cr 97	8	Cr 5	0
<b>527</b>		<b>746</b>	<b>610</b>	<b>513</b>	<b>Cr 97</b>		<b>Cr 5</b>	<b>0</b>
	<b>Traffic, Parking &amp; Highways</b>							
234	Traffic & Road Safety	334	207	192	Cr 15	9	Cr 12	0
Cr 7,499	Parking	Cr 7,539	Cr 7,607	Cr 7,875	Cr 268	10 - 16	Cr 221	0
6,175	Highways (including London Permit Scheme)	6,818	6,764	6,719	Cr 45	17	Cr 32	0
<b>Cr 1,090</b>		<b>Cr 387</b>	<b>Cr 636</b>	<b>Cr 964</b>	<b>Cr 328</b>		<b>Cr 265</b>	<b>0</b>
<b>28,492</b>	<b>TOTAL CONTROLLABLE</b>	<b>31,294</b>	<b>31,319</b>	<b>30,638</b>	<b>Cr 681</b>		<b>Cr 276</b>	<b>0</b>
4,378	<b>TOTAL NON-CONTROLLABLE</b>	6,051	4,960	4,960	0		Cr 31	0
2,618	<b>TOTAL EXCLUDED RECHARGES</b>	2,357	2,480	2,480	0		0	0
<b>35,488</b>	<b>PORTFOLIO TOTAL</b>	<b>39,702</b>	<b>38,759</b>	<b>38,078</b>	<b>Cr 681</b>		<b>Cr 307</b>	<b>0</b>

## Reconciliation of Latest Approved Budget £'000

Original Budget 2019/20 39,702

## Carry Forward Requests approved from 2019/20

Green Garden Waste Direct Debits 120

## Central Contingency Adjustments

Inflation adjustment	70
Savings - review of staffing	Cr 207
B/R Parks Contract related storage and Premises	25
Savings to be allocated – review of staffing	Cr 54
Cross Portfolio movement relating to Review of Staffing	80
Post moved from Street Regulation to PPE (Nuisance & Enviro Protection)	Cr 13
Budget to purchase Noise Meters vired to PPE	Cr 21
Merit Award Budget Allocation	25

## Memorandum Items

Capital Charges 5802	392
Deferred Charges (REFCUS) 5804	315
Impairment 5806	36
Incorrectly shown as Capital Charges 5809 (Finance Lease Interest)	
Gove Grants Deferred Sub 5807	Cr 579
Insurance	Cr 676
Finance Lease	Cr 836
Rent Income (property)	Cr 40
Rent Income	
Repairs & Maintenance (Premises)	Cr 291
Repairs & Maintenance	
IAS19 (FRS17) sub 0206	593
Excluded Recharges	122
IAS 19 Past Service Costs FRS17 0219 All	Cr 4
IAS 19 Past Service Costs FRS17	
Employers Pension Contributions 0220	

## Latest Approved Budget for 2019/20

38,759

## **REASONS FOR VARIATIONS**

### **1. Parks and Green Spaces Cr24k**

A non-recurring £40k budget within parks for the integration of system mobilisation for the new contract was not required. The proposal to dredge lakes and ponds within parks to offset the underspend did not take place as the service was unable to procure the work before the year end. However, a number of essential projects including earth works, post and barrier installations, and footpath maintenance, including the treatment of tree roots, took place in the final months which resulted in additional costs of £49k against the parks and ground maintenance hired services budgets.

Water bills overspent by £45k due to leaks at Croydon Rec and Stanhope plus the cost of bills for Exceisor Bowls club. However this was offset by in year utility costs for Crystal Palace Park, in particular water, underspending by £33k.

There is a requirement to install a water supply at Mill Road allotments and this will cost £30k. Due to delays this work did not take place in 2019/20 and a carry forward request of £30k has been submitted so these essential works can take place in 2020/21.

Staffing underspent by £18k relating to part year vacancies.

A VAT discrepancy relating to floral bed sponsorship, backdated to 2016, was corrected this financial year resulting in a current year deficit of £30k.

Additional income of £44k from the High Elms café and from club house rental has been achieved.

Income achieved from the disposal of machinery and through Cator Park rental is £14k.

Other small variations across supplies and services resulted in a £1k overspend

#### **Summary of variations within Parks and Green spaces:**

	<b>£'000</b>
Underspent budget for IT system integration	Cr 40
Essential works in parks	49
Water and utility bills	12
Underspend on staffing	Cr 18
Adjustment of VAT for floral bedding sponsorship income	30
Additional licence income from café at High Elms and club house rental	Cr 44
Disposal of machinery and Cator Park rental income	Cr 14
Other small variations	1
<b>Total variation for Parks and Green spaces</b>	<b>Cr 24</b>

### **2. Business Support and Markets Cr £47k**

Technical Support staffing underspent by £16k due to a vacant post.

Income from market pitch fees underachieved by approximately £60k. This is partially due to adverse weather conditions forcing cancellations during the months leading up to Christmas, storms in February that resulted in market closures and the market being closed during March due to COVID-19 lockdown measures.

Street Traders licence income exceeded budget by £28k due to increased activity levels before the COVID-19 lockdown.

Income generated through advertising and cost recoveries has overachieved by £26k in line with previous years.

Skip licence income resulted in a £6k shortfall which is linked to activity in the construction industry and home improvements.

Expenditure relating to the assembly and disassembly of market stalls underspent by £15k due to a number of market closures enforced by bad weather and the affect of the COVID-19 lockdown in the later weeks of the financial year.

There are a number of other small variations within markets and technical support which total a £29k underspend.

#### **Summary of variations within Business Support and Markets:**

	<b>£'000</b>
Underspend on staffing	Cr 16
Underachievement of market pitch fees	60
Overachievement of Street Traders' licence income	Cr 28
Overachievement of income from advertising and recoveries	Cr 26
Underachievement of Skip Licence income	7
Underspend on market stall assembly	Cr 15
Other variations	Cr 29

**3. Waste Services Cr£121k**

Waste Services budgets underspent by £121k, which consists of a number of significant offsetting variations as follows:

Landfill Tax outturned at a £268k underspend. The amount of waste taken to landfill dropped significantly by the later part of 2019 and remained at minimal levels for the remainder of the financial year as the contractor has met future year targets early. Leachate and tank cleaning and maintenance costs underspent by £19k due to the nature and level of work required this financial year.

The refuse collection contract for domestic properties was £188k overspent this financial year as a result of the following:

- the emptying of recycling banks has resulted in a cost pressure as the actual number of banks exceeds the total expected at the time of the tender exercise and is therefore reflected in the budget.
- the processing of mattresses and asbestos has also exceeded the levels anticipated, although mattress disposal fees have been increased to reduce the volume received from businesses in particular;
- a full review of property numbers has been undertaken as part of the new contract arrangements which has resulted in an increase in collection costs this financial year.

The refuse contract for commercial properties was underspent by £20k due to less customers using the service than anticipated this financial year.

The refuse collection contract costs for hazardous waste underspent by £25k this financial year across both commercial and residential customers.

Green Garden Waste income overachieved by £55k due to the number of customers purchasing this service. The cost of multiple attempts to deliver and collect green garden waste containers to customers has resulted in a £113k cost pressure. Discussions have taken place to ensure this is minimised going forward. The £120k budget set aside for the development and integration of a Direct Debit payment scheme for Green Garden Waste was not utilised as the scheme could not be implemented this financial year. The work is now due to commence in May 2020 and a carry forward request of £120k will be submitted to secure funding for this project in 2020/21.

The contract disposal costs outturned at £44k below budget. Whilst there has been a reduction in the number of trade waste customers and a drop in the volume of waste to be disposed of, this has been largely offset by an additional cost relating to wet paper and card being rejected and returned to Bromley for disposal during the later part of 2019 and beginning of 2020. This trend is expected to continue to some extent, however officers are exploring options to reduce this.

There was a reduction in recycle income of £227k due to the reduction in paper tonnage being recycled. Also, loss of income was due to a decrease in price indices, again particularly effecting paper and card, during the later part of the financial year.

Within Trade Waste there was a net overachievement of income of £38k, with residential overachieving by £78k and commercial underachieving by £40k. The commercial shortfall is mainly due to a higher customer dropout compared to the level expected when the budget was set. The costs of works to the Waldo Road weighbridge has resulted in an additional cost in 2019/20 of £37k.

There are a number of other small variations across the service, mainly within supplies and services, which results in a further underspend of £97k this financial year.

**Summary of overall variations within Waste Services**

	<b>£'000</b>
Reduction in landfill tax	Cr 268
Reduction in leachate and tank cleaning costs	Cr 19
Increase in refuse collection contract costs for domestic properties	188
Reduction in refuse collection contract costs for commercial properties	Cr 20
Reduction in hazardous waste collection costs	Cr 25
Green Garden Waste	Cr 62
Reduction in disposals cost	Cr 44
Reduction in recycle income	227
Increase in trade waste income	Cr 38
Works to Waldo Road weighbridge	37
Other minor variations	<u>Cr 97</u>
<b>Total variation for Waste Services</b>	<b><u>Cr 121</u></b>

**4. Street Environment Cr £15k**

There is an underspend of £8k on staffing relating to part year vacancies.

There is a £5k underspend relating to the public convenience scheme due to the number of businesses in the scheme being below that anticipated.

There are a number of other variations within this service, mainly within street cleaning, resulting in a further small underspend of £2k.

#### **5. Street Regulation Cr £54k**

There is an underspend of £54k on staffing relating to part year vacancies within this team.

#### **6. Management and Contract Support Dr £38k**

There was an overspend of £66k due to the employment of agency staff above establishment to provide contract monitoring support during the mobilisation period of the new contract. This arrangement ended in December 2019. This is partly offset by other staff vacancies and small underspends on supplies and services.

#### **7. Arboriculture Management Cr £33k**

There is a £69k underspend on staffing in respect of two vacant arboricultural officer posts, which have now been appointed to. Additional annual tree surveys were to be procured through outside contractors at a cost of £60k but the contract was not let due to lack of interest from external suppliers.

A sonic tomograph for advanced condition detection within trees was to be purchased for £30k, allowing LBB staff to undertake this work rather than having to utilise external companies at additional cost. This did not happen due to a number of other conflicting priorities during the tail end of 2019/20 resulting in a £30k underspend, although the business case for such equipment remains and a carry forward request to fund this has been submitted.

Tree maintenance and works exceeded budget by £66k due to additional planting and storm damage in the last couple of months of the financial year. The underspend in staffing covered this additional expenditure.

#### **8. Transport Operations & Depot Management Cr £97k**

Resurfacing works and the repairs to the depot roof were anticipated to take place in 2019/20 at a cost of approximately £90k. Due to contractual delays relating to workforce safety and adverse weather conditions preventing surveys from taking place the works were unable to commence by March, when COVID-19 restrictions stopped all but essential works from taking place. This has resulted in an underspend this financial year.

A number of in year vacancies resulted in a £27k underspend in staffing. Whilst a number of other small variations, mainly within supplies and services and premises budgets resulted in a further £20k underspend this financial year.

#### **9. Traffic & Road Safety Cr £15k**

There was a surplus of £15k across Traffic & Road Safety. Additional income of £140k was received from road closure charges following a spike in the number of applications from utility companies for undertaking infrastructure works. A number of road safety projects and schemes have therefore been undertaken in order to use the surplus income effectively at a cost of £160k. There was also a one-off overachievement of advertising income of £60k. There are other minor credit variations totalling £8k mainly due to staffing savings following a Division-wide realignment. A contribution of £33k was made to the Member Initiatives Reserve relating to School Crossings.

#### **Parking Cr £268k**

#### **10. Income from Bus Lane Contraventions Dr £24k**

There was a total shortfall of income of £24k on the redeployable automated cameras in bus lanes for 2019-20 mainly due to bus lane closures whilst various works were undertaken. There were also camera maintenance and network issues with cameras out of service for weeks at a time resulting in a loss of income. Bus lane enforcement ceased during March due to the Covid-19 situation. Additional income received from PCNs issued in previous years slightly improved the shortfall reported in quarter 3.

#### **11. Off/On Street Car Parking Dr £200k**

There was a total overspend of £200k for Off and On Street parking for the year, including a shortfall of £354k in income. This is mainly due to a general continued downward trend in parking usage, in particular for on street parking and at The Hill MSCP. Some improvement in usage was seen in Quarter 3 compared to Quarter 2, but not at the levels anticipated when income budgets were agreed. Parking income severely dropped off at the end of the financial year due to the ongoing Covid-19 measures.

There was an underspend against credit card commission costs of £78k, a favourable increase to the previously anticipated figure of £59k, which was largely a result of the changes in parking usage.

Additional income of £61k was generated from cashless parking fees, as use of the RingGo service continued to grow throughout the year.

Income generated for bay suspensions failed to meet budget by £11k and there was a deficit in dispensations income of £6k.

Additional income of £8k was received from off-street rental income for Supreme Clean at Chislehurst and Amazon Lockers.

Defaults income of £24k was achieved against Off and On Street parking for the year.

This overall variation for Off and On Street parking is detailed below:

<b>Summary of variations within Off/On Street Car Parking</b>	<b>Off St. £'000</b>	<b>On St. £'000</b>	<b>Total £'000</b>
Off/On Street car parking income	215	139	354
Credit card commission	Cr 78	Cr 78	
RingGo SMS & convenience fees	Cr 21	Cr 40	Cr 61
Bay suspensions		11	11
Dispensations		6	6
Miscellaneous income	Cr 8	Cr 8	
APCOA P&D defaults	Cr 15	Cr 9	Cr 24
<b>Total variations within Off/On Street Parking</b>	<b>93</b>	<b>107</b>	<b>200</b>

## **12. Permit Parking Cr £80k**

There was a surplus of £71k achieved for permit parking, following the implementation of price increases from 1 April 2019, along with a small underspend against credit card commission costs of £5k, and £4k against the APCOA contract.

## **13. Car Parking Enforcement Cr £241k**

There was an overachievement of £160k against income relating to PCNs issued by wardens, due to more PCNs being issued following APCOA deploying additional CEOs at their own cost. However, contraventions began to drop at the end of the year due to the ongoing situation with Covid-19.

There was a £27k deficit on PCNs issued from CCTV enforcement cameras. Although the deployment of new cameras around schools in September produced an increase in contraventions, cameras at other schools that had reached compliance were not being relocated resulting in an overall shortfall of income.

There was an underspend on credit card commission costs of £40k and defaults against the enforcement contract secured £68k this financial year.

<b>Summary of variations within Car Parking Enforcement</b>	<b>£'000</b>
PCNs issued by wardens	Cr 160
PCNs issued from CCTV enforcement camera	27
Credit card commission	Cr 40
APCOA enforcement contract defaults	Cr 68
<b>Total variations within Car Parking Enforcement</b>	<b>Cr 241</b>

## **14. Parking Shared Service Cr £135k**

There was a net underspend of £135k for the Parking Shared Service mainly due to underspends on staffing relating to vacancies across both boroughs.

## **15. Disabled Parking Cr £7k**

The income target was under-achieved by £3k, however this was offset by a £10k underspend of supplies and services budgets.

## **16. Parking Expenditure Variations Cr £29k**

There were other variations across the service that totalled Cr £29k. The underspend on supplies and services budgets was mainly due to debt collection & registration fees and Traffic Committee for London fees being less than anticipated throughout the year.

<b>Summary of overall variations within Parking:</b>	<b>£'000</b>
Bus Routes Enforcement	24
Off Street Car Parking	5

On Street Car Parking	107
Permit Parking	Cr 80
Car Parking Enforcement	Cr 241
Parking Shared Services	Cr 135
Disabled Parking	Cr 7
Other Expenditure Variations	Cr 29
<b>Total variation for Parking</b>	<b>Cr 268</b>

### **17. Highways- Including London Permit Scheme Cr £45k**

There was a £69k underspend on staffing costs mainly due to reduced hours and part year vacancies.

Highway works costs exceeded budget by £68k in 2019/20. This was made up of a number of variations with the major variances being an overspend against carriageway reconstruction partially offset by underspends within winter maintenance budgets due to the mild winter this year.

Repairs and structural works at Lych Gate Road footbridge were due to take place in 2019/20. However delays, caused by the contracted designers, has meant work has not commenced this financial year. Therefore a carry forward request of £48k has been submitted in order to fund this project in 2020/21.

New Roads and Street Works Act (NRSWA) income overachieved by £16k. This is made up of £65k shortfall relating to costs for permits and a £9k shortfall relating to defect notices as a result of improved performance by utility companies. This is offset by a £104k surplus of Section 74 income as utility companies are taking longer than agreed to complete works. Income from Fixed Penalty Notices (FPNs) is £6k lower than budget this financial year whilst inspections resulted in a £8k shortfall.

<b>Summary of variations on NRSWA Income:</b>	<b>£'000</b>
Defects	9
Permits for scheduled works	65
Inspections	8
Section 74 notices	Cr 104
Fixed Penalty Notices	6
<b>Total variation for NRSWA</b>	<b>Cr 16</b>

There is a total of £18k received from sales at commercial vehicle auctions and the vehicle maintenance budget underspent by £58k due to the reduced number of vehicles being supported.

Electricity costs associated with street lighting have exceeded budget by £95k this financial year. However the next phase of street light upgrades is due to commence shortly which should help to contain electricity costs going forward. Street lighting maintenance and repairs has underspent by £35k mainly due to lower costs relating to impact damage.

There are a number of other small variations within Highways, mainly within supplies and services, resulting in a £12k underspend this financial year.

### **Waiver of Financial Regulations:**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

### **Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

## Public Protection &amp; Enforcement Budget Monitoring Summary

2018/19 Actuals £'000	Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>PLACE DEPARTMENT</b>							
	<b>Public Protection</b>							
128	Community Safety	155	164	253	89	1	52	0
95	Emergency Planning	154	155	133	Cr 22	2	Cr 26	0
534	Mortuary & Coroners Service	566	526	670	144	3	23	0
1,480	Public Protection	1,572	1,670	1,676	6	4	Cr 64	0
<b>2,237</b>	<b>TOTAL CONTROLLABLE</b>	<b>2,447</b>	<b>2,515</b>	<b>2,732</b>	<b>217</b>		<b>Cr 15</b>	<b>0</b>
281	<b>TOTAL NON CONTROLLABLE</b>	13	318	318	0		0	0
492	<b>TOTAL EXCLUDED RECHARGES</b>	871	941	941	0		0	0
<b>3,010</b>	<b>PORTFOLIO TOTAL</b>	<b>3,331</b>	<b>3,774</b>	<b>3,991</b>	<b>217</b>		<b>Cr 15</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

## Original Budget 2019/20

3,331

## Carry Forward Requests approved from 2018/19

Asset Recovery Incentivisation Scheme - Income	Cr	48
Asset Recovery Incentivisation Scheme - Expenditure		48
Additional ECS resources - delay in recruitment		163
Additional ECS resources - delay in recruitment - unrequired element returned to central contingency	Cr	115

## Other

Transfer of post from Chief Executive		20
Cross portfolio movement relating to Review of Staffing	Cr	3
Mortuary Contract element returned to Contingency	Cr	40
Post moved from Street Regulation to PPE (Nuisance and Environmental Protection)		13
Additional MOPAC Grant awarded 19/20	Cr	50
Additional MOPAC Grant recharged to Children's Services		50
Budget to purchase Noise Meters vired from ECS		21
Merit Award Budget Allocation		9

## Memorandum Items

Capital Charges 5802	Cr	6
Deferred Charges (REFCUS) 5804		
Impairment 5806		
Incorrectly shown as Capital Charges 5809 (Finance Lease Interest)		
Gove Grants Deferred Sub 5807		
Insurance	Cr	2
Rent Income (property)		
Rent Income		
Repairs & Maintenance (Premises)		
Repairs & Maintenance		
IAS19 (FRS17) sub 0206		315
Excluded Recharges		70
IAS 19 Past Service Costs FRS17 0219 All	Cr	2
IAS 19 Past Service Costs FRS17		
Employers Pension Contributions 0220		

## Latest Approved Budget for 2019/20

3,774



## **REASONS FOR VARIATIONS**

### **1. Community Safety Dr £89k**

Other Hired and Contracted Services have overspent by £50k this financial year due to the Authority's requirement to fund 3 domestic homicide reviews. The division has commissioned professional services to investigate and provide a Coordinated Community Response for each of the 3 cases.

Line of Business Software has overspent by £38k following the purchase of collaboration software (ECINS). This will allow the team to access a national database to assist with multi-agency offender management and improve the effectiveness of service delivery.

There are also a number of small variations, including staffing, which result in a further £1k of overspend.

### **2. Emergency Planning Cr £22k**

There is a £22k underspend relating to staffing due to a 'one off' budget allocation not being utilised this financial year.

### **3. Mortuary & Coroners Service Dr £144k**

The Coroners service has overspent by £192k this financial year due to the Council's liabilities owing to the South London Coroners Consortium in relation to the Croydon tram crash inquest and an additional judicial review (Rizvi inquest). This has been partially offset by a £48k underspend within the mortuary service. The Council has benefited from the PRUH's extension of the previous contract whilst the new contract was being concluded in October 2019. The rates under the old contract were significantly lower which has resulted in a 6 month budget saving.

### **4. Public Protection Dr £6k**

There is a £110k underspend relating to staffing across the service which underwent a restructure in September 2019 with posts held vacant to facilitate this process. Posts have now been filled and the underspends utilised across the division.

Within CCTV work was undertaken in January to review all infrastructure assets which identified faulty cameras beyond their useful life. 23 cameras have been upgraded and a dedicated camera was procured and installed to tackle fly-tipping and to address the need for the Council to have strong prosecution evidence. Total spend was £175k which included a full DPIA review of the CCTV operation to ensure that the Council remains compliant with GDPR. The cost of this was partially met by an underspend of £73k within the Dog Warden and Kennelling budget, in part relating to a legal provision for possible arbitration costs in relation to the contract.

Within Housing Enforcement a new Houses in Multiple Occupation (HMO) Investigation software package has been purchased through Metastreet which cost £45k. This is to identify any unregistered HMO's in the Borough and also manage the processing of licences, which is expected to increase income in the future.

Income streams across the division have overachieved due to the following: Houses in Multiple Occupation (HMO) license income has overachieved budget by £32k, Environmental Health and Trading Standards income has overachieved by £59k and £16k of income has been achieved through the food safety re-rating scheme.

Idox support services have been procured this financial year which has cost £50k. The Division no longer receives internal IT support for its line of business system, Uniform. This has resulted in the procurement of support directly from the manufacturer Idox to ensure that this business critical resource is maintained and development of its functionality continues.

Within Trading Standards the requirement of expert advice in relation to the Argus Investigation has incurred costs of £40k, including legal fees. This has been partly offset through recoveries secured of £18k through other parties relating to this case.

Within the Licensing team the Victoria Forms software package has been procured at £45k. This is for new web based licensing forms and payment processing. The overachievement of income within Public Protection has offset this expenditure.

There are a number of other small variations across Public Protection including within supplies and services which equate to an overall £41k credit this financial year. This has partly offset some of the essential additional project expenditure that has been procured during 2019/20.

### **Summary of Variations within Public Protection**

Underspend on Staffing

**£'000**

Cr 110

Overachievement of Income	Cr 107
CCTV Projects	175
Reduction against Dog Kennelling Budget	Cr 73
HMO Investigation Software	45
Idox Support Software	50
Argus Investigation	22
Victoria Forms	45
Other variations	Cr 41
	<u>6</u>
	<u><u>6</u></u>

**Waiver of Financial Regulations:**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive the following waiver has been actioned:

1) £45k for a 6 months extension of the Coroners Post Mortem & Mortuary Services contract (April to September 2019), cumulative value £542k. The new contract is in place from 1st October 2019.

**Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

## Renewal, Recreation &amp; Housing Budget Monitoring Summary

2018/19 Actuals £'000	Division Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>PLACE DEPARTMENT</b>							
	<b>Planning</b>							
Cr 11	Building Control	88	88	Cr 19	Cr 107	1	Cr 42	0
Cr 127	Land Charges	Cr 125	Cr 123	Cr 135	Cr 12	2	0	0
1,577	Planning	1,707	1,673	1,231	Cr 442	3	Cr 62	0
<b>1,439</b>		<b>1,670</b>	<b>1,638</b>	<b>1,077</b>	<b>Cr 561</b>		<b>Cr 104</b>	<b>0</b>
	<b>Recreation</b>							
1,923	Culture	933	1,016	865	Cr 151	4	0	0
4,859	Libraries	4,921	4,940	4,853	Cr 87	5	0	0
132	Town Centre Management & Business Support	133	103	110	7	6	7	0
<b>6,914</b>		<b>5,987</b>	<b>6,059</b>	<b>5,828</b>	<b>Cr 231</b>		<b>7</b>	<b>0</b>
	<b>Housing</b>							
939	Supporting People	1,004	929	888	Cr 41	7	Cr 107	Cr 116
8,784	Housing Needs	9,059	8,838	8,870	32	8	22	143
0	Enabling Activities	Cr 1	Cr 1	0	1	9	0	0
Cr 1,149	Housing Benefits	Cr 1,913	Cr 1,913	Cr 1,981	Cr 68	10	0	0
188	Housing Improvement	209	213	179	Cr 34	11	0	0
<b>8,762</b>		<b>8,358</b>	<b>8,066</b>	<b>7,956</b>	<b>Cr 110</b>		<b>Cr 85</b>	<b>27</b>
<b>17,115</b>	<b>TOTAL CONTROLLABLE</b>	<b>16,015</b>	<b>15,763</b>	<b>14,861</b>	<b>Cr 902</b>		<b>Cr 182</b>	<b>27</b>
1,844	<b>TOTAL NON CONTROLLABLE</b>	Cr 274	12,732	12,732	0		Cr 1	0
5,655	<b>TOTAL EXCLUDED RECHARGES</b>	6,283	6,242	6,242	0		0	0
<b>24,614</b>	<b>PORTFOLIO TOTAL</b>	<b>22,024</b>	<b>34,737</b>	<b>33,835</b>	<b>Cr 902</b>		<b>Cr 183</b>	<b>27</b>

## Reconciliation of Latest Approved Budget

£'000

## Original budget 2019/20

22,024

## Carry Forward Requests approved from 2018/19

Planning Strategy & Projects - Custom Build Grant - Income	Cr	60
Planning Strategy & Projects - Custom Build Grant - Expenditure		60
Asset Recovery Incentivisation Scheme - Income	Cr	85
Asset Recovery Incentivisation Scheme - Expenditure		85
New Homes Bonus		118
Fire Safety Grant - Expenditure		43
Fire Safety Grant - Income	Cr	43
Implementing Welfare Reform Changes - Expenditure		55
Implementing Welfare Reform Changes - Income	Cr	55
Flexible Homeless Grant - Expenditure		41
Flexible Homeless Grant - Income	Cr	41
Homelessness Reduction Act - Expenditure		89
Homelessness Reduction Act - Income	Cr	89

## Central Contingency Adjustments

Savings - review of staffing	Cr	49
Housing Growth - variation to budget assumptions	Cr	331
Cross Portfolio movement relating to Review of Staffing	Cr	77

## Items requested in this cycle

Feasibility/Design- Beckenham Public Halls and Library		75
Feasibility/Design- Beckenham Public Halls and Library	Cr	75
Merit Award Budget Allocation		37

## Memorandum Items

Capital Charges		11,830
Insurance	Cr	6
Rent Income	Cr	1
Repairs & Maintenance		230
IAS19 (FRS17)		952
Excluded Recharges		10

## Latest Approved Budget for 2019/20

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**34,737**


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## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £117k**

The chargeable service currently has an income deficit of £198k. Subscriptions have overspent by £22k as the number of subscriptions has increased significantly. This is partly offset by a underspend within salaries of £76k arising from reduced hours / vacancies. The underspend is less than that previously anticipated due to secondment costs relating to Bexley staff exceeding that previously factored in. To address the income deficit, a price increase has been implemented in the last quarter of 2019/20, as fees are currently deemed low compared to other authorities. In accordance with Building Account Regulations, the net deficit of £144k has been drawn down from the earmarked reserve for the Building Control Charging Account. The net balance of the earmarked reserve has reduced from Cr £192k to Cr £48k.

Within the non-chargeable service there is an underspend of £79k within staffing relating to part year vacancies. Other small variations within supplies and services result in a further £28k underspend.

### **2. Local Land Charges Cr £12k**

Staffing has underspent by £27k this financial year. This is offset by a shortfall of £23k relating to Land Charge search fees where income has been dropping steadily throughout the year. There are other small variations within supplies and services totalling £8k

### **3. Planning Cr £442k**

There is a £313k underspend on staffing due to part year vacancies. The underspend has increased from quarter 3 due to a number of posts remaining vacant longer than originally forecast. A temporary ICT officer will be recruited to oversee the implementation of the new IT projects within planning. This post will be appointed to in 2020/21 at a cost of £65k and a carry forward from the 2019/20 underspends has been requested in order to fund this requirement.

Income from planning applications has overachieved by £74k. The London Plan came into effect in early 2020 and new housing targets increased. It was thought that developers were delaying applications in order to increase their chances for approval against the raised targets. It is still too early to confirm if this is the case and COVID-19 measures have affected planning application levels for the foreseeable future. However there were a number of significant application fees received in the final quarter which has resulted in income exceeding budget.

Cost awards on major appeals has resulted in a £40k overspend resulting from a number of new appeals originating in 2019/20. This has been contained to some extent by previous cost awards which have been settled below estimations.

IT project costs of £41k were forecast in order to enable mobile work through the IDOX system. As part of the project, ipads were purchased during March but software and IT implementation have not yet taken place. A carry forward request of £22k has been submitted to utilise budget underspends to complete this project. Implementation of Plan X, a self-service digital planning guide, was due to commence in March 2020 at a cost of £40k; however due to the COVID-19 restrictions this project did not commence. A carry forward of £40k has been requested in order to fully fund the project. This can be met from underspends within the service.

Community Infrastructure Levy (CIL) income has exceeded budget by £101k this financial year. This is mainly due to income secured from 2 schemes of significant value within the last quarter.

There are a number of other variations within supplies and services which across the Planning Service result in a further £13k underspend this financial year

<b>Summary of variations within Planning:</b>		<b>£'000</b>
Underspend on Staffing	Cr	313
Surplus income from planning applications	Cr	74
Surplus CIL income	Cr	101
IT project costs		19
Cost on major appeal		40
Other small variations	Cr	13
<b>Total variation for Planning</b>	<b>Cr</b>	<b>442</b>

### **4. Culture Cr£151k**

Within Regeneration, the feasibility study work for Beckenham Public Halls and Library was not completed this financial year resulting in a £44k underspend, and the shop front improvement works for Penge High street also have outstanding works still to procure and complete. This resulted in a £73k underspend. Both these items are included in a carry forward request to allow the work to continue in 2020/21. There have been other small variations within the Culture division, including the overachievement of film rights income, that has resulted in a further £34k underspend.

### **5. Libraries Cr87k**

Library service payments were £70k less than budgeted due to a price decrease effective from November in line with the contract with GLL, and pension top up contributions were also less than anticipated. Business rates returned £33k below budget this financial year. However, utility costs, mainly electricity, exceeded budget by £20k. There were a number of other small variations resulting in a further £4k underspend across the library service.

### **6. Town Centre Management & Business Support Dr £7k**

At outturn there was a £7k overspend as the Local Data annual subscription exceeding budget.

## **7. Supporting People Cr £41k**

There is an underspend of £41k in the Supporting People budget as a result of contract negotiation savings.

## **8. Housing Needs Dr £32k**

There is a final overspend of £229k in Temporary Accommodation budgets. This is mainly due to the number of clients going into temporary accommodation together with an increase in the provision for bad debts for rent account income that will not be collected.

At the start of the year the number of households in Nightly Paid Accommodation was 907, at an average cost of around £6,500 per property per annum. As at the end of the year, the number was 906, however this is mainly a result of the increase of 93 in More Homes Bromley properties rather than a stabilisation of homeless households.

These figures exclude other schemes like More Homes Bromley, Orchard & Shipman Private Sector Leasing, ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these are included there were 1,589 households in Temporary Accommodation at the end of the year, compared to 1,552 at the start of the year.

By necessity there has been an increased use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the Housing Benefit subsidy is capped at the January 2011 Local Housing Allowance (LHA) rates, thus often making these placements more costly than those in London, especially when moving and furniture costs are factored in.

Offsetting the increased costs of Temporary Accommodation area is an underspend on homelessness prevention work of £107k.

The Travellers budget is overspent by £99k and this is due to one of the sites experiencing high use of utilities and maintenance costs £105k due to the site not having meters, and loss of income £23k due to particular residents rent arrears. This is partly offset by an underspend of £13k on staffing due to staff vacancies earlier in the year and an underspend of £16k on supplies and services budget.

Choice Based Letting budget was underspend by £19k. This is as result of a reduction of income relating to the Choice Based Letting advertising (£22k) due to reduced numbers of properties becoming available for letting from Housing Associations, offset by an underspend of £41k on supplies and services.

## **9. Enabling Activities Dr £1k**

The remaining mortgage balances have now been cleared so the budgeted interest income was not achieved.

## **10. Housing Benefits Cr £68k**

Housing Benefit Subsidy income was £180k less than budgeted, mainly due to a reduction in subsidy income on HB Overpayments. This was offset by an underspend of £248k on the bad debt provision budget, following an end year review of the HB Overpayments debts.

## **11. Housing Improvements Cr £34k**

This is mainly due to the overachievement of Renovation Grant agency fees

<b>Summary of variations within Operational Housing:</b>		<b>£'000</b>
Temporary Accommodation		229
Staffing	Cr	95
Other running costs	Cr	183
Travellers Sites		99
Choice Based Letting	Cr	19
Supporting People	Cr	41
Housing Benefits	Cr	68
Housing Improvements	Cr	34
Enabling Activities		1
Other Variations		1
<b>Total variation for Operational Housing</b>	<b>Cr</b>	<b>110</b>

## **Waiver of Financial Regulations:**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive the following waiver has been actioned:

1) £308k for a 3 year contract for the Document Management System and Uniform management software with Idox, via the Data and Applications Solutions framework.

## **Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, one virement has been agreed by the Portfolio Holder for £75k for feasibility and concept design work for Beckenham Halls and Library funded from one-off underspends in Supporting People.

## Resources, Commissioning &amp; Contracts Management Portfolio Budget Monitoring Summary

2018/19 Actuals £'000		2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>CHIEF EXECUTIVE'S DEPARTMENT</b>							
	<b>FINANCIAL SERVICES DIVISION</b>							
224	Director of Finance & Other	236	237	242	5		0	0
8,329	Exchequer - Revenue & Benefits and Payments & Income	8,768	8,393	8,517	124	1 Cr	157	0
407	Financial Accounting	536	538	393	Cr 145	2	Cr 33	0
1,528	Management Accounting	1,633	1,557	1,359	Cr 198	3	Cr 187	0
642	Audit	678	734	734	0		Cr 5	0
<b>11,130</b>	<b>Total Financial Services Division</b>	<b>11,851</b>	<b>11,459</b>	<b>11,245</b>	<b>Cr 214</b>		<b>Cr 382</b>	<b>0</b>
	<b>CORPORATE SERVICES DIVISION</b>							
4,809	Information Systems & Telephony	5,410	5,760	5,407	Cr 353	4	Cr 360	0
	<b>Legal Services &amp; Democracy</b>							
933	Electoral	363	365	381	16	5	0	0
1,406	Democratic Services	1,447	1,450	1,359	Cr 91	6	Cr 68	0
2,054	Legal Services	1,889	1,937	2,326	389	7	309	0
127	Management and Other (Corporate Services)	133	141	157	16	8	18	0
	<b>Procurement &amp; Data Management</b>							
568	Procurement & Data Management	477	518	494	Cr 24	9	Cr 25	0
<b>9,897</b>	<b>Total Corporate Services Division</b>	<b>9,719</b>	<b>10,171</b>	<b>10,124</b>	<b>Cr 47</b>		<b>Cr 126</b>	<b>0</b>
	<b>HR AND CUSTOMER SERVICE DIVISION</b>							
1,836	Human Resources	1,904	1,873	1,839	Cr 34	10	Cr 9	0
	<b>Customer Services</b>							
1,024	Customer Service Centre	1,006	1,008	981	Cr 27	11	0	0
Cr 57	Registration of Births, Deaths & Marriages	Cr 106	Cr 103	Cr 192	Cr 89	12	Cr 54	0
<b>2,803</b>	<b>Total HR &amp; Customer Services Division</b>	<b>2,804</b>	<b>2,778</b>	<b>2,628</b>	<b>Cr 150</b>		<b>Cr 63</b>	<b>0</b>
	<b>COMMISSIONING</b>							
529	Commissioning	479	281	267	Cr 14	13	Cr 14	0
<b>529</b>	<b>Total Commissioning</b>	<b>479</b>	<b>281</b>	<b>267</b>	<b>Cr 14</b>		<b>Cr 14</b>	<b>0</b>
	<b>CHIEF EXECUTIVE'S DIVISION</b>							
129	Comms	196	197	194	Cr 3		1	0
657	Management and Other (C. Exec)	663	774	755	Cr 19	14	Cr 23	0
141	Mayoral	158	163	144	Cr 19	15	Cr 5	0
<b>927</b>	<b>Total Chief Executive's Division</b>	<b>1,017</b>	<b>1,134</b>	<b>1,093</b>	<b>Cr 41</b>		<b>Cr 27</b>	<b>0</b>
	<b>CENTRAL ITEMS</b>							
3,461	CDC & Non Distributed Costs (Past Deficit etc.)	3,986	3,986	3,081	Cr 905	16	Cr 380	0
11,374	Concessionary Fares	11,409	11,409	11,319	Cr 90	17	0	0
<b>40,121</b>	<b>TOTAL CONTROLLABLE CE DEPT</b>	<b>41,265</b>	<b>41,218</b>	<b>39,757</b>	<b>Cr 1,461</b>		<b>Cr 992</b>	<b>0</b>
Cr 636	<b>TOTAL NON CONTROLLABLE</b>	2,679	5,720	5,720	0		0	0
Cr 16,373	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 17,909	Cr 18,556	Cr 18,556	0		0	0
<b>23,112</b>	<b>TOTAL CE DEPARTMENT</b>	<b>26,035</b>	<b>28,382</b>	<b>26,921</b>	<b>Cr 1,461</b>		<b>Cr 992</b>	<b>0</b>
	<b>ENVIRONMENT &amp; COMMUNITY SERVICES DEPARTMENT</b>							
	<b>Total Facilities Management</b>							
2,247	Admin Buildings & Facilities Support	2,424	2,433	2,433	0		Cr 33	0
604	Investment & Non-Operational Property	217	167	373	206	18	60	0
1,091	Strategic & Operational Property Services	1,137	1,146	1,101	Cr 45	19	1	0
458	TFM Client Monitoring Team	400	400	358	Cr 42	20	Cr 65	0
Cr 658	Other Rental Income - Other Portfolios	Cr 1,538	Cr 1,468	Cr 1,522	Cr 54	21	Cr 45	0
2,094	Repairs & Maintenance (All LBB)	2,135	2,135	1,905	Cr 230	22	0	0
<b>5,836</b>	<b>TOTAL CONTROLLABLE ECS DEPT</b>	<b>4,775</b>	<b>4,813</b>	<b>4,648</b>	<b>Cr 165</b>		<b>Cr 82</b>	<b>0</b>
1,385	<b>TOTAL NON CONTROLLABLE</b>	379	10,206	10,206	0		0	0
Cr 3,816	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 3,435	Cr 3,869	Cr 3,869	0		0	0
Cr 1,552	<b>Less: R&amp;M allocated across other Portfolios</b>	Cr 1,533	Cr 1,214	Cr 1,214	0		0	0
658	<b>Less: Rent allocated across other Portfolios</b>	1,538	1,522	1,522	0		45	0
<b>2,511</b>	<b>TOTAL ECS DEPARTMENT</b>	<b>1,724</b>	<b>11,458</b>	<b>11,293</b>	<b>Cr 165</b>		<b>Cr 37</b>	<b>0</b>
<b>25,623</b>	<b>TOTAL RESOURCES PORTFOLIO</b>	<b>27,759</b>	<b>39,840</b>	<b>38,214</b>	<b>Cr 1,626</b>		<b>Cr 1,029</b>	<b>0</b>

<b>Reconciliation of Latest Approved Budget</b>		<b>£'000</b>
<b>Original budget 2019/20</b>		<b>27,759</b>
<b>Carry Forward Requests approved from 2018/19</b>		
Audit - Blue Badge Investigations		54
IS&T GDPR		311
Merit Awards		24
HR Info System - GDPR		20
Rev & Bens retendering of contract		91
Upgrade of Academy System		98
<b>Central Contingency Adjustments</b>		
Inflation adjustment		52
Savings / Review of Staffing	Cr	284
Rev & Bens retendering of contract no longer required	Cr	91
Inflation adjustment no longer required	Cr	37
Drawdown of Staff Merit Awards		54
Drawdown of Legal costs from Central Contingency		28
Brexit preparation Income	Cr	210
Brexit preparation Expenditure		210
Brexit Lead Income	Cr	105
Brexit Lead expenditure		105
Additional in year grant funding returned to central contingency	Cr	474
<b>Other Budget Movements</b>		
Business Support posts transferred from People department		59
Policy & Projects posts transferred from People department		112
Post transferred to PPE	Cr	20
Expenditure savings contributing to investment income savings target	Cr	26
<b>Latest Approved Budget for 2019/20</b>		<b><u>27,730</u></b>
<b>Memorandum Items</b>		
Insurance	Cr	20
Finance Lease		197
IAS19		779
Past Service Cost		3,865
Employer Pension Contributions	Cr	2,738
Capital Charges	Cr	267
Deferred Charges (REFCUS)		863
Impairment		470
Financing & Impairment Gain	Cr	3,087
Financing & Impairment Loss		12,806
Excluded Recharges	Cr	1,131
R&M allocated to other portfolios		319
Rent allocated to other portfolios		54
		<b><u>39,840</u></b>

## **REASONS FOR VARIATIONS**

### **FINANCIAL SERVICES DIVISION**

#### **1. Exchequer – Revenue & Benefits and Payments & Income Dr £124k**

There was an overspend across the Exchequer services as a whole totalling £124k. This included an underspend against staffing of £92k due to posts having been vacant for much of the year. One of these posts has now been filled and it is expected those remaining vacant will be filled early in the new financial year.

There is an underspend against budget of £45k against the Exchequer contract for the year, however the new contract comes into force in 202/21 and budgets have been re-aligned accordingly. There was a further £44k of variations across various elements of the supplies and services budgets. A provision for bad debt of £305k was made at year end to take into account the potential financial impact of COVID-19 across the service.

#### **2. Financial Accounting Cr £145k**

There is an underspend of £145k within Financial Accounting due to staffing vacancies totalling £74k following a number of part year vacancies, reduced levels of bank charges totalling £35k and the release of prior year provisions of £25k. There were further minor underspends of £11k in general running expenses.

#### **3. Management Accounting Cr £198k**

Staffing costs were £178k below budget due to part year vacancies across the various teams within this area. A number of appointments were made in Q3 and Q4, including a new Head of Finance who started in November following a short gap in this post being held. There were further minor underspends across the service totalling £20k.

### **CORPORATE SERVICES DIVISION**

#### **4. Information Systems and Telephony Cr £353k**

There is an underspend of £353k for the year within the Information Systems team, of which £124k is due to lower levels of usage against budget on the core contract, offset in part by £18k of overspend on staffing. However, it is anticipated that the usage on the core contract will increase significantly in the first quarter of 2020/21 due to the impact of COVID-19 and the requirement of significant numbers of staff to work from home generating an increase in the requests for support from BT. It is requested that underspend of £231k is carried forward to 20/21 to help fund this.

There is also an underspend of £110k relating to the recruiting of the GDPR fixed term posts as finding the right expertise in a demanding market proved challenging. One of the posts has been offered to a successful graduate intern on a 1 year fixed term contract. As the nature of the work progresses we have evolving requirements in the skills set needed to mature the project, therefore £90k of this is requested to be carried forward into 2020/21 in order to fund the full period of the posts. There is a £135k underspend against system development costs also related to GDPR of which a further £42k is requested as a carry forward into the next financial year as the outstanding system is now procured and in the implementation phase.

There are minor variations totalling £2k across the service.

<b>Summary of variations</b>	<b>£'000</b>
Core Contract Usage	Cr 124
Staffing	18
GDPR Posts	Cr 110
GDPR Systems	Cr 135
Minor Variations	Cr 2
<b>Total variation</b>	<b><u>Cr 353</u></b>

#### **5. Electoral Services Dr £16k**

There were two unscheduled elections held at short notice during the year. Whilst the cost of running the election is externally funded, the Council funds electoral registration and associated costs directly. The late notice and ambiguity around the European elections meant that additional information had to be provided to European residents in the Borough which incurred additional printing and postage costs.

The general election called at short notice, and the increased voter registration, postal vote and proxy requests, meant that additional staffing was needed to ensure the Electoral Registration Officer was able to comply with his statutory duties. After reconciliation the overspend was £16k. The electoral services budget usually performs close to budget.

#### **6. Democratic Services Cr £91k**

The net underspend across Democratic Services totalled £91k. This is partly as a result of staffing costs that were £39k below budget due to part year vacancies. In addition to this, Members' allowances were £46k less than budget and there were further underspends across various supplies and services of £6k.



## **7. Legal Services Dr £389k**

Legal Services have an overall overspend of £389k. Of this £294k relates to Counsel fees and court costs. Children's Services accounts for £226k with the number of cases again exceeding the average annual expectation. The remainder is due to property and commercial cases, and planning cases relating to the Local Plan.

There is also an overspend on staffing of £85k due to additional resource brought in to cover key projects and work pressures, plus other costs relating to historic staffing/salary adjustments which became payable during the year.

During the course of the year the legal team secured a refund from government of £388,322 in respect of a claim which all authorities settled following group litigation by personal search companies. As this relates to the impact on the Council in previous financial years, this is reported as a prior year adjustment. The LGA represented it's members but as Bromley is not a member of the LGA, we needed to conduct our own litigation. The majority of the work was carried out by in-house lawyers, however we used a senior QC for some parts of the case and external costs were incurred of £15,413 which were covered from legal budgets prior to 2019/20.

The Government settlement included a provision for legal costs including Counsel's fees and a contribution of £23,903 to in-house legal costs. It is rare for legal costs on major litigation to be recovered in the year in which they are incurred but if it were possible to offset the historic spend of litigation against money received in this financial year it would reduce the overspend by £39,316.

There were further minor variances totalling £10k across the service.

## **8. Management and Other (Corporate Services) Dr £16k**

There is an anticipated overspend of £16k on various budgets for the year.

## **9. Procurement & Data Management Cr £24k**

There has been an underspend of £24k for the year with £22k within staffing due to some staff working reduced hours, and £2k of other minor variations against the supplies and services budget.

## **HR AND CUSTOMER SERVICE DIVISION**

### **10. Human Resources Cr £34k**

In early 2019/20, Members approved (May'19 Exec) a carry forward request for £24k forward to support building a Dream Organisation and to allow further potential improvements works on the Well Bar to be carried out. The work has now been completed with the Well Bar transformed into a modernised workspace, 'The Lounge', which offers facilities for staff to work in smarter and fresh surroundings.

A new web recruitment system was put in place from January 2019 which allowed greater functionality; contracts and schedules are now generated online. Additional income of £8k has been generated from job advertisement requests on the Bromley Website over the course of it's first full year.

There is £21k underspend in relation to Central and Corporate training. This is due to a few training and development programmes that were anticipated to be delivered in March 2020 being delayed by the Covid-19 situation. These included Culture Change Training - Phase 2, and Corporate ISD training and will be rescheduled as soon as feasible. It is requested that £21k to be carried forward in order to complete this training in the next financial year.

There is a further £4k underspend due to the Occupational Health Contract costing less than budgeted, due to reduced head count in the year. This is reviewed periodically. There were other minor variations in spend of £1k.

<b>Summary of variations</b>	<b>£'000</b>
Advertisement Income	Cr 8
Central and Corporate Training	Cr 21
Occupational Health Contract	Cr 4
Minor Variations	Cr 1
<b>Total Variation</b>	<b><u>Cr 34</u></b>

### **11. Customer Service Centre Cr £27k**

Software costs totalled £21k less than budget, this is being addressed as part of the budgeting for the new Exchequer contract. The final repayment due back to the Invest to Save scheme was £15k less than budget at year end.

There were other minor variations across the service totalling £9k.

### **12. Registration of Births, Deaths & Marriages Cr £89k**

Additional staffing costs of £27k, including casual and temporary staff employed throughout the year, were more than offset by an increased income of £100k achieved as a result of ongoing promotional and marketing activities. However, it should be noted that due to the impact of Covid-19 it is likely that registrar income will be adversely affected in new financial year. This will be monitored and details will follow in next quarterly monitoring report.

There were further minor variations of £16k.

## **COMMISSIONING**

### **13. Commissioning Cr £14k**

There is a net £14k underspend in Commissioning due to staffing underspends and other minor variations.

## CHIEF EXECUTIVE'S DIVISION

### **14. Management and Other (C. Exec) Cr 19k**

There is an underspend of £13k due to the London Councils Joint Committee subscription cost for 2019/20 being less than budgeted, plus a further £8k reduction in staffing costs relating to a part-year vacancy which has now been filled.

A further £3k underspend related to the Long Service Award which rewards employees who have reached 25 years of service. This is offset against a minor overspend of £5k in relation to Corporate Publications and Newsletters, including Council Tax Insert Leaflets.

Summary of variations	£'000
London Councils Joint Committee	Cr 13
Staffing	Cr 8
Long Service Award	Cr 3
Minor Variation	5
<b>Total variation</b>	<b>Cr 19</b>

### **15. Mayoral Cr 19k**

There is a net underspend of £19k in Mayoral Services, of which the majority relates to a £13k underspend on staffing. This was caused by a part-year vacancy which has now been filled, and lower use of casual staff throughout the year. A further £5k underspend related to Civic and Official Hospitality plus £1k minor variations across the service.

## CENTRAL ITEMS

### **16. CDC & Non Distributed Costs (Past Deficit etc.) Cr £905k**

This mainly relates to the number and cost of ill-health retirements and costs arising from the early release of pension on redundancy being lower than expected.

### **17. Concessionary Fares Cr £90k**

The outturn for the year for Concessionary Fares expenditure is a £90k underspend against budget. £77k of this relates to the annual invoicing being lower than initially anticipated. There was a further £13k of underspend against supplies and services.

## ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT

### TOTAL FACILITIES MANAGEMENT DIVISION

### **18. Investment & Non-Operational Property (expenditure) Dr £206k**

The outturn for Investment & Non-Operational Property shows an overspend of £206k. The vast majority of this overspend is due to a bad debt provision of £165k made in light of the uncertainty caused by the COVID-19 situation and the impact this could have on the Council's tenants' ability to pay rental amounts due. Other increased costs result from additional Business Rates of £49k payable on vacant premises, plus £7k due to utilities on vacant properties, including the High Street and Market Square. There are further minor variations totalling £15k relating to other supplies and services budgets.

### **19. Strategic & Operational Property Services Cr £45k**

The Strategic and Operational Properties were underspent by £45k for the year. There were significant levels of Repairs and Maintenance carried out over the year which was included in the amounts to be recharged and invoiced resulting in £61k of additional income. However a credit loss adjustment of £75k has been included this year due to a significant level income that remained unpaid at the year end. There were further reduced premises costs of £4k.

There were further underspends of £60k against the third party payments budget for the year and £5k underachievement of income.

### **20. TFM Client Monitoring Team Cr £42k**

There was an underspend of £42k for the TFM monitoring team, of which £20k is due to reduced staffing costs following a part year vacancy which has now been filled, plus other minor variations. There has also been £24k of energy rebates received and £2k of overspends across various supplies and services.

### **21. Other Rental Income - Other Portfolios Cr £54k**

There was an overall increase in income against budget of £54k. This is made up of £35k in income across Parks properties, including the transmitter at Crystal Palace Park, an increase in rent of £13k at the Bromley Youth Music Trust following a rent review, plus minor increases in other rental income of £6k.

## **22. Repairs & Maintenance (All LBB) - Cr £230k**

Within the Repairs & Maintenance budget there is an underspend of £230k at year end. In February 2019, Executive approved a report in relation to the overall expenditure of £2.135m for the 2019/20 Building Maintenance budget, of which £496k related to Planned Maintenance. A total of 13 planned project works were undertaken of which 8 had been fully completed. There are 5 remaining planned project works at total cost of £160k which were not completed in 2019/20 due to project delays and unforeseen circumstances.

There are other essential repairs and maintenance works at total cost of £70k which were originally anticipated for completion in 2019/20, but were not undertaken due to uncertainties followed by the implications of the Covid-19 crisis on construction works. These essential works include an HV works back-up generator to support the UPS (uninterruptable power supply) which requires a shut down of the LBB Data Centre, Electrical Remedial Works at Central Depot following the 5 year electrical testing and power outages, new pumps to provide hot water to the training pool at West Wickham Leisure Centre, and other survey works.

It is requested that £230k be carried forward in order to complete the outstanding 2019/20 planned programme projects and other essential repairs and maintenance work.

### **Waiver of Financial Regulations:**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive the following waivers have been actioned:

- 1) Award of contract to Proactis for the provision of an e-procurement system for three years from 01 March 2020 to 28 February 2023. Taking into account the contract that finished at the end of February 2020 the total value over the period from 01 March 2016 to 28 Feb 2023 is expected to be £55.6k.
- 2) Variation of contract with Mishcon De Reya to increase agreed amount for costs by £33k up to £50k in relation to LBB's legal claim against the Royal Mail. This is a variation to the contract amount due to an existing legal claim against the Royal Mail; the courts have issued a cost order and although LBB has insurance to protect against this claim the policy will not make payment until the case is concluded.
- 3) To renew the rolling annual support contract with Netcall for voice recognition software for up to a further five years until 31 March 2025, or as required and provided the service continues to be necessary, ongoing and appropriate. This is by direct award via exemption to competitive tendering. The contract was novated to Liberata in 2014, when responsibility for Customer Services was added to the Council's Exchequer Contract, which expired on 31 March 2020. The value of the contract is £17.5k per annum and £87.5k over the five year period.
- 4) Authority to make use of the LBLA Framework, the framework commenced on 1 January 2020 and ends after a term of 3 years with the option to extend for a further 12 months. The estimated cumulative spend of individual call off contracts is up to £300k p.a., or an estimated £1.2m over the entire life of the contract. The framework appointed a panel of approved chambers and approved barristers who undertake work on the basis of agreed framework rates. Kennedy Cater Ltd manage the framework and monitor invoices and spend with chambers by each authority on the panel.
- 5) Direct award of contract, from the Health Trust Europe Framework, to Specialist Computer Centres for delivery of the FortiSIEM system for a three year period commencing February 2020 at an estimated whole life value of £149k.
- 6) To approve the procurement of circuit provision for PSN/ HSCN/Telephony/Inter Borough secure connectivity with LGfL through the TRUSTnet agreement for a three year period. The contract value is £41k per annum totalling £123k over the three year period.
- 7) To approve the award of a contract via exemption from competitive tendering to Montagu Evans to undertake statutory asset valuations with immediate effect, at a value of £86k as the Council's existing supplier have struggled to deliver an adequate service in this respect for the 2018/19 Financial Year and are not able to meet the 31 March 2020 deadline as have not yet commenced works to this target.

### **Virements Approved to date under Director's Delegated Powers**

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. There have been no virements actioned since the last report to Executive.

## Allocation of Contingency Provision for 2019/20

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision	Provisional request to carry forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year		
	£	£	£	£	£	£	£
<b>General</b>							
Provision for Unallocated Inflation	3,396,000	84,200			84,200	(1) (2) Cr	3,311,800
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,825,000				0	Cr	1,825,000
General Provision for Risk/Uncertainty	2,431,000				0	Cr	2,431,000
Provision for Risk/Uncertainty Relating to Volume & Cost Pressures	2,182,000				0	Cr	2,182,000
Impact of Chancellor's Summer Budget 2015 on Future Costs	1,158,000			0	0	Cr	1,158,000
Growth for Waste Services	587,000				0	Cr	587,000
Universal Credit roll out - Claimant Fault Overpayment Recoveries	750,000				0	Cr	750,000
Further Reduction to Government Funding	389,000			0	0	Cr	389,000
Retained Welfare Fund	450,000			0	0	Cr	450,000
Deprivation of Liberty	118,000				0	Cr	118,000
Other Variations	109,000	67,000	53,000		120,000	(2)	11,000
Savings to be allocated - review of staffing	Cr 600,000	Cr 801,000		0	Cr 801,000	(1) (2) Cr	201,000
Continuation of London Business Rate Pool	Cr 2,200,000		Cr 2,200,000	0	Cr 2,200,000		0
Planning Appeals - change in legislation	60,000				0	Cr	60,000
National Living Wage	0	Cr 567,000		0	Cr 567,000	(1)	Cr 567,000
Housing Growth - variation to budget assumptions	0	Cr 331,000		0	Cr 331,000	(1)	Cr 331,000
Mortuary Contract - variation to budget assumptions	0	Cr 40,000		0	Cr 40,000	(1)	Cr 40,000
Staff Merit Awards	0	200,000		0	200,000	(1)	200,000
North Lodge	0	79,000		0	79,000	(3)	79,000
Contribution to the Housing feasibility/viability reserve	0	250,000		0	250,000	(3)	250,000
Additional in year grant funding returned to central contingency	0	0	Cr 473,910	0	Cr 473,910		Cr 473,910
	<b>10,655,000</b>	<b>Cr 1,058,800</b>	<b>Cr 2,620,910</b>	<b>0</b>	<b>Cr 3,679,710</b>		<b>Cr 14,334,710</b>
<b>Grants included within Central Contingency Sum</b>							
Adult Social Care							
Grant Related Expenditure	500,000	500,000			500,000	(3)	0
Better Care Fund							
Expenditure		658,830			658,830	(1)	658,830
Income		Cr 658,830			Cr 658,830	(1)	Cr 658,830
Brexit Preparation							
Grant Related Expenditure	210,000		210,000		210,000		0
Grant Related Income	Cr 210,000		Cr 210,000		Cr 210,000		0
Brexit Lead							
Grant Related Expenditure			104,984		104,984		104,984
Grant Related Income			Cr 104,984		Cr 104,984		Cr 104,984
Tackling Troubled Families							
Grant Related Expenditure	235,000	365,000		0	365,000	(3)	130,000
Grant related Income	Cr 235,000	Cr 365,000		0	Cr 365,000	(3)	Cr 130,000
Family Group Conferences							
Grant Related Expenditure		52,150	52,150	0	104,300	(3)	104,300
Grant related Income		Cr 52,150	Cr 52,150	0	Cr 104,300	(3)	Cr 104,300
MOPAC YOS health and Safety							
Grant Related Expenditure		20,000		0	20,000	(3)	20,000
Grant related Income		Cr 20,000		0	Cr 20,000	(3)	Cr 20,000
MOPAC additional funding							
Grant Related Expenditure		50,000		0	50,000	(3)	50,000
Grant related Income		Cr 50,000		0	Cr 50,000	(3)	Cr 50,000
<b>TOTAL CARRIED FORWARD</b>	<b>11,155,000</b>	<b>Cr 558,800</b>	<b>Cr 2,620,910</b>	<b>0</b>	<b>Cr 3,179,710</b>		<b>Cr 14,334,710</b>

## Notes:

- (1) Executive 10th July 2019
- (2) Executive 27th November 2019
- (3) Executive 1st April 2020

Allocation of Contingency Provision for 2019/20 (continued)

Item	Carried Forward from 2018/19	Allocations				Variation to Original Contingency Provision	Provisional request to carry forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year		
	£	£	£	£	£	£	£
<b>TOTAL BROUGHT FORWARD</b>	<b>11,155,000</b>	<b>Cr 558,800</b>	<b>Cr 2,620,910</b>	<b>0</b>	<b>Cr 3,179,710</b>	<b>Cr 14,334,710</b>	<b>0</b>
<b>Items Carried Forward from 2018/19</b>							
<b>Adult Care &amp; Health Portfolio</b>							
Social Care Funding via the CCG under S75 Agreements							
Improved Better Care Fund							
- Expenditure	3,967,290	3,967,290			3,967,290	(1)	0
- Income	Cr 3,967,290	Cr 3,967,290			Cr 3,967,290		0
Better Care Fund 2018/19							
- Expenditure	58,328	58,328			58,328	(1)	0
- Income	Cr 58,328	Cr 58,328			Cr 58,328		0
Public Health							
- Expenditure	1,779,069	1,779,069			1,779,069	(1)	0
- Income	Cr 1,779,069	Cr 1,779,069			Cr 1,779,069		0
<b>Public Protection &amp; Enforcement Portfolio</b>							
Asset Recovery Incentivisation Scheme (ARIS)							
- Expenditure	132,758	132,758			132,758	(2)	0
- Income	Cr 132,758	Cr 132,758			Cr 132,758		0
<b>Renewal, Recreation &amp; Housing Portfolio</b>							
Homelessness Reduction Grant							
- Expenditure	89,000	89,000			89,000	(3)	0
- Income	Cr 89,000	Cr 89,000			Cr 89,000		0
New Homes Bonus - Town Centre Development							
- Expenditure	23,472	23,472			23,472	(3)	0
- Income	Cr 23,472	Cr 23,472			Cr 23,472		0
New Homes Bonus - Regeneration							
- Expenditure	94,416	94,416			94,416	(3)	0
- Income	Cr 94,416	Cr 94,416			Cr 94,416		0
Planning Strategy & Projects - Custom Build Grant							
- Expenditure	60,000	60,000			60,000	(3)	0
- Income	Cr 60,000	Cr 60,000			Cr 60,000		0
Implementing Welfare Reform Changes							
- Expenditure	54,848	54,848			54,848	(3)	0
- Income	Cr 54,848	Cr 54,848			Cr 54,848		0
Flexible Homeless Grant							
- Expenditure	40,945	40,945			40,945	(3)	0
- Income	Cr 40,945	Cr 40,945			Cr 40,945		0
Fire Safety Grant							
- Expenditure	42,654	42,654			42,654	(3)	0
- Income	Cr 42,654	Cr 42,654			Cr 42,654		0
<b>Education, Children and Families Portfolio</b>							
Delivery Support Fund							
- Expenditure	26,774	26,774			26,774	(4)	0
- Income	Cr 26,774	Cr 26,774			Cr 26,774		0
SEND Reform Grant							
- Expenditure	55,405	55,405			55,405	(4)	0
- Income	Cr 55,405	Cr 55,405			Cr 55,405		0
Step up to Social Work Cohort 6							
- Expenditure	48,000	48,000			48,000	(4)	0
- Income	Cr 48,000	Cr 48,000			Cr 48,000		0
Pathfinder Grant							
- Expenditure	8,161	8,161			8,161	(4)	0
- Income	Cr 8,161	Cr 8,161			Cr 8,161		0
Early Years Grant							
- Expenditure	14,800	14,800			14,800	(4)	0
- Income	Cr 14,800	Cr 14,800			Cr 14,800		0
Reducing Parental Conflict							
- Expenditure	40,100	40,100			40,100	(4)	0
- Income	Cr 40,100	Cr 40,100			Cr 40,100		0
FGM Focussed Outreach Grant							
- Expenditure	10,135	10,135			10,135	(4)	0
- Income	Cr 10,135	Cr 10,135			Cr 10,135		0
Tackling Troubled Families							
- Expenditure	510,768	510,768			510,768	(4)	0
- Income	Cr 510,768	Cr 510,768			Cr 510,768		0
<b>General</b>							
Audit - Blue Badge Investigations	54,000	54,000			54,000	(5)	0
Biggin Hill Airport - Noise Action Plan	24,310	0			0	Cr 24,310	0
Information Systems & Telephony GDPR	311,000	311,000			311,000	(5)	0
HR Information System GDPR	20,000	20,000			20,000	(5)	0
Staff Merit Awards	24,257	24,257			24,257	(5)	0
Exchequer Revenue & Benefits - Exchequer Contract	91,000	0			0	(5) (7)	Cr 91,000
Exchequer Revenue & Benefits - Academy System Upgrade	98,000	98,000			98,000	(5)	0

Item	Carried Forward from 2018/19	Allocations				Total Allocations/Projected for Year		Variation to Original Contingency Provision	Provisional request to carry forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year					
	£	£	£	£	£			£	
Green Garden Waste - Debt Management System	120,000	120,000			120,000	(6)	£ 0		
Additional ECS Resources - Delay in Recruitment	163,120	48,120			48,120	(2) & (8)	Cr 115,000		
<b>Total Carried Forward from 2018/19</b>	<b>905,687</b>	<b>675,377</b>	<b>0</b>	<b>0</b>	<b>675,377</b>		<b>Cr 230,310</b>	<b>0</b>	
<b>GRAND TOTAL</b>	<b>12,060,687</b>	<b>116,577</b>	<b>Cr 2,620,910</b>	<b>0</b>	<b>Cr 2,504,333</b>		<b>Cr 14,565,020</b>	<b>0</b>	

**Notes:**

- (1) Adult, Health and Care PDS 27/6/19
- (2) Public Protection & Enforcement PDS 26/6/19
- (3) Renewal, Recreation & Housing PDS 2/7/19
- (4) Education, Children and Families PDS 9/7/19
- (5) Executive, Resources and Contracts PDS 8/7/19
- (6) Environment and Community services PDS 18/6/19
- (7) Executive 27/11/19
- (8) Executive 01/04/20

Description	2019/20 Final Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Housing Needs - Temporary Accommodation	8,838	32	The full year effect of Temporary Accommodation is currently estimated to be £143k in 2020/21. This estimate only takes into account the activity to the end of this financial year and not any projected growth in client numbers beyond that point, and has not been adjusted for any mitigation that is currently taking place within Housing to reduce the number of homelessness cases going into TA.
Supporting People	929	Cr 41	The full year effect of Supporting People is currently estimated to be a credit of £116k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Assessment and Care Management	21,709	2,202	The full year effect (FYE) of the final overspend is estimated at Dr £2,075k. Of this amount Dr £1,787k relates to residential and nursing home placements and Dr £1,820k to domiciliary care / direct payments. As mentioned in the budget monitoring notes, the savings in the budget relating to the Discharge to Assess service are not being realised, leading to a significant pressure on the budget. This is based on service user numbers as at March 2020. Day care costs have a FYE underspend of £550k, Discharge to Assess costs of £200k and National Living Wage of £318k. Underspends in other areas funded by the Better Care Fund Protection of Social Care element which can be used to offset overspends elsewhere amount to Cr £464k.
Learning Disabilities - including Care Placements, Transport and Care Management	35,582	538	The FYE is estimated at a net overspend of £1,713k. Anticipated 2019/20 growth and pressures from 2018/19 were both fully funded in the 2019/20 budget so this pressure is in excess of that. The largest contributory factor is new and increased care packages outpacing anticipated growth. The service is facing a number of pressures including increasing numbers of young people from children's services and more clients with highly complex needs. The position will continue to be closely scrutinised going forward into 2020/21, with management action taken to mitigate the pressures where possible. The FYE overspend has increased since the previous report largely as a result of both slippage in the delivery of anticipated cost reductions and a number of new and increased high cost packages agreed in the latter part of the year. While these have a relatively small financial impact in 2019/20 there is a far greater effect in a full year.
Mental Health - Care Placements	6,581	470	There is a full year overspend of £923k anticipated on Mental Health (MH) care packages which is a result of new and increased care packages exceeding clients moving on, either to independent living or less intensive care packages. Many of the Primary Support Reason (PSR) misclassifications referred to in the previous report have now been corrected although it is suspected a few still remain. However the majority of this full year pressure can now be attributed to correctly classified Mental Health clients. Clients with increasingly complex needs are increasing our reliance on expensive placements and there have been fewer care packages reducing or ending as clients move forward to independence.
Children's Social Care	37,314	1,217	The overall full year effect of the Children's Social Care overspend is a net £1,820k, analysed as Residential Care, Fostering and Adoption Dr £587k, Children with Disabilities direct payments £400k and staffing costs of £833k.
Legal Services - Legal / Counsel Fees and Court costs	356	294	The expected overspend on counsel fees and court costs in 2019/20 is due to the continuing trend of high volume in child care cases. Case numbers had reduced in recent years but 2019/20 saw a significant increase with 70 sets of care proceedings being issued. If cases continue at that level the budget for 2020/21 will be inadequate and unsustainable. Going forward specific funding bids may be made for major litigation or projects where internal resource will be insufficient. If volumes of child care cases reduce and there are good levels of staff retention that figure will start to reduce in 2020/21. However unlike most of London, which is seeing a decrease in cases, case numbers in Bromley have risen. It is difficult to predict what pressures will arise around litigation claims and similar, which often arise at short notice or as a response to events, which are unforeseen at this point in time. There was also a challenge to the local plan plus other planning enquiries (which contrary to normal practice were not specifically funded) coupled with high profile injunction cases and additional commercial cases adding to the overspend.

**Carry Forwards from 2019/20 to 2020/21****WITHIN DELEGATED AUTHORITY****RESOURCES PORTFOLIO****1 Repairs and Maintenance (All Departments) 230,000**

Within the Repairs & Maintenance budget there was an underspend of £230k for the year. There were 5 remaining planned project works expected to cost £160k which remain incomplete in 2019/20 due to project delays and unforeseen circumstances. There are other essential repairs and maintenance work at valued at £70k which were originally anticipated to be completed in 2019/20 but were not undertaken due to uncertainties compounded by the implications of the Covid-19 crisis on construction works. It is requested that £230k to be carried forward in order to complete the outstanding 2019/20 planned programme projects and other essential repairs and maintenance work in the coming year.

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 230,000
**MEMBERS' APPROVAL REQUIRED****Grants with Explicit Right of Repayment****ADULT CARE AND HEALTH PORTFOLIO****2 Better Care Fund (BCF) 70,328**

Bromley's Better Care Fund (BCF) allocation for 2019/20 was £21,701k. Some areas within BCF, including those for reablement and resilience, were not fully spent by 31st March 2020 and, under the pooled budget arrangement with Bromley CCG, underspends are carried forward for spending on BCF activities in 2020/21. This funding will be allocated to agreed projects together with new BCF funding for 2020/21.

**Adult Care and Health Portfolio**


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 70,328
**CHILDREN EDUCATION & FAMILIES PORTFOLIO****3 Extension of Virtual Heads 34,365**

This grant was paid by the Department for Education and the allocation for 2019-20 was not announced until August 2019. This represented an increase of £21,752 on the 2018-19 allocation and the Service are developing the provision to support Bromley children specifically targeted by this grant. DfE have confirmed permission to carry forward this 2019-20 allocation.

**4 Reducing Parental Conflict 40,100**

The Department of Work and Pensions has provided funding totalling £40,100 to address local issues relating to the reduction in parental conflict. The purpose of the funding is to support the development of strategies and to purchase frontline practitioner training.

**Childrens, Education and Families Portfolio**


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 74,465
**RENEWAL, RECREATION AND HOUSING PORTFOLIO****5 Historic England - Crystal Palace Park Dinosaur Conservation 25,763**

Historic England have placed the Victorian dinosaurs located at Crystal Palace Park on the Heritage at Risk register. Grant funding of £26k was received in March 2020 with a further sum due in 2020/21. The grant has been provided to fund hydrological surveys and research to identify the cause of significant cracks amongst the sculptures, with some losing teeth, toes and tails. The dinosaurs are located on man-made islands set in the Park's lakes and it is thought that ground movement and water levels may be contributing to the damage. The survey work has not yet taken place and therefore Executive are asked to consider a carry forward request to 2020/21 for this purpose.

**6 New Homes Bonus - Regeneration 72,521**



In total there were 4 NHB top slice revenue projects which secured funding agreed through the LEP in 2015/16. These were due to be delivered over 2 years commencing in 2015/16, although the GLA agreed to extend the period to the end of 2018/19. The 4 projects include: Penge town centre and Orpington town centre (a proportion of which was allocated to TCM), Biggin Hill Technology & Enterprise centre and Lagoon Rd industrial estate refurbishment. At the end of 2019/20, £72,521 relating to Penge town centre, where a number of improvements are still to be delivered, remains unspent and a carry forward is requested to enable the final phase of the scheme to be completed.

<b>Renewal, Recreation and Housing Portfolio</b>	98,284
<b>Total Expenditure to be Carried Forward</b>	<b>243,077</b>
<b>Total Grant Income</b>	<b>-243,077</b>

**Grants with no Explicit Right of Repayment**

**ADULT CARE AND HEALTH PORTFOLIO**

**7 Improved Better Care Fund (IBCF)** 2,765,753

A total of £10,280k Improved Better Care Funding (IBCF) was available for spending in 2019/20 (excluding Winter Pressures Grant), which comprised both 2019/20 grants and an amount brought forward from 2018/19. There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in the remaining years of the programme resulting in underspends totalling £2,766k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years and spending commitments are in place in 2020/21. These commitments include a contribution of £1.5m to fund Adult Social Care pressures in 2020/21.

**8 Public Health Grant** 1,534,074

The Public Health Grant underspent as follows:

£141k in 2014/15

£152k in 2015/16

£330k in 2016/17

£395k in 2017/18

£761k in 2018/19

This total balance of £1,779k was carried forward to 2019/20 to fund public health initiatives as per the terms of the grant. Of this amount, £245k was used as part of a £603k contribution to School Nursing as agreed as part of the 2019/20 budget. The balance of the £603k was funded by a £358k underspend in year. The cumulative balance is requested to be carried forward to fund public health initiatives in future years, including the contract for health support to school age children which was reported to the Executive in November 2018.

<b>Adult Care and Health Portfolio</b>	<b>4,299,827</b>
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**CHILDREN EDUCATION & FAMILIES PORTFOLIO**

**9 Delivery Support Fund** 18,074

"The Delivery Support Fund was a capital grant awarded by the DfE for the implementation of 30 hours of funded childcare for working parents for which Bromley received £69,100.

A total of £42,326 was spent on a range of projects to increase capacity within the local sector. In an email dated 24/08/2018 the DfE advised LA's that any unspent money from the fund needs to be spent on aims that benefit 30 hours delivery or to implement necessary requirements in the IT system. The Early Years' service has recently purchased an IT system to support the flexibility and complexities involved in managing the 30 hours funding alongside all the existing funding streams. Bromley Early Years are now working with the service provider to develop their existing off the shelf product into a comprehensive funding support and delivery product. To date £51,700 has been spent on the procurement, initial installation, training and licencing of the product. These costs have been met through the capital grant 30 Hours Funded Childcare IT Solution Scheme (£43k) with an additional £8,700 from the Delivery Support Fund.

It is therefore requested that the remainder of this grant, £18,074 is carried forward into the next financial year to contribute to the remaining costs for the next phase of development of the system, estimated to be £34k. This work has commenced and will be completed during the 2020/21 financial year

#### **10 Troubled Families Grant**

542,798

This grant is to fund the development of an ongoing programme to support families who have multi-faceted problems including involvement in crime and anti-social behaviour with children not in education, training or employment. This support is delivered through a number of work streams cross cutting across council departments and agencies. This sum represents the underspend in 2019-20.

#### **11 Investing in Practise Grant**

104,300

The new programme, Supporting Families; Investing in Practice, will help families work on issues together, including those impacted by domestic violence, substance misuse or addiction, in order to help create stability in the home for young people and prevent them being taken into care, where that is in their best interests. This is part of wider Government work to improve outcomes for children in need of support of a social worker, by creating home and school environments in which they can thrive. This grant was received late in the financial year and will be used to extend Family Group Conferencing in 2020/21 and other relevant projects.

### **Childrens, Education and Families Portfolio**

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 665,172

### **PUBLIC PROTECTION AND ENFORCEMENT AND RENEWAL & RECREATION AND HOUSING PORTFOLIO**

#### **12 Appeal and Enforcement - Asset Recovery Incentivisation Scheme (ARIS)**

132,763

The Council was awarded a sum of £144,388 from a Proceeds of Crime Act prosecution as part of the Asset Recovery Incentivisation Scheme to carry out works on asset recovery, crime reduction projects and community projects. Due to the late notification of this funding, on 28th March 2018 Executive agreed to carry forward the unspent balance of £132,763 into 2018/19. £84,633 of this is allocated to Planning Enforcement (RR&H Portfolio) and the remaining balance of £48,130 is allocated to Trading Standards (PPE Portfolio). A further carry forward was approved to 2019/20. Works undertaken during 2019/20 were funded from underspends elsewhere in the service, enabling the funding to be carried forward for another year. Members are therefore asked to approve a carry forward request for both the income and expenditure budget to 2020/21.

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 132,763

### **RENEWAL & RECREATION AND HOUSING PORTFOLIO**

#### **13 Planning Strategy & Projects - Custom Build Grant**

75,000

The Custom Build grant of £30k was carried forward from 2017/18 due to late notifications from DCLG, as approved by Executive on 21 May 2018. In March 2019, notification was received from DCLG that the Council had been awarded an additional £30k Custom Build grant. A further £15k has been awarded in 2019/20. The majority of the work funded from these grants will follow on from the Local Plan. Due to a lengthy public examination including legal challenges, the plan was eventually adopted much later than expected in January 2019, which resulted in the works being delayed.

Therefore Executive agreed a carry forward to 2019/20. Works to date have been funded from underspends elsewhere in the service and therefore Executive is asked to approve a carry forward of these grants in order to carry out the works in 2020/21

<b>14 Homelessness Reduction Grant</b>	89,000
This money was set aside in 2018/19 to fund work preventing and relieving homelessness for young people and will be required to implement the initiatives identified through the work with the MHCLG specialist adviser. The work has not been completed and it is requested to carry it forward to 2020/21 when it is expected that the work will be completed.	
<b>15 Rough Sleepers Initiative</b>	5,187
Grant funding for work to reduce rough sleeping which will be needed in 2020/21 to continue to assist rough sleepers which it is anticipated will increase due to Covid-19.	
	<hr/> 169,187
<b>Total Expenditure to be Carried Forward</b>	<b>5,266,949</b>
<b>Total Grant Income</b>	<b>-5,266,949</b>

#### **OTHER CARRY FORWARD REQUESTS**

#### **ADULT CARE AND HEALTH PORTFOLIO**

<b>Learning and Development Funding to fund training for Adult Social Care (ASC)</b>	
<b>16 staff</b>	10,000
Proposals have been developed to engage an external provider to offer strengths based approaches training to ASC staff. £10,000 was set aside from the budget together with a further £22,000 set aside from the transformation reserve approved by the Chief Executive.	
The original plan was to start delivery as early as possible in 2020 and deliver most of the training in the 19/20 financial year. Procurement advice was taken and this proposed a competitive process in the form of a request for quotes from selected providers. The procurement timetable in the invitation to tender would have allowed for the use of learning and development funding in the 19/20 year but the procurement slipped due to the need for clarification questions of the selected provider. The offer letter was sent to the successful provider on the 17th March meaning there is was no realistic prospect of any delivery in the 19/20 year.	
In order to ensure we can fund the full training programme in the 20/21 year the request is to carry over the £10,000 of learning and development funding from 19/20 to 20/21. The balance of funding for this training from the transformation reserve remains available across the financial years.	
	<hr/> 10,000

#### **RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO**

<b>17 Information Systems &amp; Telephony - GDPR</b>	132,000
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In May 2019, Executive approved a carry forward of £311k for GDPR compliance work to be undertaken in 2019/20. The funding related to IT Systems, staffing and training work. Recruiting of the GDPR fixed term posts was undertaken in 2019/20 but finding the right expertise in a demanding market proved challenging. As the nature of the work progresses we have evolving requirements in the skills set needed to mature the project, therefore £90k of this is requested to be carried forward into 2020/21 in order to fund the full period of the posts. There is a £135k underspend against system development costs also related to GDPR of which £42k is requested as a carry forward into the next financial year, as the outstanding system is now procured and in the implementation phase.

**18 Information Systems & Telephony - COVID-19 related increased contract volumes** 231,000

There was an overall underspend of £353k for the year within the Information Systems team, which in part was due to lower levels of usage against budget on the core contract. However, it is anticipated that the usage on the core contract will increase significantly in the first quarter of 2020/21 due to the impact of COVID-19 and the requirement of significant numbers of staff to work from home generating an increase in the requests for support from BT. It is requested that underspend of £231k is carried forward to 2020/21 to help fund this additional cost pressure for the Council.

**19 Human Resources - Redecoration** 12,511

The arrangements to redecorate the HR offices has been on the agenda for sometime, however, it has been postponed on a couple of occasions due to the funds being reallocated to deliver new urgent priorities. During 2019/20 the plan was re-established with a timeline to decorate during the last four weeks of the financial year as many staff were scheduled to take the remainder of leave. An RFQ, estimates, and a scheme of work has been received and an order raised for c£13k. It is important that the decoration is carried out as committed as staff returning back to work after a lengthy isolation period will be anxious about the office conditions that they will be returning to. There will be an expectation that a minimum standard of hygiene is in place, i.e. the carpets being cleaned as part of the decorating specification and that the office is presented in a satisfactory state. It is requested £13k to be carried forward to 2020/21.

**20 Human Resources - Training** 21,000

In light of the Transforming Bromley strategy, the Council has committed to deliver a Culture Improvement Training and Development programme for the workforce. Phase 1 of the programme has been delivered. Phase 2 of the programme was due to be delivered in March 2020. However due to the Covid-19, the delivery has now been postponed and will be rescheduled as soon as feasible. Furthermore, at Workforce Modernisation Board Meeting (January 2020), it was discussed that HR would partly fund Corporate ISD training due to roll out in March 2020, however the delivery has also been postponed to 2020/21. It is requested £21k to be carried forward to 2020/21, in order to allow Corporate ISD training and Culture Change (phase 2) to be delivered to staff and managers.

**ENVIRONMENT AND COMMUNITY PORTFOLIO**

**21 Green Garden Waste - Debt Management System** 120,000

Due to the mobilisation of the Environmental contracts, the development of the direct debit system for Green Garden Waste has been delayed and the work required will not start until May 2020. The new system will separate the financial and operational functions. It will enable officers to collect the income in a more timely fashion through direct debits. This will make the service more efficient, providing easier cash reconciliation and debt management, and provide customers with an alternative method of payment. Executive are requested to carry forward the £120k previously set aside for developing a direct debit system for the Green Garden Waste service into 2020/21.

**22 Highways Projects - Lych Gate Road Footbridge** 48,000

The repairs and minor structural works required to Lych Gate Road footbridge were scheduled to take place in 2019/20 but due to delays incurred by the designers this essential work did not take place. Therefore Executive are requested to approve a carry forward of £48k, funded through underspends within the service, to enable the work to be completed in 2020/21.

**23 Arboriculture Management - Procurement of a Sonic Tomograph** 30,000

In 2019/20 a sonic tomograph for advanced condition detection within trees was to be purchased for £30k, allowing LBB staff to undertake this work rather than having to utilise external companies at additional cost. This item was not purchased but the business case for this piece of equipment remains valid and therefore Executive are requested to approve a carry forward of £30k, funded through underspends within the service, to enable the purchase to take place in 2020/21

**24 Grounds Maintenance - Millwood Road Allotments Water Supply** 30,000

There is a requirement for the installation of a mains fed water supply at Millwood Road allotments. This work was to take place in February and March 2020. However due to the COVID-19 restrictions imposed this work did not take place as scheduled. These works are still required and therefore Executive are requested to approve a carry forward of £30k, funded through underspends within the service, to enable the work to be completed in 2020/21.

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624,511

**RENEWAL & RECREATION AND HOUSING PORTFOLIO**

**25 Regeneration - Beckenham Library and Public Hall Feasibility Studies** 44,460

During 2019/20 a project was identified to consider renovation of Beckenham Public Halls and a proposed move of Beckenham Library to this location enabling the current library site to be considered for sale. Initial feasibility studies costing £75k were required of which £31k was incurred by the end of 2019/20. The remainder of the work will be completed in 2020/21 and therefore Executive are requested to approve a carry forward of £44k, funded through underspends within the service, to enable the work to be completed in 2020/21.

**26 Planning - Mobile Working through the IDOX System** 22,000

The Planning service identified a requirement for mobile working to improvement work efficiencies when out of the office on site visits. This project required the purchase of a number of ipads, a software procurement and installation costs to be purchased through the IT provider. The total project costs were £41k. The ipads were purchased during the later part of 2019/20. However the software purchase and installation have not yet taken place and therefore Executive are requested to approve a carry forward of £22k, funded through underspends within the service, to enable the project work to be completed in 2020/21.

**27 Planning - Project X and IT Support Staff** 105,000

Project X is a self-service digital planning guide and a requirement for this at a cost of £40k was identified and scheduled to be implemented in March 2020. Due to COVID-19 restrictions this did not take place as planned and is now due to be implemented in 2020/21. A need for a temporary IT support employee was also identified to assist with the roll out of this scheme and also the mobile working via IDOX. This would be for approximately one year at a cost of £65k. The staffing requirement will now be required in 2020/21. Therefore Executive are requested to approve a carry forward of £105k, funded through underspends within the service, to enable the project work to be completed in 2020/21.

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171,460

**CHILDREN EDUCATION & FAMILIES PORTFOLIO**

**28 North Lodge** 79,000

On the 1st April 2020, the Executive approved the drawdown of £79k to refurbish the North Lodge in order to provide a Care Leavers Hub, improving services for young people. The house will allow the service to meet and engage with young people in a less formal environment. Additional group work events are planned for young people who are NEET (not in education employment or training) as well as group sessions for young mothers and young people preparing to leave care. The group work programme will offer important life skills as well as create new relationships and benefit from support from staff. The active involvement team also run the Living in Care Council (LinCC) and the Change for Care Leavers Forum (CFCL) which operate fortnightly. Both groups offer social opportunities for young people to meet other care experienced young people but those involved also work with officers to inform thinking around how practice is delivered to ensure we are responding to their needs. Work on the house will progress in the new financial year and therefore a request to carry forward the funding is requested.

## 29 Adult Education Match Funding

25,000

In March 2020 Adult Education were successful with a small capital bid to the GLA for £25k to be used for upgrading the IT equipment across the teaching rooms at both of Bromley's adult education sites. Under the terms of the bid the LA were required to guarantee to match fund the bid so that the full costs of the project were shared 50/50 between the GLA and the bidding organisation. Confirmation of the award was not received until March 2020, therefore all expenditure for this project will need to be carried forward into the 2020/21 financial year. The capital grant funds have not yet been received by the LA as adult education are currently revising the project plan timescales to the current lockdown situation. Approval to carry forward the £25k of match funding into the 2020/21 financial year is sought so that it is available when required to undertake the project and ensure continued compliance with the conditions of the grant.

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 104,000

## Total Other

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 909,971

## TOTAL CARRY FORWARD TO 2020/21

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 909,971

**EARMARKED GENERAL FUND BALANCES - 2019/20**

Description	Balance at 31/03/2019	Expenditure	Income		Balance at 31/03/2020
			Contribs.	Interest	
<b>EARMARKED BALANCES</b>	£'000	£'000	£'000	£'000	£'000
LPSA Reward Grant	76				76
Technology Fund	5,044			73	5,117
LAA Pump Priming Grant	155				155
Town Centre Improvement Fund (LABGI)	55				55
Investment to Community	372	47			325
R & R Redundancy Reserve	116				116
Works to Property	100				100
Planning Services Charging Account	166	166	25		25
Government Grants	6,845	6,845	5,267		5,267
Invest to Save	17,084		1,111		18,195
One off Member Initiatives	891	33			858
Infrastructure Investment Fund	1,690	264			1,426
Commissioning Authority Programme	365				365
Health & Social Care 'Promise Programme'	3,953				3,953
Housing Strategy Account	25				25
Community Right to Bid & Challenge	46				46
Winter Pressures	2,010				2,010
Refurbishment of War Memorials	13				13
Key Health & Social Care Initiatives	1,700				1,700
Integration of Health & Social Care Initiatives	1,614				1,614
Collection Fund Surplus Set Aside	19,166		6,753		25,919
Healthy Bromley Fund	3,815				3,815
Glaxo Wellcome Endowment	132	21		2	113
Cheyne Woods and Cyphers Gate	143	2			141
Public Halls Fund	7	2			5
Future Repairs of 145, High Street	55		12		67
Parallel Fund	2,903				2,903
Health & Social Care Integrated Commissioning Fund	5,550	2,000			3,550
Financial Planning & Risk Reserve	10,000				10,000
Bromley Welfare Fund	749	110			639
Payment in Lieu Reserve for Temporary Accommodation	149				149
Business Rates Risk Reserve	4,200				4,200
Crystal Palace Park Improvements	26				26
Various Joint Schemes and Pump Priming Investments	3,375	2,134	1,050		2,291
Transition Fund	2,560				2,560
Environmental Initiatives	467		33		500
Planning/Planning Enforcement	197	78			119
Apprenticeship Scheme	200	29			171
Civic Centre Development Strategy	457	186			271
Professional Advice for Future Schemes	147				147
Utilisation of New Homes Bonus	2,256				2,256
Future Pensions Risk on Outsourcing	550		347		897
West Wickham Leisure Centre & Library Redevelopment	993	369			624
Income Equalisation Reserve	2,594		1,196		3,790
Transformation Fund	2,092	550			1,542
Investment Fund	6,050		98		6,148
Growth Fund	21,092	1,097	1,425		21,420
Capital Funding for Property Disposal/Feasibility Works	79	1			78
Biggin Hill Airport Project	124				124
Transformation Programme	500	12			488
Housing Investment Fund	7,500	12	2,531		10,019
High Street & Parks Improvement Fund	115	44			71
Contribution to YES Funding for 2019/20	130	85			45
Day Centre Rent Relief	76	70			6
Housing Invest to Save	3,409				3,409
<b><u>New Reserves Set Up in 2019/20</u></b>					
Health Facilities Fund	0		993		993
Health & Social Care Transformation Fund	0		1,500		1,500
Housing feasibility and viability	0		250		250
<b><u>Subject to Approval Executive 27th May 2020</u></b>					
Housing Investment Fund	0		8,821		8,821
Sub-Total	144,178	14,157	31,412	75	161,508
Schools	1,757	283	265		1,739
Insurance Fund	3,984		412		4,396
<b>TOTAL</b>	<b>149,919</b>	<b>14,440</b>	<b>32,089</b>	<b>75</b>	<b>167,643</b>

**Note:** Members should note that the balance at 31/3/2020 represents the "cash" balance and in some cases the monies shown will already be committed for future years on various schemes.

**SECTION 106 RECEIPTS**

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council are as follows:

<b>31st Mar 2019 £000</b>	<b>Service</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers to/(from) Capital £000</b>	<b>Actual as at 31st March 2020 £000</b>
<b><u>Revenue</u></b>					<b><u>Revenue</u></b>
166	Highway Improvement Works	31	22	-	175
-	Road Safety Schemes	-	-	-	-
16	Local Economy & Town Centres	1,500	8	- 1,500	8
72	Parking	-	2	-	70
1,754	Healthcare Services	397	-	-	2,151
43	Community Facilities	-	-	-	43
0	Education	765	-	765	-
311	Other	261	-	- 300	272
<b>2,362</b>		<b>2,954</b>	<b>32</b>	<b>- 2,565</b>	<b>2,719</b>
	<b><u>Capital</u></b>				<b><u>Capital</u></b>
2,751	Education	11	-	1,276	4,038
3,510	Housing	13	115	-	3,408
2,006	Local Economy & Town Centres	26	2,600	1,500	932
83	Highway Improvement Works	-	83	-	-
-	Other	-	296	300	4
<b>8,350</b>		<b>50</b>	<b>3,094</b>	<b>3,076</b>	<b>8,382</b>
<b>10,712</b>		<b>3,004</b>	<b>3,126</b>	<b>511</b>	<b>11,101</b>



## SCHOOLS' DELEGATED BUDGETS

Consistent Financial Report (CFR) is a framework of income and expenditure items and balances, which provides schools with a benchmark facility to allow them to promote self-management and value for money. A CFR return has been produced by all schools maintained by the LA as at 31 March 2020.

The CFR framework details five balances which provide an overall picture of the resources available to the school from one year to the next and give information about any carried forward balances. The balances are categorised as follows:

- B01: Committed Revenue Balances
- B02: Uncommitted Revenue Balances
- B03: Devolved Formula Capital Balances
- B05: Other Capital Balances
- B06: Community Focussed Extended Schools Balances

N.B. B04 Other Standards Fund Capital Balances has now been removed as Standards Funds no longer exist.

The following table shows schools' reserves as at 31 March 2020, the end of the 2019/20 financial year. The table below shows an overall decrease in balances of 18k (decrease from £1,757k to £1,739k). This decrease can be seen to be across both revenue and capital balances and across each of the school sectors as detailed below.

	Nos	Accrued Balances at 1 April 2019	Under/ Over (-) Expenditure in 2019/20	Accrued Balances at 31 March 2020	Analysis of Balances as at 31 March 2020						Nos
					Committed Revenue	Uncommitted Revenue	Devolved Formula Capital	Other Capital	Community Focussed Extended Services	Total Balances	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Primary Schools	5	842	-75	767	165	580	12	10	0	767	4
Secondary Schools	1	69	181	250	0	248	2	0	0	250	1
Special Schools	2	846	-124	722	140	551	51	-20	0	722	2
<b>Total</b>	<b>8</b>	<b>1,757</b>	<b>-18</b>	<b>1,739</b>	<b>305</b>	<b>1,379</b>	<b>65</b>	<b>-10</b>	<b>0</b>	<b>1,739</b>	<b>7</b>

## THE SCHOOLS BUDGET

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following year's Schools Budget.

There is a total in year overspend of £1,353k on DSG funded services as outlined below.

An analysis of the main variations is provided below:

	£000 Outturn Variance
SEN - Transport	144
SEN - FE College	865
SEN - Placements & Matrix	976
SEN - Other Variations	Cr 270
Free Early Education	Cr 1,257
Home and Hospital	443
6th Form Grant Allocation Changes	373
Other Variations	79
<b>Final Outturn</b>	<b>1,353</b>

The most significant variations above are:-

a) SEN placements are projected to overspend by a total of £164k. There are underspends being caused by boarding placements (£1,002k). These underspends are then offset by overspends on day placements (£100k), Nursery Places (£57k) and SEN School Places (£395k), Alternative Provisions (£606k) and various small overspends of £8k. Additional to the SEN Placements there is a £812k overspend on the Matrix Funding to mainstream schools.

b) The budget for the 2 year old children is expected to underspend by £120k and along with a underspend of £1,110k for 3 & 4 years old children (both normal 15 and the new additional 15 hours). Additionally there is a £12k underspend on the staffing budget that supports these payments and a £15k underspend on the DAF related spend. This is resulting in a net underspend of £1,257k.

c) The DSG funded element of SEN Transport has overspent by £144k due to new routes that were established in the last year. Due to the current funding regulations LBB are not permitted to increase this budget from the previous year.

d) The Home and Hospital service has overspent by £443k, mostly of staff and agency spend due to demand led pressures in the service. This continues to be an issue going forward.

## INVEST TO SAVE FUND

This earmarked reserve was set up with a sum of £14m, as approved by Council in October 2011, to enable "loans" to be provided for Invest to Save initiatives. Advances are to be repaid within a "reasonable" period with schemes providing on-going revenue savings to contribute towards reducing the budget gap. In February 2012, Executive agreed that the one-off Council Tax Freeze grant in 2012/13 be added to the Fund, bringing the total contributions up to £17,304k.

Five schemes have been approved to date and, as at 31st March 2020, the actual balance on the Fund stood at £18,195k as detailed in the table below:

Scheme	To 31st March 2020					
	Approval date (Council/Exec)	Contrib- utions £'000	Approved "loans" £'000	Advanced from Fund £'000	Repaid to Fund £'000	Net "loan" 31/03/2020 £'000
<b><u>Approved funding</u></b>						
Initial Funding allocation	Oct-11	14,000				
Council Tax Freeze grant	Feb-12	3,304				
<b><u>Approved schemes</u></b>						
Green waste/textile collection service	Dec-11		220	220	220	0
Replace street lighting columns	Nov-12		8,507	8,435	9,326	-891
Bellegrave - refurbishment	Jan-13		400	508	508	0
Stamented pupils - travel training	Apr 13 & Jul 14		460	272	272	0
Transfer CSC to Liberata	Sep-13		330	322	322	0
			<b>17,304</b>	<b>9,917</b>	<b>9,757</b>	<b>10,648</b>
Actual Fund balance 31/03/20						<b>18,195</b>

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Report No.  
FSD20044

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Leader of the Council

**Date:** For Pre-Decision Scrutiny by ERC PDS Committee on 27 May 2020

**Decision Type:** Non-Urgent Executive Key

**Title:** CAPITAL PROGRAMME OUTTURN 2019/20

**Contact Officer:** Katherine Ball, Principal Accountant  
Tel: 020 8313 4792 E-mail: [katherine.ball@bromley.gov.uk](mailto:katherine.ball@bromley.gov.uk)

**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

1.1 This report sets out the final outturn on capital expenditure and receipts for 2019/20. Capital expenditure in the year was £23.4m, compared to the final approved budget of £30.9m, resulting in a total net variation of Cr £7.5m. For funding purposes, £5.0m slippage was assumed in the Quarter 3 capital monitoring report, so there was an overall variation of Cr £2.5m in the use of capital receipts and external and revenue contributions.

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2. **RECOMMENDATIONS**

2.1 **The Leader is requested to:**

(a) Note the report;

(b) Approve the following amendments to the Capital Programme for 2020/21:

- (i) Increase of £800k to the Bromley Town Centre Improvements capital scheme, as agreed by the Executive on April 1<sup>st</sup>, as detailed in paragraph 3.2.1;
- (ii) Addition of £250k to the capital programme for Children's Centres, as agreed by the Executive on April 1<sup>st</sup>, as detailed in paragraph 3.2.2;
- (iii) Approve the increase of £2,153k to the Disabled Facilities Grant scheme to reflect the 2020/21 allocation as detailed in paragraph 3.2.3;
- (iv) Approve the increase of £1,442k to the Capital Maintenance in Schools capital scheme to reflect the allocations for 2017/18, 2018/19 and 2019/20 as detailed in paragraph 3.2.4;

### Impact on Vulnerable Adults and Children:

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

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### Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. For each of our portfolios and service priorities, the Council reviews its main aims and outcomes through the AMP process and identify those that require the use of capital assets. The primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley".
2. BBB Priority: Excellent Council:

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### Financial

1. Cost of proposal: Not Applicable: No additional cost.
2. Ongoing costs: Not Applicable:
3. Budget head/performance centre: Capital Programme
4. Total current budget for this head: £30.9m in 2019/20
5. Source of funding: Capital receipts, external grants/contributions & revenue contributions

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### Personnel

1. Number of staff (current and additional): 1 fte
2. If from existing staff resources, number of staff hours: 36 hours per week

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### Legal

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

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### Procurement:

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

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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? N/A
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### 3.1 Capital Programme Outturn 2019/20

3.1.1 The final capital outturn for the year was £23.4m, compared to the final revised budget of £30.9m. The total net variation is Cr £7.5m, which is primarily due to slippage in Children, Education & Families Portfolio (Cr £2.4m) and Environment & Community Services Portfolio (Cr £3.9m) as summarised in the table below:

Portfolio	Latest	Final	Variation	
	Approved Budget 2019/20	Outturn 2019/20	2019/20	
	£m	£m	£m	
Children, Education & Families Portfolio	10.3	7.9	Cr	2.4
Adult Care & Health Portfolio	0.1	0.3		0.2
Environment & Community Services Portfolio	9.3	5.3	Cr	4.0
Renewal, Recreation & Housing Portfolio	7.2	6.3	Cr	0.9
Executive, Resources & Contracts Portfolio	4.0	3.6	Cr	0.4
<b>Latest approved Capital Programme</b>	30.9	23.4	Cr	7.5
Less: further slippage assumed for financing purposes	Cr 5.0	-		5.0
	<b>25.9</b>	<b>23.4</b>	<b>Cr</b>	<b>2.5</b>

3.1.2 These slippages will be re-phased into 2020/21 as shown in Appendix 1. The variations detailed in sections 3 to 7 have arisen since the 3<sup>rd</sup> quarter capital monitoring report.

3.1.3 As set out in the Capital Programme Monitoring (3<sup>rd</sup> quarter) report to Executive on 12<sup>th</sup> February 2020, further slippage of £5.0m was assumed for financing purposes, however the significant slippage during the final quarter has resulted in a variation in the overall use of capital receipts, external grants/contributions and revenue contributions of Cr £2.5m.

#### 3.2 Variations requiring approval (£4,545k net increase)

##### 3.2.1 Bromley High St (£800k increase in 2020/21)

At its meeting on April 1<sup>st</sup> the Executive approved an increase of £800k to the existing capital scheme for Bromley High St Improvements to be funded from the Growth Fund. The Leader is asked to formally agree to increase the capital estimate by this amount.

##### 3.2.2 Future Proofing the Local Authority's five Children's Centres (£250k increase in 2020/21)

At its meeting on April 1<sup>st</sup> the Executive approved the capital buds for the five Children and Family centres at a cost of £1.42m, which is an increase of £250k to the capital scheme. The Leader is asked to formally agree to include this increased amount in the capital programme.

##### 3.2.3 Disabled Facilities Grant scheme (£2,153k increase in 2020/21)

The Disabled Facilities Grant (DFG) is provided for the provision of adaptations to disabled people's homes to help them to live as independently and safely as possible. The capital allocation for 2020/21 totals £2,153k. The funding will enable additional schemes to provide physical improvements to clients' home environments and to assist with creating safer and healthier homes, and reduce admissions to hospital. The Leader is requested to agree the addition of £2,153k to the DFG capital scheme to reflect this grant allocation.

### 3.2.4 Capital Maintenance in Schools (£1,442k increase in 2020/21)

At its meeting on April 1st the Executive agreed to add the School Condition Allocation (SCA) allocations for 2017/18, 2018/19 and 2019/20 totalling £1,442k to the Capital Maintenance in Schools capital programme. The Leader is requested to agree the addition of £1,442k to the School Condition Allocation capital scheme to reflect this grant allocation.

### **3.3 Children, Education & Families Portfolio**

3.3.1 The slippage for Education, Children & Families Portfolio which has occurred since the third quarter monitoring is £2.4m against a total budget of £10.3m. This is mainly due to £2.1m on the Basic Need Programme, due mainly to the start date of the works at Trinity CE Primary School moving from 2019/20 to 2020/21 and re-phasing of ongoing works at Bromley Beacon Academy and Stewart Fleming Primary School. All variations have been re-phased into 2020/21.

### **3.4 Adult Care & Health Portfolio**

3.4.1 The variation for Adult Care & Health Portfolio schemes was Dr £0.2m against a budget of £0.1m. This is due to accelerated spend of ££0.3m for the Social Care Case management scheme; this will reduce the 2020/21 budget available.

### **3.5 Environment & Community Services Portfolio**

3.5.1 There was overall slippage of £4.0m since the third quarter monitoring on schemes in the Environment & Community Services Portfolio compared to a total portfolio budget of £9.3m. There was slippage of £1.0m on the Highways Investment scheme to allow further condition assessments to be completed for the final phase of the project, and approved by the Portfolio Holder, this will allow the investment project to be completed during 2020/21, and slippage of £0.6m on the Central Wall Depot.

3.5.2 There was also slippage of £0.5m on the LIP Formula Funding scheme due to delays in design works being agreed as well as works then being planned for quieter periods so as to affect motorists as little as possible. In addition, there was slippage of £0.5m slippage on the Salix Street Lighting scheme due to scheme delays. Slippage on other schemes totalled a further £1.2m.

### **3.6 Renewal, Recreation & Housing Portfolio**

3.6.1 There was net slippage of £1.0m on the capital schemes in the Renewal, Recreation & Housing Portfolio from a total portfolio budget of £7.2m, mainly due to slippage of £0.7m on the West Wickham Leisure Centre scheme, and £0.5m slippage on the Modular Housing scheme due to programme changes, partly offset by accelerated expenditure on a few other schemes.

### **3.7 Executive, Resources & Contracts Portfolio**

3.7.1 There was overall slippage of £0.4m on schemes in the Executive, Resources & Contracts portfolio compared to a total portfolio budget of £4m.

### **3.8 Block Capital Provisions**

3.8.1 The outturn position for 2019/20 block capital provisions is shown in the table below:



	Budget 2019/20 £'000	Actuals 2019/20 £'000	Variance 2019/20 £'000
<b>Resources, Commissioning &amp; Contracts Management</b>			
Emergency Works on Surplus Sites	124	18 Cr	106
<b>Adult Care and Health</b>			
Disabled Facilities Grants - DFG	1,619	1,591 Cr	28
<b>Total</b>	<b>1,743</b>	<b>1,609 Cr</b>	<b>134</b>

### 3.9 Financing of the Capital Programme

3.9.1 The financing of 2019/20 capital expenditure is compared below with the estimates reported in the third quarter capital monitoring:

Source of Finance	Budget £m	Actuals £m	Variation £m
Final approved budget	30.9		
Less - assumed slippage for financing purposes	Cr 5.0		
<b>Total Capital Expenditure (net of slippage)</b>	<b>25.9</b>	<b>23.4 Cr</b>	<b>2.5</b>
Financed By			
Usable Receipts	0.9	6.6	5.7
Revenue Contributions	4.7	0.0 Cr	4.7
Government Grants	12.1	9.8 Cr	2.3
Other Contributions	8.2	7.0 Cr	1.2
<b>Total</b>	<b>25.9</b>	<b>23.4 Cr</b>	<b>2.5</b>

3.9.2 During 2019/20, capital monitoring reports have been considered by the Executive on a quarterly basis, in July 2019, November 2019 and February 2020, and reported changes have been incorporated in revised approved Capital Programmes. These have similarly been reported quarterly to individual PDS Committees. For information, Appendix 2 provides a comparison between the latest approved budget and the original approved budget for the year (agreed in February 2019).

### 3.10 Capital Receipts

3.10.1 Under the “prudential” capital system in operation from 1<sup>st</sup> April 2004, most capital receipts are “usable” and may be applied to finance capital expenditure. The final outturn in 2019/20 for new capital receipts from asset disposals was £1.7m, and was lower than the estimated figure reported to the Executive in February 2020 (£3.6m).

3.10.2 The table below provides a breakdown of the unapplied capital receipts totalling £24.4m that will be carried forward to finance expenditure in 2020/21 and later years. £6.6m was applied for financing capital expenditure during 2019/20 as revenue contributions, external and other contributions covered the majority of the total capital expenditure. As has been the case for the last fifteen years, no contribution from the General Fund was required in 2019/20. To date, £20.3m of capital receipts have been earmarked to supplement the Investment Fund for the purchase of investment properties, of which £4.4m has been utilised to date, leaving £15.9m, so a total of £8.5m remains available to finance capital expenditure in future years.

	<b>Usable Receipts £m</b>
<b>Unapplied Balance b/f April 2019</b>	29.3
Total Receipts during 2019/20	1.7
Receipts applied to finance expenditure	Cr 6.6
<b>Unapplied Balance c/f as at 31 March 2020</b>	<b>24.4</b>
Receipts earmarked for Investment Properties	Cr 15.9
<b>Balance available to fund future expenditure</b>	<b>8.5</b>

### 3.11 Section 106 Receipts

3.11.1 In addition to capital receipts, the Council is holding a significant sum in respect of Section 106 capital contributions received from developers in recent years. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. Section 106 receipts are held as a receipt in advance on the Council's balance sheet, the balance of which increased from £8,350k as at 31<sup>st</sup> March 2019 to £8,381k as at 31<sup>st</sup> March 2020, as more receipts were used to finance actual capital expenditure than those that were received. The remaining balance will be used to finance capital expenditure from 2020/21 onwards. Balances and in-year movements are shown in the following table.

<b>Agreed Service Area</b>	<b>Balance b/f 01/04/19 £'000</b>	<b>Receipts 2019/20 £'000</b>	<b>Expenditure 2019/19 £'000</b>	<b>Balance c/f 31/03/20 £'000</b>
Housing Provision	3,510	13	115	3,408
Education	2,751	1,287	0	4,038
Highways	83	0	83	0
Local Economy	2,006	1,525	2,600	931
Other	0	300	296	4
<b>Total</b>	<b>8,350</b>	<b>3,125</b>	<b>3,094</b>	<b>8,381</b>

3.11.2 The Leader is asked to note that a sum of £2m of s106 receipts has previously been received in relation to s106 obligations on the Langley Court development. At its meeting on March 22<sup>nd</sup> 2016 the Executive agreed that any of the £4m of s106 monies received would be used to fund the Bromley High Street Improvements capital scheme in place of funds that had initially been allocated from the Growth Fund. The Leader is asked to note that this funding switch will be applied.

### 3.12 Investment Fund and Growth Fund

3.12.1 To help support the achievement of sustainable savings and income, the Council has set aside funding in the Investment Fund earmarked reserve (formerly known as the Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. To date, total funding of £84.5m has been placed in the Investment Fund earmarked reserve, with a further £20.3m of capital receipts earmarked to supplement this, and £39.2m placed in the Growth Fund earmarked reserve.

3.12.2 Appendix 3 provides a detailed analysis of the Funds dating back to their inception in September 2011. To date schemes totalling £119m have been approved (£92.3m on the Investment Fund, and £26.5m on the Growth Fund), and the uncommitted balances as at end of March 2020 stand at £12.5m for the Investment Fund and £12.7m for the Growth Fund.

#### 4. POLICY IMPLICATIONS

- 4.1 Capital Programme monitoring is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. The primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in "Building a Better Bromley".

#### 5. FINANCIAL IMPLICATIONS

- 5.1 There was no requirement for a General Fund contribution to finance capital expenditure in 2019/20, although there were earmarked revenue contributions totalling £1.1m towards the cost of specific capital schemes from the Growth Fund for Site G related acquisitions (£1.1m). The provisional revenue outturn is reported elsewhere on the agenda.
- 5.2 Capital receipts totalling £24.4m were available as at 31<sup>st</sup> March 2020 to finance future capital spending priorities compared to an estimate of £32m in February. This is mainly due to a lower level of capital receipts received during the year than anticipated. Capital grants and contributions totalling £29.5m and Section 106 receipts of £8.4m also remain available to finance future capital spend.
- 5.3 Post-completion reports on capital schemes have been (and will continue to be) submitted to PDS Committees within 12 months of completion. A revised Capital Programme and capital financing statement will be included in the next quarterly monitoring report to be considered at the July meeting.

<b>Non-Applicable Sections:</b>	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Provisional Final Accounts 2019/20, Executive May 2020; Capital Programme Monitoring Q3 2019/20 & Capital Strategy 2020 to 2024, Executive 12 <sup>th</sup> February 2020; Capital Programme Monitoring Q3 2018/19 & Annual Capital Review 2019 to 2023, Executive 13 <sup>th</sup> February 2019

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Portfolio / Scheme	Final Approved Budget £m	Final Outturn £m	Variation £m	Rephased into 20/21 £m	Comments
<b>Children, Education and Families Portfolio</b>					
					The underspend is due mainly to the start date of the works at Trinity CE Primary School moving from 2019/20 to 2020/21 and re-phasing of ongoing works at Bromley Beacon Academy and Stewart Fleming Primary School
Basic Needs	9.5	7.4	Cr 2.1	2.1	Primary School
Capital Maintenance in Schools	0.5	0.4	Cr 0.1	0.1	Slippage due to small schemes delayed
Other Schemes	0.3	0.1	Cr 0.2	0.2	No significant variations
	<b>10.3</b>	<b>7.9</b>	<b>Cr 2.4</b>	<b>2.4</b>	
<b>Adult Care and Health Portfolio</b>					
Mental Health grant	0.1	0.0	Cr 0.1	0.1	No significant variation
Social Care Case Management	0.0	0.3	0.3 Cr	0.3	Overspend reducing available budget in 2020/21
	<b>0.1</b>	<b>0.3</b>	<b>0.2 Cr</b>	<b>0.2</b>	
<b>Environment &amp; Community Services Portfolio</b>					
LIP Formula Funding	2.7	2.2	Cr 0.5	0.5	Slippage due to scheme design delays Further condition assessments to be completed for the final phase of the project, and approved by the Portfolio Holder, this will allow the investment project to be completed during 2020/21
Highways Investment	2.5	1.5	Cr 1.0	1.0	No significant variation
Beckenham Town Centre Improvements	0.6	0.5	Cr 0.1	0.1	No significant variation
Maintenance	0.6	0.5	Cr 0.1	0.1	No significant variation
Central Wall Depot	0.6	0.0	Cr 0.6	0.6	Slippage due to scheme delays
Salix Street Lighting LED Upgrade	0.5	0.0	Cr 0.5	0.5	Slippage due to scheme delays
Other schemes	1.8	0.6	Cr 1.2	1.2	Slippage due to scheme delays
	<b>9.3</b>	<b>5.3</b>	<b>Cr 4.0</b>	<b>4.0</b>	
<b>Renewal, Recreation &amp; Housing Portfolio</b>					
Renovation Grants - Disabled Facilities	1.6	1.6	0.0	0.0	No variation
Bromley High Street Improvements	1.3	1.2	Cr 0.1	0.1	
Site G	1.0	1.6	0.6 Cr	0.6	Overspend reducing available budget in 2020/21
West Wickham Leisure Centre	0.7	0.1	Cr 0.7	0.7	Slippage due to scheme delays
Modular Housing	0.5	0.0	Cr 0.5	0.5	Slippage due to programme changes
Other schemes	2.1	1.8	Cr 0.3	0.3	No significant variations
	<b>7.2</b>	<b>6.3</b>	<b>Cr 1.0</b>	<b>1.0</b>	
<b>Executive, Resources &amp; Contracts Portfolio</b>					
IT Transformation	3.4	3.6	0.2 Cr	0.2	Overspend reducing available budget in 2020/21
Property Investment Fund	0.1	0.0	Cr 0.1	0.1	No significant variations
Other schemes	0.5	0.0	Cr 0.5	0.5	No significant variations
	<b>4.0</b>	<b>3.6</b>	<b>Cr 0.4</b>	<b>0.4</b>	
<b>Total</b>	<b>30.9</b>	<b>23.4</b>	<b>Cr 7.5</b>	<b>7.5</b>	
Less: assumed slippage for financing purposes	Cr 5.0		5.0	5.0	
<b>Total (net of slippage)</b>	<b>25.9</b>	<b>23.4</b>	<b>2.5</b>	<b>2.5</b>	

	2019/20 £'000
Approved Capital Programme - 13th February 2019	<b>80,385</b>
Housing IT scheme	20
Property Disposals/ Feasibility Works	250
Orpington Town Centre	81
TfL - Traffic & Highways scheme	Cr 6
CCTV Control Room	Cr 32
Disabled Facilities Grant	2,153
Housing unallocated PIL scheme	1,321
Provision of Housing Supply in Anerley & Chislehurst	3,400
Re-phasing from 2018/19 into 2019/20	6,870
<b>Executive March 2019 and May 2019 Capital Outturn</b>	<b>94,442</b>
Increase in TFL funding for Highways and Traffic schemes	1,922
Removal of Beacon House Refurb Schemes	Cr 391
Increase of Basic Need scheme budget	391
Removal of Phoenix Centre scheme	Cr 40
Addition of Devolved Formula Capital 2019/20	239
Increase of £16k to the Banbury House Demolition/ Site Preparation scheme	16
Addition of £1,500k for Boiler Plant works	1,500
Rephasing from 2019/20 to Future Years	Cr 45,868
<b>July 2019 Capital Monitoring</b>	<b>52,211</b>
Write out of IT costs to revenue	151
Modular Homes at York Rise site	500
Provision of Housing in Burnt Ash Lane	250
Salix Street Lighting LED Upgrade	500
Deletion of Carbon Management Programme Update	Cr 500
Customer Services IT System Review	100
Deletion of Review Customer Services IT Scheme	Cr 48
Deletion of Upgrade of MS Dynamics CRM Scheme	Cr 88
Reduction of DFC funding on Devolved Formula Capital scheme	Cr 177
Deletion of residual balance of Care Homes Improvements to Environment for Older People scheme budget	Cr 2
Increase of £2k to the Carbon Management Programme Scheme	2
Increase of £1,208k SEND Provision Capital funding on Basic Need Scheme to the Carbon Management Programme Scheme	1,208
Addition to London Private Sector Renewal Scheme	499
Addition to Disabled Facilities Grant Scheme	117
Rephasing from 2019/20 to Future Years	Cr 10,323
<b>November 2019 Capital Monitoring</b>	<b>44,400</b>
Central Depot Wall Scheme	115
Bus Priority Programme	10
Manorfields Temporary Accommodation	Cr 1
Rephasing from 2019/20 to Future Years	Cr 13,631
<b>February 2020 Capital Monitoring</b>	<b>30,893</b>
<b>Latest Approved Budget for 2019/20</b>	<b>30,893</b>
Assumed Slippage for financing purpose	Cr 5,000
<b>Total (net of slippage)</b>	<b>25,893</b>

<u>Investment Fund</u>	£'000
<u>Revenue Funding:</u>	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
Approved by Executive 6th December 2017	3,500
Approved by Executive 21st May 2018	2,609
	84,517
<u>Capital Funding*:</u>	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 2nd December 2015 (sale of Egerton Lodge)	1,216
Approved by Executive 7th November 2017 (Disposal of 72-76 High St)	4,100
	20,316
Total Funding Approved:	104,833
<u>Property Purchase</u>	
Approved by Executive 7th September 2011 (95 High St)	Cr 1,620
Approved by Executive 6th December 2012 (98 High St)	Cr 2,167
Approved by Executive 5th June 2013 (72-76 High St)	Cr 2,888
Approved by Executive 12th June 2013 (104 - 108 High St)	Cr 3,150
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 18,755
Approved by Executive 19th December 2014 (27 Homesdale)	Cr 3,938
Approved by Executive 24/03/15 (Morrisons)	Cr 8,672
Approved by Executive 15/07/15 (Old Christchurch)	Cr 5,362
Approved by Executive 15/07/15 (Tilgate)	Cr 6,746
Approved by Executive 15/12/15 (Newbury House)	Cr 3,307
Approved by Executive 15/12/15 (Unit G - Hubert Road)	Cr 6,038
Approved by Executive 23/03/16 (British Gas Training Centre, Thatcham)	Cr 3,666
Approved by Executive 15/06/16 (C2 and C3)	Cr 6,394
Approved by Executive 14/03/17 (Trinity House)	Cr 6,236
Approved by Executive 1st December 2017 (54 Bridge Street, Peterborough)	Cr 3,930
	Cr 82,869
<u>Other Schemes</u>	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 400
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Approved by Executive 10th July 2019 (Modular Homes at York Rise site)	Cr 3,500
Approved by Executive 2nd August 2019 (Provision of Housing in Burnt Ash Lane)	Cr 3,286
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	Cr 9,430
Uncommitted Balance on Investment Fund	12,534

\* Executive have approved the use of specific and general capital receipts to supplement the Investment Fund

<b>Growth Fund:</b>		£'000
<u>Funding:</u>		
Approved by Executive 26th November 2014 (Transfer from Investment Fund)		10,000
Approved by Executive 2nd December 2015		6,500
Approved by Executive 23rd March 2016		6,000
Approved by Executive 15th June 2016		7,024
Approved by Executive 22nd March 2017		4,000
Subject to approval by Executive 20h June 2017 (Provisional final accounts 2016/17)		3,311
Approved by Executive 21st May 2018		2,319
Total funding approved		<u>39,154</u>
<u>Schemes Approved and Committed</u>		
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr	2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr	200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employment Review)	Cr	180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr	50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr	110
Approved by Executive 1st Nov 2016 (19-25 Market Square)	Cr	10,705
Approved by Executive 1st Nov 2016 (63 Walnuts)	Cr	3,804
Approved by Executive 22nd March 2017 (Council 10th April 2017) - Bromley Town Centre Public Realm improvement Scheme	Cr	2,844
Approved by Executive 7th November 2017 - Bromley Town Centre and Public Realm	Cr	464
Approved by Executive 17th October 2018 (Bromley Town Centre - Mirrored Canopies & Shops)	Cr	415
Approved by Executive 22nd March 2017 - Project Officer cost Bromley Town Centre Public Realm improvement Scheme	Cr	40
Approved by Executive 22nd March 2017 - Community Initiative	Cr	15
Approved by Executive 24th May 2017 - Feasibility Works/Property Disposal	Cr	250
Renewal Team Cost	Cr	310
Approved by Executive 28th November 2018 (Housing Development Feasibility)	Cr	100
Approved by Executive 27th March 2019 (West Wickham BID)	Cr	75
Approved by Executive 21st May 2019 (Specialist advice for setting up local Housing company)	Cr	100
Noted by Executive 12th February 2020 - £1.5m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		1,500
Approved by Executive April 1st 2020 - Consultancy services for advice on urban design scheme	Cr	50
	Cr	800
Noted by Executive May 2020 - £2m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		2,000
Total further spending approvals	Cr	<u>19,712</u>
<u>Schemes Approved, but not yet committed</u>		
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr	6,790
Uncommitted Balance on Growth Fund		12,652