

TO MEMBERS OF THE COUNCIL

Notice is hereby given that a meeting of the Council of the London Borough of Bromley is to be held in the Council Chamber at Bromley Civic Centre on Monday 28 February 2022 at 7.00 pm which meeting the Members of the Council are hereby summoned to attend.

PLEASE NOTE: This meeting will be held in the Council Chamber at the Civic Centre, Stockwell Close, Bromley, BR1 3UH. Members of the public can attend the meeting: you can ask questions submitted in advance (see item 5 on the agenda) or just observe the meeting. There will be limited space for members of the public to attend the meeting – if you wish to attend please contact us, before the day of the meeting if possible, using our web-form:

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

Please be prepared to follow the identified social distancing guidance at the meeting, including wearing a face covering.

Prayers

A G E N D A

- 1 Apologies for absence
- 2 Declarations of Interest
- 3 To confirm the Minutes of the meeting of the Council held on 6 December 2021. (Pages 3 - 52)
- 4 Petitions (Pages 53 - 62)
- 5 Questions (Pages 63 - 80)

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the date of the meeting – by 5pm on Monday 14 February 2022.

Questions specifically on reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on Tuesday 22 February 2022.**

- (a) Questions from members of the public for oral reply.
- (b) Questions from members of the public for written reply.
- (c) Questions from members of the Council for oral reply.
- (d) Questions from members of the Council for written reply.

- 6 To consider any statements that may be made by the Leader of the Council, Portfolio Holders or Chairmen of Committees.
- 7 2022/23 Council Tax (Pages 81 - 142)
- 8 Capital Programme Monitoring Q3 2021/22 and Capital Strategy 2022 - 2023 (Pages 143 - 168)
- 9 Treasury Management - Annual Investment Strategy 2022/23 and Quarter 3 Performance 2021/22 (Pages 169 - 218)
- 10 Appointment of External Auditor (Pages 219 - 224)
- 11 2022/23 Pay Award (Pages 225 - 240)
- 12 Pay Policy Statement 2022 (Pages 241 - 260)
- 13 Members Allowances Scheme 2022/23 (Pages 261 - 272)
- 14 Planning Service Improvements (Pages 273 - 330)
- 15 Recommendations from the Standards Committee (Pages 331 - 336)
- 16 To consider Motions of which notice has been given.
- 17 The Mayor's announcements and communications.

.....

Ade Adetosoye

Ade Adetosoye CBE
Chief Executive

BROMLEY CIVIC CENTRE
BROMLEY BR1 3UH
Friday 18 February 2022
Vol.58 No.6

LONDON BOROUGH OF BROMLEY

MINUTES

of the proceedings of the Meeting of the
Council of the Borough
held at 7.00 pm on 6 December 2021

Present:

**The Worshipful the Mayor
Councillor Russell Mellor**

**The Deputy Mayor
Councillor Tony Owen**

Councillors

Vanessa Allen	Colin Hitchins	Neil Reddin FCCA
Kathy Bance MBE	Samaris Huntington- Thresher	Michael Rutherford
Julian Benington	William Huntington- Thresher	Richard Scoates
Kim Botting FRSA	Simon Jeal	Suraj Sharma
Mike Botting	David Jefferys	Colin Smith
Katy Boughey	Charles Joel	Diane Smith
Mark Brock	Kevin Kennedy-Brooks	Gary Stevens
David Cartwright QFSM	Josh King	Melanie Stevens
Mary Cooke	Kate Lymer	Harry Stranger
Aisha Cuthbert	Christopher Marlow	Kieran Terry
Ian Dunn	Alexa Michael	Michael Tickner
Nicky Dykes	Peter Morgan	Pauline Tunnicliffe
Robert Evans	Keith Onslow	Michael Turner
Simon Fawthrop	Angela Page	Stephen Wells
Kira Gabbert	Chris Pierce	Angela Wilkins
Hannah Gray		
Christine Harris		

The meeting was opened with prayers

In the Chair, The Mayor
Councillor Russell Mellor

294 Apologies for absence

Apologies for absence were received from Councillors Gareth Allatt, Graham Arthur, Yvonne Bear, Nicholas Bennett MA JP, Peter Dean, Judi Ellis, Peter Fortune, Robert Mcilveen, Will Rowlands and Ryan Thomson.

Apologies for lateness were received from Councillors Samaris Huntington-Thresher and David Jefferys.

295 Declarations of Interest

Councillor William Huntington-Thresher declared an interest as an advisor to the Orpington First BID Board.

296 To confirm the Minutes of the meetings of the Council held on 18 October 2021

RESOLVED that the minutes of the special and ordinary meetings held on 18th October 2021 be confirmed.

297 Questions

Five questions had been received from members of the public for oral reply. The questions, with the answers given, are set out in Appendix A to these minutes.

Twenty questions had been received from members of the public for written reply. The questions, with the answers given, are set out in Appendix B to these minutes.

Eighteen questions had been received from members of the Council for oral reply. The questions, with the replies given, are set out in Appendix C to these minutes.

Sixteen questions had been received from members of the Council for written reply. The questions, with the answers given, are set out in Appendix D to these minutes.

298 Statements

The following statements were made –

(1) Awards

The Portfolio Holder for Environment and Community Services informed Members about a number of awards –

- The Recycling Heroes scheme in partnership with Veolia had now been launched.
- The Contact Tracing Team led by Sarah Foster had been shortlisted for the Team of the Year at the Local Government Chronicle awards.
- The Shared Parking Service with LB Bexley had won the Front Line Award at the British Parking Awards 2021.

- The Orpington business community had won a London in Bloom award – the Area Management Team led by David Hall had been key contributors to this.

Members applauded the Teams involved for their achievements.

(2) Home Educated Children

At the request of Councillors Angela Wilkins and Ryan Thomson, the Portfolio Holder for Children, Education and Families, Cllr Kate Lymer, made a statement on the impact of the COVID pandemic on numbers of children being educated at home. She confirmed that numbers had risen during the lockdown, and the support service had been expanded with two additional officers, but numbers were now returning towards pre-pandemic levels – a chart with the numbers could be sent after the meeting. In response to a question about the measures in place to safeguard these children following the recent murder of Arthur Labinjo-Hughes, the Portfolio Holder confirmed that (although Arthur was not home-educated) there was a meeting arranged with Jim Gamble, Chairperson of the Bromley Safeguarding Children Partnership, and they were awaiting the outcome of the review announced by the Secretary of State. In response to a question about home educated children and access to public examinations, the Portfolio Holder stated that she was not aware that this was a problem in Bromley.

299 Treasury Management - Quarter 2 Performance 2021/22 and Mid-Year Review Report CSD21136

A motion to note the report and approve changes to the prudential indicators and the proposed amendment to the Treasury Management Strategy was moved by Cllr Michael Rutherford, seconded by Cllr Colin Smith and **CARRIED**.

300 Council Tax Support/Reduction Scheme 2022/23 Report CSD21134

A motion to approve the Council Tax Support/Reduction Scheme 2022/23, including the maintenance of the Discretionary Hardship Fund at £200k, was moved by Cllr Michael Rutherford and seconded by Cllr Colin Smith.

The following amendment was moved by Councillor Simon Jeal and seconded by Councillor Kevin Kennedy-Brooks -

After "...at 200k" to add the words:

"subject to the following changes:

(1) That looked after young people within the borough, up to the age of twenty five, shall be exempt from 100% of Council tax for their first two years of independent living.

(2) That in view of the job losses and ongoing hardship caused by the COVID pandemic, rising inflation, the recent sharp rise in energy prices and the cost of living crisis, resulting in ongoing hardship faced by many Bromley residents, the council tax support scheme for 2022/23 only shall be amended to allow an increase in the maximum support provided by the Council from 75% to £100 band A to D properties, to be funded from the Collection Fund Set Aside earmarked reserve.

(3) That the existence of the hardship fund shall be proactively communicated to all Bromley residents in receipt of council tax support, housing benefit and universal credit.”

On being put to the vote, the amendment was lost and the original motion to approve the recommendations as set out in the report was **CARRIED**.

301 Capital Programme Monitoring - 2nd Quarter 2021/22
Report CSD21135

A motion to approve an increase of £1,184k to the Capital Programme was moved by Cllr Michael Rutherford, seconded by Cllr Colin Smith and **CARRIED**.

302 Provision of Housing and Library Improvement Works in West Wickham Town Centre
Report CSD21137

A motion to approve (i) the addition of the Scheme to the Capital Programme at an estimated cost of £9,641k and (ii) the financing of the Scheme as set out in paragraph 10.8 of report HPR2021/059, including an internal loan from the General Fund to the Housing Revenue Account of £2,147k, was moved by Cllr Peter Morgan, seconded by Cllr Gary Stevens and **CARRIED**.

303 Gambling Act 2005 - Revised Statement of Gambling Policy for 2022 to 2025
Report CSD21138

A motion to note the response to public consultation and adopt the revised Statement of Gambling Policy 2022 to 2025 under the Gambling Act 2005 to have effect on 31st January 2022, was moved by Cllr Pauline Tunnicliffe, seconded by Cllr Michael Turner and **CARRIED**.

304 Local Pension Board - Annual Report 2021
Report CSD21139

A motion to receive the Local Pension Board Annual Report 2021 was moved by Cllr Keith Onslow, seconded by Cllr Gary Stevens and **CARRIED**.

305 Appointment of Independent Persons
Report CSD21132

A motion to approve (i) the appointment of Ms Kath Nicholson and Mr Jonathan Farrell as Independent Persons for a four year term until the end of May 2026, (ii) the extension of the appointment of Mr Ken Palmer as an Independent Person until May 2023, (iii) the reaffirmation of the appointment of Dr Simon Davey as an Independent Person until the end of the current Council in May 2022, and (iv) to co-opt Dr Simon Davey, Mr Ken Palmer, Ms Kath Nicholson and Mr Jonathan Farrell to the Standards Committee, was moved by Cllr Colin Smith, seconded by Cllr Vanessa Allen and **CARRIED**.

306 To consider Motions of which notice has been given.

(A) Boundary Charge

To be moved by Cllr Kieran Terry and seconded by Cllr Christopher Marlow.

“This Council expresses its concern about the major impact to Bromley’s residents and businesses of a boundary charge, which would tax motorists driving across our borders from outside London, and calls on the Mayor of London to immediately cease and rule out any further progress on its implementation.”

The motion was **CARRIED**.

(B) 20mph Speed Limit

To be moved by Cllr Ian Dunn and seconded by Cllr Vanessa Allen.

“As part of a strategy for safer streets, this Council resolves that the Executive be asked to agree that the default mandatory speed limit for residential streets in Bromley shall be 20mph.”

An amendment was moved by Cllr Kieran Terry and seconded by Cllr William Huntington-Thresher, so that the motion read -

“As part of a strategy for safer streets, this Council endorses Bromley's Local Implementation Plan 3 as agreed by all members of the Environment PDS in October 2018 which calls for targeted 20mph zones in those areas where it can have the greatest effect.”

The amendment was agreed and the motion as amended was **CARRIED**.

307 The Mayor's announcements and communications.

The Mayor thanked Members who had represented the Borough at Remembrance Services.

Council
6 December 2021

The Mayor also reminded Members about the following events –

- A Charity Dinner at Ming's Restaurant in Petts Wood on 13th January 2022.
- The Mayor's Quiz at Crofton Halls on 11th February 2022.
- The Mayor of Bromley Awards in March 2022.
- A Whisky Tasting Event at the Civic Centre on 7th April 2022.
- An end of year Reception for all members on 11th April 2022.

The Meeting ended at 9.40 pm

Mayor

Council - 6th December 2021

Questions from Members of the Public for Oral Reply

1. From Tony McPartlan to the Portfolio Holder for Environment and Community Services

Fly-tipping and poor street cleanliness is a continued problem in many areas but particularly around Southover in Plaistow and Sundridge ward. These are reported on FixMyStreet, but what preventative measures are the Council taking? Signage and posters simply aren't enough.

Reply:

All reports received will be directed straight through to our service provider and actioned in a timely manner according to contractual SLAs. Street cleansing outputs are monitored through our client officer team who undertake randomised inspections to ensure satisfactory standards are being achieved across the borough. The local officer for P&S will review and address any issues with the service provider to rectify any underperformance issues. Signage is deployed throughout the Borough as an initial educational tool raising awareness of the illegal depositing of waste. Fly-tips will be investigated to recover any identifying evidence that can lead to successful enforcement action being taken against the perpetrator. Further tools utilised to combat this Anti-Social Behaviour include installation of barriers to prevent deposit & the deployment of CCTV at known hotspots.

Supplementary Question:

In September the PDS Committee was informed about a 25% increase in fly-tipping. Is it time for a report on the various enforcement options?

Reply:

This is an issue of on-going concern, and some have attributed it to the closure of the Waste and Recycling Centres during lockdown. I am discussing this with the Portfolio Holder for Public Protection and Enforcement.

2. From Tony McPartlan to the Portfolio Holder for Environment and Community Services

In Rangefield Road, the 20mph zone literally only covers the width of Burnt Ash School and doesn't cover any of the surrounding area. Is there any scope to expand the coverage of this and other 20mph zones around schools to keep children safe as they travel to and from school?

Reply:

The approach taken by the Borough is to focus such 20mph limits on the roads in the immediate vicinity of schools, so that drivers can easily see the purpose of the speed limit. It appears that drivers are more likely to adhere to speed limits, warning signs, speed-activated signs etc. when they are directly associated with the hazard, in this case the school and children travelling to it.

Supplementary Question:

These zones are designed only for the areas just outside schools – is it not more important to cover areas where children actually cross the road?

Reply:

Each school has a Travel Plan and we work with the schools – Travel Plans are driven by the schools, and we work with them to see what their local issues are.

3. From Alisa Igoe to the Leader of the Council

In addition to the “2 or 3 British families” mentioned at the Executive, Resources and Contracts PDS Committee on 13 October, could the Leader of the Council kindly tell me how many refugee families from Afghanistan Bromley Council have accepted and resettled through the two Afghan Resettlement Schemes between 18 October and today’s question deadline of 22 November, since his reply to a public question at full Council on 18 October.

Reply:

There has been no change to either Bromley’s position, or that of that of any other London Borough which I have been made aware of since 18th October. All concerned continue to await the Government’s ‘next steps’ and direction with very close interest

Supplementary Question:

It is disappointing that no councils have taken people from Afghanistan. Our borough is very wealthy, as the Treasury Management report shows. Despite the Government giving no indication of what will happen, should the Council not take it upon itself to invite Afghan families to join us here?

Reply:

There are schemes available for residents to host immigrants.

(The questions from Richard Seabrook and Jamie Devine were added to the list of questions for written reply.)

Council - 6th December 2021

Questions from Members of the Public for Written Reply

1. From Dermot Mckibbin to the Portfolio Holder for Renewal, Recreation and Housing

When will the Council implement the licensing of all houses in multiple occupation as recommended in the Council's housing strategy? What are the implications of rent repayment orders for unlicensed houses in multiple occupation?

Reply:

The Housing Act 2004 currently requires local housing authorities to license houses in multiple occupation (HMOs) if they accommodate more than five tenants in two or more households; this is called mandatory licensing, and is already in place. With regards to HMOS, in addition to the mandatory scheme, the Council has a discretionary power to introduce additional licensing for HMOs that fall outside the scope of the mandatory licensing scheme. The scope of an additional scheme varies between Councils, some schemes cover the whole borough whereas others cover smaller geographical areas. However, the Council may only make a discretionary designation for additional licensing if the area has a high proportion of property in the private rented sector (e.g. more than 19%). As this is not the case in Bromley, additional licensing could not be applied borough wide.

In addition to the above, before any discretionary scheme can be introduced, the Council must be able to evidence that a significant proportion of the proposed HMOs are being poorly managed and are giving rise (or likely to give rise), to problems affecting the occupiers or members of the public. In addition, a Council must evidence that:

- any decision to implement an additional licensing scheme is consistent with the council's housing strategy,
- part of a coordinated approach for dealing with homelessness, empty homes and anti-social behaviour,
- there are no other courses of action available that might provide an effective remedy, and
- that the introduction of additional licensing will significantly assist in dealing with identified problems.

As such, a Council must have significant evidence at hand before it can introduce such a scheme, or it can face legal challenge. Additionally, should the council wish to introduce such a scheme, it must consult with everyone affected by the designation for a minimum of 10 weeks.

A Rent Repayment Order forces a landlord to refund up to 12 months' rent.
Rent Repayment Orders are awarded if:

- The property you are renting does not have a license
- The landlord has not complied with a council notice
- The tenant has been harassed or evicted without the correct court paperwork.

2. From Dermot Mckibbin to the Portfolio Holder for Resources, Commissioning and Contract Management

How much money is the Council losing through not implementing the empty homes premium? Will the Council review the effectiveness of its empty homes strategy and consult with the public?

Reply:

The Executive approved the introduction of the Empty Homes Premium (EHP) at their meeting on 27 November 2019 and the premium was introduced from 1 April 2020. For properties empty longer than two years a 50% is being levied, increasing to 100% once the property has been empty for five years. A copy of the report is available on the Council website.

On 13th January 2021 the Executive considered proposals to increase the Empty Homes Premium from April 2021 to the maximum premium permitted under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. A public consultation exercise had been carried out, the results of which were set out in the report. Although Members considered that there was a strong case for increasing the premium it was considered that, given the impact of the pandemic, now was not the right time to do so. Details of the impact on income were also included in that report.

The reports and minutes are available on the Council website.

As part of the Transforming Bromley Agenda, we are reviewing the alignment of the service with the Council's Regeneration Team and are currently in the process of going to advert for staff to work specifically upon empty homes services. This work will also include reviewing the strategic approach to empty homes which will be consulted and reported on in due course.

3. From Peter Barnett to the Portfolio Holder for Public Protection and Enforcement

How many criminal prosecutions and civil payment fines have been issued by the Council in the last two years and for what offences?

Reply:

The exact scope of your question is unclear, but information about prosecutions and fines is set out in [Appendix 1](#).

4. From Peter Barnett to the Portfolio Holder for Renewal, Recreation and Housing

What are the resource implications of licencing all houses in multiple occupation in Bromley and what legal decisions would be required?

Reply:

The Housing Act 2004 currently requires local housing authorities to license houses in multiple occupation (HMOs) if they accommodate more than five tenants in two or more households; this is called mandatory licensing, and is already in place. With regards to HMOS, in addition to the mandatory scheme, the Council has a discretionary power to introduce additional licensing for HMOs that fall outside the scope of the mandatory licensing scheme. The scope of an additional scheme varies between Councils, some schemes cover the whole borough whereas others cover smaller geographical areas. However, the Council may only make a discretionary designation for additional licensing if the area has a high proportion of property in the private rented sector (e.g. more than 19%). As this is not the case in Bromley, additional licensing could not be applied borough wide.

In addition to the above, before any discretionary scheme can be introduced, the Council must be able to evidence that a significant proportion of the proposed HMOs are being poorly managed and are giving rise (or likely to give rise), to problems affecting the occupiers or members of the public. In addition, a Council must evidence that:

- any decision to implement an additional licensing scheme is consistent with the council's housing strategy,
- part of a coordinated approach for dealing with homelessness, empty homes and anti-social behaviour,
- there are no other courses of action available that might provide an effective remedy, and
- that the introduction of additional licensing will significantly assist in dealing with identified problems.

As such, a Council must have significant evidence at hand before it can introduce such a scheme, or it can face legal challenge. Additionally, should the council wish to introduce such a scheme, it must consult with everyone affected by the designation for a minimum of 10 weeks.

Prior to consideration, a feasibility study undertaken by consultants would be required to:

- fully establish the current number of homes that would fall within scope,

- evidence whether the evidence exists to support the support the introduction of an additional scheme,
- the full extent of the additional scheme (as the variables are numerous),
- the number of officers required to furnish the scheme, and
- whether the income generated would cover costs.

Authorities that have implemented discretionary schemes and which have undertaken the feasibility studies have indicated that the expense is considerable, and without the feasibility study it is not possible to state the resources needed.

5. From Angela Barnett to the Portfolio Holder for Renewal, Recreation and Housing

How do article 4 restrictions on houses in multiple occupation help the tenants of such properties? Please publish a list by ward of all houses in multiple occupation that are licensable but are not.

Reply:

HMOs that are operating with a mandatory license can be found here:

<https://searchapplications.bromley.gov.uk/online-applications/simpleSearchResults.do?action=firstPage>

Those houses that are licensable and are not covered by a license would be subject to possible legal action, as such, the provision of a list by ward would not be appropriate. Once made aware of an unlicensed HMO, the Council would seek to progress the license, or enforce accordingly.

6. From Angela Barnett to the Portfolio Holder for Environment and Community Services

What is the Council's plan to reduce carbon emissions in residential housing whether it is rented or privately owned?

Reply:

The Carbon Management Team are delivering a variety of projects to help mitigate carbon emissions in the borough. Every project also seeks to realise as many co-benefits as possible (i.e. policies, or initiatives, which have a simultaneous positive impact on other objectives e.g. energy efficiency upgrades reducing bills, preventing carbon emissions and combatting fuel poverty.)

Over 50% of Bromley's borough wide emissions are attributed to the domestic sector, specifically through heating systems. Bromley is part of the South London Energy Efficiency Partnership (SLEEP) - which consists of all South London boroughs. The consortia collectively bids for regional and national funding on behalf of members to

facilitate advice and referrals. Working with our partners South East London Community Energy (SELCE), outreach works include the following -

Services for individual household include but are not limited to:

- advice on how to make your home energy efficient
- a telephone advice session (in person visits when permitted due to COVID-19)
- energy and water saving devices delivered to your home
- impartial advice and help on how to pay less for your electricity or gas
- provide support and debt advice
- support with national and regional home improvement grants and schemes
- referral to other sources of help

For community/voluntary groups, SELCE also offers:

- a 30-minute remote workshop providing groups with energy/water saving advice
- a socially-distant 5-minute shout out at a meeting or event (including regular attendance at meetings or events to give a short announcement about the free energy advice service and collect the details of those interested in benefiting.)

Although SELCE are happy to provide advice to anybody seeking it, fuel poverty affects the most vulnerable in society and therefore focus is particularly provided to the following groups:

- the elderly
- low-income families
- families with children under the age of 5
- people with a long-term health condition
- people with a disability (long or short-term)
- people with a cardiovascular disease
- people with a respiratory disease

The Council has also established a Green Recovery Working Group – a cross council group representing all relevant service areas which focuses on tackling sustainability issues to enable us to build back better as we emerge from the COVID-19 pandemic.

Working with Housing, Regeneration, Planning and Public Health, the Carbon Management Team will develop and promote initiatives to enable: 1) the retrofitting of domestic properties to ensure increased energy efficiency, 2) the securing of low carbon buildings and infrastructure 3) opportunities for access to 100% renewable energy for the public and 4) building a Green Economy ensuring there is sufficient infrastructure to help deliver these initiatives.

7. From Richard E. Hart to the Portfolio Holder for Renewal, Recreation and Housing

What are the implications of covid prevention in an overcrowded house in multiple occupation? Is this not a valid reason to extend the licensing of all houses in multiple occupation in the borough?

Reply:

The key implications are -

1. All residents should follow the general guidelines as to how to stay safe (link below)

[Coronavirus: how to stay safe and help prevent the spread - GOV.UK \(www.gov.uk\)](#)

1. If one resident develops Covid 19 symptoms, the whole house in multiple occupation should behave as a single household (link below)

<https://www.nhs.uk/conditions/coronavirus-covid-19/self-isolation-and-treatment/>

2. All shared areas should be cleaned regularly and ventilated. Below are a couple of links with further information:

[Private renting: Houses in multiple occupation - GOV.UK \(www.gov.uk\)](#)

[Household overcrowding and the covid-19 outbreak - House of Commons Library \(parliament.uk\)](#)

See question 1 above.

8. From Richard E. Hart to the Portfolio Holder for Renewal, Recreation and Housing

Will the Council introduce an HMO licence checker scheme similar to what Westminster Council are running?

(Ref: [propertyindustryeye.com/Westminster-launches-hmo-checker-to-help-combat-rogue-landlords/?](http://propertyindustryeye.com/Westminster-launches-hmo-checker-to-help-combat-rogue-landlords/))

Reply:

Westminster operate both a selective licensing scheme and the mandatory licensing scheme. The scheme (HMO checker) simply allows the person searching to determine whether the dwelling in question should be licenced under the relevant scheme, or whether it requires licensing at all.

Bromley operates the mandatory scheme alone; as such a checker to determine the distinction between the 2 schemes is not relevant. The Council provides advice on the mandatory scheme here -

https://www.bromley.gov.uk/info/200069/houses_in_multiple_occupancy/1213/apply_for_an_hmo_licence

9. From Helen Brookfield to the Portfolio Holder for Renewal, Recreation and Housing

What advice has the Council given to private tenants who have suffered harassment or unlawful eviction about rent repayment orders? When will the Council publish on its website information for the public about rent repayment orders?

Reply:

The Council's Housing Options team will take action to investigate allegations of harassment and unlawful eviction and take into consideration the individual circumstances presented in order to best advise the effected tenant.

The website is being updated to provide a link to guidance published by Shelter as this gives comprehensive and up to date advice on this matter.

10. From Helen Brookfield to the Portfolio Holder for Resources, Commissioning and Contract Management

When will the Council use its legal powers via a rent repayment order to reclaim any housing benefit paid to the owner of an unlicensed house in multiple occupation?

Reply:

The Council's Private Rented Enforcement Policy sets out that it will vigorously pursue anyone who is controlling or managing a licensable HMO without a license and, where appropriate, it will prosecute them or impose a civil penalty such as a rent repayment order to reclaim any housing benefit paid.

Each case will be determined on its individual merits and circumstances and the Council may decide not to prosecute the landlord or impose a civil penalty where the threat of such action results in the landlord fully cooperating with the Council to ensure the HMO is licensed as soon as practicable.

11. From Helen Alsworth to the Portfolio Holder for Renewal, Recreation and Housing

Please can the Council list by ward all Houses in Multiple Occupation that do not have planning permission and should be licensed by the Council but are not? Will the owners be prosecuted for failing to obtain a license?

Reply:

From a Planning perspective the conversion of a residential dwelling into an HMO of 6 or less residents does not require planning permission and is 'permitted development' set down by the government in legislation. The Planning team do not hold a register or

list of HMOs which need but do not have planning permission but investigate these on a case-by-case basis as and when complaints are received about them.

The Council has recently considered an Article 4 Direction in respect of this particular permitted development. Such a Direction, where properly justified, can be used to remove specific permitted development rights. In respect of change of use to HMOs, Officers recommended a Borough wide non-immediate Direction with a 12-month delay. This was recently agreed by the Council and will therefore take effect across the Borough on 1st September 2022, however the committee also decided to impose an immediate Direction on Biggin Hill and Darwin wards, where they perceived that there was a more immediate threat to amenity. See item 277 at <https://cds.bromley.gov.uk/ieListDocuments.aspx?CId=121&MId=7231&Ver=4>

The majority of HMOs in the Borough have 6 or less residents and therefore apart from in the Wards mentioned above do not currently require planning permission. Licensing is a separate matter from whether planning permission is required. Enforcement is a stepped approach and all decisions in respect of HMO licensing are taken in accordance with the Council's published policy and the appropriate legislation and guidance. In the past 4 years it has not been necessary to progress any cases to prosecution.

12. From Helen Alsworth to the Portfolio Holder for Renewal, Recreation and Housing

In the last 4 years, how many owners of HMOs have been prosecuted by the Council for failing to register their properties with the Council?

Reply:

Enforcement is a stepped approach and all decisions in respect of HMO licensing are taken in accordance with the Council's published policy and the appropriate legislation and guidance. In the past 4 years it has not been necessary to progress any cases to prosecution.

13. From Ruth McGregor to the Portfolio Holder for Renewal, Recreation and Housing

What help will the Council give to private tenants and leaseholders at Lait House, Albemarle Road BR3 where all the flats have been served with a fire safety notice by the London Fire Brigade?

(See www.london-fire.gov.uk/community/public-notices/public-notice-detail/?id=6953)

Reply:

The Council has a protocol with the LFB, which determines the enforcement remit regarding the enforcement of fire safety between the two lead authorities. The LFB are responsible for the enforcement of fire safety within the common parts of purpose-built blocks of flats, and the associated notice is commensurate with the agreement. As such, from the perspective of the Public Protection service within the Directorate of Environment and Public Protection, there is no remit to provide assistance, and it will be the responsibility of the property management company to comply with the requirements stipulated within the notice.

14. From Ruth McGregor to the Portfolio Holder for Renewal, Recreation and Housing

Will the flat owners of Lait House in Albemarle Road (which appear to include Cllr David Jeffreys) be able to let their properties to the Council to provide temporary accommodation, notwithstanding the fire safety notices?

Reply:

If someone wished to provide accommodation to the Council then due diligence would be carried out at the time of approach to ensure that the property met all current safety requirements prior to be taken on.

15. From Carole Dewar to the Portfolio Holder for Renewal, Recreation and Housing

What savings in the cost of temporary accommodation would be achieved if an owner of an empty property in the borough leased the property to the Council to provide temporary accommodation for a homeless household?

Reply:

If an owner wished to lease the property for use as temporary accommodation, then this would only present a saving to the Council if the rental level charged by the owner, together with any associated administrative and grant funding costs, was less than the rental charge set by alternative providers of temporary accommodation.

16. From Carole Dewar to the Portfolio Holder for Resources, Commissioning and Contract Management

How many owners of empty properties owe the Council money, and will the Council apply for an order for sale to repay these debts and to make sure that such properties are brought back into use?

Reply:

The number of owners of empty properties with an outstanding balance on their Council Tax account is currently 2,262 however only 238 of these are classed as long-term empty and are therefore liable for the Empty Homes Premium; 36 of which are subject to recovery action.

The Council takes legal action in respect of all Council Tax debt where appropriate. We also consider on a case-by-case basis the appropriateness of obtaining a charging order and order for sale taking into account matters such as the value of the debt and amount of equity in the property. Empty properties where there is a debt due are included in this overall review.

17. From Richard Seabrook to the Portfolio Holder for Renewal, Recreation and Housing

How is the Council enforcing the requirement that privately rented properties must have an EPC rating of at least Band E?

Reply:

There are approximately 21000 privately rented homes within Bromley, there are currently insufficient council resources to enforce the minimum energy efficiency standards (MEES) in all PR properties across the borough. The Carbon Management Team works with our domestic energy efficiency and advice partners to assist residents in saving money on their fuel bills, how they can improve their EPC and even provide an assumed EPC assessment if none exists. The Council also has access to housing stock software for assumed EPCs across the borough for a targeted outreach approach. The Council was successful in a tri-borough application for a 6-month MEES intelligence gathering officer which will eventually inform a business case for additional resources for enforcement. Consultation on the recruitment process is on-going. In addition, insulations standards are also considered when assessing HMO license applications.

18. From Richard Seabrook to the Portfolio Holder for Renewal, Recreation and Housing

How many exemption notices (with regard to EPC rating) of all types has the Council issued to landlords whose properties do not reach this standard, in the three financial years April 2018 to April 2021?

Reply:

The Council does not issue exemption notices under the Domestic Minimum Energy Efficiency Standard (MEES) Regulations. The regulations allow for landlords to register exemptions via the Government portal:

<https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before>

Those premises registered are not automatically forwarded to the Private Rented Sector Housing Team or Trading Standards. There is no expectation for Councils to proactively check the validity of any exemptions applied for. Having said that, if a local authority believes a landlord has failed to fulfil their obligations under the MEES Regulations, they can serve the landlord with a compliance notice. No such notices have been issued.

19. From Jamie Devine to the Portfolio Holder for Environment and Community Services

The Environment Committee wrote recently that it 'does not consider it appropriate to declare a climate emergency'. Does the Council not acknowledge that words from elected representatives on climate change have a role to play in communicating the seriousness of the matter to the public?

Reply:

This Council has declared its seriousness on this matter by setting its target on carbon neutrality for Council Activities by 2029 one of the most ambitious in London. This Council has always believed in actions not words.

20. From Jamie Devine to the Portfolio Holder for Environment and Community Services

Baroness Thatcher (a chemist) said 'We have come to realise that man's activities and numbers threaten to upset the biological balance which we have taken for granted and on which human life depends.' Does the Council acknowledge that climate change poses an existential threat to humanity?

Reply:

In terms of an existential threat to humanity, with humans successfully living across a wider range of climates, it depends on the degree of global warming. The impact on our lifestyles will occur sooner and should be our focus in-line with the ambitions of COP26.

Appendix 1 (Question 3)

Prosecution instructions were as follows for the period from 5th December 2019 to date:

Type of Prosecution	Number
Section 21 CSOPA 1970 misuse of blue badge (Badge declared lost or stolen)	28
Section 17 Greater London Council (GP) 1972 (Blue badge – none return of information driver of the vehicle)	25
Section 217 Town and Country Planning Act 1990 (Breach of untidy site notice)	7
Section 210 Town and Country Planning Act 1990 (Breach of tree preservation order)	1
Section 1 Fraud Act 2006 (Consumer protection – fraud)	2
Section 179 Town and Country Planning Act 1990 (Breach of enforcement notice)	7
CSDPA 1970 Consumer Protection (Trading Standards)	1
Section 80 Environmental Protection Act 1990 (Statutory Nuisance)	2
Section 117 Road Traffic Regulation Act 1984 (Wrongful Use of Disabled badge)	42
Section 33 Environmental Protection Act 1990 (Waste)	2
Section 75 Anti-Social Behaviour Act 2003 (Breach of high hedge order)	1

Parking Fines issued on behalf of LB Bromley 2020 - 2022:

	Issues 2020	Issues 2021	Issues 2022
On Street	69,332	51,956	50,025
01: Parked in a Restricted Street during prescribed hours	11,563	10,599	8,788
02: Parked loading or unloading in restricted street	3,334	1,887	2,067
12: Parked in residents or shared use parking place	11,007	8,443	7,738
14: Parked in electric vehicle charging place	20	21	22
16: In permit space without valid permit	129	209	127
21: In a suspended bay/space	397	252	837
23: Designated class of vehicle restricted	566	452	462
25: In loading place in restricted hours no loading	3,715	2,796	2,868
26: Double parked not in a parking place	298	180	142
27: Parked adjacent to a dropped footway	1,187	894	809
31: Box Junction	0	2	1,957
32: Ignore Blue Sign Arrow	0	1	0
34J: Being in a Bus Lane	13,796	8,025	6,773
40: In disabled bay without clearly displayed valid badge	1,635	1,423	1,199
45: Stopped on a taxi rank	530	451	501
47: Parked on a restricted bus stop/stand	301	344	174
48: Stopped where prohibited (school)	1,010	690	658
49: Parked wholly or partly on a cycle track	2	2	0
55: Commercial vehicle contravention overnight ban	18	10	6
61: Heavy vehicle parked on footway (>7.5 TONS 1 W)	29	21	22
62: Parked with wheels not on carriageway	4,803	3,882	2,946
99: Stopped on pedestrian crossing and/or zig-zags	171	96	113
05: Parked after the expiry of paid-for time	2,539	1,250	1,602

06: Without clearly displayed P&D ticket (pay and display)	8,541	4,950	5,573
11: Parked without payment of the parking charge	1,339	3,725	3,118
19: Parked in a residents or shared use parking place	389	237	274
22: Re-parked within the restricted time period	3	1	1
24: Not within marking of bay or space	1,077	819	1,024
30: Parked for longer than permitted	933	292	221
63: Parked with engine running where prohibited	0	2	3
Off Street	9,910	5,554	6,448
70: Parked in a loading area during restricted hour	47	29	37
71: Parked in electric vehicle bay not charging	19	1	4
81: Parked in a restricted area in a car park	40	31	27
85: In permit bay without displaying valid permit	19	14	17
87: In disabled bay without disabled badge	232	207	227
91: In area not designated for class of vehicle	85	31	70
92: Parked causing an obstruction	4	9	6
73: Parked without payment of the parking charge	6,813	3,907	4,815
80: Parked for longer than maximum period permitted	4	6	0
82: Parked after expiry of time paid for	1,735	582	745
83: In P&D car park without displaying P&D ticket	567	543	172
84: Parked beyond time first purchased	2	0	0
86: Parked beyond the bay markings	342	194	326
93: Parked in a car park when closed	1	0	2

Trading Standards fines 2020-22:

The Redress Schemes for Lettings Agency Work and Property Management Work Requirement to Belong to a Scheme etc) Order 2014: Redress membership £7,500
The Consumer Rights Act 2015, sections 83-88: Relating to fees £9,500
The Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019: Relating to membership £17,500; transparency £8,000

Council - 6th December 2021

Questions from Members of the Council for oral reply

1. From Cllr Kieran Terry to the Portfolio Holder for Resources, Commissioning and Contract Management

In October the Council won a national award putting us best in the country for financial management of the Council's assets. What specific achievements were highlighted in gaining the award and what should other councils be able to learn from Bromley's success?

Reply:

To support key services, including for the most vulnerable, the Council produce an annual investment income of an estimated £13.8m per annum which comes from the strategy of property investments and other rent income alongside alternative treasury management arrangements.

We have received this prestigious Public Finance 2021 Achieving Excellence in Asset Management award which is highly regard in the public finance community. This was a national acknowledgement of the excellent work the Council has delivered on pension fund performance and treasury management.

The performance was outstanding. For the £1.4bn pension fund, the rankings put Bromley 1st over 5 and 10 years, and 2nd over 1 year, 3 years, 20 years and 30 years. This represents outstanding performance and as a result the fund is "fully funded" (110% at last actuarial valuation and subsequently increased to an estimated 130% plus) to reflect this outstanding performance. The net annual return in 2020/21 is 34.1% compared with a benchmark return of 23.6% (a difference of 10.5%.)

For Treasury Management the Council has delivered a net annual return in 2020/21 of 2.56%, compared with the bank base rate of 0.1%. Clearly in the top performance category compared with peers in the UK.

What does this mean for the Council's finances? The outstanding performance of the pension fund has reduced the Council's general fund costs by at least £6m per year. Whilst the Treasury Management performance has delivered additional income of over £4m per annum for the exceptional performance. This combination of additional income

and reducing employers' costs has enabled more money to be spent on key services and reduces the burden to council taxpayers.

This outstanding performance is not just a one off. The exception work has achieved recognition in the 2019 Public Finance Awards and for the last four years the Council has won two Local Authority Pension Fund Awards, was runner up in one year and a commendation in another year.

It is important that all Councils that administer pension funds and have treasury management resources, pay attention on these key financial areas to improve their overall finances, reduce cost to the council taxpayer and help protect key services. Some councils may see this as 'below the radar' but an organisation can make a real positive differences to its overall finances by ensuring adequate attention and innovation in these areas which can deliver substantial financial benefits within a risk framework.

Supplementary Question:

Does the Portfolio Holder agree that other Councils such as Lewisham and Croydon should take note of Bromley's financial position, and will he join me in thanking Cllr Keith Onslow, the Pensions Committee and Finance Officers for their effective management of the Pension Fund?

Reply:

I do agree and I thank those who have guided our pension fund so well.

2. From Cllr Kevin Kennedy-Brooks to the Portfolio Holder for Adult Care & Health

Certain Care homes are on the verge of closure in Bromley due to being hit hard by the pandemic. Whilst the homes are independent, any closures would greatly affect the vulnerable residents and their families. What help is the Portfolio Holder willing to provide to Care Homes to ensure our elderly and vulnerable are protected.

Reply:

It is fair to say that across the Country the demand for Care Home beds has reduced, partly due to the number of people that sadly passed away during the pandemic, but also due to the fact that fewer people are wishing to move into homes because of the national coverage about the impact of covid.

In Bromley during the pandemic we saw the closure of one home, which was due to the retirement of the owner after many years of running the home and we are aware of one other home that is currently considering the viability of continuing in business.

The Council provided and continues to provide a high level of support to care homes which was recognized as part of our award from the MJ. Our relationship with providers

is good, we have maintained ongoing dialogue with them, providing advice, PPE, financial support and practical support and this has been recognized by the sector. This stands us in good stead as we move into the winter months.

Supplementary Question:

How does the Council monitor when care homes are at risk of closure, and support them? If a home does close what does the Council do to minimise the disruption to residents?

Reply:

I can circulate an appendix with further information after the meeting. Our officers do work with care homes to make sure that residents are looked after in these circumstances.

Additional Information Provided After the Meeting:

Staff within the Council have regular contact with all providers of care and have good relationships with them. Officers also have access to weekly monitoring information regarding vacancy levels, as well as currently having access to daily updates on numbers of both staff and residents who are affected by Covid.

This enables any early warning signs that a provider is concerned to be highlighted and an early conversation to take place.

Where a provider decides to close officers will work with the provider to identify alternative providers, actively working with those individuals who are funded by the council to find alternatives, and supporting those who fund their own care to find alternatives if this is needed. All providers have a responsibility to give a reasonable notice period. The council also works closely with the Care Quality Commission (CQC) who have responsibility for the registration of care providers. If they have concerns officers will be alerted to these so that appropriate support can be given to providers if needed.

3. From Cllr Angela Wilkins to the Portfolio Holder for Environment & Community Services

Please explain:

- the frequent & long-standing absences of loo roll in Crystal Palace Park toilets?
- what you suggest park users do when faced with such absences?
- what skills and qualifications are required of contractors to replace a toilet seat?

Reply:

- The toilets are restocked at least daily all year as per idverde's contractual obligation, although we often do this three times a day due to anti-social behaviour and demand. During the summer months an attendant is at the Park between 10am and 6pm on weekends to ensure cleaning and restocking is done

regularly enough. The issue is that the toilets remain open after the team have finished their shift and this is when the problems usually occur. The park is now often busy in the evening as more and more people are enjoying the features such as the redeveloped café and bar.

- The nearest toilet that is part of the Bromley Community Toilet scheme is at McDonalds, Penge High St.
- Contractors would need to be Council approved suppliers that have demonstrated their competence by having the required skills, knowledge, aptitude, training and experience to complete the tasks required of them.

Supplementary Question:

The toilets are serviced by idverde once a day, which is nowhere near adequate given the use of the Park, particularly during special events. Use of large fixed rollers rather than individual toilet rolls has been suggested, but the response was that the toilet roll holders would be stolen for scrap.

Reply:

I will ask idverde for a view on the toilet roll holders. The Crystal Palace Park Trust is taking over control of the Park and we can discuss these issues with them.

4. From Cllr Vanessa Allen to the Leader of the Council

Please explain why a Communications Plan purely for the planting of new trees is justified when the same do not exist for COVID grant applications and the recently announced Household Support Fund?

Reply:

When the Council is promoting its own policy initiatives, it can do so in a style and manner that it chooses to.

When the Council is promoting a Government initiative whilst distributing their Grant Funding, it needs to follow their guidance which is set out on the following website link for ease of clarity:

<https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/household-support-fund-final-guidance-for-county-councils-and-unitary-authorities-in-england>

I am very pleased to confirm that in addition to the five hundred or so Bromley households who have already benefited from the Government's generous provision of the Household Support Fund to date, further periodic advertising of the fund's availability remains planned ahead of its closure on 31st March 2022 to maximize its uptake by eligible applicants.

Supplementary Question:

Five hundred applications may have been made, but not all have been dealt with – more resources need to be put in.

Reply:

If you can identify any specific cases that have not been dealt with then please let the officers know in the morning.

5. From Cllr Josh King to the Portfolio Holder for Renewal, Recreation & Housing

Can the Portfolio Holder detail the progress made on successful applications to the Small Parades Initiative in the last 6 months and what plans are there to catch up any backlogs?

Reply:

As recently presented to the Renewal, Recreation and Housing PDS Committee the Local Shopping Parades scheme has been severely impacted by Covid with staff seconded to work on the business grant programme. The challenging circumstances were raised as an issue internally in July and following this, a project officer is now working full-time to progress all live schemes. Since the end of October, the Head of Regeneration has been provided with weekly progress reports for all 18 parades to ensure that all live projects are attended to on a weekly basis to speed up progress going forward. As a consequence, progress has been made on the following schemes: Royal Parade, Belmont Parade, Rosehill Parade, The Pantiles, and Green Street Green.

Supplementary Question:

I accept that staff have been seconded, but can you assure us that they will be able to concentrate on the Parades Scheme in future?

Reply:

Yes, we can proceed more quickly now.

6. From Cllr Ian Dunn to the Portfolio Holder for Environment & Community Services

What lessons have you and the Council learned from the process for developing the recently approved Open Space Strategy?

Reply:

The main lessons that we have learned with developing the Open Space Strategy are as follows:

- Ensuring that we reach out to as wide a range of stakeholders as possible to ensure that the views of all the Bromley Community are heard when drafting the strategy.
- To be clearer as to the remit of the strategy with respect to the sites that it will apply to and the level of detail that it will go into in comparison to the delivery plans.
- Ensuring that we use language that is easy for everyone to understand and unambiguous terminology with regards to our intentions for the Open Space Portfolio.

Supplementary Question:

Can you explain the process?

Reply:

This has been looked at in great detail, and a press release was issued to clarify the terminology and ensure that it could not be misunderstood.

7. From Cllr Kathy Bance MBE to the Portfolio Holder for Renewal, Recreation & Housing

Can you please explain what the role is of the Council's representative on the Clarion Housing Group South London Regional Scrutiny Committee?

Reply:

The role is about wider scrutiny of Clarion's performance, and is not concerned with individual cases.

Supplementary Question:

I am surprised at this response. Our part of the borough has much social housing. I have had five holding replies from Clarion on the matters I raised at the last Council meeting.

Reply:

The performance of providers of socially rented housing providers is monitored by the Homes and Communities Agency (now Homes England and the Regulator of Social Housing) and the Housing Ombudsman. The Council cannot take action until these routes have been completed. I agree this is very bureaucratic and it is frustrating for me.

8. From Cllr Simon Jeal to the Portfolio Holder for Environment & Community Services

The Friends of Cator Park and Alexandra Recreation Ground paid for a bench to be installed in April, could you please explain why Idverde have still not installed it?

Reply:

There have been two isolated instances where parts for specific bench designs were put on hold by the third-party supplier due to difficulties with ordering. There has also been a back log of work for our Infrastructure team to complete due to the difficulty in obtaining correct materials due to COVID and industry delays, and also increased infrastructure works during 2021. We can confirm that the bench in question will be installed by the end of the year. We apologise for any inconvenience caused and will update the Friends Group on the estimated time of installation for the bench.

Supplementary Question:

I can report that the bench was installed on Friday. This is good news, but the wait of eight months is not good. Why has performance been so poor on this and other occasions.

Reply:

The cases regarding the benches are due to Covid-19 and the supply problems with materials. This should not be happening in future.

9. From Cllr Nicholas Bennett MA JP to the Portfolio Holder for Environment and Community Services

How many (i) dead dogs, (ii) dead cats were recovered in the last period for which records were available and what process is in place for notifying their owners?

Reply:

Between 1st April 2020 and 31st March 2021, 976 enquiries were received under the 'Dead Animal' subject code. Whilst this subject does not differentiate cats and dogs with exact figures, a search has been undertaken to identify reports which reference 'cat' or 'dog' in the description which showed 65 cats and 6 dogs. Domestic animals collected are scanned for a microchip and wherever possible owners will be contacted. Where it is not possible to identify the owner, the Council publishes the details on our website for residents of missing animals to monitor. The latest report is of a ginger cat which was found on 20th November 2021.

(As Cllr Bennett was not present a written reply was provided.)

10. From Cllr Aisha Cuthbert to the Portfolio Holder for Renewal, Recreation and Housing

We've seen a number of recent questions from councillors regarding housing association properties. These concerns raised are from residents living in Clarion, Hyde, A2Dominion and Moat Housing properties. Could the Portfolio Holder please remind all Members what can be done to address residents' concerns regarding repairs since the Council has no direct involvement and no decision-making authority of any of these independent housing associations?

Reply:

The performance of Registered Social Landlords (RSLs) is scrutinised by the Homes and Communities Agency and the Housing Ombudsman. In accordance with the Private Rented Sector Housing Enforcement Policy, the Council will not normally take action against an RSL, unless the problem in question has been properly reported to the RSL, they have failed to take the appropriate action and the tenant has been to the Housing Ombudsman without a satisfactory result.

Supplementary Question:

Can we consider asking the Chairman of Renewal, Recreation and Housing PDS Committee whether this issue can be scrutinised by the Committee?

Reply:

I will do that.

11. From Cllr Kieran Terry to the Portfolio Holder for Resources, Commissioning and Contract Management

How much debt interest did the London Borough of Bromley pay during 2020 and 2021 to date? In answering please indicate how much debt the London Borough of Bromley carries and a comparison to other neighbouring local authorities.

Reply:

I have a table which illustrates this -

Interest Payments and Borrowing 2019/20 and 2020/21 (£k)

LA	2019/20		2020/21	
	Interest	Borrowing	Interest	Borrowing
Bexley	10,631	233,051	10,451	233,043
Bromley	0	0	0	0
Croydon	43,659	1,217,330	38,948	1,170,744
Greenwich	16,462	374,654	14,612	371,199
Lambeth	25,586	591,658	26,626	651,283
Lewisham	35,651	222,987	31,713	222,784
Southwark	37,060	627,634	29,825	683,989

Sutton	10.200	312,126	11.133	412,127
--------	--------	---------	--------	---------

(Note: Data is not yet available for the period 010/4/21 to date.)

Last year, Croydon paid £39m in interest, and Sutton paid £11m. Bromley paid no interest.

Supplementary Question:

Does he agree that spending of £39m and £11m on debt interest is not acceptable?

Reply:

I do agree.

12. From Cllr Kevin Kennedy-Brooks to the Portfolio Holder for Environment & Community Services

Residents are expressing concern at the number of delivery scooters parking on the High Street bays outside McDonalds in Penge. This affects High Street trade and includes a disabled bay which comes under Council responsibility. What action will the Portfolio Holder take to resolve this?

Reply:

Parking Services have instructed the Civil Enforcement Officers (CEOs) to issued PCNs immediately to these delivery mopeds, however quite often when the CEOs arrive to enforce the vehicles move on and will return once they CEO has left the area. The Council are unable to issue via CCTV, therefore PCNs issued by CEOs are the only enforcement method available.

Parking Services are fully aware of this problem in Penge and other parts of the Borough and it is one that is shared the majority of London Councils with the increased popularity of these services. Officers will be contacting the local Police to discuss a joint exercise to assist with the enforcement of these vehicles.

Supplementary Question:

This issue does indeed us and many other boroughs. Can the Council address the delivery drivers issue directly?

Reply:

I have asked Legal to look at other avenues – I will keep you informed.

(At this point the time allowed for questions expired – the remaining questions received written replies.)

13. From Cllr Angela Wilkins to the Portfolio Holder for Resources, Commissioning and Contract Management

Will he please confirm the precise date when the UPS switch will be repaired and also provide details of expenditure to date on the 'man in the van' retained to oversee the faulty switch?

Reply:

The UPS switch was replaced on 27 November 2021. To date the Council has spent £117,700.80 on providing a contingency support to ensure that the Council's power supply is maintained on a 24 hour, 7 Days a week basis to support the Councils operations including server provision.

14. From Cllr Vanessa Allen to the Leader of the Council

Will the Leader instruct the Portfolio Holders to respond to emails from other councillors within a certain time, even if it is a holding reply pending further work?

Reply:

I know that they routinely do, but should you ever have or feel the need to chase a response, please by all means 'cc' me into it.

15. From Cllr Josh King to the Portfolio Holder for Renewal, Recreation & Housing

In the last year there have been delays to the planning application process. What improvements have been made to overcome these issues and are delays still occurring?

Reply:

There have been delays in processing applications over the past year and the team is in the process of resolving these delays. In addition to problems presented by the pandemic, staffing turnover issues and problems with processes have been identified and are being addressed and the delays are being reduced week on week at present, with a view to achieving target levels again early in the new year, although it should be noted that once validation delays are resolved this does take a few months to work through to determination times.

16. From Cllr Ian Dunn to the Portfolio Holder for Environment & Community Services

Both the 2020 and 2021 surveys of public satisfaction with Grounds Maintenance in Bromley show that over 50% of respondents are dissatisfied with facilities in parks (i.e. drinking fountains and toilets). What action do you propose to take to rectify this? Will you institute a programme of installing drinking fountains in public parks, to reduce the use of plastic water bottles?

Reply:

All Park toilets are currently in the process of having a full condition survey to identify maintenance costs.

We review the public satisfaction surveys to identify areas for improvement and in the case of facilities in parks, further work will need to be undertaken to understand the public's priorities for facilities and the cost and benefits associated with each of them.

We will liaise with Thames Water if they are willing to expand their Drinking Fountains for London initiative locally.

17. From Cllr Kathy Bance MBE to the Portfolio Holder for Environment & Community Services

Fly-tipping is a major problem in Penge & Cator and many other wards in Bromley. Where there are 3 mixed glass recycling bins and only one for tins/plastic and one for cardboard/paper would you look at replacing one of the mixed glass bins for another paper or plastic and cans?

Reply:

All recycling banks in the Borough are swept and cleared of accumulations and fly-tipping materials every day before 9am. In some cases where persistent mis-use of the banks is common place, a second visit is carried out in the afternoon. Where heavy use is identified, and the volume of containers insufficient, in partnership with our service provider Veolia, we would determine if additional visits are feasible and/or if additional bring banks would remedy the situation. We would be happy to investigate replacing one or more containers with other varieties, depending on availability.

One of the actions taken this year to tackle fly tipping across the borough was the face-to-face engagement exercise as part of the 'Your Waste is Your Responsibility' campaign. One of the areas selected for this campaign was within the Penge and Cator ward. The results of the campaign were positive with a reduction in fly tipping of over 60% in this area. We plan to use temporary notices fixed to the banks over Christmas at all our recycling sites to remind residents not to leave any items on the ground surrounding them.

18. From Cllr Nicholas Bennett MA JP to the Portfolio Holder for Environment and Community Services

How many instances of graffiti were removed in the Borough in the last year for which records are available?

Reply:

Graffiti enquiries between 1 April 2020 to 31 March 2021 totalled 2,185 across all services (principally comprising of Street Environment and Parks & Greenspaces).

Council - 6th December 2021

Questions from Members of the Council for Written Reply

1. From Cllr Kieran Terry to the Portfolio Holder for Environment and Community Services

What was LB Bromley's recycling rate in 2020-21 and how did we compare to other neighbouring boroughs?

Reply:

47.6% of Bromley's household waste was recycled in 2020/21. It is worth noting that this recycling rate has not been audited and verified by Central Government as yet, with the final national recycling dataset for 2020/21 expected to be published in December 2020/21.

Therefore, it is not possible to compare 2020/21 data with other local authorities.

2. From Cllr Kieran Terry to the Portfolio Holder for Environment and Community Services

How much waste did LB Bromley send to landfill between July and September 2021?

Reply:

0.03% or 12.6 tonnes of waste were sent to landfill between July and September 2021 of the 40,312 tonnes of waste and recycling managed by Bromley Council during the same period.

3. From Cllr Ian Dunn to the Portfolio Holder for Resources, Commissioning and Contract Management

Please provide a breakdown of the Council's use of Agency Staff, showing person days and net cost, by month from April 2020 to as recently as figures are available, broken down by Adult Social Care, Children's Social Care, other EHCS, ECS and other. Please also show the number of employees in FTE with the same breakdown.

Reply:

See Appendix 1 (to follow)

4. From Cllr Ian Dunn to the Chairman of General Purposes and Licensing Committee

Please provide the total number of electors in each of the new wards, and also the number of electors in each new ward who have a postal vote.

Reply:

Unfortunately, we are unable at this stage of the process to provide the information the Councillor has requested.

The polling district review has been approved by Members, but we still need to input the details into our electoral management software in readiness for the publication of the revised register (on the new boundaries) on 1 February 2022.

This part of the process could not be done before the polling district boundaries were finalised. Furthermore, it will take some time to input the details and thoroughly check the data to ensure accuracy.

In the meantime, we can only work with the projected 2025 electorate figures used by the Local Government Boundary Commission (LGBC) in regard to their (ward) review. These details were provided by the LGBC on their website and also in the Acting Returning Officer's initial proposals (published on the Council's website).

5. From Cllr Angela Wilkins to the Portfolio Holder for Renewal, Recreation & Housing

How much has been spent by the Council on the public realm of Bromley's town centre since 2014? Please provide a detailed breakdown.

Reply:

The capital records of outturn go back to 2017. Since 2017 £3,022,475 has been spent on Bromley High Street broken down as follows:

Sum of Amount	Financial Year				
Subjective No. & Name	2018	2019	2020	2021	Grand Total
C001 - Contract Payments (Main Contractor)	344,722	1,106,160	1,113,046	169,476	2,733,403
C004 - Consultants Fees (Other)		28,434	54,543	100,861	183,838
C029 - Miscellaneous Expenses	65,953		7,220	400	73,573
C033 - Salaries	31,662				31,662
Grand Total	442,337	1,134,594	1,174,807	270,737	3,022,475

6. From Cllr Angela Wilkins to the Portfolio Holder for Resources, Commissioning & Contract Management

In relation to government COVID funding for a) Local Support Grants and b) Winter Grants, please provide details of the following:

- The number of families receiving food vouchers and the average total value of vouchers given to each family;
- The number of households who received vouchers but were not identified as in receipt of the pupil premium or free school meals;
- The number of households and the average amount paid to them by a medium other than food vouchers.

Reply:

The Council does not hold data in the format requested. The Children, Education and Families Directorate has, through working in partnership with schools, supported approximately 9,000 pupils with £15 per week supermarket vouchers for each of the school holiday periods since Covid grant funding was introduced. Officers do not hold a

breakdown by numbers of families. Approximately 20% of the c9,000 pupils were supported through eligibility criteria other than Pupil Premium or Free School Meals, including those who are Children in Need.

Support has also been made available from the Housing Department, funded through the Covid grants for residents who have suffered financial hardship because of the coronavirus pandemic. Excluding the support of food vouchers, the total spend on other assistance has been c£285k between 804 people, for an average of approximately £355 per person.

In addition, our Early Intervention Services (EIS) staff have also supported the issuing of food parcels via the corporate COVID response team for many families.

EIS staff have not only provided some food parcels but have also provided other types of support to families such as children's activity packs, swap-shop clothing parcels, stationery sets for children returning to school, identification of children who could be eligible for support with the 'access to computers' initiative from the Department of Education.

Any family that we support in situations may potentially be eligible for practical support via Section 17 of the Children act. This support could include the practical provision of food if appropriate in emergency situations. We would not routinely keep a record of exactly how we spend s17 monies because this type of support is not uncommon. Where feasible we would also sign-post families to local charities or foodbanks for longer term support. All interventions would focus on ensuring that children and young people have access to appropriate types of food and in sufficient quantity.

7. From Cllr Josh King to the Portfolio Holder for Environment & Community Services

How many visits to the area around Birkbeck Bridge have been made by the Council's staff and its contractors in the last 12 months to either clean pigeon waste or clear water from the blocked drains.

Reply:

Elmer's End Road is scheduled for a weekly carriageway cleanse and twice weekly footway cleanse. Outside of that intervening cleanses with a jet wash have been undertaken at the start of each month.

Regards drainage, there have been 4 visits by the service provider in the past 12 months that undertook drainage cleansing in this location. The most recent visit was overnight on 19th November 2021 and Highways are reviewing the outcome report.

8. From Cllr Kathy Bance MBE to the Portfolio Holder for Environment & Community Services

Can you give an update on the KSI figures by Bromley roads over the past 3 years?

Reply:

Officers are in the process of analysing collision casualty data and prioritising locations for potential safety schemes, based on a cost-benefit analysis, so that we can prevent the greatest number of casualties per pound spent. I have asked Officers to share this work with you as soon as possible, which should be in the next few weeks.

9. From Cllr Kathy Bance MBE to the Portfolio Holder for Children, Education & Families

Can you advise the number and ethnicity of pupils who were permanently excluded from Bromley Schools over the past 2 years in comparison with the previous two years?

Reply:

Permanent exclusions have reduced by 42% when comparing the past 2 years, with the previous 2-year period. The rate of permanent exclusion in Bromley is now 0.04, which is 50% below the national average of 0.06. The Bromley rate of exclusion of all ethnic groups is at or below the national average. The attached table ([Appendix 2](#)) provides a breakdown of permanent exclusions by ethnicity with the national average comparator.

10. From Cllr Simon Jeal to the Portfolio Holder for Renewal, Recreation and Housing

Could you please provide a monthly breakdown, covering the past four years up to the most recent month for which data is available, detailing:

- The number of people presenting to the council as homeless;
- The number of people the council placed into temporary or permanent; accommodation following their presenting as homeless;
- The number of people who were placed in accommodation outside of the borough;
- The reasons why any resident who presented to the council as homeless was not placed in accommodation.

Reply:

	2019/20	2020/21	2021 / October 21
Number of Approaches	2081	1074	1918
New TA Placements	781	773	483
Proportion of new placements in Borough	27%	18%	22%

** please note that this information has been taken from a new Housing system introduced in 2019. Historic data can be retrieved although will require additional time to compile. All Housing statistics can also be found at www.gov.uk

There are a number of reasons that someone who presents as homeless may not be placed into temporary / or permanent accommodation.

- They may have accommodation available for their occupation in the immediate / short term, for example where a notice has been served but does not expire for some time.
- The Housing Options team may intervene and stave off an eviction, for example negotiation with a family member in the event of a parental / relative eviction.
- They may be offered but turn down an offer of either temporary / permanent accommodation.
- They may not be eligible for assistance i.e. because of their status or due to an existing connection with another Local Authority.

11. From Cllr Vanessa Allen to the Portfolio Holder for Children, Education & Families

Please provide details of how and when the remaining £435k of Holiday Activity & Food grant monies will be distributed.

Reply:

The Holiday Activities and Food programme has been a great success in Bromley, running for the first time in 2021, with positive feedback received from families and professionals.

Due to Covid restrictions and Public Health advice at the time, a scaled down programme was provided at Easter through our Youth Hubs. For our summer programme, Bromley was able to facilitate over 10,000 individual attendances by our eligible children, covering all of the Borough geographically, whilst targeting areas with

higher levels of deprivation. Additionally, we successfully applied to the DfE to release additional funding for our most vulnerable children and young people.

In accordance with the strict grant conditions, the Council does not receive a direct allocation and is only able to draw down grant retrospectively to cover eligible expenditure, up to a maximum figure. The Council has no discretion to provide HAF funds directly to families or allocate grants to other programmes and will draw down the maximum grant possible to provide our well received HAF programme.

Bromley's HAF winter programme has now been published, incorporating 14 experienced providers and an exciting range of activities for all ages and all wards of the Borough.

12. From Cllr Vanessa Allen to the Portfolio Holder for Adult Care and Health

Under grant monies for the clinically extremely vulnerable, how many households (or individuals) received food parcels in 2020-21 and how many additional/new staff were employed to distribute these parcels? During 2021-22, how many LBB staff were employed on the Shielding, Volunteering and Assistance Programme and how many new staff were recruited for this work?

Reply:

During 2020/21 under the shielding, volunteering and assistance programme, of the 21,903 clinically extremely vulnerable (CEV) residents in Bromley, 3201 of them indicated a support need. Of those residents, the majority received a food parcel from the government directly during Wave 1 of the pandemic. A total of 259 households received food parcels provided by Bromley Council (either because their government supplied food parcel had not arrived on time or because of ongoing dietary needs that could not be met by the regular government supplied parcel).

No additional staff were employed to distribute these parcels – the delivery was made entirely through volunteers. LBB mobilised 1307 volunteers to support with food deliveries, grocery shopping, prescription collections and befriending.

A total of 140 LBB staff were at some point employed through informal secondments to the programme over the two waves, mostly on a part time basis of 1 or 2 days per week. No new staff were recruited for this work.

A proportion of the grant funding was provided through LBB to the Voluntary Sector (food support organisations) who were also delivering food parcels separately. A total of 155 referrals to the food organisations were made directly through the programme but many thousands of parcels were provided to vulnerable residents during the pandemic by the food support organisations.

13. From Cllr Ryan Thompson to the Leader of the Council/Portfolio Holder for Renewal, Recreation & Housing

Please provide a schedule of the Council's communications with Emma Raducanu in relation to consideration of awarding her the Freedom of the Borough.

Reply:

13 th September	LL emailed CH	Generally, about borough wanting to celebrate Emma and asking for discussion and feedback on the options.
17 th September	LL emailed CH	Generally, about borough wanting to celebrate Emma and asking for discussion and feedback on the options.
21 st September	CS wrote to ER	Generally, about borough wanting to celebrate Emma and asking for discussion and feedback on the options.
15 th October	LL emailed CH	Asking if they would like the Council to stop making contact with them on this matter as no responses had been received.
15 th October	CH emailed LL	First response, asking for more details.
15 th October	LL emailed CH	Detailing five suggestions: mural, Christmas lights switch on, ceremonial response, meet and greet with young people, or open bus tour.
18 th October	CH emailed LL	Confirm they are considering the most low-key options and asking for details on the Christmas lights switch on option.
19 th October	LL emailed CH	Switch on date confirmed.
20 th October	LL emailed CH	Confirming a ceremonial response to ER's achievements are being considered but that the Council wants to respect ER's views on how the borough celebrates her.
20 th October	CH emailed LL	Acknowledges and says will come back to us.
8 th November	LL emailed CH	Chasing whether ER turning on Christmas lights.

11 th November	CH emailed LL	Confirmed ER not available to turn on Christmas lights. No response on other options.
---------------------------	---------------	---

14. From Cllr Ryan Thompson to the Portfolio Holder for Resources, Commissioning and Contract Management

Please provide examples of how and when the Council's social value policy and strategy have influenced or affected the commissioning of services.

Reply:

As set out in the Social Value Act (2012), consideration of social value is most effective at the pre-procurement stage in the design of the service. Prior to procurement, Officers must complete a Gateway report setting out the business case and key considerations for the proposed procurement. This report includes a requirement to set out how social value has been considered in both the design of the service and the proposed procurement – social value considerations should influence every proposed procurement.

An example would be the Primary and Secondary Intervention Service in which social value considerations influenced the design of the service, including the development of greater community based support to service users as well as strengthening the role and support to Bromley third sector providers. These considerations were set out in the subsequent specification and evaluation process.

Social value policy can also directly influence the evaluation and contract award process for each tender. The tender evaluation policy recommends that Officers consider social value when setting quality evaluation criteria, including where appropriate a specific question with suitable weighting.

Recent examples would include the tender for Environmental Services which included evaluation criteria on the economic, environmental and social sustainability impact of provider proposals, accounting for 10% of the overall marks, as well as being embedded (recycling, waste reduction) within other evaluation criteria. Similarly, the recent Supported Living for Adults with Learning Disabilities tender included specific evaluation criteria on the economic, social and environmental opportunities for added value and innovation within their proposals.

For lower value contracts, the Local Rules OK policy has even more impact, especially on the social value aim of supporting the local economy. Local Rules OK is a requirement to ensure, as far as possible, that a Request for Quotes process includes at least one Bromley based provider.

15. From Cllr Nicholas Bennett to the Portfolio Holder for Resources, Commissioning and Contract Management

If he will show in graph form the amount of grant received from central government for each London Borough and the Council tax levied in band D for each London Borough in 2020-21?

Reply:

See [Appendix 3](#) attached.

16. From Cllr Nicholas Bennett to the Portfolio Holder for Environment and Community Services

How many tonnes of waste was recycled by the Council in the latest year for which records are available and what percentage of total waste this represents and it compares with each of the other London Boroughs?

Reply:

The up to date and published Government recycling data for 2019/20 is summarised below for Bromley and its neighbouring boroughs:

Council	Total Waste Recycled in 2019/20 (tonnes)	Household Recycling Rate 2019/20
Bromley	62804	50.90%
Bexley	51313	54.20%
Croydon	58419	49.20%
Lewisham	26106	26.60%
Southwark	38940	35.10%
Greenwich	34038	33.20%

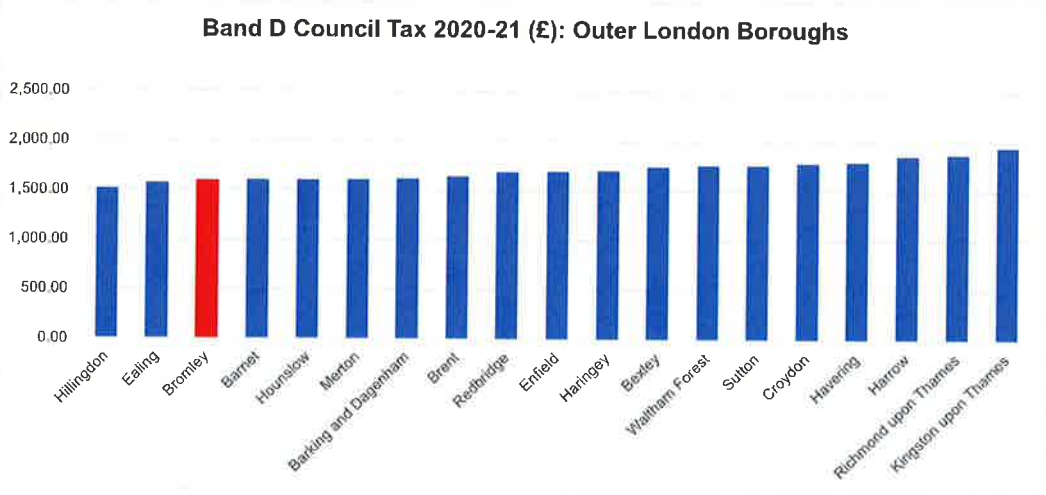
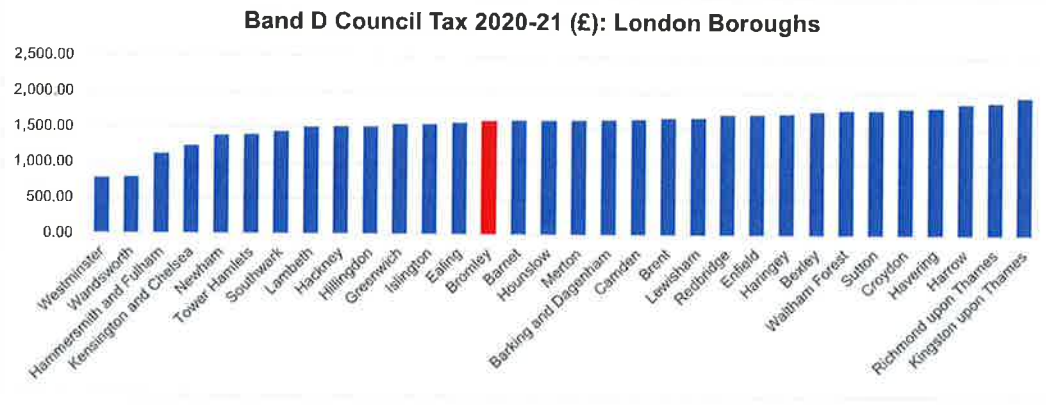
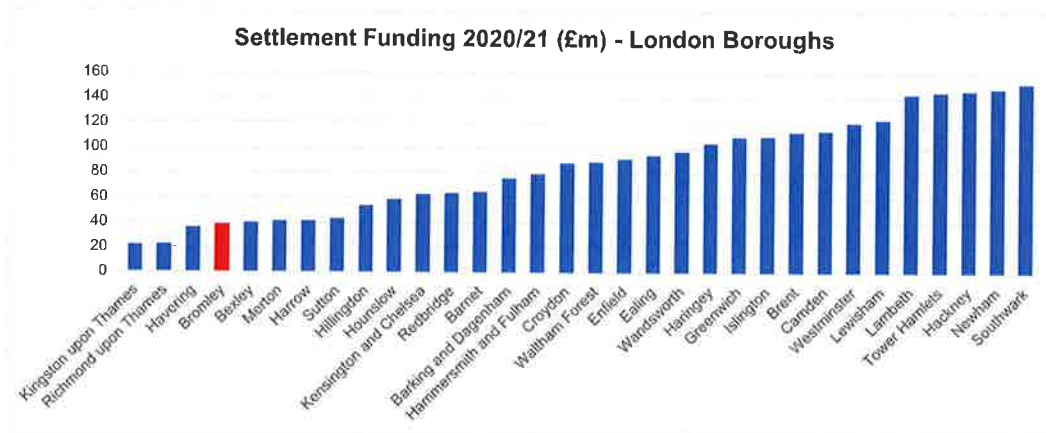
This page is left intentionally blank

DfE Data: Permanent Exclusions by Ethnicity 2016/17 to 2019/20 – Bromley and England

			Bromley				England				
			2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20	
Ethnicity Group	Ethnicity Major Asian Total	Perm. Excl.	1	1	0	1	310	361	366	254	
		Perm. Excl. (rate)	0.03	0.03	0.00	0.03	0.04	0.04	0.04	0.03	
	Ethnicity Major Black Total	Perm. Excl.	10	7	14	1	619	588	529	311	
		Perm. Excl. (rate)	0.20	0.14	0.26	0.02	0.14	0.13	0.11	0.07	
	Ethnicity Major Mixed Total	Perm. Excl.	11	41	6	1	635	745	658	427	
		Perm. Excl. (rate)	0.21	0.12	0.11	0.02	0.14	0.16	0.13	0.08	
	Ethnicity Major White Total	Perm. Excl.	43	19	28	18	5,897	5,945	6,038	3,882	
		Perm. Excl. (rate)	0.12	0.10	0.08	0.05	0.10	0.10	0.10	0.06	
	Ethnicity Minority Ethnic Pupil	Perm. Excl.	24	1	22	5	2,093	2,221	2,082	1,302	
		Perm. Excl. (rate)	0.13	0.09	0.11	0.02	0.08	0.09	0.08	0.05	
	Ethnicity Unclassified	Perm. Excl.	1	58	1	0	156	167	179	125	
		Perm. Excl. (rate)	0.11	0.11	0.08	0.00	0.18	0.18	0.17	0.11	
	Total		Perm. Excl.	66	58	49	21	7,719	7,905	7,894	5,057
			Perm. Excl. (rate)	0.13	0.11	0.10	0.04	0.10	0.10	0.10	0.06

Number of perm. exclusions	90	76	71	26
Number of perm. exclusions (2-year total)	166			
Reduction in 2-year total (No.)	69			
Reduction in 2-year total (%)	42%			

This page is left intentionally blank



This page is left intentionally blank

Report No.
CSD22030

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: PETITIONS

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: Orpington, Chislehurst

1. Reason for report

1.1 Under the Council's Petition Scheme, if petitioners are dissatisfied with the Council's response to their petition they can present their case to full Council, provided that the number of verified signatures exceeds the threshold of 500 signatures for a traditional paper petition, or 4,000 signatures for an online petition. The lead petitioner or their nominee can address the Council for up to five minutes, after which Members can debate the issues raised. Council can resolve to recommend the Executive, or the relevant Portfolio Holder, to take action, or it can note the petition and decide that no further action be taken.

1.2 Three petitions have been received for consideration at this meeting as follows –

(1) Orpington Town Centre

(2) Road Safety at Chislehurst War Memorial Junction

(3) Climate Emergency

Further details of each petition are set out in section 3 of this report.

2. RECOMMENDATION

The Council is requested to consider the cases made by each of the petitioners and either recommend action to be taken by the Executive or relevant Portfolio Holder, or note the petitions and decide that no further action be taken.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres Regeneration Not Applicable:
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Not Applicable
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

3. COMMENTARY

3.1 The Council's Petition Scheme allows for petitioners to present their case to full Council if they are dissatisfied with the Council's response to their petition, provided that the number of verified signatures exceeds the threshold of 500 signatures from people who live, work or study in the borough. The lead petitioner or their nominee can address the Council for up to five minutes – they do not take part in any subsequent debate and must return to the public gallery. Once Members have considered the matter, they can choose whether to recommend any further action, or to agree that no further action should be taken.

3.2 Three petitions have been received that meet the threshold where the petitioner is dissatisfied with the Council's response. Details of the petitions, and the Council's responses, are set out in the following appendices as follows –

Appendix 1: Orpington Town Centre

Appendix 2: Climate Emergency

Appendix 3: Road Safety at Chislehurst War Memorial Junction

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/ Financial/Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	Council Petition Scheme

Orpington Town Centre

The petition has over 700 signatures, and calls on the Council –

Not to agree to Areli's current redevelopment plan but to consult Orpington residents on the Future of the whole town centre.

The Council's response was -

The Council as Local Planning Authority is considering the current planning application submitted by Areli and this will be determined based on its compliance with development plan policies and other material planning considerations as required. This application has not been determined yet and local residents have the opportunity to comment on the application on our website. As a separate matter, the Council is currently consulting on a draft Supplementary Planning Document for Orpington Town Centre which will guide future development proposals. The consultation period for the SPD is being extended to 12 weeks to ensure that extensive feedback can be collected.

Climate Emergency

The petition from Bromley Climate Action Alliance has over 900 signatures, and calls on the Council to –

- Declare a climate emergency with the aim of reaching net zero greenhouse gas emissions by 2030 for the whole borough.
- Work with business, voluntary organisations, relevant experts, and neighbouring local authorities to devise a concrete plan to achieve that goal.
- Publicly call on the UK Government to provide the council with the necessary resources to achieve that goal, where funding is insufficient.

The Council's response was –

In order to address your first point I would draw your attention to the minutes of the meeting of the Full Council on the 15th July 2019 at which the following motion was tabled and agreed whereby:

"This Council welcomes the Government's decision that the UK will have net zero Carbon emissions by 2050. With its tree planting, energy efficiency programme, LED street lighting investment and other initiatives the Council has already been reducing its net emissions. This Council confirms its intention that direct Council activities will have net zero emissions within ten years (2029). The Portfolio Holder is strongly encouraged to include this commitment in the Environment and Community Services Portfolio Plan and Council also requests that annual reports are provided to the Environment and Community Services PDS."

The Council therefore was in 2019 already acknowledging the issues that you raise and was taking significant steps to address them. In actual fact, prior to this, the Council has established its first Carbon Management Plan as far back as 2008, aimed at driving down emissions and energy consumption. Since the 2019 declaration, this Council has continued in developing a wide range of strategies and programs aimed at reducing carbon emissions. Following the adoption of the above motion, the 2029 Net Zero Carbon Strategy was reviewed and approved at the Environment and Community Services Policy Development and Scrutiny (ECS PDS) Committee meeting on 29th January 2020, with an associated action plan being presented to Committee in the autumn (2020). Year two progress against the 2029 Net Zero Action Plan is reported on the Council's website.

In addressing your second point, the Council continues to work with contractors (our scope 3 emissions) and has outlined an approach for future engagement with the public, whilst also providing updates on the current borough-wide carbon reduction activities the Carbon Management Team is managing. During December 2021, the Carbon Management Team undertook an assessment of the council's environmental contracts in order to establish service providers' commitments to reducing their own emissions (including specifically through the delivery of their services in Bromley). Having identified the high-level commitments of those largest providers, the Council will now work with these organisations to monitor progress, identify new innovation that can be applied to service delivery and report any future achievements through the annual contract monitoring progress reports and carbon programme updates.

Training has also been delivered to all Council Contract Owners on the Social Value Act, covering topics such as encouraging the use of local employers, efficient material use and carbon

reduction through the supply chain, ensuring that Contract Owners are aware of how to address these important issues through the procurement of new council goods and services. The Procurement Board, chaired by the Assistant Director of Procurement and Commissioning ensure that all contracts are scrutinised for their social value impacts (including carbon emissions)

Through the Council's Green Recovery Working Group, established in December 2020, a group of officers from key service areas are working together to build back better from Covid-19, aligning LBB with national aspirations which place climate and ecological policy at the heart of an economic and socially resilient recovery. Officers aim to improve the sustainability and social value of their departments to reduce emissions and achieve co-benefits on borough wide initiatives, which include: The Big London Energy Switch; Electric Vehicle Charging Strategy, the Tree Planting and Woodlands Establishment Programme, Maintained Schools Decarbonisation Programme, external funding for Solar PV appraisals on community buildings, the Local Authority Delivery Scheme (LAD2) retrofit programme.

The council promotes the Big London Energy Switch which provides residents across the borough with an opportunity to get a better deal on gas and electricity bills through a group energy auction. When many residents register as a group, they have greater bargaining power than they would individually. The scheme uses this group buying power to get energy companies to compete for customers by offering the lowest prices. Electricity supplied to homes signing up to the scheme is backed by 100 per cent renewable electricity, helping residents achieve cheaper and greener electricity tariffs. Average savings in London are £250 per annum with tariffs fixed for one year.

As part of the authorities Electric Vehicle Charging Strategy, adopted in November 2021, a 'Residential Charging Pilot' was approved to trial a variety of residential charging solutions which we will be launching in 2022. The aim is to develop insights from the pilot to scale up the public charging network in Bromley to meet projected increases in electric vehicles due to the 2030 ban on the sale of new petrol and diesel cars and vans, this strategy and associated pilot is receiving a huge amount of interest from residents who are interested in taking part as the uptake in electric vehicles in the borough increases.

Similarly the Council through its Carbon Management Team are represented at the London Councils 'Renewables for London' Steering Group and associated Working Group. The role is to provide advice, endorse and make decisions to enable the delivery of the Renewable Power programme outputs for London and the achievement of associated programme outcomes. Scope of the group includes accessing or buying more affordable renewable energy, providing energy advice (access to fairer renewable tariffs & reduction in carbon usage of buildings) and decentralised energy projects, which covers opportunities relating to district heating and power networks. An action plan for collective work across London to reduce boroughs' emissions has been drafted.

The Council's ambitious four-year tree planting programme which is currently underway, will support a reduction in carbon emissions as well as contributing to the Queen's Green Canopy as part of the Queen's Platinum Jubilee. These events will encourage increased resident participation in the tree friends scheme and in supporting planting initiatives locally which will further contribute to local environmental and health improvements. In addition to this, some 24 hectares of unused land have been identified for potential woodlands establishment, not only capturing carbon but enhancing the borough's eco-systems. The Forestry Commission have awarded grant funding to conduct further ecological studies so that a compliant Woodlands Management Plan may be developed. This plan will enable the Council to access considerable grant funding for planting and the subsequent maintenance to ensure woodland maturity.

The Carbon Management Team has developed a decarbonisation programme for the Council's maintained schools, a first in London as it is a holistic programme which includes innovative data collection, educational development and bespoke net zero pathways for each school – these will inform any future grant funding applications - making applications more attractive due to the granularity of the data recorded and the identified decarbonisation pathways. The inclusion of the educational development means the children will be brought along their school's journey to net zero, making for a holistic educational approach. The programme also includes government kick-starter employment opportunities for two young Bromley residents.

Most recently Bromley Council has provided funding from their Section 106 Carbon Offsetting fund to set up a Library of Things (LoT) in Bromley Town Centre. This will be co-located in the proposed Sustainability Hub being established in the Glades shopping centre by the Greener and Cleaner Bromley and Beyond group. The Library of Things aims to enable people to save money and to make a positive environmental impact through borrowing things rather than buying them and this reducing the amount of goods entering the waste stream

These examples illustrate the wide ranging programmes that the Council is engaged in as it seeks to meet its objectives of not only becoming carbon neutral, but also assisting its residents, businesses and suppliers to achieve this aim and I would envisage more significant and exciting announcements over the coming months as this authority continues in its resolve and determination to drive this agenda forward.

With regard to your third point, senior officers and elected members regularly meet with the boroughs elected Members of Parliament to discuss a wide range of issues which impact on the lives of borough residents and businesses and the topic of carbon reduction is clearly one of these, so I feel confident that Government is aware of the very real practical and financial challenges that all local authorities face in dealing with this issue.

Road Safety at Chislehurst War Memorial Junction

The petition from Safe Crossings for Chislehurst has over 4,000 online signatures, and states -

“We call on Bromley Council to improve road safety for pedestrians at the junction on the A222 and the A208 – the Chislehurst War Memorial.

- We request the installation of a pelican/puffin push-button to be installed at the traffic light
- Road safety measures/installations for the road and pavement leading-up and into the junction – crossing over from Kemnal Road to the Royal Parade via The Shaw (slip road) and from the Royal Parade bus-stop over to the otherside of the Royal Parade – be this in the form of a dedicated lollipop person at school times, zebra crossing, a refuge etc.
- This junction is dangerous not just for parents and children crossing it but for all local residents using it including the elderly and disabled.
- How can active travel – walking, cycling – to schools or locally be encouraged without safe crossings?”

The Council’s response was –

Thank you for your petition received on 31 January 2022 regarding a request for a pedestrian (green man) phase at the traffic lights and improved crossing facilities over the A222 Bromley Lane from Kemnal Road to The Shaw and over the A208 Royal Parade near to the bus stops to Church Row.

For many years the Council has been looking at what could be done to improve road safety at the Chislehurst War Memorial junction. However, we must not do the wrong thing or we may inadvertently make matters worse. The Council needs to be confident that any scheme which comes forward does not increase congestion because as well as the inevitable resulting pollution, the local “rat running” that would result could increase collisions on nearby local roads, such as Watts Lane close to Coopers School, thereby compromising road safety.

A review of injury collisions in the vicinity of the War Memorial junction shows the recorded collisions do not have a discernible causation pattern that would make an engineering measure successful. If road safety can be improved we will make changes, but we need to be confident that we will not make the situation worse.

Some years ago now, the Council conducted extensive research to see what could be done to improve matters at or near the junction, both in terms of delays to bus services and in respect to the difficulty pedestrians face crossing the A222 at this location [see [Supplementary information 1.pdf \(bromley.gov.uk\)](#) and [Supplementary information 2.pdf \(bromley.gov.uk\)](#)]. A central conclusion of this work was that if a pedestrian phase at the traffic lights were to be introduced without widening the road, then significant congestion would result, with the concern that more motorists would look to take short cuts on residential roads, thereby causing road safety concerns on nearby residential roads. Another implication to this would be further delays to bus services and the likely termination of buses.

A possible solution would be to widen the road at the junction which would increase capacity and allow a pedestrian phase to be added. However, this would mean losing valuable Common Land which at the time the matter was discussed the Trustees of the Common were understandably

not willing to support. There would also be a high cost associated with that solution and funding is of course finite.

So far I have really only addressed the issue of there being no green man phase at the traffic lights and no obvious way to add one without a negative impact on safety overall. Let me now address the issue of improving other crossing facilities over the A222 and A208.

Ward Councillors met with Council Officers before Christmas to look at the possibility of introducing a crossing facility in this area. Bromley Officers have now shared their feasibility designs with staff at TfL, as any crossing close to the traffic lights may have an impact on the successful operation of the traffic lights and could still lead to the significant traffic and bus delays that we are trying to avoid. (TfL operate all traffic lights across London and also manage bus routes.)

Whilst the Council's traffic engineers have not yet found an acceptable crossing solution for the traffic lights, I hope that their current investigations will help with the second aspect of the request you have made in the petition. Please be in no doubt that this whole matter is extremely important, with the Council being committed to road safety. But what we cannot do is take forward a scheme which will be ultimately detrimental to road safety, however well intended.

This page is left intentionally blank

A

Council

28th February 2022

Questions from Members of the Public for Oral Reply

1. From Shaun Slator to the Portfolio Holder for Environment and Community Services

What changes in air quality have there been over the last 4 years in Bromley?

2. From Dermot Mckibbin to the Portfolio Holder for Renewal, Recreation and Housing

If the Government implemented election promises to abolish no fault evictions for private tenants, what would be the financial savings to the Council? Is the Council committed to the “levelling up” reforms of the private rented sector as recently proposed by Government?

3. From Dermot Mckibbin to the Portfolio Holder for Environment and Community Services

The Prime Minister supports councils encouraging more cycling in “Gear Change: one year on.” Will the Council consult with residents in BR3 on steps to promote more cycling in BR3 such as bike hangers, cycle lanes and better facilities at Beckenham Junction station?

4. From Paula Peters to the Portfolio Holder for Renewal, Recreation and Housing

I understand that Bromley Council extended the consultation period for the supplementary planning document from 6 weeks to 12 weeks. Can the Council please clarify what was the actual date that the 12- week consultation period began for the supplementary planning document?

5. From John Pead to the Portfolio Holder for Renewal, Recreation and Housing

What is the earliest recorded reference to the Orpington Town Centre Supplementary Planning Document currently under consideration?

6. From Jonathan Andrews to the Portfolio Holder for Renewal, Recreation and Housing

Given the mass library closures and transfers to community ownership in Harrow, Ealing and Lewisham in recent years and the proposals to make large cuts to services in Croydon, how many libraries has Bromley closed or transferred to community ownership since 2015?

7. From Alisa Igoe to the Leader of the Council

On 25 January applications to the Household Support Fund of £1.8million closed “due to heavy take up”. The Council said it was “pleased to have played its part in dispensing grants to around 1500 Bromley families in need over this period, significantly ahead of the government’s 31 March deadline”. Is it possible such a swift and high take up also indicates there are many families still in need, who the Council were unable to help?

8. From Alisa Igoe to the Leader of the Council

On 20 December the journalist Jodie Ginsberg tweeted a thank you to the Leader of the Council, remarking on your compassionate response to an issue she said she had raised with you, relating to housing resettled Afghan families. Could you please expand on the discussion and any positive outcomes from it?

9. From Cindy Mayer to the Portfolio Holder for Renewal, Recreation and Housing

Has the draft SPD been written with Areli’s high-rise residential blocks in mind e.g, 12-15 storey may be suitable for this location? Report HPR2021/009 dated 10 Feb 2021 shows the Regeneration Board was steering the direction of this application and SPD could potentially make it easier to get approval.

10. From Stuart Mayer to the Portfolio Holder for Renewal, Recreation and Housing

It would appear that the regeneration board has been steering Areli since June 2020 regarding the Walnuts quarter. Given that 97% of residents oppose this scheme it would appear that both the Council and Areli have misjudged public opinion. Isn’t it time that the Council consulted with residents on this matter?

Council**28th February 2022****Questions from Members of the Public for Written Reply****1. From Sam Webber to the Portfolio Holder for Environment and Community Services**

When did the Council last inspect the benches in Martins Hill Open Space and Queensmead Recreation Ground? At least 10 between the War Memorial and the River Ravensbourne are in a very poor state with missing or broken slats and covered in graffiti. Could these be replaced or cleaned up as a priority please or as soon as LBB budgets allow?

2. From Sam Webber to the Portfolio Holder for Environment and Community Services

What is the percentage of Bromley Borough residents that the Council has a working email address for and the approximate total number? Has the Council investigated reducing its print and distribution costs for the 'Environment Matters' publication and any others, to ensure potential savings (over £111,000 spent in the previous tax year) can be reinvested into frontline services or in grants to community groups or charities which desperately need additional resources?

3. From Tia Fisher to the Portfolio Holder for Environment and Community Services

There is evidence that high vehicle speeds are the greatest deterrent to walking and cycling instead of driving. I cycle to work and my son works as a cycle courier, so cycle safety is of paramount importance to us. As part of the council's stated aim to increase active travel, what is their view on introducing 20mph speed limits to further that aim?

4. From Tia Fisher to the Portfolio Holder for Environment and Community Services

What percentage of Bromley's waste is currently a) recycled b) incinerated c) reused d) goes to landfill e) composted?

5. From Sabina Ricci to the Portfolio Holder for Environment and Community Services

We have been living in Nightingale Road, Petts Wood, for 2 years and we have experienced extremely bad fly tipping and dumping on the private service road which runs behind the parade of shops on Queensway. We have spent last weekend clearing it all up and filled 25 big rubbish bags. What can be done to prevent this from happening again as after a few days more bottles, rubbish and waste have appeared once again?

6. From Julia Burton to the Portfolio Holder for Renewal, Recreation and Housing

Can Bromley Council carry out a financial risk assessment on Areli Real Estate?

Areli plan to rebuild the leisure centre last. If funds run out prior to reconstruction we could be left with no pools.

7. From Julia Burton to the Portfolio Holder for Renewal, Recreation and Housing

Can the Council obtain quotes to rebuild a like-for-like leisure centre in Orpington town centre? The Council should obtain, in advance, the money required to rebuild, and refund it when the new leisure centre is completed satisfactorily.

8. From Peter Barnett to the Portfolio Holder for Renewal, Recreation and Housing

How much capital receipts did the Council receive for the housing stock transfer in 1992, what was the money spent on, does the council now admit that this decision was a mistake given the huge cost of temporary accommodation and the rehousing of some many families in Kent?

9. From Peter Barnett to the Leader of the Council

What will the levelling up white paper do to help low-income families in the borough or is this policy just design to appeal to Tory red wall voters in the north of England?

10. From Angela Barnett to the Portfolio Holder for Renewal, Recreation and Housing

How long has the land at the corner of Stumps Hill Lane/Southend Road in BR3 been vacant for and will the Council compulsory purchase this land to provide more council accommodation?

11. From Angela Barnett to the Portfolio Holder for Environment and Community Services

What are the worst roads for accidents for all wards in Bromley, which roads have had the most fatalities and what plans does the Council have to reduce accidents in Copers Cope ward?

12. From Louise Clark to the Portfolio Holder for Environment and Community Services

What steps have the Council taken to increase the use of sustainable methods of transport for staff work journeys and what outcomes have been achieved?

13. From Louise Clark to the Portfolio Holder for Environment and Community Services

With reference to the Council Net Zero Action Plan what actions have been taken to involve residents from all socio-economic groups, businesses and voluntary groups in designing, implementing and evaluating plans and progress?

14. From Anne Garrett to the Portfolio Holder for Environment and Community Services

Has the Council considered a Solar Together scheme akin to that run by Islington Council which brings together households and local government to get high quality solar panels and optional battery storage at a highly competitive price and helps householders through the process?

15. From Pauline Smith to the Portfolio Holder for Environment and Community Services

How much money has been invested in promoting cycling and walking over car travel in the last three years and what results have been seen? What plans are there to increase the number of cycle and walking trips and what targets have been set?

16. From David Morrison to the Portfolio Holder for Renewal, Recreation and Housing

Given that the Areli proposal for development of Walnuts Centre in Orpington includes land owned by the council and affects services provided by the Council, does the council regard the proposal to be a joint venture?

17. From David Morrison to the Portfolio Holder for Renewal, Recreation and Housing

Will Bromley Council also consider residents' comments made in relation to the Areli proposal for the Walnuts when reviewing the supplementary plan for Orpington which is about to be subject to a public consultation process?

18. From Helen Alsworth to the Portfolio Holder for Environment and Community Services

The speeding camera in Albermarle Road is quite close to the changed Westgate Road junction and this doesn't seem a good location for catching speeding offenders, so can the Council tell me how many speeding occurrences have been caught by this camera in the last 4 years? Will the Council consider moving the camera to Foxgrove Road, Copers Cope Road or Worsley Bridge Road where speeding is occurring?

19. From Helen Alsworth to the Portfolio Holder for Environment and Community Services

Have the Council recycling facilities been withdrawn at Waitrose in BR3? Do the flats over the shops in Beckenham High Street have recycling facilities and will local residents be consulted about improving recycling in Beckenham?

20. From Andrew McAleer to the Portfolio Holder for Environment and Community Services

At the last meeting of the Environment and Community Services PDS Committee meeting a number of initiatives were outlined to tackle borough wide greenhouse gas emissions. What target date has been set to reach net zero for these emissions?

21. From Brayley Small to the Portfolio Holder for Environment and Community Services

Under the heading Carbon Emissions in the draft budget the Council stated that addressing borough-wide emissions presents a major financial risk. To what extent have the Council investigated the financial risk of NOT addressing carbon emissions, i.e. the cost of the impacts of the climate emergency?

22. From Stephen Wehrle to the Portfolio Holder for Renewal, Recreation and Housing

Are the Councillors aware of the paper written by Andrew Boff, (Chairman of the London Assembly Planning and Regeneration Committee), last year, with regard to the policy for building skyscrapers for housing needs in London?

23. From Graeme Casey to the Portfolio Holder for Environment and Community Services

Several office buildings have lights on throughout the night - does the Council have a dark sky policy and if so how is it enforced?

24. From Graeme Casey to the Portfolio Holder for Environment and Community Services

When will the empty tree pit outside 15 Pinewood Avenue Bromley have a tree planted in it?

25. From Suraj Gandecha to the Portfolio Holder for Environment and Community Services

Two lime trees outside 8-10 Beadon Road are causing problems. The roots have damaged the pavement and cause problems to pedestrians particularly those with mobility problems. The trees are lime trees that need to be pruned at least every 3 years - how many times and when in the last 10 years have the trees been pruned?

26. From Suraj Gandecha to the Portfolio Holder for Environment and Community Services

What is the schedule of street cleaning for Prospect Place, Bromley? Residents report a perpetual problem with litter; will the Council consider increasing the frequency?

27. From Chloe-Jane Ross to the Portfolio Holder for Renewal, Recreation and Housing

How many applicants approached the Council as homeless in 2020/2021, how many progressed to a homeless application and how many were deemed homeless and accepted on to the Housing Register?

28. From Chloe-Jane Ross to the Portfolio Holder for Resources, Commissioning and Contract Management

How much money has Bromley Council received from the Government for Fuel Support payments since 1 October 2021; how much has been allocated to households; how do families access that support?

29. From Julie Ireland to the Portfolio Holder for Renewal, Recreation and Housing

Despite earlier assurances, the gate to Bromley Palace Park from Rafford Way remains closed. Please advise the date the gate will be re-opened?

30 From Julie Ireland to the Portfolio Holder for Environment and Community Services

Residents in Cameron Road, Bromley report that the street lighting does not give sufficient light and makes it dangerous for pedestrians. What type of lighting is installed in Cameron Road and are there plans to upgrade it?

31. From David Marshall to the Portfolio Holder for Renewal, Recreation and Housing

Consultations for Supplementary Planning Documents for Bromley and Orpington Town Centres closed in October 2020. The consultations stated that drafts would be available in early 2021. Here in 2022, when can we expect drafts for further refinement?

32. From David Marshall to the Portfolio Holder for Renewal, Recreation and Housing

How many housing complaints have been investigated by Bromley Council under the Housing Health and Safety Rating System in the last 12 months and what remedies were made? How many staff are available to investigate unfit housing issues?

33. From Terence Ide to the Portfolio Holder for Resources, Commissioning and Contract management

Having read about the excellent work of a local charity in Bromley who have donated defibrillators to schools and churches in the borough, could you please indicate how many, and the locations of all, defibrillators paid for and installed by Bromley Council.

34. From Christopher Bentley to the Portfolio Holder for Renewal, Recreation and Housing

Given the well- established David Bowie links to Beckenham and the Croydon Road Rec bandstand, has the Council ever looked to mark his links to other parts of the borough such as by a blue plaque at either 106 Canon Road (Bickley) or 4 Plaistow Grove (Plaistow and Sundridge) where he lived during his youth before moving to Foxgrove Road, Beckenham in 1969. Would LBB consider working with the GLA & English Heritage to explore this possibility at one of his former homes or at Raglan Road or Ravenswood Schools which Bowie attended?

35. From Christopher Bentley to the Portfolio Holder for Environment and Community Services

Residents near to 10 Cameron Road have asked for double yellow lines to restrict parking near to the edge of driveways and making visibility difficult; what is the Council's response to this request?

This page is left intentionally blank

Council**28th February 2022****Questions from Members of the Council for Oral Reply****1. From Cllr Mike Botting to the Portfolio Holder for Environment and Community Services**

Can the Portfolio Holder please tell me how many trees have been planted in the Borough in the last year and how many does the Council anticipate in planting in the next year?

2. From Cllr Nicholas Bennett MA JP to the Portfolio Holder for Environment and Community Services

Following the survey of residents of Surrey, Sussex, North and Kent Roads and the High Street, West Wickham in June 2021 as to whether they would support a residents parking scheme and one-way system when is it proposed to implement the scheme?

3. From Cllr Kieran Terry to the Portfolio Holder for Environment and Community Services

How many fly tipping incidents were recorded in the London Borough of Bromley in the most recent financial year available and how do we compare to other London Boroughs?

4. From Cllr Angela Wilkins to the Portfolio Holder for Resources, Commissioning and Contract Management

As the Council is still paying for a “man in a van” because the UPS switch protecting the Council’s network & systems has still not been repaired, what does he expect to be the final bill for this night watchman service since its implementation?

5. From Cllr Ian Dunn to the Portfolio Holder for Adult Care & Health

Can the Portfolio Holder please explain why the Bromley Safeguarding Adults Board only publishes Executive Summaries of its Safeguarding Adult Reviews, while many other Safeguarding Adult Boards publish the full document, sometimes with names redacted?

6. From Cllr Simon Jeal to the Leader of the Council

On 25th January organisations were informed that applications for the Bromley household support fund had closed early and those submitted could take up to six weeks to process. Would you agree this shows many residents across the borough are struggling with the current cost of living crisis, more support is needed and that six weeks is too long for a family to wait to be able to buy food or pay their energy bills?

7. From Cllr Kathy Bance MBE to the Portfolio Holder for Public Protection & Enforcement

The local StreetSafe survey ended in July with the objective of compiling the data and identifying locations which would benefit from either CCTV or additional lighting. Is Bromley Council committed to ring fencing funds for areas identified in Bromley?

8. From Cllr Josh King to the Portfolio Holder for Environment & Community Services

Given Bromley's relatively low performance on the Healthy Streets Scorecard for London and the decision to sever the Albemarle Road segregated cycle lane, what alternative provision for cycling is going to be made?

9. From Cllr Tony Owen to the Chairman of the Development Control Committee

Do you think the Planning Inspectorate should be challenged for allowing a linked detached house to be downgraded to a semi detached house by the neighbour converting the linked garage into an adjoining habitable room?

10. From Cllr Nicholas Bennett MA JP to the Portfolio Holder for Resources, Commissioning and Contract Management

What was the money terms and % increase in the Mayoral precept for the following periods?

2001-2 to 2008-9 by levied by Mayor Livingstone

2009-10 to 2016-17 levied by Mayor Johnson

2017-18 to 2022-23 levied by Mayor Khan

11. From Cllr Kieran Terry to the Portfolio Holder for Environment and Community Services

In July 2019, the Council moved a motion to be net carbon neutral (in terms of its direct activities) by 2029, one of the most ambitious targets for any London Borough. How is the Council performing to date on this and are we still on track to meet it?

12. From Cllr Angela Wilkins to the Leader of the Council

“Levelling up” is a favourite mantra of the current government. What plans does he have for levelling up in Bromley?

13. From Cllr Simon Jeal to the Portfolio Holder for Environment and Community Services

Across the borough, how many trees have been removed by Council contractors in the past four years?

14. From Cllr Kathy Bance MBE to the Portfolio Holder for Environment & Community Services

Bromley Parks signage reflects badly on Bromley’s claim about the extent and value we place on our parks and this has been discussed many times on the Friends Forum. The latest advice was that this project would be picked up as part of the Parks’ Strategy. Does Bromley Council have a plan to update the mainly, dated and random signage?

15. From Cllr Tony Owen to the Leader of the Council

Given that it is nearly 60 years since the London Government Act created the London Boroughs, and the many disadvantages to Bromley of the current structure, is it time to campaign for something better?

This page is left intentionally blank

Council**28th February 2022****Questions from Members of the Council for Written Reply****1. From Cllr Kieran Terry to the Portfolio Holder for Environment and Community Services**

Over the last two years how much have parking charges increased by in the borough?

2. From Cllr Kieran Terry to the Portfolio Holder for Renewal, Recreation and Housing

How does Bromley compare with other London Boroughs in terms of the number of families housed in temporary accommodation? Please provide a graph or table detailing these figures.

3. From Cllr Kim Botting to the Portfolio Holder for Adult Care and Health

If the Council meets its externally imposed housing target and the new homes are spread evenly across the borough will there be sufficient GPs, Dentists and other Primary Care facilities in the Orpington Ward area? If there is predicted to be a shortfall what plans are in place to increase the capacity in the Orpington Ward area?

4. From Cllr Ian Dunn to the Portfolio Holder for Adult Care & Health

Please provide the number of Safeguarding Adult Reviews the Bromley Safeguarding Adults Board has produced in each calendar year for the last five years. Also, please provide the number of Safeguarding Adult Reviews which are currently in progress?

5. From Cllr Ian Dunn to the Portfolio Holder for Adult Care & Health

Please provide the number of clients of the Adult Learning Disabilities Service, broken down by those receiving residential care, those in supported living, those living at home and others, as at the end of 2021. Please also provide the annual cost for each of the groups.

6. From Cllr Simon Jeal to the Mayor

Could you please confirm which councillors were invited to attend the Holocaust Memorial service on 27th January 2022? Also, please confirm which councillors attended the service?

7. From Cllr Kathy Bance MBE to the Portfolio Holder for Adult Care & Health

Is Bromley Council withdrawing the cheque-paying options for most services? As this raises some problems for some elderly and disabled people who do not use internet banking or have smart phones? If so, payment process will replace this system so that we do not ignore the Disability Discrimination Act?

8. From Cllr Kathy Bance MBE to the Portfolio Holder for Environment and Community Services

The recent fly tipping and the recycling for flats above shops pilots have closed. The statistics show a positive outcome but, our residents have seen no improvement. Is there a plan B to address either of these issues?

9. From Cllr Angela Wilkins to the Leader of the Council

Unlike a number of councils, Bromley does not provide funding for political groups to employ an assistant. However, six members of the Executive have "Executive Assistants" who currently each receive a special responsibility allowance of £3,746. Does he agree that it would be in the interests of democracy for the largest opposition party to have the option to make a similar appointment?

10. From Cllr Angela Wilkins to the Portfolio Holder for Resources, Commissioning and Contract Management

How much has been spent in each of the last ten years on maintenance of a) commercial properties purchased via the Investment & Growth Funds and b) other properties owned by the Council?

11. From Cllr Josh King to the Portfolio Holder for Renewal, Recreation & Housing

How many people have joined the housing waiting list who were previous housing association tenants?

12. From Cllr Nicholas Bennett to the Portfolio Holder for Resources, Commissioning and Contract Management

If he will set out in table format the % council tax increases for each London Borough for 2022-23?

13. From Cllr Nicholas Bennett to the Portfolio Holder for Resources, Commissioning and Contract Management

If he will set out in table format the debt for each London Borough for 2022-23, the percentage of each council tax bill which is for debt servicing and the money cost for a Band D council taxpayer?

14. From Cllr Tony Owen to the Chairman of Development Control Committee

In the last 5 years how many how many flats (including conversions from offices) have been built or granted planning permission in Orpington? What is figure for houses with gardens?

15. From Cllr Tony Owen to the Portfolio Holder for Adult Care and Health

Following my wife's collapse at home with a perforated bowel, the ambulance service not being able to provide transport for the necessary emergency operation, no response from 13 calls to 111 and A&E not recognising an emergency if the person does not arrive by ambulance, do you have any plans to review the availability of local medical infrastructure?

This page is left intentionally blank

Report No.
CSD22023

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: 2022/23 COUNCIL TAX

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 At its meeting on 9th February 2022, the Executive considered the attached report on the 2022/23 Revenue Budget and made recommendations concerning the level of the Bromley element of the 2022/23 Council Tax and Adult Social Care precept. At the meeting, amended technical recommendations from the Director of Finance were tabled. The Executive supported the amended recommendations and recommended that they be approved by full Council. The Executive also authorised the Director of Finance to report any further changes directly to the Council meeting on 28th February 2022.
- 1.2 Attached to this report are (i) the report considered by the Executive on 9th February 2022, the amended recommendations circulated for the Executive's meeting and subsequently agreed, and (iii) the draft minutes from PDS Committees commenting on the 2022/23 Budget.
-

2. **RECOMMENDATIONS**

2.1 **Council is recommended to –**

- (a) **Approve the schools budget of £92.411m which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;**
- (b) **Approve the draft revenue budgets (as in Appendix 2 to the report) for 2022/23;**
- (c) **Agree that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 12th January 2022;**

- (d) Approve a revised Central Contingency sum of £18,231k (see Section 6, Recommendation 7 and Recommendation 2.1e of the report);
- (e) Approve the following provisions for levies for inclusion in the budget for 2022/23:

	£'000
London Pensions Fund Authority	448
London Boroughs Grant Committee	247
Environment Agency (flood defence etc.)	235
Lee Valley Regional Park	321
Total	1,251

The reduction of £65k in the 2022/23 levy amounts is offset by a £65k increase in the 2022/23 Central Contingency as a provision towards meeting inflation cost pressures.

- (f) Note the latest position on the GLA precept, as above, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);
- (g) Set a 1% increase in Adult Social Care Precept with a nil increase in Bromley's General Council Tax, compared with 2021/22 (1.99% general increase plus 3% Adult Social Care Precept) and note that, based upon their consultation exercise, the GLA are currently assuming a 8.8% increase in the GLA precept;
- (h) Approve the revised draft 2022/23 revenue budgets to reflect the changes detailed above;
- (i) Approve the approach to reserves outlined by the Director of Finance (see Appendix 4 to the report);
- (j) Executive agrees that the Director of Finance be authorised to report any further changes directly to Council on 28th February 2022.

2.2 Council Tax 2022/23 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

Subject to (1) (a) to (j) above, if the formal Council Tax Resolution as detailed below is approved, the total Band D Council Tax will be as follows:

	2021/22 £	2022/23 £	Increase £	Increase % (note #)
Bromley (general)	1,178.15	1,178.15	-	-
Bromley (ASC precept)	149.71	162.98	13.27	1.00
Bromley (total)	1,327.86	1,341.13	13.27	1.00
GLA *	363.66	395.59	31.93	8.8
Total	1,691.52	1,736.72	45.20	2.67

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

- (#) in line with the 2022/23 Council Tax Referendum Principles, the % increase applied is based on an authority's "relevant basic amount of Council Tax" (£1,341.13 for Bromley) – see paragraph 6 below. Any further changes arising from these Principles will be reported directly to Council on 28th February 2022.

2.3 Council be recommended to formally resolve as follows:

- 1. It be noted that the Council Tax Base for 2022/23 is 133,347 'Band D' equivalent properties.**
- 2. Calculate that the Council Tax requirement for the Council's own purposes for 2022/2023 is £178,835k.**
- 3. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):**
 - (a) £573,590k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.**
 - (b) £394,755k being the aggregate of the amounts which the Council estimates or the items set out in Section 31A(3) of the Act.**
 - (c) £178,835k being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.**
 - (d) £1,341.13 being the amount at 3(c) above, divided by (1) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.**
- 4. To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set).**
- 5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.**

Valuation Bands	London Borough of Bromley £	Greater London Authority £	Aggregate of Council Tax Requirements £
A	894.09	263.73	1,157.82
B	1,043.10	307.68	1,350.78
C	1,192.12	351.64	1,543.76
D	1,341.13	395.59	1,736.72
E	1,639.16	483.50	2,122.66
F	1,937.19	571.41	2,508.59
G	2,235.22	659.32	2,894.54
H	2,682.26	791.18	3,473.44

- 6. That the Council hereby determines that its relevant basic amount of council tax for the financial year 2022/23, which reflects a 1% increase (Adult Social Care Precept increase of 1%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23 sets out the principles which the Secretary of State has determined will apply to local authorities in England from 2022/23. Any further changes arising from**

these Principles will be reported directly to Council on 28th February 2022. The Council is required to determine whether its relevant basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

7. The Government have provided additional core funding as part of its Local Government Finance Settlement 22/23 of £771k which reflects additional inflation compensation to Councils for core funding through business rates income. Given the continuing inflation pressures, highlighted in the report, it is proposed that these monies be set aside within the 2022/23 Central Contingency as a provision towards meeting further inflation cost pressures across services. This will increase the Draft 2022/23 Central Contingency Sum by £771k.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from the report
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Recurring Cost: See Appendix 1 to the Executive report
 3. Budget head/performance centre: Council-wide
 4. Total current budget for this head: £179m Draft budget
 5. Source of funding: See Appendix 2 to the Executive report
-

Personnel

1. Number of staff (current and additional): Full details will be available in the 2022/23 financial Control Budget published in March 2022
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement: See attached report.
 2. Call-in: Not Applicable: Council decisions are not subject to call-in
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): See attached report
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/ Personnel/Legal/Finance
Background Documents: (Access via Contact Officer)	See attached report.

This page is left intentionally blank

Report No.
FSD22019

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **9th February 2022**

Decision Type: Non-Urgent Executive Key

TITLE: 2022/23 Council Tax

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

Director: Director of Finance

Ward: Borough wide

REASON FOR REPORT

- 1.1 A key part of the financial strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme are reported elsewhere on this agenda.
- 1.2 The Provisional Local Government Finance Settlement 2022/23, which covers 2022/23 only, provides the third year (following 10 years of austerity) of real increases in funding and this includes availability of the ASC precept to support cost pressures in social care. It has also provided funding towards the cost of the Adult Social Care Reforms over the next three years. There is no specific Covid funding provided.
- 1.3 Although the settlement is to be welcomed there remains uncertainty around the level of Government funding for 2023/24 and beyond, particularly as the Government will need to address the significant increase in public debt due to the pandemic. The longer-term Spending Review together with the awaited Fair Funding Review and Devolution of Business Rates (or any revised funding proposals) have been deferred until at least 2023/24.
- 1.4 This report identifies the final issues affecting the 2022/23 revenue budget and seeks recommendations to the Council on the level of the Bromley element of the 2022/23 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept will be reported to the Council meeting on 28th February 2022. The report also seeks final approval of the 'schools budget'. The approach reflected in this report is for the Council to not only achieve a legal and financially balanced budget in 2022/23 but to have measures in place to deal with the medium-term financial position (2023/24 to 2025/26).

- 1.5 With the Government reductions in funding since austerity measures began, although there have been some recent improvements in funding, the burden of financing increasing service demands falls primarily on the level of council tax and share of business rate income. The financial forecast assumes that the level of core grant funding will remain unchanged in future years.

2. RECOMMENDATIONS

2.1 The Executive is requested to recommend to Council that it:

- (a) Approves the overall Dedicated Schools Budget (DSB) of £92.3m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment;
- (b) Approves the draft revenue budgets (as in Appendix 2) for 2022/23;
- (c) Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 12th January 2022;
- (d) Approves a contingency sum of £17,395k (see section 6);
- (e) Approves the following provisions for levies for inclusion in the budget for 2022/23;

	£'000
London Pension Fund Authority*	478
London Boroughs Grant Committee	247
Environment Agency (Flood defence etc.) *	270
Lee Valley Regional Park *	321
Total	1,316

* Provisional estimate at this stage

- (f) Notes the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);
- (g) Considers the “Bromley element” of the Council Tax for 2022/23 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible ‘referendum’ issues (see section 16);
- (h) Approves the approach to reserves outlined by the Director of Finance (see Appendix 4);
- (i) Notes that any decision on final council tax levels will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting (see 16.9);
- (j) Agrees that the Director of Finance be authorised to report any further changes directly to Council on 28th February 2022.

Impact on Vulnerable Adults and Children

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

Corporate

Policy Status: Existing Policy
BBB Priority: Excellent Council

Financial

1. Cost of proposal: N/A
 2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 1
 3. Budget head/performance centre: Council wide
 4. Total budget for this head: £179m Draft 2022/23 Budget (excluding GLA precept)
 5. Source of funding: See Appendix 2 for overall funding of Council's budget
-

Personnel

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2022/23 Financial Control Budget to be published in March 2022
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

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

Procurement

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

Customer Impact

Estimated number of users/beneficiaries (current and projected) - the 2022/23 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

Ward Councillors Views

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

3. PREVIOUS REPORTING TO MEMBERS

- 3.1 The 'Draft 2022/23 Budget and Update on the Council's Financial Strategy 2023/24 to 2025/26' was reported to the Executive on 12th January 2022. Key matters reflected in the report included:

(Please note appendices and sections shown below refer to the report to the meeting of the Executive on 12th January 2022)

- (a) Approach to Budgeting, Financial Context and Economic Situation which can impact on Public Finances (Section 3 and Appendix 1);
- (b) Provisional Local Government Finance Settlement 2022/23 (Section 6 and Appendix 2);
- (c) Council Tax Levels and Government Funding per Head (Appendix 3);
- (d) Comprehensive Spending Review Representation (Appendix 4);
- (e) Latest Financial Forecast (Section 5 and Appendices 5-6);
- (f) Changes since the 2021/22 Budget that impact on the Financial Forecast (Section 6);
- (g) Detailed Draft 2022/23 Budget (Section 7 and Appendix 7);
- (h) Options being undertaken with a "One Council" approach including Transformation and Adult Social Care Reform (Section 8);
- (i) Future Local Authority Landscape (Section 9);
- (j) The Schools' Budget (Section 11);
- (k) Consultation (Section 16);
- (l) Position by Portfolio – Key Issues/Risks (Section 17 and Appendix 8).

All of the above should be considered with this report as part of finalising the 2022/23 Budget and council tax levels.

4. 2022/23 DRAFT BUDGET AND CHANGES SINCE LAST MEETING OF THE EXECUTIVE

- 4.1 The last report to the Executive identified a balanced budget in 2022/23, assuming an illustrative increase in council tax/adult social care precept of 1%, and a 'budget gap' of £19.5m by 2025/26. The main updates are shown below:
- (a) The final Local Government Financial Settlement 2022/23 is still awaited (expected mid February 2022) and any updates will be provided at the meeting;
 - (b) Various government grant allocations are still awaited. This includes, for example, Public Health Grant. Any changes to be announced, compared with the 2022/23 Budget, will be reflected in an updated 2022/23 Central Contingency Sum;

5. LATEST FINANCIAL FORECAST

- 5.1 A summary of the latest budget projections is shown in Appendices 1 and 2 and are summarised in the table below:

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Variations Compared with 2021/22 Budget				
Changes in Government Core Funding	-6.8	-4.1	-4.1	-4.1
Cost Pressures				
Increased costs (2% per annum)	11.2	18.8	25.1	31.5
Reinstatement of highways maintenance (previously capitalised)	2.5	2.5	2.5	2.5
Total Additional Costs	13.7	21.3	27.6	34.0
Income / Savings				
Interest on balances	0.8	1.0	1.0	1.0
Release general provision in contingency for significant uncertainty/variables	0.0	0.0	-2.0	-2.0
Funding of extra waste disposal costs from contingency	-0.4	-0.4	-0.4	-0.4
Reduction in central contingency provision for loss of car park income	-0.5	-0.5	-0.5	-0.5
Release of Education risk reserve to address offset cost pressures	-0.5	-0.5	-0.5	-0.5
Transformation Savings	-2.8	-2.6	-2.7	-2.7
CIL Funding Opportunities	-0.3	-1.0	-2.0	-2.4
Reduction in freedom pass costs to reflect reduced usage in 2020/21	-3.9	-1.4	3.2	3.2
Total Income / Savings	-7.7	-5.4	-3.9	-4.3
Other Changes (includes use of non-recurring funds)				
Real Changes and other Variations	0.8	0.3	0.5	0.1
Total Other Changes	0.8	0.3	0.5	0.1
COVID Funding				
Fall out of provision for additional cost pressures re Covid impact in 2021/22	7.8	7.8	7.8	7.8
Additional Government Funding to support further Covid cost impact in 2021/22	-7.8	-7.8	-7.8	-7.8
	0.0	0.0	0.0	0.0
Council Tax				
Income collection recovery council tax etc.	-0.5	-0.5	-0.5	-0.5
Collection Fund - fall out of use of fund in 2021/22 Budget	3.2	3.2	3.2	3.2
Collection Fund surplus 2020/21 and future years	-2.4	0.0	0.0	0.0
Est. increase in council tax base number of prop. offset by increase in council tax support claimants	-1.8	-1.8	-1.8	-2.5
Increase in ASC precept or Council Tax (1% increase)	-1.8	-5.2	-8.8	-12.4
Total Council Tax	-3.2	-4.3	-7.9	-12.2
Growth/Cost Pressures including mitigation				
Education	3.3	3.5	3.6	4.0
Children's Social Care	3.7	3.3	3.3	3.4
Adult Social Care	2.6	4.9	7.4	9.5
Public Health	0.4	0.4	0.4	0.4
Housing	-0.1	-1.3	-0.8	-0.4
Environment	0.6	0.1	-0.4	-0.4
Reduction in investment property income	0.4	0.2	0.2	0.2
Fall out of two year additional provision for building maintenance	0.0	-1.0	-1.0	-1.0
Part funding for loss of fees and charges income (COVID)	0.5	0.5	0.5	0.5
Building Infrastructure Fund	2.0	2.0	0.0	0.0
Total growth/cost pressures	13.4	12.6	13.2	16.2
Sub-total	10.2	20.3	25.4	29.5
Use of Covid earmarked reserves	-5.8	-4.6	-2.5	0.0
Use of previous Collection Fund Surplus to meet budget gap	-4.4	-11.4	-10.0	-10.0
Remaining "Budget Gap"	0.0	4.3	12.9	19.5

- 5.2 The above table highlights that it has been possible to achieve a potential balanced budget next year through increasing council tax/adult social care precept by an illustrative 1%, utilising the Covid and collection fund reserves, the impact of transformation and other savings. This has been delivered despite the significant cost/growth pressures, high inflation and the ongoing Covid situation. Each 1% council tax increase generates on-going annual income of £1.8m. Ongoing increases of 1.99% per annum from 2023/24 have been assumed in the financial forecast.
- 5.3 These variations are subject to any final decision on Council Tax levels. Appendix 2 derives an illustrative 'Bromley element' Council Tax of £1,341.13 (1% increase in council tax or adult social care precept) and Appendix 3 includes the Draft 2022/23 Central Contingency Sum. Appendix 2 is based on draft portfolio budgets, the draft contingency provision and the latest assumptions for levies. This sum excludes the GLA precept.
- 5.4 Appendix 1 highlights that the Council, on a roll forward basis, has a "structural deficit" as the on-going budget has increasing costs relating to inflation and service pressures. These changes are not being fully funded by a corresponding growth in income. The above projection includes savings previously agreed to reduce the 'budget gap'.
- 5.5 The above table highlights that, although it has been possible to achieve a potential balanced budget for the next year even after allowing for significant cost pressures there remains a "budget gap" of £4.3m in 2023/24 rising to £19.5m per annum in 2025/26. Without any action to address the budget gap in future years, reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable. It is essential to continue with prudent financial management and ensuring the Council 'spends within its means' in considering not just next year's budget but the impact on future years. The projections from 2023/24 have to be treated with some caution, particularly as the Government's next Spending Review, outcome of the Fair Funding Review and future Government plans relating to arrangements for business rates are awaited – these changes combined could have a significant impact on the Council's finances.
- 5.6 In considering action required to address the medium term "budget gap", the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Significant savings of over £110m were realised since 2011/12. Our council has to balance between the needs of service users and the burden of council tax on council taxpayers. With the Government having placed severe reductions in the level of grant support, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.
- 5.7 Further changes will be required, prior to the report to full Council on 28th February 2022 for the finalisation of the Council Tax, to reflect latest available information on levies and the final GLA precept.
- 5.8 The above variations assume that there will not be Government funding reductions over the next four years and that the planned mitigation of growth pressures is realised.
- 5.9 In the financial forecast, after allowing for inflation, council tax income and other changes, there is an unfunded budget gap from 2023/24 due to net service

growth/cost pressures and the fall out of one-off funding. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all must consider what level of growth the council can afford and the need for significant mitigation or alternative transformation options.

6. DRAFT 2022/23 CENTRAL CONTINGENCY SUM

- 6.1 Details of the 2022/23 Draft Contingency Sum of £17,395k have been included in Appendix 3. This sum includes a provision for risk/uncertainty in the future included in the base budget. There remains a need to consider a significant provision in the central contingency sum to allow for unforeseen costs, prevent drawing from reserves to fund overspends, to reflect the impact of new burdens introduced after the budget was set, to cover the impact of savings and mitigation of growth not realised and, as in the past, enable funding of key initiatives and investment opportunities.
- 6.2 It is important to recognise that this sum also includes various significant costs not allocated to Portfolio budgets at this stage. Therefore, there may be further changes to the Central Contingency to reflect allocations to individual Portfolio Budgets which will be reflected in the 2022/23 Financial Control Budget. This will ensure that budget holders will have all their individual budgets updated early in the financial year. Such changes will not impact on the Council's overall 2022/23 Budget.
- 6.3 The updated financial forecast assumes the release of £2m per annum from 2024/25 to directly support the revenue budget.

7. GENERAL AND EARMARKED RESERVES

- 7.1 Appendix 4 of this report highlights the Council's approach to utilising reserves and the significant value in retaining reserves. The level of reserves needs to be adequate to ensure the longer-term stewardship of the Council's finances remain effective and the Council maintains 'sustainable' finances in the medium term. Medium term planning remains absolutely key in recognition of the ongoing 'structural' budget deficit facing the Council. Inflation, new burdens, growth/cost pressures and previous reductions in Government funding has created the structural budget deficit. Reserves are one off monies and do generate income and should only be used where no other savings/efficiencies can be identified or to plug the gap (short term) for the phasing of savings.
- 7.2 The Council will have retained previous year's collection fund surpluses as well as a financial management and risk reserve (both included within earmarked reserves) which can support any planned transition in delivering significant savings to meet the budget gap. However, any medium or longer-term utilisation of one-off resources and reserves to support the revenue budget are unsustainable and place the council at greater financial risk in the future.
- 7.3 Given the uncertainty over the future of local government funding and the need to set aside resources to provide flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further, the collection fund surplus in previous years has, in some cases, been set aside within earmarked reserves. Given the scale of financial challenges continuing to face the Council in the medium term the financial forecast assumes part utilisation of the collection fund surplus reserve to support the revenue budget and reduce the estimated budget gap. This contribution equates to £1.7m in 2022/23, £9.1m in 2023/24 and £10m per annum in 2024/25 and 2025/26.

7.4 Members previously approved a Covid recovery fund reserve of £10.273m in recognition of the medium-term impact of the pandemic and the need to meet the future year costs, from Government funding provided. Combined with unringfenced Government funding during 2021/22 (part utilisation of £2.771m), the 2022/23 Budget and financial forecast assumes these resources are utilised to support the impact of Covid on the Council's revenue budget between 2022/23 and 2024/25 providing total funding of £13.044m (£5.848m in 2022/23, £4.648m in 2023/24 and £2.548m in 2024/25).

7.5 The approach identified in Section 7.3 and 7.4 above recognises specific use of earmarked reserves funding to support the revenue budget on a transitional basis.

7.6 The Council had estimated general reserves remaining of £19.7m as at 31/3/2021. A full breakdown of reserves, including earmarked reserves, is detailed in Appendix 4.

8. 2021/22 BUDGET MONITORING AND COVID IMPACT

8.1 The 2021/22 financial monitoring position reported to the Executive on 24th November 2022 showed an overall net overspend of £2,458k within portfolio budgets and a £2,929k credit variation on contingency and prior year adjustments. Details were reported in 'Budget Monitoring 2021/22' report to Executive on 24th November 2021. This represents the impact of the first six months of the financial year and the full year impact of 2020/21 outturn. The most significant financial risk to the Council is the Covid-19 impact and the Government have provided adequate funding towards meeting that risk in 2020/21 and 2021/22, although uncertainty around the financial impact remains for future years. Based on more recent new schemes and updates from Government, overall funding of £195m in 2020/21 and £96m in 2021/22 (total £291m) were provided towards Covid costs which includes, for example, support for businesses. The next financial monitoring report to Executive will be updated to reflect the impact of the latest funding position in 2021/22.

9. THE SCHOOLS BUDGET

9.1 Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring-fenced grant, more recently through the Dedicated Schools Grant (DSG).

9.2 The implementation of the National Funding Formula (NFF) began in 2018/19. Funding has been split into four blocks, Schools, High Needs, Early Years and Central Spend DSG. The funding splits are detailed in the table below:

	Schools	High Needs	Early Years	Central	Total
	£'000	£'000	£'000	£'000	£'000
2021/22	237,832	59,923	23,343	2,134	323,232
2022/23 (provisional)	245,142	67,379	21,748	2,091	336,360
Variation	7,310	7,456	-1,595	-43	13,128

- 9.3 The Schools Block has risen by £7.3m. This is due to an increase in the per pupil unit of funding and increases in the population figures. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools. Moreover, DfE has introduced a central payment mechanism for Schools Business Rates in 2022/23 and therefore a further deduction will be made for this.
- 9.4 There had also been an announcement of additional supplementary grant of £7.1m for 2022/23 for schools. This is to provide support for the costs of the Health and Social Care Levy and wider costs. This will be distributed as a separate grant in 2022/23 only as the intention is to integrate this into the DSG from 2023/24 onwards.
- 9.5 The High Needs Block is seeing pressures coming through the system. Nationally the Government were seeing some authorities building up high levels of deficit reserves. This particular funding issue has been acknowledged, and further funding committed for 2022/23.
- 9.6 The DSG allocation has resulted in an increase in high needs block funding of £7.5m for Bromley. £2.4m of this amount was announced in the spending review to cover additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated, including the Health and Social Care Levy. The remaining £5.1m is due to the increases in per pupil funding and the increase in pupils themselves.
- 9.7 Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. Moreover, future funding levels have not yet been announced and so there is uncertainty as to what funding levels will be from 2023/24.
- 9.8 Early Years funding has decreased by £1.6m. DfE have increased the part time equivalent (PTE) rates by 21 pence per hour for 2 year old funding and 17p per hour for 3 and four year old funding for 2022/23. This has increased the grant by £783k. However there has been a considerable drop in numbers through the census data, resulting in a grant loss of £2.4m. There is uncertainty about the figures to the COVID pandemic and the pupil counts so this should be taken with some caution. Early Years DSG is adjusted in year to take account of take up during the year, so the figure will change as the financial year progresses. It is hoped take up will increase and if this is the case, the funding will be adjusted by DfE.
- 9.9 The Central Block has decreased by £43k. The per pupil rate fell by 2.5% (the equivalent of a loss of £53k). £10k of additional grant was received due to the increase in pupil numbers. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the Council used £410k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2022/23 bringing the total Council core funding to £460k.

10. LEVIES

- 10.1 Various levies must be charged to the General Fund and shown as part of Bromley's expenditure on the Council Tax bill. The levy figures in Appendix 2 are based on the latest information but many are still provisional. Any changes will be reported at the meeting of the Council on 28th February 2022. The London Boroughs Grants Committee is required to apportion its levy on a population basis but the other levying bodies must use the Council Tax base.

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.
- 11.2 The collection fund had a non-recurring surplus of £3m reflected in the 2020/21 Provisional Final Accounts report to the Executive on 30th June 2021. The surplus was achieved mainly through anticipated good debt recovery levels, an increase in new properties in the borough and the ongoing impact of actions in response to the data-matching exercise on single person discounts. A sum of £2.4m will be allocated to the Council, with the £0.6m going to the Greater London Authority. The financial forecast assumes that the surplus will be used towards reducing the Council's budget gap in 2022/23.
- 11.3 The forecast assumes (see 7.3) that the use of the collection fund surplus earmarked reserve is used to support the revenue budget with further contributions of £1.7m in 2022/23, £9.1m in 2023/24 and £10m per annum in 2024/25 and 2025/26.

12. THE GREATER LONDON AUTHORITY PRECEPT

- 12.1 The GLA's 2022/23 Draft Budget has been issued for consultation and the Mayor of London announced a proposed increase of 8.8% in the existing GLA precept levels for 2022/23. The final GLA precept for 2022/23 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 24th February 2022.

13. UTILISATION OF GENERAL RESERVES AND COUNCIL'S CAPITAL PROGRAMME

- 13.1 The latest estimated general fund (revenue) balance at 31st March 2022, as shown in the 'Budget Monitoring 2021/22' report to Executive on 24th November 2021 is provided below:

	2021/22 Projected Outturn £'Million
General Fund Balance as at 1 st April 2021	20.0
Impact of net projected underspends reflected in the 2021/22 budget monitoring report	+0.5
Adjustment to Balances: Carry forwards (funded from underspends in 2020/21)	-0.8
Estimated General Fund Balance at 31 st March 2022 (end of year)	19.7

- 13.2 Bromley's Capital programme is mainly funded by external government grants, contributions from TfL and from general capital receipts. Various schemes are funded through short and medium-term internal borrowing where the scheme will generate new capital receipts to repay the loan or for housing schemes that will move to the HRA at a future date with repayment arrangements in place.
- 13.3 The latest capital programme creates a new financial challenge with a potential shortfall in funding of £20.9m in 2023/24, £10.1m in 2024/25 and £8.4m in 2025/26 (cumulative total of £39.4m). It is important to consider options to address the future capital programme and

funding shortfall. Officers will report in proposals later this year, when the outcome of the Operational Property Review is known combined with a further review by Chief Officers. The Operational Property Review, to be completed later this year, will impact on the future capital spend and identify potential new capital receipts. Members may be requested to consider revenue contributions to support funding the capital programme (as well as other financing options) once the full implications are known. This situation will need to be monitored closely.

- 13.4 Alongside the introduction of the prudential code for capital spending, the Director of Finance is required to report to the council on the appropriateness of the level of reserves held by the council and the sustainability of any use of reserves to support the revenue budget. The detailed advice is contained in Appendix 4.

14. CONSULTATION

- 14.1 Executive, at its meeting on 12th January 2022, requested that the 'Draft 2022/23 Budget and Update on Council's Financial Strategy 2023/24 to 2025/26' report proposals are considered by individual PDS Committees. PDS Committee comments relating to the report will be circulated separately. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 28th February 2022 where the 2022/23 Budget and Council Tax will be agreed.
- 14.2 The use of DSG was considered with the Schools Forum and this was reported to the Children, Education and Families Budget Sub-Committee on the 18th January 2022. At the time of writing this report, this is subject to the formal agreement of the Children, Education, and Families Portfolio Holder.
- 14.3 Consultation papers have been sent to Bromley Business Focus, Federation of Small Businesses (Sevenoaks & Bromley Branch) and the 20 largest business ratepayers in the borough. At the time of writing this report no responses have been received.
- 14.4 Other examples of consultation will include consultation on specific budget proposals.

15. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

- 15.1 There remain risks in meeting the 'budget gap' arising from budget savings, mitigation options to address cost pressures, as well as ongoing cost pressures arising from new burdens, the ongoing Covid situation (with uncertainty on the 'new normal') and the impact of Government policy changes. Action will need to be taken to contain, where possible, these cost pressures, managing the implementation of savings or seeking alternative savings where required. The Council's Corporate Risk Register shows that 'Failure to deliver a sustainable financial strategy which meets Making Bromley Even Better priorities and failure of individual departments to meet budget' is the highest risk the Council is facing.
- 15.2 Details of the potential risks which will be faced in future years, as part of finalising the 2022/23 Budget, were reported to the previous meeting of the Executive. The level of balances held, and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures.

16. COUNCIL TAX LEVEL 2022/23

- 16.1 The updated GLA's 2022/23 Draft Budget includes proposals for an increase of 8.8% in existing GLA precept levels for 2022/23. The final GLA Precept for 2022/23 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 24th February 2022.

- 16.2 The Council's tax base, reflected in the Draft 2022/23 Budget, is 133,346 'Band D' equivalent properties. The current overall Council Tax (Band D equivalent) includes the "Bromley element" relating to the cost of the council's services and various levies of £1,327.86 in 2021/22 and a further sum of £363.66 for the GLA precept (providing a total Band D equivalent Council Tax of £1,691.52).
- 16.3 For 2022/23, every £1m change in income or expenditure causes a 0.6% variation in the 'Bromley element' of the Council Tax. Each 1% council tax increase generates ongoing annual income of £1.77m.
- 16.4 As part of the Localism Act, any council tax increase of 2% or above in 2022/23 will trigger an automatic referendum of all registered electors in the borough. If the registered electors do not, by a majority, support the increase, then the Council would be required to meet the cost of the rebilling of approximately £100k. The one-off cost of a referendum is estimated to be £700k.
- 16.5 The Government has enabled the Council in 2022/23 to have a council tax precept of up to 1% per annum to specifically fund adult social care (a 1% increase in council tax equates to £1.77m additional income per annum). Councils are able to levy the precept on top of the existing freedom to raise council tax by up to 1.99% without holding a referendum. Therefore, the Council could potentially have a council tax increase of just below 3% without the need for a council tax referendum. The Council's ability to raise income through an increase in the council tax and the adult social care precept is reflected in the overall level of Government funding received by the Council.
- 16.6 The Draft 2022/23 Budget assumes a Bromley element of a 1% council tax increase, including the Adult Social Care Precept, and combined with an increase in the GLA Precept of 8.8% there would be an overall combined council tax increase of around 2.67%. This would equate to an overall Council Tax (Band D equivalent) of £1,736.72 consisting of the Bromley element of £1,341.13 and GLA precept of £395.59.
- 16.7 The table below identifies the changes required to the draft 2022/23 Budget to achieve different levels of increases in the Bromley element of the council tax. An increase of 1%, which members may choose to reflect the Adult Social Care Precept, has been assumed in the 2022/23 Draft Budget at this stage.

Increases in Council Tax Levels

Bromley Element % Increase in 2022/23 including Adult Social Care Precept	Additional Income 2022/23 £'m
Freeze	NIL
1.0*	1.77
2.0	3.54
2.99	5.29
4.0#	7.08

*Assumed in draft 2022/23 Budget. Adult social care precept of 1% equates to additional income of £1.77m per annum. # Would be subject to a council tax referendum

- 16.8 Any decision on council tax levels will need to be based on a medium term view and therefore not only consider the financial impact on 2022/23 but also the longer term impact over the four year forecast period.
- 16.9 The Council Tax Referendum Principles are expected to be confirmed as part of the final

Local Government Finance Settlement 2022/23. Any final recommendations on council tax levels will need to take into account any changes to statutory requirements.

- 16.10 Bromley has the second lowest settlement funding per head of population in 2022/23 for the whole of London. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). This has been achieved by having a below average cost per head of population in outer London. Further details were reported to the previous meeting of the Executive.
- 16.11 Members are asked to consider the impact of the latest draft budget on the level of Council Tax for 2022/23, having regard to all the above factors including the Director of Finance comments in Sections 18.8 to 18.13 and Appendix 4.

17. FUNDING SETTLEMENT

- 17.1 Details of the Council's 'Comprehensive Spending Review Representation' were reported to the previous meeting of the Executive. The Council's response to the Provisional Local Government Finance Settlement 2022/23 is provided in Appendix 5. The Council will continue to engage local MPs and Government ministers to secure a better funding deal for the Council and its residents.
- 17.2 Although the Local Government settlement for 2022/23 represents an ongoing improvement in funding from Government (compared with period 2009/10 to 2019/20) it broadly remains a one year settlement only (except for Adult Social Care Reform funding).

18. MEDIUM TERM FINANCIAL PLANNING

- 18.1 Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21. The 2021/22 and 2022/23 settlement provide additional funding, but this needs to be considered in the context of the 'new normal' and the considerable cost pressures facing local government. Austerity measures for future years will be a consideration but this is particularly problematic for the Government at the current time given the recessionary impact of the Covid situation and the need for a sustainable economic recovery. It is currently predicted that it could take 10 to 15 years to return UK public finances to full health. Therefore 'flat' real terms funding for councils may be the best-case scenario. Austerity measures remain a real possibility from say 2024/25 or 2025/26 as the Government will need to address the impact of the public finances from the Covid situation. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results could lead to future real term funding reductions remaining for local government. Even if funding levels are maintained the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.
- 18.2 Local Governments funding arrangements were previously expected to experience their most significant funding reform for over two decades. The awaited outcome remains unclear. Any changes made are expected to include transitional arrangements that will impact on any 'winners' or 'losers' amongst Councils. The financial forecast assumes no financial changes from this review.
- 18.3 The financial forecast detailed in this report assumes that Government funding for local government will be broadly flat from 2023/24 and future years, despite local government cost pressures. Additional funding will be provided for Adult Social Reforms for 2023/24 to 2025/26 but such funding will be offset by additional costs relating to new

burdens/cost pressures from these changes. There is likely to be a significant shortfall of funding in meeting this new responsibility in the longer term with potential Fair Cost of Care additional costs of between £10m and £15m per annum, as reported to the previous meeting of the Executive. Although the financial forecast assumes that the changes will be fully funded at this stage, whilst a more detailed assessment is required, this represents a significant financial risk to the Council.

- 18.4 With the future funding uncertainty together with ongoing cost/growth pressures, the continuation of long-term financial planning as part of the Medium Term Financial Strategy remains essential to ensure that any future service changes are managed effectively.
- 18.5 For financial planning purposes, the financial forecast assumes a council tax increase of 1.99% per annum from 2023/24 towards meeting inflationary costs and provide funding to meet increasing growth/cost pressures as well as new burdens. As part of the Local Government Finance Settlement 2022/23, the Government's reported 'Spending Power' of local government assumes that Councils will raise alternative funding, to partly determine grant calculations, from council tax increases and utilisation of the Adult Social Care precept.
- 18.6 The Budget Strategy has to be set within the context of continuing cost pressures while Government funding remains broadly at 'standstill' levels from 2023/24, except to meet new burdens – transformation savings will be required to offset such cost pressures to ensure a balanced budget. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further.
- 18.7 The Council has had to take significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Council Tax has been kept low compared with other Councils. A combination of front loading of savings in previous years, pro-actively generating investment income and prudent financial management together with an improved financial settlement have provided an opportunity to provide a balanced budget. To illustrate the benefit of the investment approach the Council has undertaken, budgeted income totalling £13.6m from a combination of treasury management income (£2.8m) and rents from investment and operational properties (£10.8m). Without this income, equivalent service reductions may be required. Utilisation of the remaining uncommitted Growth and Investment Fund monies will be prioritised for housing and local economic recovery. There remains the need to reduce the significant cost pressures on homelessness and the opportunities to help the local economy recover from this pandemic. The Council will continue to explore using low cost treasury management monies to support future joint venture opportunities with the aim to generate investment returns over a 3 to 5 year period. This could include, for example, funding of joint venture opportunities to support land disposal/key investments. The Council has already undertaken secure lending to a developer which generates interest income of 6% per annum and also supports a homelessness initiative. The Council remains debt free and has resources to encourage and invest in innovation and new types of investment for the future.
- 18.8 Section 25 of the Local Government Act 2003 requires the Council's Section 151 Officer to report on the robustness of the budget calculations and the adequacy of reserves as part of the budget and council tax setting decision. The background to the impact of real reductions in government funding within the local authority landscape was reported to the last meeting of the Executive. Bromley has delivered savings of over £110m since 2011 and has a below average cost base which makes further savings more challenging. At best, there is expected to be a 'standstill' position on future government funding. Therefore, future government funding is not expected to meet future year cost pressures and new burdens which will continue over the next four years.
- 18.9 It is essential that action continues to mitigate the significant cost pressures – the 2022/23

Budget and 2023/24 to 2025/26 forecast assumes net growth pressures of £42.9m offset by mitigation of £27.2m (net increase of £15.7m). In addition, transformation savings of £2.7m per annum have been assumed by 2025/26. Without delivery of the combined mitigation and transformation savings of £29.9m per annum by 2025/26, the budget gap would in future years increase – this clearly must be monitored closely with corrective action taken to avoid any significant increase in the budget gap. There is also a risk if the growth pressures assumed in the forecast increase further compared with current projections. Although the 2022/23 Central Contingency Sum and balances (one-off monies) provide a short term ‘buffer’ it is essential to take action to deliver a sustainable ongoing financial resilience – the Council has a statutory duty to have a balanced budget.

18.10 CIPFA have provided advice to local authorities on the financial stress warning signs:

- Running down reserves – a rapid decline of reserves;
- A failure to plan and deliver savings in service provision to ensure a council lives within its resources;
- Shortening medium-term financial planning horizons – perhaps from four to three years to two years or even one year – this would indicate lack of strategic thinking and unwillingness to confront tough decisions;
- Greater ‘still to be found’ gaps in saving plans – identifying savings for the next financial year only and not beyond;
- Growing tendency for departments to have unplanned overspends and/or carrying forward undelivered savings in the following year.

18.11 The Council remains ‘better placed’ than many other authorities due to having no cost of borrowing, retaining adequate level of reserves and having adequate provisions in the Council’s revenue budget for unforeseen costs and risks. The Council has maintained four-year financial planning despite the future funding uncertainty and it remains essential that action is taken to address any in year overspends, recognising that there could be a full year impact which could increase the ‘budget gap’ further. Continuing the One Council Transformation approach as reported to the previous meeting of the Executive, delivering planned mitigation and transformation savings as well as minimising any further cost/growth pressures are essential to identify options from 2023/24 to address the medium-term budget gap and ensure the Council can continue to ‘live within its means’. It also remains essential that Chief Officers identify mitigating action to address any in year cost pressures/new burdens and mitigate against inflation cost pressures to remain within their ‘cash envelope’. Agreeing a council tax/adult social care precept below the maximum capping level does result in potential foregone income, particularly when facing a budget gap in the medium and longer term, and such decisions for each subsequent year would not be sustainable on an ongoing basis. The use of Covid and the collection fund surplus earmarked reserves provides transitional support, during funding uncertainty, and assists as the Council progresses with longer term decision making but these reserves represent one off resources. As indicated in this report there will need to be a review of financing the Council’s capital programme as capital receipts are depleted. Capital spend and potential further capital receipts will be partly influenced by the Operational Property Review which will be reported to a future meeting of the Executive.

18.12 Commentary on the level of reserves and robustness of the 2021/22 Budget are provided in Appendix 4.

18.13 Stewardship and delivering sustainable finances are increasingly important whilst cost pressures and the Government’s fiscal squeeze continues. The strategy needs to remain flexible and the Council’s reserves resilient to respond to the impact of volatile external events and the structural budget deficit.

19. IMPACT ON VULNERABLE ADULTS WITH CHILDREN

- 19.1 The Draft 2022/23 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

20. POLICY IMPLICATIONS

- 20.1 The Draft 2022/23 Budget enables the Council to continue to deliver on its 'Making Bromley Even Better' key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium-term financial plan. The Council continues to deliver key services and lives within its means.

21. PERSONNEL IMPLICATIONS

- 21.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2022/23 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

22. LEGAL IMPLICATIONS

- 22.1 The Council is required to fix its Council Tax by the 11th March in any year. The Local Authorities (Standing Orders) (England) Regulations 2001 and the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended) deal, amongst other things, with the process of approving the budget. Under these provisions and the constitution, the adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. Sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011) set out the way in which a billing authority calculates its budget requirement and basic amount of Council Tax. The main change being replacing the need to calculate a budget requirement for a financial year with the obligation to calculate a Council tax requirement. These calculations are required to be presented to and be subject to formal resolution by the Council.
- 22.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply (see Section 16 of the Report). This replaced the previous power of the Secretary of State to "cap" local Authority budgets.
- 22.3 The introduction of the Education Act 2005 has changed the procedure for the setting of schools budgets. The Act has introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 22.4 The Schools Finance (England) Regulations 2005 introduced under the provisions of the new Section 45AA of the School Standards and Framework Act 1998, place a requirement on the LEA to determine schools' budgets by the 31st March. Notice of a school's determination must be given to maintained schools governing bodies. Contained within the regulations is a designated procedure that allows the LEA to predetermine schools budget and the individual schools budget. There is also a provision allowing amendment to the determination, but any reduction in budget can only be proportionate to any reduction in the dedicated schools grant that has been received.

- 22.5 The making of these budget decisions is a statutory responsibility for all Members. Section 106 of the Finance act 1992 provides that Members who are present and who are 2 months or more in arrears with their Council Tax must declare this to this meeting and the budget meeting and not vote on budget recommendations.
- 22.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring the adequacy of future years' reserves in making budget decisions.
- 22.7 In setting the proposed budget, due regard has been necessary to relevant considerations including equality, human rights, proportionality, reasonableness, need to maintain our statutory obligations, legitimate expectation and the Council's priorities The Public Sector Equality Duty, at section 149 of the Equality Act 2010, requires public bodies such as the Local Authority to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The Act covers discrimination because of a 'protected characteristic' which includes age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 22.8 In fulfilling our equalities duty, and in particular the specific equalities duty, regard has been had to the impact of budget proposals and savings options on those with 'protected characteristics' including the potential for cumulative impact on some groups from separate work streams arising from this budget. As part of the budget setting process where appropriate impact assessments have been performed at service level where service managers and frontline staff will be involved in implementing the changes and fully understand the customer base and likely impact on them. Where any proposals are found to have a disproportionate impact on a particular group, the Council will consider what actions can be taken to avoid or mitigate the impact.
- 22.9 In some instances detailed analysis will be undertaken after the budget has been set but before a policy arising from the budget is implemented. In these instances, the council will comply with its legal obligations including those relating to equalities and consultation and if a proposal is deemed to be unsustainable after such detailed work or where a disproportionate impact on a protected group is identified consideration will be given to any necessary mitigation, rephrasing or substitution of the proposed service changes.

Background documents	<p>Treasury Management – Annual Investment Strategy 2022/23 and Quarter 3 Performance 2021/22, Executive, Resources and Contracts PDS Committee and Council, 7th February 2022 and 28th February 2022</p> <p>Draft 2022/23 Budget and Update on Council's Financial Strategy 2023/24 to 2025/26, Executive, 12th January 2022</p> <p>Capital Programme Monitoring – 2nd Quarter 2021/22, Executive on 24th November 2021</p> <p>Financial Monitoring 2021/22, Executive, 24th November 2021</p> <p>Insurance Fund – Annual Report 2020/21, Executive, Resources and Contracts PDS Committee, 18th November 2021</p> <p>Provisional Final Accounts 2020/21, Executive, 30th June 2021</p> <p>2021/22 Council Tax, Executive 10th February 2021</p> <p>Transforming Property – Creation of a £30m Disposal Programme, Leader following pre scrutiny by E, R&C PDS on 10th September 2020</p>
Financial Considerations	<p>Covered within overall report</p>

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Bromley's Budget Requirement in 2021/22 (before funding from Formula Grant) @	216,186	216,186	216,186	216,186	216,186
Formula Grant and Business Rate Share	-40,874	-40,874	-40,874	-40,874	-40,874
	175,312	175,312	175,312	175,312	175,312
Additional core funding		-1,183	-1,183	-1,183	-1,183
Additional social care grant		-2,960	-2,960	-2,960	-2,960
Market sustainability and Fair Cost of Care Fund and Capping of Care Costs		-804	-5,628	-8,040	-8,040
Grant related expenditure for above		804	5,628	8,040	8,040
One off 2022/23 Services Grant		-2,652	0	0	0
Changes in Government Core Funding		-6,795	-4,143	-4,143	-4,143
Cost pressures					
Increased costs (5% in 2022/23, 2.5% in 2023/24 and 2% from 2024/25)		9,739	17,347	23,601	29,975
Increase in employer national insurance (including outsourced services)		1,500	1,500	1,500	1,500
		11,239	18,847	25,101	31,475
Reinstatement of highways maintenance (previously capitalised)		2,500	2,500	2,500	2,500
Total additional costs		13,739	21,347	27,601	33,975
Income/Savings					
Interest on balances		750	1,000	1,000	1,000
Release general provision in contingency for significant uncertainty/variables (per 2021/22 ctax report)		0	0	-2,000	-2,000
Funding of extra waste disposal costs from contingency		-400	-400	-400	-400
Reduction in central contingency provision for loss of car park income		-500	-500	-500	-500
Release of Education risk reserve to address offset cost pressures		-500	-500	-500	-500
Transformation Savings		-2,832	-2,610	-2,686	-2,686
CIL Funding Opportunities		-320	-1,000	-2,000	-2,400
Initial reduction (-) in freedom pass costs due to Covid period		-3,892	-1,419	3,206	3,206
		-7,694	-5,429	-3,880	-4,280
Other changes					
Real Changes and other Variations		789	271	492	52
		789	271	492	52
Council Tax					
Reduction in council tax losses due to Covid period		-548	-548	-548	-548
Collection Fund - fall out of use of fund in 2021/22 Budget		3,242	3,242	3,242	3,242
Collection Fund surplus 2020/21		-2,400	0	0	0
Est. increase in council tax base and increase in collection rate		-1,753	-1,753	-1,753	-2,503
		-1,459	941	941	191
Fall out of provision for additional cost pressures re Covid impact in 2021/22		7,795	7,795	7,795	7,795
Additional Government Funding to support further Covid cost impact in 2021/22		-7,795	-7,795	-7,795	-7,795
Growth/Cost Pressures including mitigation					
- Education		3,335	3,478	3,638	3,970
- Children's Social Care		3,716	3,341	3,342	3,353
- Adults Social Care		2,569	4,915	7,375	9,526
- Housing		-86	-1,349	-830	-358
- Public Health		400	400	400	400
Reduction in car park income, waste costs and other changes		600	100	-400	-400
Fall out of two year addt provision for building maintenance		0	-1,000	-1,000	-1,000
Building Infrastructure Fund		2,000	2,000	0	0
Reduction in investment property income		366	183	183	183
Fall out of funding for loss of fees and charges income (COVID)		500	500	500	500
		13,400	12,568	13,208	16,174
Budget Requirement		187,292	200,867	209,531	217,281
2021/22 Council Tax Income	-175,312	-175,312	-175,312	-175,312	-175,312
Increase in ASC precept or Council Tax (assume 1% increase in 2022/23 and 1.99% per annum thereafter)		-1,770	-5,242	-8,800	-12,429
Budget Gap before use of one off collection fund surplus and Covid reserve		10,210	20,313	25,419	29,540
Use of earmarked reserves					
Use of Covid earmarked reserve towards funding Covid cost pressures		-5,848	-4,648	-2,548	0
Collection Fund surplus to meet future years budget gap (included in 2021/22 council tax report)		-1,700	-9,111	-10,000	-10,000
Release of Government funding towards additional council tax support costs (held in reserve)		-2,662	-2,300	0	0
		-10,210	-16,059	-12,548	-10,000
Revised Budget Gap		0	4,254	12,871	19,540

1) The above forecast assumes for illustrative purposes a 1% increase in ASC precept/ Council Tax for 2022/23 and 1.99% increase to Council Tax for the following years

SUMMARY OF DRAFT 2022/23 REVENUE BUDGET - PORTFOLIO

2021/22 Draft Budget £'000	Portfolio/Item	2022/23 Updated Draft Budget	2022/23 Band "D" Equivalent £
94,789	Education	100,817	756.05
Cr 87,281	Less costs funded through Dedicated Schools Grant*	Cr 92,411	Cr 693.01
7,508	Sub total	8,406	63.04
38,416	Childrens Social Care	40,905	306.76
73,985	Adult Care and Health	79,313	594.79
31,750	Environment & Community Services Portfolio	34,430	258.20
2,474	Public Protection and Enforcement	2,638	19.79
15,094	Renewal, Recreation and Housing	14,539	109.03
34,473	Resources, Commissioning & Contracts Management	32,741	245.53
1,888	Non Distributed Costs & Corporate & Democratic Core	1,284	9.63
205,588	Total Controllable Budgets	214,256	1,606.76
11,443	Total Non Controllable Budgets	11,506	86.29
Cr 853	Total Excluded Recharges	Cr 900	Cr 6.75
216,178	Portfolio Total	224,862	1,686.29
Cr 9,878	Reversal of Net Capital Charges	Cr 9,878	Cr 74.08
Cr 3,591	Interest on General Fund Balances	Cr 2,841	Cr 21.31
707	Contribution to Utilisation of New Homes Bonus for Housing	253	1.90
1,911	Utilisation of Prior Year Collection Fund Surplus/Set Aside		
14,880	Central Contingency Sum	17,395	130.45
	Levies		
464	- London Pensions Fund Authority*	478	3.58
247	- London Boroughs Grants Committee	247	1.85
262	- Environment Agency *	270	2.02
321	- Lee Valley Regional Park*	321	2.41
221,501	Sub Total	231,107	1,733.12
Cr 707	New Homes Bonus	Cr 253	Cr 1.90
Cr 40,874	Business Rate Retention (core funding)	Cr 42,057	Cr 315.40
Cr 5,153	Collection Fund Surplus (previous years)	Cr 4,100	Cr 30.75
	Council tax support - collection fund surplus	Cr 2,662	Cr 19.96
	One off 2022/23 Services Grant	Cr 2,652	Cr 19.89
548	Collection Fund Losses (net of grant)		
	Funding Covid cost pressures from Earmarked Reserve	Cr 548	Cr 4
175,315	Bromley's Requirement (excluding GLA)	178,835	1,341.13

*Not yet confirmed

2022/23 CENTRAL CONTINGENCY SUM

£'000

General

Provision for Unallocated Inflation		3,164
General provision for risk/uncertainty		3,500
Provision for increase in employer national insurance-outsourced services		910
Provision for risk/uncertainty relating to volume and cost pressure		2,871
Increase in cost of homelessness / impact of welfare reforms		1,825
Universal credit roll out - impact on claimant fault overpayment recoveries		750
Tackling troubled families - Expenditure		628
Tackling troubled families - income	Cr	628
Growth for waste services		187
Set aside for homeless prevention initiatives		424
Set aside for homeless prevention initiatives - funding	Cr	424
Rough Sleeping Initiative		104
Rough Sleeping Initiative - funding	Cr	104
Deprivation of Liberty		118
Planning appeals - changes in legislation		60
Property Valuation		100
Legal support - childcare and adults social care		170
Provision for agency workers contract savings	Cr	260
Building Infrastructure Fund		2,000
Provision for potential loss of car park income		500
Property income recovery/rent variations		500
SEND Transport Growth		1,000
		<u>17,395</u>

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

LEVEL AND USE OF RESERVES AND ROBUSTNESS OF THE 2021/22 BUDGET

1. Background

With the introduction of the prudential approach to capital investment, Chief Financial Officers in local authorities are required to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. In considering the affordability of its capital plans, councils are required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. This requires clear and objective attention to the levels and application of the Council's balances and reserves. The level of balances and reserves needs to be adequate to ensure that the longer-term stewardship of the Council's finances remains effective and the Council maintains 'sustainable' finances in the medium term. Medium term planning becomes key in recognition of the ongoing "structural" budget deficit facing the Council.

2. General Reserves

- 2.1. Bromley has estimated general reserves of £19.7 million as at 31st March 2022 (as reported to Executive on 24th November 2021), as well as earmarked reserves (Section 3). Key to any financial strategy is the retention of sufficient reserves (including earmarked reserves) for the following reasons:
- (a) To provide some contingency reflecting the financial risks facing the Council (e.g. impact of Covid), the scale of mitigation/savings and associated impact, the need to manage effectively action to reduce the longer term 'budget gap' and recent government changes which include the transfer of risks from central to local government provides significant new risks for longer term planning purposes;
 - (b) To provide alternative one-off funding to offset the impact of any overall large overspends facing the Council;
 - (c) To provide adequate resources for spend to save initiatives which, following investment, can provide real longer term financial and service benefits;
 - (d) To provide support in financing the capital programme, particularly to assist in funding key initiatives;
 - (e) To provide financial support (income) to the revenue budget through interest earnings, which will reduce as balances are gradually reduced;
 - (f) To utilise short term monies available from any 'front loading' of savings to assist in managing the key risks facing the Council and fund key initiatives preventing the further deterioration in the 'sustainability' of the Council's finances;
 - (g) To provide investment to seek a long-term alternative to current income streams;
 - (h) To provide funding (e.g. severance costs) to enable the release of longer term ongoing savings;
 - (i) To set aside income available, that does not provide a permanent income stream, towards one off investment in the community for schemes that meet the Council's priorities;
 - (j) To buy time to identify further savings needed whilst avoiding 'knee jerk' actions to deal with future budget deficits;
 - (k) To assist the Council to achieve as much stability as possible for both longer term service delivery and planning the moving of resources to areas of agreed priority.

- 2.2 In order to assess the adequacy of unallocated general and earmarked reserves when setting the budget, account must be taken of the strategic, operational and financial risks facing the authority. This is an important aspect of Bromley's approach to risk management. An 'Annual Governance Statement' signed by the Chief Executive and the Leader of the Council covers, for example, the processes to fully underpin the Council's system of internal control.
- 2.3 Setting the level of reserves is just one of several related decisions in the formulation of the medium-term financial strategy and the budget for a particular year. Account needs to be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements.
- 2.4 Bromley's reserves had reduced from £131m to £54m (general reserves) between 1997 and 2011. The Council had previously agreed to set aside part of these reserves towards an Invest to Save Fund and to fund the Growth Fund and Investment Fund. The latest projected level of general reserves remaining is £19.7m.
- 2.5 The most significant gain to balances was following the housing transfer to Broomleigh in 1992 (now part of Clarion). Opportunities to generate additional capital resources and reserves through disposal of surplus assets should continue to be vigorously pursued, however, there are unlikely to be opportunities to again generate the very substantial level of reserves held in the past.
- 2.6 Latest projections in the capital programme indicate that there will be a requirement to fund capital expenditure from revenue balances or alternative financing options from 2023/24. The financing options will be reported to a future meeting of Executive. The action required depends on the cost of any future proposed scheme not currently included in the capital programme, review of existing programme and the Council's ability to realise future sales/disposals to generate capital receipts in order to avoid where possible funding from the Council's revenue budget, reserves or other financing options.
- 2.7 If the existing general reserves are released now to fund continuing service initiatives and/or significantly reduce council tax then there would be a resultant 'opportunity cost' relating to the corresponding loss in interest earnings and depletion of reserves which is not recommended by the Director of Finance, particularly at this time of financial uncertainty. Funding for any increases in service levels would only be in the short term. If the reserves were used to just balance the budget they would be fully spent in the next few years resulting in greater budget cuts in the future. Using this money to fund services is not a sustainable approach as these reserves are not budgets that are renewed every year. Similar to a savings account – once it is spent, it is gone. Retaining a significant level of reserves provides a major opportunity to fund any transformation/spend to save programmes in future years, as well as provide an ongoing source of significant revenue income to the Council. It becomes increasingly more critical with the future business rates and 'Fair Funding' review as well as other risks (e.g. medium term recession) and the organisation moving to become more 'self-sufficient'. There also remains the significant future financial risk relating to the impact of the Adult Social Care Reforms.
- 2.8 Executive previously agreed that the following principles be applied to determining the use of reserves:
- (a) As a prudent working balance, the Director of Finance continues to recommend subsequently reviewed the minimum level of general reserves and recommended a minimum sum of £20m to reflect the significant financial uncertainty facing the Council and the need to address the medium term 'budget gap' with higher amounts being retained for specific purposes;

- (b) Any support for the capital programme to be focused on areas that can generate business efficiencies and maintain and enhance the Council's core infrastructure. The programme should be driven by the Council's asset management plan, which in turn should be derived from the key priorities of the Council;
- (c) Any support for the revenue budget will need to be modest and sustainable in the medium term and the impact of any withdrawal built into future financial plans. From 2008/09, Members agreed to eliminate the continuing use of reserves to support the revenue budget;
- (d) The Council has limited scope to utilise general fund reserves for capital spending in excess of the current capital programme and will need to continue to progress a programme of asset disposals. Given the substantial pressures on the revenue position of the council it would be sensible to focus the spending of general reserves in excess of the basic level on investments to increase the efficiency of the Council, provide income and reduce the cost base.

2.9 Balancing the annual budget by drawing on general reserves is a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure, this needs to be explicitly considered including the sustainability of this measure over the lifetime of the medium-term financial plan.

2.10 In the context of Bromley's current financial position, options need to be explored to ensure that the recommended minimum sum of general reserves are retained to provide adequate flexibility during the financial forecast period. However, the important issue to consider is planning the future use of reserves in the context of the authority's medium-term financial plan and not to focus exclusively on short-term considerations.

3 Earmarked Reserves

3.1 As part of developing a medium-term financial plan and preparing the annual budget Members need to consider the appropriate use of reserves for specific purposes and the levels at which these should be set. Further details on the utilisation of earmarked reserves together with general reserves are provided in section 2.1. The current specific (earmarked) reserves and their estimated uses are:

Description	Balance at 31/03/2021	Net Movement in 21/22	Balance at 31/03/2022	Net Movement in 22/23	Balance at 31/03/2023
	£'000	£'000	£'000	£'000	£'000
EARMARKED BALANCES					
LPSA Reward Grant	76	0	76	0	76
Technology Fund	1,298	0	1,298	0	1,298
LAA Pump Priming Grant	155	0	155	0	155
Town Centre Improvement Fund (LABGI)	55	0	55	0	55
Investment to Community	296	-68	228	-106	122
R & R Redundancy Reserve	116	0	116	0	116
Works to Property	100	0	100	0	100
Planning Services Charging Account	93	-210	-117	117	0
Government Grants	9,981	-85	9,896	-123	9,773
Invest to Save	18,227	-450	17,777	-889	16,888
One off Member Initiatives	823	-229	594	-431	163
Infrastructure Investment Fund	559	-40	519	0	519
Commissioning Authority Programme	365	0	365	0	365
Health & Social Care 'Promise Programme'	3,953	0	3,953	0	3,953
Housing Strategy Account	25	0	25	0	25
Community Right to Bid & Challenge	46	0	46	0	46
Winter Pressures	2,010	0	2,010	0	2,010
Refurbishment of War Memorials	13	0	13	0	13
Key Health & Social Care Initiatives	1,700	0	1,700	0	1,700
Integration of Health & Social Care Initiatives	1,614	0	1,614	0	1,614
Collection Fund Surplus Set Aside	31,791	1,911	33,702	-1,700	32,002
Healthy Bromley Fund	3,815	-338	3,477	-338	3,139
Glaxo Wellcome Endowment	86	-21	65	-21	44
Cheyne Woods and Cyphers Gate	138	-3	135	-3	132
Public Halls Fund	5	0	5	0	5
Future Repairs of 145, High Street	79	0	79	0	79
Parallel Fund	2,903	0	2,903	0	2,903
Health & Social Care Integrated Commissioning Fund	3,030	0	3,030	0	3,030
Financial Planning & Risk Reserve	10,000	0	10,000	0	10,000
Bromley Welfare Fund	492	-200	292	-200	92
Payment in Lieu Reserve for Temporary Accommodation	264	13	277	13	290
Business Rates Risk Reserve	4,200	0	4,200	0	4,200
Crystal Palace Park Improvements	26	0	26	0	26
Various Joint Schemes and Pump Priming Investments	3,710	0	3,710	0	3,710
Transition Fund	2,560	0	2,560	0	2,560
Environmental Initiatives	453	-63	390	-91	299
Planning/Planning Enforcement	15	0	15	0	15
Apprenticeship Scheme	152	-20	132	-20	112
Civic Centre Development Strategy	257	-50	207	-50	157
Professional Advice for Future Schemes	139	-55	84	-5	79
Utilisation of New Homes Bonus	3,868	0	3,868	0	3,868
Future Pensions Risk on Outsourcing	1,244	0	1,244	0	1,244
West Wickham Leisure Centre & Library Redevelopment	623	0	623	0	623
Sub Total B/fwd.	111,355	92	111,447	138	107,600

Description	Balance at 31/03/2021	Net Movement in 21/22	Balance at 31/03/2022	Net Movement in 22/23	Balance at 31/03/2023
	£'000	£'000	£'000	£'000	£'000
Sub Total C/fwd	111,355	92	111,447	-3847	107,600
Income Equalisation Reserve	5,310	0	5,310	0	5,310
Transformation Fund	1,245	0	1,245	0	1,245
Investment Fund	6,143	-2,339	3,804	-3,804	0
Growth Fund	21,376	-70	21,306	-58	21,248
Capital Funding for Property Disposal/Feasibility Works	78	0	78	0	78
Biggin Hill Airport Project	76	0	76	0	76
Transformation Programme	343	0	343	0	343
Housing Investment Fund	32,569	-18,036	14,533	-2,843	11,690
High Street & Parks Improvement Fund	71	-14	57	-57	0
Contribution to YES Funding for 2019/20	45	0	45	0	45
Day Centre Rent Relief	6	0	6	0	6
Housing Invest to Save	3,409	0	3,409	0	3,409
Health Facilities Fund	993	0	993	0	993
Health & Social Care Transformation Fund	1,500	0	1,500	0	1,500
Housing feasibility and viability	128	-128	0	0	0
Website Update	150	-75	75	-50	25
Carbon Neutral Initiatives Fund	875	0	875	-100	775
COVID recovery Fund	10,273	-5,625	4,648	-4,648	0
Walnuts Development	70	-40	30	-30	0
Hospital Discharge Funding	1,677	1,677	3,354	1,677	5,031
IT Services Procurement	197	0	197	0	197
Schools	2,550	0	2,550	0	2,550
DSG Reserve (new in 2020/21)	-1,139	-2,861	-4,000	0	-4,000
Insurance Fund	4,384	30	4,414	30	4,444
Sub-total	203,684	-27,389	176,295	-13,730	162,565
Business Rates Adjustment Account (new in 2020/21) *	63,407	-63,407	0	0	0
Collection Fund Deferred Costs Reserve (new in 2020/21)**	2,662	-362	2,300	-2,300	0
TOTALS	269,753	-91,158	178,595	-16,030	162,565

* This balance was accounted for as a reserve at 31/3/21 on the basis that it is used to fund equivalent spend during 2021/22

**This reserve represents grants received and accrued for in 2020/21 which will be used to fund related costs that accrue in 2021/22 and 2022/23

3.2 The report highlights the medium term 'budget gap' (see 5.1 of main report) which results in the Council, on an ongoing basis, having a "structural deficit". To respond to this, Members have agreed over the last few years to create new earmarked reserves to support longer term investment and provide a more sustainable longer term financial position. The need for these reserves includes setting aside resources to support the Council's future transformation programmes (invest to save), housing the homeless initiatives, to generate sustainable income and the growth fund to support economic development and employment within the borough whilst generating income opportunities. These measures are important to provide sustainable solutions in the longer term.

3.3 A summary of other significant areas are:

- School Balances - these are unspent balances of budgets delegated to individual schools and these are legally only available to schools

- Insurance Reserves – self-insurance is a mechanism used by a number of local authorities including Bromley. In the absence of any other statutory basis, sums held to meet potential and contingent liabilities are reported as earmarked reserves or provisions.
- Health and Social Care (various) – there are monies set aside as part of a Section 256 agreement with previous Bromley Clinical Commissioning Group (now Southeast London CCG) for the funding of future transformation / integration of health and social care and to contribute towards the financial sustainability of local health services that impact on social care.

3.4 In addition there is the pensions reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes in accordance with those schemes’ requirements and the net change in the authority’s recognised liability under IAS19 – employee benefits, for the same period. An appropriation is made to or from the pensions reserve to ensure that the bottom line in the income and expenditure account reflects the amount required to be raised in taxation. This effectively prevents any deficit on the pension fund needing to be made good from taxation in one year.

3.5 The outcome of the actuarial valuation as at 31/3/19 was reported to Pensions Investment Sub Committee on 30st January 2020 and General Purposes and Licensing Committee on 11th February 2020. The Council’s pension fund is now fully funded. The triennial actuarial valuation impacts on the budget from 2020/21 to 2022/23. The Council has received various national awards recognising the outstanding investment performance of its pension fund. The most recent award was the nationally recognised Public Finance Awards 2021 for ‘Achieving Excellence in Asset Management ‘.

4. Budget Assumptions

4.1 Treatment of Interest Rates and Inflation

4.1.1 Despite the recent decrease in the Bank of England base rate from 0.1% to 0.25%, the rates that the Council obtains from lending to banks remain low. For now, this will continue to mean that any options with regard to the reinvestment of maturing deposits have become seriously limited following bank credit rating downgrades and a continued general low interest rate environment. However, the Council remains ‘locked in’ to several fixed-rate two-year lending deals that will yield a higher rate of return until they mature during either 2022/23 or 2023/24.

4.1.2 The Council has also benefitted from its revised strategy that enable it to make alternative investments of up to £100m which have generated additional income, at a rate higher than that available from bank lending. This has included increasing lending to Housing Associations and additional sums being invested in a Multi-Asset Income Fund. The contribution of higher risk and longer-term investments within Treasury Management have contributed towards the Council being in the top decile performance (top 10%) against the local authority benchmark group. Further details are included in the ‘Treasury Management – Annual Investment Strategy 2022/23 and Quarter 3 Performance 2021/22’ report to Executive, Resources and Contracts PDS Committee on 7th February 2022.

4.1.2 For inflation, an overall allowance of 5% per annum has been built into the Draft 2022/23 Budget and financial forecast with an assumed 2.5% in 2023/24 reducing to 2% per annum from 2024/25. The current CPI of 5.4% (RPIX 7.7%) which is expected to increase further by the Spring before it is predicted to reduce to target level of 2% in 2024 creates a

challenge to contain costs within the overall budget. The 2022/23 Central Contingency Sum does provide some funding towards funding this risk, where necessary.

4.2 Level and Timing of Capital Receipts

4.2.1 Details of the level and timing of capital receipts, with an update on the overall funding position, are included in the 'Capital Programme Monitoring Q3 2021/22 and Capital Strategy 2022 to 2026' report elsewhere on the agenda.

4.3 Budget and Financial Management and 'Demand Led' Budgets

4.3.1 Bromley has for many years operated multiyear budget planning. The need to meet budget savings has reduced the frequency of budget monitoring. The budget has been prepared to reflect commissioning plans of service areas but also recognising the need to identify mitigation action, where possible, recognising the 'budget gap' for the Council.

4.3.2 There remain significant cost/growth pressures impacting on education, housing, adults and children's social care as well as opportunities for the mitigation of costs. The financial forecast elements are summarised below with more details reported to the previous meeting of the Executive.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Growth/cost pressures	25,598	29,739	35,278	42,927
Mitigation	-14,881	-19,671	-22,570	-27,253
Net additional costs	10,717	10,068	12,708	15,674

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

4.3.4 The draft 2022/23 Budget includes reasonable estimates of likely changes in activity in the next financial year. It is important that Chief Officers identify mitigating action to address any in year cost pressures or other mitigation savings not realised to remain within their 'cash envelope'.

4.4 Financial Standing of the Authority

4.4.1 Long-term Council Tax collection rates have been consistently high at around 98/99%, prior to the Covid pandemic. Other external debt collection was also high. The Covid pandemic has created new challenges and the Government has only partly funded consequential income losses. The Council will seek to take measures to assist in maximising the recovery of income, where possible. Maximising income recovery is essential to assist in funding key services. As a debt free authority, Bromley has relatively limited exposure to interest rate movements and changes in interest earnings on external investments have been reflected in the budget based upon likely use of reserves and current interest rates.

4.5 Financial Information and Reporting

4.5.1 The arrangements for finance staff to report to the Director of Finance, in place since April 2002, have produced far greater clarity of roles and responsibilities. The Council will need to continue with the Transformation programme process to be able to generate savings as part of future years' budgets, as well as provide service improvements. The main issue remaining is to ensure that service managers continue to develop even

greater ownership of their budgets and have more sophisticated activity and performance information on the service which they are providing. Any overspending should require compensating savings to be identified.

4.6 Virement Procedures

4.6.1 Currently, Bromley does not routinely allow the carry forward of under-spending (and overspending) by service departments as part of its year-end procedures. The Director of Finance remains satisfied however, that the current virement rules allow sufficient flexibility within the year for officers/Members to manage the budget to enable them to contain overspending within overall budgets.

4.7 Risk areas

4.7.1 Details were reported to the previous meeting of the Executive.

4.8 Link with other plans/strategies

4.8.1 A budget is a service plan/strategy expressed in financial terms and there will be linkages with other strategies and plans across the Council. The proposed budget also takes into account the outcomes of the Public Sector Equality Duty on the Council's proposals (see legal considerations of main report).

4.9 Insurance Fund

4.9.1 The insurance fund is protected by the existence of external catastrophe insurance, which meets large claims. There is a significant financial stop loss that prevents the council from having to meet losses in excess of this amount on liability claims in any one year. The 'Insurance Fund – Annual Report 2020/21', considered by the Resources, Commissioning and Contracts Management Portfolio Holder at the meeting of the E,R&C PDS Committee on 18th November 2021, gives more background information.

4.10 Funds and the adequacy of provisions

4.10.1 As is discussed above, the Council has both general and earmarked reserves and continues to take a prudent approach to limiting the scope of future year's capital expenditure and other commitments. It is essential that an adequate level of reserves is maintained to reflect the impact of the future years budget gap of £19.5m by 2025/26, 'balance sheet' liabilities combined with the ongoing cost/growth pressures facing the Council. The "budget gap" may increase or reduce as a result of a number of variables in future years. Bad debt provisions are reviewed each year as part of the closure of accounts and are subject to audit by the council's external auditors.

4.10.2 The scale of the medium term "budget gap", coupled with the significant financial uncertainty arising from the review of local government finance makes it important to maintain an adequate level of reserves to ensure the Council has sufficient resilience, flexibility and stability for longer term service delivery. Apart from the need to retain reserves to address risks and uncertainty there are specific reserves to fund invest to save as well as investment in the future towards economic development within the borough, housing invest to save opportunities and other investment options whilst generating sustainable income and savings to help reduce the future years budget gap. This helps ensure that key measures of sustainable finances and stewardship in the medium term can be realised. The funds retained are adequate to meet the needs of the Council in the medium term. The level of reserves will continue to be kept under review during the Medium-term Financial Planning period.

4.11 Council's Investment Income contributing to supporting key services

4.11.2 The strategy of generating additional investment income provided funding for key services thus enabling a corresponding reduction in the Council's budget gap.

4.11.3 The Council's investment income of £13.6m, assumed in the 2022/23 Budget, is shown below:

	£'m
Investment properties and rental income	10.8
Treasury Management Income	2.8
Total investment income	13.6

4.11.4 The Council has used existing resources in acquiring investment properties and has not utilised the option of borrowing. The Council being prepared to retain the investment assets through any future recession period significantly reduces the longer-term capital risk of the investment. Utilisation of the remaining uncommitted Growth Fund and Investment Fund has been prioritised for housing investment and regeneration/growth in local economy at this stage.

4.11.5 Details of the approach to treasury management is being reported to Executive, Resources and Contracts PDS meeting on 7th February 2022. The Treasury Management Strategy has previously been revised to enable alternative investments of £100m which will generate additional income of around £2m compared with lending to banks. The contribution of higher risk and longer-term investments within Treasury Management have contributed towards the Council being in the top decile performance (top 10%) against the local authority benchmark group. The approach to addressing Security, Liquidity and Yield is addressed in that report.



THE LONDON BOROUGH

Financial Services

Civic Centre, Stockwell Close, Bromley BR1 3UH

Telephone: 020 8464 3333 Direct Line: 020 8313 4338

Internet: www.bromley.gov.uk

Email: peter.turner@bromley.gov.uk

Local Government Finance Settlement Team
Department for Levelling Up,
Housing and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

13th January 2022

Email: lgfsettlement@communities.gov.uk

Dear Sir/Madam

Provisional Local Government Finance Settlement 2022/23

We welcome the continuation of the third year of no overall funding reductions, following 10 years of significant funding reductions and the additional funding provided to support Councils although this does not meet the full cost pressures facing the Council. We note that there is no additional core funding (excluding Adult Social Care Reforms) indicated for future years, despite ongoing cost pressures. The additional financial support for Covid in 2020/21 and 2021/22 was welcomed and the situation for 2022/23 should be reviewed whilst any restrictions continue, particularly given the financial risk inadequate funding creates.

There is a national recognition that Social Services is underfunded. One of Bromley's high-cost pressure relates to adult social care and a combination of funding through ASC precept and efficiencies for future cost pressures will not be sufficient to meet these pressures. There is still a need for a fundamental solution to address funding. The Council did not receive funding to match the cost pressures for social care, despite the significant cost pressures that must be met, and the main flexibility provided was to fund these costs through the Adult Social Care precept. There should be more Government funding provided rather than a reliance on local taxpayers to meet the significant costs. The NHS is receiving substantial increases in funding and there remains an interdependency between social care and NHS services which would require more funding for social care to ensure the NHS can deliver its key requirements.

The funding for Capping of Care Costs and Fair Cost of Care reforms does represent additional funding for local government but there will be significant reductions in income from the reforms as well as significant additional commissioning costs arising from the impact to Bromley. The

overall financial costs (including loss of income) is currently expected to exceed the level of funding available by in excess of £10m per annum. We recognise that a more detailed assessment would be required but this represents a new funding gap for the council in future years and therefore one of the most significant financial risks.

We welcome the additional national funding from the White Paper reforms and details of how this funding will be allocated and requirements is awaited. However, the cost pressures facing adult social care without adequate funding could impact on our ability to meet the ambitions of the reforms. A greater proportion of the adult and social care levy should be allocated to adult social care frontline services.

The impact on the pandemic and the 'new normal' will result in additional obligations and cost pressures for public health services. Despite this, we remain concerned that Public Health Grant remains flat in real terms over the next three years. Additional funding needs to be considered to reflect the ongoing impact and burdens on public health services.

Although not part of the Council's general fund there is a shortfall in funding (Dedicated Schools Grant) to meet the costs of SEND which is creating a deficit situation in future years. Although additional funding has been provided in 2022/23, which is welcomed, it does not adequately reflect the demographic changes and the increase in provision (and associated costs) for the borough. Although the DfE have tightened the ring-fence on the Dedicated Schools and introduced a statutory override last year, such changes are temporary and do not resolve the underlying deficits. We ask that the Government completes its awaited SEND review and provide adequate funding to prevent the medium- term funding shortfall and avoid a potential financial impact on the Council's general fund.

New burdens doctrine was expected to be transparent in recognising and funding additional cost pressures for local authorities arising from changes in government policy. Some of the cost pressures include new burdens such as, for example, no recourse to public funds, automatic enrolment, various changes from the Social Work Act, extended support to care leavers to the age of 25 years old, the previous lifting of the public sector pay cap, indexation and equalisation of guaranteed minimum pensions, deprivation of liberty, changes to national insurance costs, national living wage, the Homelessness Reduction Act and there are other examples where such burdens have not been adequately funded. DLUHC have recognised some of the pressures on adult social care and provided some limited flexibility to use grant funding for children's social care as well as the continuation of the Adult Social Care Precept for 2022/23. However, the further cost pressures on children's social care, special educational needs, long Covid and homelessness (consequence of welfare reform, impact of limiting local housing allowances and potential implications of universal credit including benefit cap) have not been fully recognised and have resulted in a significant additional cost burden which is not met by the funding provided. To illustrate the activity behind the cost pressure on homelessness facing Bromley, the total number housed in temporary accommodation is around 1,800.

We welcomed the review of children's social care launched by the Education Secretary in January 2021 which 'will set out to radically reform the system' and ask that this thoroughly considers the costs pressures on children's social care and the need for adequate funding to improve children's lives. The outcome, which is awaited, should identify the funding requirements for these services.

We recognise that the Government will continue to work with local authorities to undertake the Fair Funding Review and other significant changes, including the business rate review, which could have a significant impact on future finances for local authorities – the awaited outcome of this work also creates significant financial uncertainty in future financial planning to support key services. We recognise that this review is an opportunity to resolve the long-term funding of local government and ensure we have the flexibility in place to make the best use of our resources for our residents.

Key asks for the next Spending Review and Fair Funding Review and its associated impact on funding for Bromley are summarised below:

- It should result in a mechanism to reward more efficient authorities (e.g. financial incentives in the system).
- It should recognise low-cost authorities like Bromley - something we have repeatedly raised. We have kept council tax low despite continued low levels of funding. We have done this by keeping our costs low. The funding mechanism should include a factor that recognises below average cost authorities having a lesser reduction in SFA or some degree of 'protection' to lessen the impact on that basis.
- The negative revenue support funding adjustment is clearly not 'fit for purpose' and should continue to be removed if it is necessary for the existing funding formula to continue whilst the outcome of the Fair Funding Review is awaited.
- It needs to recognise higher London costs which impacts on service costs and the financial impact of need. Bromley has one of the lowest Area Cost Adjustments for the London area and this needs to be reviewed more closely to reflect that, for example, costs in Bromley are as high as the South West of London.
- It should recognise that authorities with a low-cost baseline should not have to face a higher proportion of cuts to funding as part of any future austerity and thus recognised/compensated in any future funding arrangements.
- Remove restrictions that prevent local authorities from raising or spending their own resources - we need more flexibility in place to make the best use of our resources for our residents.
- We are experiencing increased pressures on our homelessness budgets through rising demand and higher costs. The impact of the benefit cap and LHA levels remaining low means that private rented accommodation is unaffordable for low-income households. Although we have been successful in developing innovative opportunities with external partners to deliver temporary accommodation to help meet increasing demand, this is still not enough. Government must consider how this serious and increasing pressure is managed and funded in the long term. The future Spending Review should recognise Bromley's (as well as a few other areas) cost pressures relating to homelessness.
- Bromley's population is expected to increase by more than the national average by 2030 - funding is currently not reallocated based on population growth and Bromley has a higher increase in over 65 years of age (18.9%) compared with rest of London (12.1%). Using GLA central estimates, between 2017 and 2037 over 65's are expected to increase by 44.4% and over 90's by 123.8% with an overall population increase of 18.8% during that period.
- Should have mechanisms in place to ensure new burdens are adequately funded.

- Benefits data which is used in determining needs assessment does not reflect low level of take up (can it be adjusted to reflect lower take up compared with rest of country?) or the impact of higher housing costs in London. Measuring deprivation levels after housing costs gives a more realistic assessment of disposable income.
- We have previously raised our concerns about the complexity and lack of transparency within the current local government finance system as well as the continued ring-fencing of some funding streams (including schools) which reduces flexibility to re-divert resources according to local priorities. We believe it is critical that these points are addressed as part of the future Fair Funding Review. It remains essential that any whole solution that provides a sustainable platform for the future includes resource equalisation and transitional arrangements.
- We request that the changes made by previous governments to give local authorities more control over the funding be reconsidered. This includes education funding and various other grant funding. The national formula funding for education reduced flexibility of funding for special educational needs and, whilst the additional High Needs funding is welcomed, there remains a risk of longer-term potential costs being ultimately met by the council taxpayer rather than through schools funding. Extension of legal duties, without additional funding being provided, has increased the cost pressure for the high needs service. This is coupled with the anomaly where the council taxpayer is required to fund special educational needs transport costs of around £8.5m per annum which should logically be funded through education funding as it is part of the overall SEN package of costs.
- Recognises the true financial impact of essential highways maintenance and repair in a geographically large borough with an extensive road network.
- The relative size of the Needs and Resource amounts are ultimately set by DLUHC on the basis of judgement - can some of the unique factors for Bromley be reflected in this to ensure low cost-efficient authorities are not penalised?
- Recognition of the medium- and longer-term impact of the impact of Covid-19 on local government costs (expected to increase) and income (expected to reduce). There would be further cost pressures arising from any recessionary impact on the economy from the Covid-19 situation as well the changes arising from the 'New Normal'. This has had a significant detrimental effect on the Councils budget challenges.

The above does not reflect all the asks and we recognise that the Government will continue to work with local authorities to undertake the Fair Funding Review and other significant changes, including the business rate review, which could have a significant impact on future finances for local authorities – the awaited outcome of this work also creates significant financial uncertainty in future financial planning to support key services. We recognise that this review is an opportunity to resolve the long-term funding of local government and ensure we have the flexibility in place to make the best use of our resources for our residents.

Any early indications from the Fair Funding Review would be helpful, particularly given the need to plan for 2023/24 and future years. A one-year financial settlement, whilst there will be a review of funding for local government, creates uncertainty.

We recognise the difficulty in providing a longer-term financial settlement, given the current economic position, Covid situation and the associated 'new normal'. However, a one-year settlement does create uncertainty in future financial planning whilst other key organisations e.g.,

NHS are provided with a longer-term financial settlement.

It is important that this response is considered in the wider context of historic local government funding challenges and increasing demand for our services.

For 2022/23, Bromley will have the 2nd lowest level of settlement funding in the whole of London despite having the 7th highest population (excluding City of London). We are the largest London Borough in terms of geographical size, have the highest proportion of older people and the largest road network. The associated cost implications are not reflected in our settlement funding. If we received the average level of grant funding, our income would increase by £63m in 2022/23. It is essential that DLUHC reflect an adjustment to the Council's baseline funding position to address historic low funding levels in the future local government settlement, following the Fair Funding Review or future Spending Review.

During the period 2010/11 to 2019/20 we have faced government core grant reductions of around £77m per annum and delivered savings of £100m per annum. Although we have delivered further savings, any ongoing funding reduction (or standstill funding position) would become unsustainable for a low-cost authority. Bromley has managed its finances extremely efficiently despite having a low level of government funding and has managed to maintain a low council tax. Bromley has created a low-cost base through many pioneering measures taken including outsourcing on a large scale, transfer of housing stock, creation of leisure trust and relentless cost control. However, this provides a further challenge as our scope to achieve savings through efficiencies is significantly reduced compared with other high-cost authorities.

If there were no future cost pressures, then maintaining the level of Government funding and allowing flexibility in raising Council Tax would be financially sustainable. However, it is important to be realistic and recognise that the real challenge is dealing with increasing costs/income losses arising from new burdens not fully funded and increasing demand for services, immense pressure on adult and children's social care costs, Special Educational Needs and Disabilities (SEND) costs funded through the Council's general fund, rising population levels, the significant impact of homelessness pressures, meeting inflation costs and the ongoing impact of Covid-19 (i.e. 'New Normal'). Inflation, at its highest levels for 10 years adds to the financial pressures not matched fully by Government funding. To meet these challenges there needs to be a fairer level of funding to Bromley. This would be essential to provide a medium and longer term sustainable financial solution. This would enable the Council to meet the key services that matter to our residents and taxpayers.

We appreciate the ongoing support of Bromley's local MP's who have highlighted concerns about an ongoing poor financial settlement for Bromley and the need for a fairer system that rewards efficient low-cost councils and provides a 'fairer' level of funding in recognition of the needs of residents and council taxpayers.

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

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

We welcomed the provisional settlement for 2022/23 as providing much needed stability and a further step towards a more sustainable financial settlement. If the next Spending Review and future Fair Funding enables a more sustainable funding approach it would be welcomed and enable the Council to provide key services to its residents, support the Government's objectives and support the local economy with a resultant benefit on national economic growth which is key to providing revenues to Government to support services that matter to taxpayers and council taxpayers.

Responses to specific questions raised through the consultation are attached.

To allow for enough time to meet statutory council tax deadlines and our annual billing deadlines, it is important that the final 2022/23 Local Government Finance Settlement is published before the end of February to enable sufficient time for final key decisions to be made.

Both Members and Officers remain keen to work with the Government to help find positive solutions that work for our residents and taxpayers to meet future service priorities in the shorter term as well as the longer term. Bromley Council appreciates the opportunity to respond to the consultation on the 2022/23 Provisional Local Government Finance Settlement.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Turner', written in a cursive style.

Peter Turner
Director of Finance

RESPONSE TO CONSULTATION QUESTIONS

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2022/23, including the rolling in of two New Burdens grants?

Although the distribution formula urgently needs to be updated given the delayed Fair Funding Review, we recognise that the proposed approach to distributing RSG is a reasonable interim measure. Low cost and well-run authorities should not be penalised with a negative RSG requirement and we are pleased that this is recognised in the provisional settlement. The Fair Funding Review reforms are essential to the effective delivery of important services to the public and must provide a robust system for ensuring that resources are allocated accordingly and recognise the need for a better funding deal for Bromley.

Question 2: Do you agree with the proposed package of council tax referendum principles for 2022/23?

Bromley continues to oppose the 'capping' of council tax increases through the mechanism of referendum principles. Council tax is the only locally determined tax and local authorities must have full flexibility in how it is used as well as how it is set that strikes the appropriate balance between local resources and needs. 'Capping' restricts local decision making. No central government tax is subject to the same approach.

If there is to be a continuation of the ASC precept in future years, we would urge the Government to allow flexibility for it to be spent on both adult and children's social care as most London boroughs are experiencing large funding pressures in children's social care as well as in adults.

Question 3: Do you agree with the government's proposals for the Social Care Grant in 2022/23?

The additional funding for social care is welcome and much needed. We also welcome the fact that the Social Care Grant will not be ringfenced, and conditions or reporting requirements will not be attached.

However, Bromley disagrees with the proposed method for distributing funding for both children and adult social care using solely the adult social care RNF. If the intention is for this funding to alleviate pressure on both adult and children's social care, its distribution should reflect relative levels of needs in both services. We urge the Government to set out why it is not using the existing children's social care funding formula.

There is an inconsistency in the proposed allocation method for the Social Care Grant, which is partly reduced for Bromley to reflect equalisation for what can be raised in the Adult Social Care Precept. If the precept remains solely for adult social care, and the support grant for both children's and adult social care, this is effectively reducing the funding available for children's social care pressures.

This settlement represents a short-term approach to social care funding and await the outcome of the Government's commitment to set out its long-awaited visions for social care reform in 2021 and would wish to actively engage in that process.

Although the additional funding is welcome it will not match the scale of cost pressures in adult's and children's social care, special education needs (general fund) which reflects demographic changes, impact of Covid and higher inflation being experienced.

Question 4: Do you agree with the government's proposals for iBCF in 2022/23?

Bromley welcomes the continuation of the iBCF funding which supports social care. However, the inflationary increase in grant funding does not cover the costs pressures and the ongoing impact of hospital discharge arrangements necessary given the impact of the increase in numbers on NHS waiting list affected by the ongoing impact of the pandemic and consequences of long covid.

Question 5: Do you agree with the government's proposals for distributing the Market Sustainability and Fair Cost of Care Fund in 2022/23?

Without robust data, it is sensible to initially distribute the funding through the existing ASC funding formula. We welcome DHSC engagement with local authorities to determine the future distribution of funding. However, we estimate that the overall national funding and allocation to authorities such as Bromley, following the commencement of the changes (October 2023), will be significantly less than the financial impact of the changes to Bromley. Bromley has a high proportion of self-funders in residential care and older people, compared with many social care authorities, and the future allocation of funding needs to reflect the impact of this. Without a formula that reflects the full cost of the change and the impact at individual local authority, there could be a potential financial shortfall, after funding, in excess of £10m per annum. A more detailed assessment by the Council would be required and this represents a significant financial risk to the Council - the overall future funding should reflect the cost of these changes, adopting the principal of any policy change being adequately funded (Government's New Burden Doctrine).

Question 6: Do you agree with the government's proposals for a one-off 2022/23 Services Grant distributed using 2013/14 shares of the Settlement Funding Assessment?

Bromley welcomes the additional new one-off "Services Grant". However, any one-off funding provides uncertainty on the allocation for future years which has a detrimental impact on effective financial planning. This represents more than half of the allocation from the new £1.5bn of grants funding in the settlement. However, it is unclear why the 2013-14 SFA formula is being used as the basis for distribution rather than the 2022-23 formula, and the Government should clarify the rationale behind this.

Question 7: Do you agree with the government's proposals for New Homes Bonus in 2022/23?

We welcome the continuation of funding of New Homes Bonus allocations in 2022/23 but are disappointed with the continuing long-term uncertainty on funding. There has been a long series of adjustments over the years that have reduced the incentive provided by the bonus. Having consulted in the spring, it is unclear why the outcome of the consultation has not been published or why confirmation over the future of the NHB was not provided until the Provisional Local Government Finance Settlement 2022/23 leaving authorities with no certainty to plan for this funding stream. Any reforms to the bonus, or indeed a successor scheme, must ensure it truly incentivises house building in areas of the country facing the greatest housing pressures.

Question 8: Do you agree with the government's proposals for Rural Services Delivery Grant in 2022/23?

Bromley disagrees with the provision of additional funding to rural areas, through this mechanism. The existence of the Rural Services Delivery Grant remains based on an unclear evidence base. All funding allocated through this separate grant could otherwise have been distributed more fairly across all local authorities in England based on proven need and also recognise the unique pressures faced by urban areas.

Question 9: Do you agree with the government's proposal for the Lower Tier Services Grant, with a new minimum funding floor in 2022/23 so that no authority sees an annual reduction in Core Spending Power?

We welcome the Lower Tier Services Grant and agrees to the no loss principle that a minimum funding floor provides.

Question 10: Do you have any comments on the impact of the proposals for the 2022/23 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft policy impact statement published alongside the consultation document? Please provide evidence to support your comments.

Bromley has no comment to add.

EXECUTIVE COMMITTEE MEETING ON 10th FEBRUARY 2022

2022/23 COUNCIL TAX REPORT

2. RECOMMENDATIONS

2.1 The Executive is requested to recommend to Council that it:

- (a) Approves the schools budget of £92.411m which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;
- (b) Approves the draft revenue budgets (as in Appendix 2) for 2022/23
- (c) Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 12th January 2022;
- (d) Approves a revised Central Contingency sum of £18,231k (see Section 6, Recommendation 7 and Recommendation 2.1e);
- (e) Approves the following provisions for levies for inclusion in the budget for 2022/23:

	£'000
London Pensions Fund Authority	448
London Boroughs Grant Committee	247
Environment Agency (flood defence etc.)	235
Lee Valley Regional Park	321
Total	1,251

The reduction of £65k in the 2022/23 levy amounts is offset by a £65k increase in the 2022/23 Central Contingency as a provision towards meeting inflation cost pressures.

- (f) Notes the latest position on the GLA precept, as above, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);
- (g) Sets a 1% increase in Adult Social Care Precept with a nil increase in Bromley's General Council Tax, compared with 2021/22 (1.99% general increase plus 3% Adult Social Care Precept) and notes that, based upon their consultation exercise, the GLA are currently assuming a 8.8% increase in the GLA precept;
- (h) Approves the revised draft 2022/23 revenue budgets to reflect the changes detailed above;
- (i) Approves the approach to reserves outlined by the Director of Finance (see Appendix 4);

- (j) Executive agrees that the Director of Finance be authorised to report any further changes directly to Council on 28th February 2022.

2.2 Council Tax 2022/23 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

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

	2021/22 £	2022/23 £	Increase £	Increase % (note #)
Bromley (general)	1,178.15	1,178.15	-	-
Bromley (ASC precept)	149.71	162.98	13.27	1.00
Bromley (total)	1,327.86	1,341.13	13.27	1.00
GLA *	363.66	395.59	31.93	8.8
Total	1,691.52	1,736.72	45.20	2.67

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

(#) in line with the 2022/23 Council Tax Referendum Principles, the % increase applied is based on an authority's "relevant basic amount of Council Tax" (£1,341.13 for Bromley) – see paragraph 6 below. Any further changes arising from these Principles will be reported directly to Council on 28th February 2022.

2.3 The Executive is requested to recommend to Council to formally resolve as follows:

1. It be noted that the Council Tax Base for 2022/23 is 133,347 'Band D' equivalent properties.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2022/2023 is £178,835k.
3. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
 - (a) £573,590k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £394,755k being the aggregate of the amounts which the Council estimates or the items set out in Section 31A(3) of the Act.
 - (c) £178,835k being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
 - (d) £1,341.13 being the amount at 3(c) above, divided by (1) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

4. To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set).
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.

Valuation Bands	London Borough of Bromley £	Greater London Authority £	Aggregate of Council Tax Requirements £
A	894.09	263.73	1,157.82
B	1,043.10	307.68	1,350.78
C	1,192.12	351.64	1,543.76
D	1,341.13	395.59	1,736.72
E	1,639.16	483.50	2,122.66
F	1,937.19	571.41	2,508.59
G	2,235.22	659.32	2,894.54
H	2,682.26	791.18	3,473.44

6. That the Council hereby determines that its relevant basic amount of council tax for the financial year 2022/23, which reflects a 1% increase (Adult Social Care Precept increase of 1%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23 sets out the principles which the Secretary of State has determined will apply to local authorities in England from 2022/23. Any further changes arising from these Principles will be reported directly to Council on 28th February 2022. The Council is required to determine whether its relevant basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.
7. The Government have provided additional core funding as part of its Local Government Finance Settlement 22/23 of £771k which reflects additional inflation compensation to Councils for core funding through business rates income. Given the continuing inflation pressures, highlighted in the report, it is proposed that these monies be set aside within the 2022/23 Central Contingency as a provision towards meeting further inflation cost pressures across services. This will increase the Draft 2022/23 Central Contingency Sum by £771k.

This page is left intentionally blank

2022/23 COUNCIL TAX - COMMENTS FROM PDS COMMITTEES

EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE

5th January 2022

The report sought Executive approval of the initial draft 2022/23 Budget including the full year effect of changes agreed as part of the 2021/22 Council Tax report and savings approved during the year with the resultant impact on the Council's medium term "budget gap". A key part of the financial strategy was to highlight the budget issues that would need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme would be reported separately to the next meeting of the Executive. PDS Committees views would also be sought and reported back to the February meeting of the Executive, prior to the Executive making recommendations to Council on the 2022/23 Council Tax and Adult Social Care precept levels. The report also provided details of the Provisional Local Government Finance Settlement 2022/23 which was published on 16th December 2021 and represented a one-year settlement only. The awaited Fair Funding Review and changes relating to the devolution of business rates, which could have a significant impact on future funding, had been delayed until at least 2023/24. There were still outstanding issues and areas of uncertainty remaining. Any further updates would be included in the 2022/23 Council Tax report to the February meeting of the Executive.

The Director of Finance introduced the report confirming that the Council had received a better than expected settlement but with no promise of additional funding in the future. Inflation continued to be a challenge and cost pressures, especially in Children's Services continued. The Chairman highlighted the forecast cost pressures in adult social care.

The Committee noted that Highways would be built into the revenue budget and would not appear as a variation in future year financial forecasts from 2023/24 onwards.

In response to a question, the Director of Finance confirmed that increases in National Insurance had been factored into the budget. Whilst a 5% increase in inflation had also been built into the budget Members were made aware that inflation was likely to increase further before eventually decreasing and this would need to be carefully managed through the central contingency.

The Committee requested that further information be provided following the meeting concerning the London Borough Grants Committee specifically where the money went, how much was allocated and how the expenditure benefitted Bromley.

RESOLVED: That the Executive be recommended to:

- 1. Agree the initial draft 2022/23 Budget detailed in Appendix 7 including continuation of the iBCF hospital discharge funding reserve and setting aside New Homes Bonus funding for housing investment.**
- 1. Refer the initial draft 2022/23 Budget for each portfolio to the relevant PDS Committees for consideration.**
- 2. Note the financial projections for 2023/24 to 2025/26.**
- 3. Note that there are still areas of financial uncertainty which will impact on the final 2022/23 Budget.**
- 4. Delegate the setting of the schools' budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 11).**
- 5. Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive.**
- 6. Agree the proposed contribution of £246,470 in 2022/23 to the London Boroughs Grant Committee (see section 10).**
- 7. Note the outcome of the Provisional Local Government Financial Settlement 2022/23 as detailed in the report.**
- 8. Note the budget gap remaining of an estimated £19.5m per annum by 2025/26 and that any decisions made for the 2022/23 Budget will have an impact on the future year projections.**
- 9. Note that any final decision by Executive on recommended Council Tax and Adult Social Care Precept levels to Council will normally be undertaken at the next meeting of Executive.**

CHILDREN, EDUCATION & FAMILIES BUDGET SUB-COMMITTEE 18th January 2022

The report considered the Portfolio Holder's Draft 2022/23 Budget which incorporated the future cost pressures and initial draft budget saving options reported to Executive on 12th January 2022. Members were requested to consider the initial draft budget being proposed and identify any further action that might be taken to reduce cost pressures facing the Council over the next four years. Executive were requesting that each PDS Committee considered the proposed initial draft budget savings and cost pressures for their Portfolio with the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2022/23 Council Tax levels. There were still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2022/23 Council Tax report to the next meeting of the Executive.

In opening the discussion, the Chairman noted that at the last meeting in January 2021, the Committee had considered issues around the minimum funding guarantee, the slowing of the rate of increase of Education Care and Health Plans (EHCPs) which it now appeared had not happened, and the ending of the (Covid) redeployment of health colleagues who would be returning to their substantive posts. It was also noted that the Committee had previously considered the potential deficit in future years. Members noted that the Chairman of the PDS Committee had circulated a report which had recommended establishing a specific contingency fund for children's social care to address cost pressures arising from placements. The Chairman noted that the current position seemed similar to the previous year.

In response to a question, the Director of Children, Education and Families confirmed that no specific amount had been set aside for Covid catch up activities for children looked after, although a Government Grant was available for Covid catch-up. Evidence suggested that children looked after were doing well and continued to make progress in all areas. The progress of children looked after was kept under review, especially in terms of attainment, and these reviews were undertaken every six months. The Sub-Committee noted that the issue of Covid Catch-up had been raised by both the Living in Care Council (LinCC) and the Bromley Youth Council (BYC).

In relation to SEN Transport, the Sub-Committee noted that mitigations to address the ongoing cost pressures continued to be a work in progress and there were a number of areas that were being reviewed. A Transport Group had been established to look at a range of options, although the Sub-Committee noted that none would have an immediate impact on the ongoing budget pressures. The Director of Children, Education and Families highlighted that pressures within SEN Transport were a national issue and as such a range of approaches were required such as travel training, personalised budgets, and options around the delivery of the in-house fleet. The Sub-Committee also noted that the Service had recently procured software to assist with route optimisation to enable the most effective routes to be planned.

The Committee received reassurance that co-production would be at the heart of any proposals and that parents would be as fully engaged as possible. The Director of Education confirmed that the proposals in the draft budget were within existing policy. Going forward there would be full and meaningful consultation on any proposals outside existing policy.

In response to a question from the Chairman, the Director of Education confirmed that typically a placement was made for a key stage or for a specific phase of education and when transport was agreed it was for that period meaning there should not be a requirement for parents to apply every year. However, there may be specific individual circumstances that necessitated additional consideration and that may be around the nature of the placement or considerations that needed to be made at the annual review.

The Sub-Committee suggested that in future it would be useful for the Sub-Committee to receive a breakdown of the number of families accepting the additional

offers and travel training along with the reasons given for families declining the additional offers and travel training.

A Member noted that the report referenced the increasing costs of secure placements and questioned whether any options, from a capital funding perspective, were being considered in relation to buying property that could be commissioned and leased out for secure placements or other suitable accommodation. In response, the Director of Children, Education and Families reported that conversations were underway across London to identify suitable properties London-wide. This would enable secure accommodation placements to be available pan-London and as a contributor the London Borough of Bromley would be able to call on the resource where necessary.

In response to a question from the Chairman concerning whether there was any additional Covid Support Grant to support schools, especially smaller one form entry schools, with additional utility costs resulting from the need to have increased ventilation in classrooms during the winter months, the Head of Education and Children Social Care Finance confirmed that the Covid Support Grant contained an element for such increased costs however, schools were primarily funded through the Dedicated Schools Grant (DSG) and this funding had been increased for 2022/23.

The Chairman noted that referrals through the Multi Agency Safeguarding Hub (MASH) were increasing and sought assurances that support was being provided by the other partner agencies.

The Chairman noted that there were a number of areas of savings that may not immediately be apparent including, but not limited to:

- The Looked After Children and Care Leavers Team was fully staffed thus reducing costs on agency staff.
- There had been improvements in the stability of placements.
- A very good Foster Carer training scheme was in place which supported placement stability, and this was a growth area for which Bromley should be commended.

The Chairman expressed concerns in relation to SEND Tribunals, noting that head teachers had reported that it took an average of 30 hours to put together a report for a tribunal. It was therefore important to review the reasons why decisions made by the Local Authority were being overturned as this had financial implications. In response, the Director of Education confirmed that this was an area that was under close review. The Sub-Committee received reassurance that efforts were made to mediate with families and enhanced support was provided. Throughout the statutory assessment process, the Local Authority worked extensively with families. It was further noted that this was a national issue and the outcome of the national SEND Review was expected sometime in the Spring. This review would need to address some of the existing systemic issues.

In relation to a question concerning the shortage of Educational Psychologists, the Sub-Committee noted that additional funding had been allocated to support

recruitment and the position had improved from the previous year. The Director of Children, Education and Families highlighted that the shortage in Education Psychologists was a national issue. Work was underway to improve existing terms and conditions to make the London Borough of Bromley a more attractive option for prospective staff. The Committee noted that there were many important elements to the work of Education Psychologists and their role was not limited to work on statutory assessments.

RESOLVED: That

- i) The update on the financial forecast for 2022/23 to 2025/26 be noted;**
- ii) The initial draft 2022/23 budget be noted as a basis for setting the 2022/23 budget; and**
- iii) The Executive be recommended to note the comments of the Children, Education & Families Budget Sub-Committee on the initial draft 2022/23 budget at its meeting on 12 February 2022.**

ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

19th January 2022

Members noted that this report had been presented to them so that they could consider the Portfolio Holder's Draft Budget for 2022/2023 which took into account future cost pressures. Members were requested to scrutinise the report and provide any relevant comments to the Executive.

A Member made an enquiry regarding the cameras that were used to identify 'moving traffic contraventions'. It was noted that there was a problem with the cameras which was currently being addressed with the manufacturer.

A Member was surprised to note that the Council had spent £1.5m on the management and support of the Environment contracts. He said that this was twice as much as the Council spent on planting trees and queried if the Council had got its priorities right. The Director for Environment and Public Protection answered and pointed out that the Environment contracts were large and complex. The Council had a duty to ensure that the contracts worked properly and that these complex contracts were managed correctly and provided a sound and effective service. The Council had experienced problems in the past with the management of environmental contracts and it wished to learn from the past and avoid such issues re-occurring.

A Member stated that he would be interested to see how the allocation of resources in terms of contract managers were split across the various contracts. It was noted in the course of the discussion that as well as the contracts being large and complex, additional complexities had been added because of the COVID pandemic, and the shortages of both fuel and drivers. This meant that Bromley's contract managers had been working with contractors on a daily basis. The contract managers had to work effectively to ensure value for money and the continued and effective provision of Council services. It was noted that a 'Fix My Street' update would be provided to the Committee in March 2022 and the Director for Environment and Public Protection noted that out of 33,000 FMS inquiries--95% of these had been dealt with seamlessly.

He further pointed out that in most other councils they had much larger teams to manage contracts.

The Member responded and said that he would be interested to be provided with more information as to how the contract managers were assigned to the various contracts and he would like a breakdown of the budgets and headings. He wanted to understand how the budget headings were broken down by contract. He said it may be the case that the Committee may decide that a particular contract may need a greater allocation of contract managers for example. The Director for Environment and Public Protection responded and said that he would discuss this matter with the Head of Finance for ECS.

A Member asked if the Council was still encouraging people to compost and the response to this was affirmative. It was noted that the Council received income from paper recycling but not from the disposal of green garden waste. A Member asked if the pricing for the disposal of green garden waste was determined by statute and it was confirmed that this was not the case and the costs were controlled by the Council. Councillor William Huntington Thresher declared an interest in that he had taken advantage of the Council scheme to get some water butts.

The Chairman asked Members if there were any particular comments they would like to put forward to the Executive.

A Member referred to the table on page 131 of the agenda and the various figures quoted with respect to the Street Scene and Green Spaces contracts and said that he would like to have been provided with a detailed explanation of what was included in these figures.

The Director for Environment and Public Protection said that there were occasions when he felt uncomfortable with the relatively low number of staff managing large and complex contracts. The Chairman suggested that this could be something that could be fed back to the Executive. (Note—this was suggested at the time but was not a formal resolution)

A discussion took place regarding the increase in disposal costs for green garden waste. It was explained that this was partly due to the way the accounts were presented and the way expenditure was budgeted. In the first year there was an expense incurred by the Council with respect to buying new bins—this cost would not be applicable for the following year. The cost of disposal per tonne had not increased.

A Member raised the issue of bins and replacement bins. She had observed that the replacement bins were of a lower quality than the bins that had been used previously. They were not as robust and got damaged more easily. Sometimes they were damaged by the collection process itself. This would lead to the need for bins being replaced more frequently and so perhaps at the end of the day it was not cost effective to use cheaper replacement bins. The Director for Environment and Public Protection said that he would discuss this matter with the Assistant Director for Environment, the Waste Team and with Veolia.

A Member asked if LBB had benchmarked its Green Garden Waste pricing to other authorities. The response to this was affirmative. The Director promised to send the figures to the Member who had raised the matter (Cllr Marlow).

RESOLVED that:

- 1) The update on the financial forecast for 2022/23 to 2025/26 be noted.**
- 2) The initial draft budget be noted as the basis for setting the 2022/23 budget.**
- 3) The Director for Environment and Public Protection would provide a response to the Member who had raised the matter of defective moving traffic enforcement cameras.**
- 4) The Director for Environment and Public Protection would discuss the matter of inferior replacement waste collection bins with officers and Veolia.**
- 5) The data regarding the benchmarking of green garden waste collection services in comparison with other local authorities be provided to the relevant Member.**

**RENEWAL, RECREATION & HOUSING PDS COMMITTEE
26th January 2022**

The report set out the Portfolio Holder's Draft 2022/23 Budget which incorporated future cost pressures, planned mitigation measures and savings from transformation and other budget options which were reported to Executive on 12th January 2022. Members were requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.

The Executive had requested that each PDS Committee consider the proposed initial draft budget, savings and cost pressures for their Portfolio and the views of each PDS Committee would be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2022/23 Council Tax levels. There were still outstanding issues and areas of uncertainty remaining.

It was confirmed that it was usual for housing authorities to prepare business plans stretching to thirty or even forty years due to the substantial capital investment required.

RESOLVED that the update on the financial forecast for 2022/23 to 2025/26 and the initial draft 2022/23 budget as a basis for setting the 2022/23 budget be noted.

**ADULT CARE & HEALTH PDS COMMITTEE
27th January 2022**

The Committee considered a report setting out the draft Adult Care and Health Portfolio Budget for 2022/23, which incorporated future cost pressures, planned

mitigation measures and savings from transformation and other budget options which were reported to the Council's Executive on 12th January 2022. Members were requested to provide their comments on the proposed savings and identify any further action to be taken to reduce cost pressures facing the Local Authority over the next four years.

It was noted that the text in variation note 7 in Appendix 1 of the Adult Care and Health Portfolio Draft Budget 2022/23 report (Item 9b, agenda page 53) should read as follows:

7. Increase uptake of the Shared Lives service (Cr £310k) – Shared Lives is a cost effective service and the further expansion of the scheme will both help to mitigate cost pressures and care for service users in a supportive setting where a high level of *independence is maintained*.

The Chairman highlighted that the current Adult Care and Health Portfolio budget included Phase 1 and Phase 2 Transformation Savings, totalling £1.2m per annum, however significant cost pressures remained. With regards to a query on mitigation, the Head of Finance for Adults, Health and Housing noted that there were increases, including £3.3m of inflationary increases, within the draft budget and a total of £7.1m of growth for the service budget. This totalled £10.4m, which was an increase of 13% on the 2021/22 budget. A summary of mitigations was provided in the table on page 52 of the agenda pack. This totalled £3.5m, however it was noted that the top two items ('Use of iBCF from previous years to mitigate growth' and 'Allocation of unringfenced Covid funding from Reserves') did not require any action as grant funding had already been received. The Test and Trace Public Health grant was also included, and with the savings listed under the 'Real Changes' section there was just under £1m of savings to be delivered. Most of this had been identified, and work was ongoing to ensure that mitigations within Public Health were identified as soon as possible.

A Member questioned how a savings target of £200k within Public Health could be justified. It was highlighted that the Public Health team had done an incredible job throughout the pandemic, and it was considered that more money should be spent within this area, rather than targets for savings being set. The Portfolio Holder for Adult Care and Health advised that some of the Public Health savings identified related to efficiencies within the commissioning of sexual health programmes. Members were reassured that the mandatory responsibilities within Public Health were being maintained and future priorities would be identified through the Health and Wellbeing Board and Joint Strategic Needs Assessments (JSNA).

In response to questions, the Director of Adult Social Care said that a piece of work was being undertaken looking at how the transition between young people and adult placements could be best managed, and a paper with a number of recommendations would be brought to the Corporate Board in the coming weeks. With regards to increasing the uptake of the Shared Lives scheme, it was noted that this had been a longstanding target which had been impacted by a number of setbacks. There had been several staff changes, however a new manager had now been appointed and 12 additional Shared Lives carers had been recruited. In response to a further question relating to the drug and alcohol service, the Director of Public Health advised that the

service, for both children and young people and adults, had experienced significant pressures over the last couple of years. As drug related deaths had been increasing over time, a new service had been put in place and a substantial amount of joint working had been undertaken with partners, including the Coroner's service, to target funding accordingly. With regards to alcohol, it was noted that there had been an increase in consumption over the last couple of years, resulting in an increase in consultations and referrals from GP services into the adult's alcohol service. The increase seen within the children and young people service had thankfully been much smaller.

In response to questions, the Director of Adult Social Care advised that a number of vacancies had been deliberately held within the department whilst teams were restructured to prevent the need for redundancies. All of those posts would now be recruited to, and this process was underway. However, the difficulty in attracting staff into social care had been highlighted previously – a national campaign had been launched to help address this, and work was also underway at a local level to attract staff into the care business. With regards to supporting people at home, the Director of Adult Social Care highlighted that a number of services had been closed during the pandemic, including some respite services, and restrictions had prevented people from a number of different settings being brought together. Work was currently taking place to look at how both respite away from the home, and within people's homes, was provided.

In response to a question regarding the amount of savings identified, the Director of Adult Social Care noted that the Adult Social Care budget was a large proportion of the Council's overall spend and it was right that they were challenged to ensure they were making the most efficient use of the budget available. The report highlighted that there would be some significant additional pressures, including the cap on the amount of care that people would pay for. The savings identified would be challenging, but reassurance was given that the directorate would continue to meet its statutory requirements.

A Member noted the pressures on the mental health budget, which were continuing to build – this year there had been an overspend, however the full impact of the pandemic had not yet been seen. It was further noted that access to the contingency fund may be required if future outbreaks of COVID-19 occurred. In response to a question, the Director of Public Health said that the £160k listed for 'Increased responsibilities for health protection' related to increasing staffing levels within the Public Health team (two nurses and administration support). Over recent years temporary staff had been employed from funding received, which was not sustainable, and these appointments would allow the team to become more resilient and provide support to manage any future outbreaks. It was noted that COVID-19 testing and contact tracing had been funded separately by the government and it was anticipated that if this continued, additional funding would be received. The Member suggested that it would be helpful for this to be shown under the Public Health budget heading.

In response to a question, the Director of Adult Social Care advised that paragraph 7.1, which related to personnel implications, was a standard comment. It provided reassurance that if any individuals were to be impacted by potential changes the staff side would be consulted, however this was not currently anticipated.

RESOLVED that:

- i) The financial forecast for 2022/23 to 2025/26 be noted;**
- ii) Members' comments on the initial draft Adult Care and Health Portfolio budget 2022/23 as a basis for setting the 2022/23 budget be noted; and,**
- iii) Members' comments on the initial draft Adult Care and Health Portfolio budget 2022/23 be provided to the meeting of the Council's Executive on 9th February 2022.**

PUBLIC PROTECTION & ENFORCEMENT PDS COMMITTEE

1st February 2022

Members were asked to note the report and to provide comments to the Executive.

RESOLVED that the Draft Budget report be noted.

EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE

7th February 2022

The report identified the final issues affecting the 2022/23 revenue budget and sought recommendations to the Council on the level of the Bromley element of the 2022/23 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept would be reported to the Council meeting on 28th February 2022. The report also sought final approval of the 'schools budget'. The approach reflected in the report was for the Council to not only achieve a legal and financially balanced budget in 2022/23 but to have measures in place to deal with the medium-term financial position (2023/24 to 2025/26).

The Director of Finance introduced the report and explained that the Council was imminently expecting the final settlement. Once the final settlement had been received an update would be provided to the Executive. The Committee noted that the Mayor of London had needed permission to increase Council Tax above referendum limits, this had been granted and it was therefore expected that the 8.8% increase in the London precept would still apply. The Director of Finance drew the Committee's attention to the reference in the report to reforms to adult social care which would need to be closely monitored and would be subject to future reports to Members. In response to a question concerning the revenue raised from the adult social care precept and the proportion of that funding directed to adult social care, the Director of Finance confirmed that specific details would be provided following the meeting. However, Members were advised that the precept has been fully utilised to contribute towards inflation, demographic and other cost pressures for adult social care - the Council was required to identify that funding raised through the precept was directed to adult social care.

In respect of recent government announcements concerning support for households for winter fuel bills, the Director of Finance confirmed that every household in Council

Tax bands A-D would receive a £150 fuel rebate from the Government, as long as it was a primary property. Members noted that for residents paying Council Tax by Direct Debit the fuel rebate would be easy to administer however some households would need to be written to. Local Authorities had been advised to wait for further guidance and some information would be included in Council Tax bills. There was a separate discretionary fund of £144m which could be utilised, for example, for households in Council Tax Bands E-H in receipt of benefit or Council Tax Support. There could be other alternatives for the funding that will need to be considered. Further guidance on this aspect was awaited. In response to a question, the Director of Finance confirmed that details of the percentage of council taxpayers in Bands A-D would be provided following the meeting. Members noted however that Bromley had a higher proportion of council taxpayers in the higher bands.

In response to a question concerning the other measures available to the Council to support households struggling with high fuel bills, the Director of Finance confirmed that the Household Support Fund was being utilised to support the most vulnerable families.

In relation to fairer funding, the Director of Finance confirmed that there had been delays to the Fairer Funding Review. Members noted that some of the data used to inform the financial settlement was 20 years old and it was likely that following the 2021 Census, the government would take the opportunity presented by the Review to update the data. It was further noted that the impact on Bromley of the Government's Levelling Up programme was unclear, although it was likely that Levelling Up would have a more significantly negative impact on inner London boroughs.

RESOLVED: That the Executive be recommended to recommend to Council that it:

1. Approves the overall Dedicated Schools Budget (DSG) of £92.3m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment;
2. Approves the draft revenue budgets (as in Appendix 2 of the report) for 2022/23;
3. Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 12th January 2022;
4. Approves a contingency sum of £17,395k;
5. Approves the following provisions for levies for inclusion in the budget for 2022/23;

	£'000
London Pension Fund Authority*	478
London Boroughs Grant Committee	247
Environment Agency (Flood defence etc.) *	270

Lee Valley Regional Park *	321
Total	1,316

***Provisional estimate at this stage**

- 6. Notes the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council;**
- 7. Considers the “Bromley element” of the Council Tax for 2022/23 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible ‘referendum’ issues;**
- 8. Approves the approach to reserves outlined by the Director of Finance (see Appendix 4 of the report);**
- 9. Notes that any decision on final council tax levels will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting);**
- 10. Agrees that the Director of Finance be authorised to report any further changes directly to Council on 28th February 2022.**

Agenda Item 8

Report No.
CSD22024

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: CAPITAL PROGRAMME MONITORING Q3 2021/22 AND
CAPITAL STRATEGY 2022 - 2023

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 At its meeting on 9th February 2022 the Executive considered the attached report on the Council's capital strategy and agreed a revised capital programme. The report summarised the current position on capital expenditure and receipts following the third quarter of 2021/22 and presented new schemes as part of the annual capital review process. The report had been scrutinised by Executive, Resources and Contracts PDS Committee at its meeting on 7th February 2022. At the Executive's meeting a supplementary note was received setting out changes relating to the Health and Wellbeing Centre capital scheme, including revised versions of Appendices A and C.

2. **RECOMMENDATION**

That the new scheme proposals listed in paragraphs 3.15 to 3.22 in the report to the Executive be included in the Capital Programme.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: See attached report
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £180.4m over the period 2021/22 to 2025/26
 5. Source of funding: Capital grants, capital receipts, and earmarked revenue contributions.
-

Personnel

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Vulnerable Adults and Children/Policy/Financial/ Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	

Decision Maker: **Executive
Council**

Date: **Executive 9th February 2022
Council 28th February 2022**

Decision Type: Non-Urgent Executive Key

Title: **CAPITAL PROGRAMME MONITORING Q3 2021/22 & CAPITAL
STRATEGY 2022 TO 2026**

Contact Officer: David Dobbs, Head of Corporate Finance & Accounting
Tel: 020 8313 4145 E-mail: david.dobbs@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Ward: All

1. Reason for report

This report updates the Council's Capital Strategy. It also summarises the current position on capital expenditure and receipts following the third quarter of 2021/22 and presents for approval the new capital schemes in the annual capital review process. The Executive is asked to consider the updated Capital Strategy and approve a revised Capital Programme.

2. **RECOMMENDATION(S)**

2.1 **The Executive is requested to:**

- (a) **Note the report, including a total re-phasing of £849k from 2021/22 into future years, and agree a revised Capital Programme;**
- (b) **Recommend to Council:**
 - (i) **The inclusion of the new scheme proposals in the Capital Programme (paragraphs 3.15 to 3.22)**

2.2 **Council is requested to:**

- (a) **Agree the inclusion of the new scheme proposals in the Capital Programme (paragraphs 3.15 to 3.22)**

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 identifies 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 Corporate Strategy.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Estimated Cost: Total net increase of £33.9m over the 5 years 2021/22 to 2025/26, due to the additional capital bids outlined in this report
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £180.4m over the period 2021/22 to 2025/26
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Expenditure

- 3.1 This report sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2021/22 and seeks approval for the new capital schemes submitted as part of the annual capital review process. The report includes the Q3 monitoring exercise and details of the capital strategy update and proposed new schemes.
- 3.2 Appendix A sets out proposed changes to the Capital Programme. The base position is the revised programme approved by the Leader on 24th November 2021, as amended by variations approved at subsequent meetings.
- 3.3 If all the changes proposed in this report are approved, the total Capital Programme 2021/22 to 2025/26 would increase by £33,896k, solely due to the inclusion of new capital bids. Planned capital expenditure of £849k will be re-phased from 2021/22 to 2022/23.
- 3.4 Details of the monitoring variations are included in Appendices A and B, and the proposed revised programme, including the additional funding provided, is summarised in the table below.

Variations on individual schemes	Revised 2021/22	Revised 2022/23	Revised 2023/24	Revised 2024/25	Revised 2025/26	TOTAL 2021/22 to 2025/26
	£'000	£'000	£'000			£'000
Current Approved Capital Programme						
Programme approved by Executive 24/11/2021	74,492	50,487	5,748	3,341	0	153,813
Housing & Library Improvement in West Wickham	0	4,800	4,841	0	0	9,641
Depot Infrastructure Works - Budget Reduction	0	0	Cr 355	0	0	Cr 355
Additional Estimate: York Rise	0	3,174	0	0	0	3,174
Approved Programme prior to 3rd Quarter's Monitoring	74,492	58,461	10,234	3,341	0	146,528
Variations in the estimated cost of approved schemes						
(i) Variations requiring the approval of the Executive						
None this cycle	0	0	0	0	0	0
(ii) Variations not requiring approval						
Net rephasing from 2021/22 into future years	Cr 849	849				0
TOTAL AMENDMENT TO CAPITAL PROGRAMME	Cr 849	849	0	0	0	0
Add: Proposed new schemes						
Legal Case Management & Court Bundling System	0	355	0	0	0	355
Winter Maintenance Equipment Replacement	0	0	115	115	230	460
Operational Estate Maintenance	0	3,500	7,500	7,500	0	18,500
Health & Well Being Centre	0	767	12,365	1,135	314	14,581
New Schemes Total	0	4,622	19,980	8,750	544	33,896
TOTAL REVISED CAPITAL PROGRAMME	73,643	63,932	30,214	12,091	544	180,424
Less: Further slippage projection	Cr40,000	Cr10,000	15,000	15,000	15,000	Cr 5,000
Add: Estimate for further new schemes	0	3,500	3,500	3,500	3,500	14,000
TOTAL TO BE FINANCED	33,643	57,432	48,714	30,591	19,044	189,424

Variations approved by the Executive at subsequent meetings (£12,460k total net increase)

- 3.5 At its meeting on 24th November 2021, the Executive approved a scheme for Housing and Library Improvement in West Wickham for addition to the capital programme at a cost of £9,641k. At its November meeting, the Executive also agree to reduce the allocated capital programme on Depot Infrastructure Works by £355k. A Special Executive, held on 27th January 2022, agreed a supplementary capital estimate for the York Rise scheme, totalling £3,174k.

Scheme Re-Phasing

- 3.6 As part of the 3rd quarter monitoring exercise, a total of £849k has been re-phased from 2021/22 into 2022/23 to reflect revised estimates of when expenditure is likely to be incurred. This largely reflects delays that have occurred to schemes owing to the effects of the pandemic.

Capital Strategy update and Annual Capital Review – New Scheme proposals

- 3.7 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2017 introduced the setting and revising of a capital strategy. The Prudential Code laid out:
- Governance Procedure – the setting and revising of the capital strategy and prudential indicators will be done by the same body. For this Council it is the Executive and full Council.
 - Determining a Capital Strategy – the Capital Strategy should demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives.
 - Prudence & Affordability – each local authority should ensure that all its capital, investment (and any borrowing) are prudent and sustainable.
- 3.8 As required, this Council's strategy includes capital expenditure, investments and treasury management and the Council's Capital Strategy is linked to the Treasury Management Strategy which reports and monitors the Council's Prudential Indicators. In addition, the Director of Finance reports on affordability and risks in the annual budget setting reports.
- 3.9 The Council's Capital Programme is intended to maintain and improve the quality of life in the borough and help meet its overall priorities as set out in its Corporate Strategy (Making Bromley Even Better), and with a four-year plan, assists the longer-term planning for capital expenditure and the use of resources to finance it.
- 3.10 In recent years, the Council has steadily scaled down new capital expenditure plans and has transferred all the rolling maintenance programmes to the revenue budget. General (un-earmarked) reserves, established from the disposal of housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £44.4m (including unapplied capital receipts) as at 31st March 2020. The Council's asset disposal programme has diminished, and as set out in paragraph 3.27, it is currently projected that these balances will be around £26m by 2027.
- 3.11 It is therefore likely that any significant future capital schemes not funded by grants/contributions, future disposals or from revenue, may have to be funded from external borrowing. Prior to any consideration of external borrowing, the Council will review its assets to ensure all opportunities to generate capital receipts as alternative funding have been fully explored.
- 3.12 The Council's policy for borrowing and the investment of balances is set out in the Treasury Management Strategy Statement which will be considered by Executive, Resources & Contracts PDS Committee on February 7th 2022, prior to submission for Council approval on February 28th 2022.
- 3.13 In addition to Treasury Management investments, the Council also has an alternative investment strategy for the acquisition of investment properties. To ensure that these investments are made prudently, and that the income generated remains sustainable, the Council has to date funded the property from its own resources rather than utilise any external borrowing.

- 3.14 This combination of lower risk Treasury Management investments and a separate longer-term investment strategy in the form of property acquisitions (generating higher yields and risks) provides a balanced investment strategy.

Annual Capital Review: new scheme proposals - (£33,896k total net addition)

- 3.15 As part of the normal annual review of the Capital Programme, Chief Officers were invited to present bids for new capital investment.
- 3.16 The bids listed below are for proposed inclusion in the capital programme. Costs for each scheme are based on officer estimates and, where possible, expert advice. For each scheme, the phasing of costs across years has also been completed on an indicative basis. These amounts are likely to vary as each scheme progresses and should the need arise, total budgeted costs and the phasing of expenditure will be amended as part of the quarterly monitoring process and review of capital financing.
- 3.17 A number of bids were received for capital funding in relation to Housing Schemes. These will be considered by Executive in a separate Housing Strategy report which will set out the future options for delivery of housing and the financial implications.
- 3.18 With regard to all major capital schemes, careful consideration will need to be given to the VAT partial exemption threshold. Capital expenditure represents a significant portion of the Council's VAT-exempt activity and accordingly poses the biggest risk to the partial exemption threshold. Given this, new projects incurring exempt VAT will need to be closely reviewed as there is only limited room in the future year's partial exemption forecasts. Therefore, new (or re-profiled projects) incurring exempt VAT will need to be agreed only following detailed consideration of profiled expenditure on the impact on the Council's partial exemption threshold.

Legal Case Management and Court Bundling System update (£355k)

- 3.19 The current case management system and bundling system is obsolete and not fit for purpose. The bundling system does not meet court requirements and a new system is required to produce electronic bundles which meet court requirements and are more efficient to produce. The case management system is not functioning properly following migration to Windows 10 and is not cloud based. In order to allow remote access, overcome issues with the system being locally hosted and allow more efficient working a new system is required. A cloud-based system will also save costs as it will not require to be hosted locally.

Winter Maintenance Service – Equipment Replacement (£460k)

- 3.20 This funding will continue the programmed replacement of gritting vehicles and various equipment used for winter service and snow clearance. The selection of suitable equipment will focus on replacing 4 front-line gritters that will further update the fleet, to become compliant for the London Low Emission Zone. This proposal underpins the provision of an effective response to winter weather conditions in the Borough in order to meet statutory duties.

Operational Estate Maintenance Programme (£18.5m)

- 3.21 This scheme will address the urgent backlog maintenance liability across the Council's operational estate following the condition survey. It will include the maintenance and remediation works necessary to address, for example, health and safety issues.

Health and Well-being Centre (£14.581m)

- 3.22 This scheme, which was the subject of a preliminary report to Executive in October 2021, concerns the redevelopment of the former Adventure Kingdom and Great Hall as a Health & Well Being Centre, together with a new community hall and 48 accommodation units.

Construction will be funded by the CCG and Council, with the CCG taking a lease on the Health & Well Being Centre. Based on projected revenues from lease income and the sale of units, a surplus of £1.54m is forecast.

Capital Receipts

- 3.23 Details of the receipts forecast in the years 2021/22 to 2024/25 are included in Appendix E to this report to be considered under part 2 proceedings of the meeting.
- 3.24 The latest estimates for 2021/22 and 2022/23 are unchanged from November 2021 (excluding “other” capital receipts). A total of £5m per annum is assumed for receipts yet to be identified in later years.
- 3.25 There are a number of sites (Burnt Ash Lane, Bushell Way, Anerley car park, York Rise, West Wickham car park & Chipperfield Road) that were previously assumed for disposal, but the intention is now to transfer these to the Housing Revenue Account and for them to be used for housing purposes. This will lead to additional headroom for capital expenditure in the General Fund, being equivalent to a capital receipt of that value.

Financing of the Capital Programme

- 3.26 A capital financing statement is attached at Appendix C and it summarises the estimated impact on balances of the revised programme and revised capital receipt projections which, as noted above, reflect prudent assumptions on the level and timing of disposals. The capital financing statement indicates a shortfall of capital funding available for 2023/24 onwards, as shown in the table below:

	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Financing Required	48,714	30,591	19,044
Financing Available	27,811	20,441	10,598
Shortfall	<u>20,903</u>	<u>10,150</u>	<u>8,446</u>

- 3.27 The capital financing statement also shows that total balances available to fund capital expenditure would increase from £45.3m (General Fund £20.0m and Capital Receipts £25.3m) at the end of 2021/22 to £54m by the end of 2023/24 and then reduce to £26m by the end of 2026/27.

	Balance 01/04/21	Estimated Balance 31/03/27
	£m	£m
General Fund	20.0	20.0
Capital Receipts	25.3	6.0
	<u>45.3</u>	<u>26.0</u>

- 3.28 Based on the above, it is therefore possible that funding of the capital programme from 2023/24 onwards will require substantial financial contributions from the Council’s revenue budget and/or financing from external borrowing. As already noted, these options will need detailed consideration as they will impact on the Council’s medium-term financial position; for example, in the case of external borrowing, by creating the statutory requirement for the Council to annually set aside money for debt repayment, known as the Minimum Revenue Provision.
- 3.29 Full details of how the capital programme will be financed are shown in Appendix C.

Section 106 Receipts

- 3.30 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. 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. These receipts are held as a receipt in advance on the Council's Balance Sheet, the balance of which stood at £8,238k as at 31st December 2021, and will be used to future finance capital expenditure. The current position on capital Section 106 receipts (excluding commitments) is shown in the following table:

Specified Capital Works	Balance 31/03/21 £'000	Receipts 2021/22 £'000	Expenditure 2021/22 £'000	Transfers in	Balance 31/12/21 £'000
Housing	2,412	40	0	0	2,452
Education	4,145	89	0	844	5,078
Highways	0	20	0	0	20
Local Economy	686	0	0	0	686
Other	2	0	0	0	2
TOTAL	7,245	149	0	844	8,238

- 3.31 The Council's budgets are limited and, where a developer contribution (S106) can be secured, this will be required as a contribution towards projects, notwithstanding any other allocation of resources contained in the Council's spending plans.

Investment Fund and Growth Fund

- 3.32 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 £84.50m 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.
- 3.33 Appendix D provides a detailed analysis of the Funds dating back to their inception in September 2011. To date, schemes totalling £119.4m have been approved (£92.3m on the Investment Fund, and £27.1m on the Growth Fund), and the uncommitted balances as at the end of December 2021 stand at £12.5m for the Investment Fund and £12m for the Growth Fund.

Feasibility Works – Property Disposals

- 3.34 At its meeting on 24th May 2017, Executive agreed to the creation of a new Earmarked Reserve with an initial allocation of £250k to be funded from the Growth Fund to allow feasibility works to be commissioned against specific sites so as to inform the Executive of sites viability for disposal or re-development and potential scheme optimisation together with an appraisal as to worth.
- 3.35 Members requested that an update from Strategic Property be included in quarterly capital monitoring reports. This information, which remains unchanged from the November 2021 update, is provided in Appendix F.

Post-Completion Reports

- 3.36 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial

objectives. Post-completion reports on the following schemes are due to be submitted to the relevant PDS Committees:

- Upgrade of Core Network Hardware
- Replacement of Storage Area Network
- Rollout of Windows 7 and Office 2000
- Replacement of MD110 Telephone Switch
- Windows Server 2003 Replacement Programme
- Early Education for Two-Year-Olds
- 30 Hour Funded Childcare IT Solution
- Performance Management/Children's Services IT scheme

4 POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services.

5 FINANCIAL IMPLICATIONS

5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix C is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved.

5.2 The financing projections assume approval of the revised capital programme recommended in this report, together with an estimated £3.5m per annum for new capital schemes and service developments from 2022/23 onwards. An allowance for slippage and re-phasing of capital expenditure is also included in the projections.

5.3 As noted in the main body of the report, the capital financing statement projects a capital financing shortfall for the period 2023/24 onwards. The shortfall is caused by the increased value of capital expenditure over this period, primarily driven by new schemes, coupled with the declining value of the Council's balance of usable capital receipts. Addressing this shortfall will require consideration of the use of revenue contributions and funding from external borrowing.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
---------------------------------	---

Background Documents: (Access via Contact Officer)	Capital Programme Monitoring 2 nd Quarter (Executive 24/11/21) Treasury Management – Annual Investment Strategy 2022/23 (Executive and Resources PDS Committee 02/02/21) The Prudential Code for Capital Finance in Local Authorities (2017 edition) CIPFA publication
---	---

This page is left intentionally blank

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - JANUARY 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	Revised 2021/22	Revised 2022/23	Revised 2023/24	Revised 2024/25	Revised 2025/26	TOTAL 2021/22 to 2025/26	Comments / reason for variation
		£'000	£'000	£'000			£'000	
Current Approved Capital Programme								
Programme approved by Executive 24/11/2021	Exec 24/11/21	74,492	50,487	5,748	3,341	0	153,813	
Housing & Library Improvement in West Wickham	Exec 24/11/21	0	4,800	4,841	0	0	9,641	
Depot Infrastructure Works - Budget Reduction	Exec 24/11/21	0	0	Cr 355	0	0	Cr 355	
Additional Estimate: York Rise	Sp Exec 27/01/22	0	3,174	0	0	0	3,174	
Approved Programme prior to 3rd Quarter's Monitoring		74,492	58,461	10,234	3,341	0	146,528	
Variations in the estimated cost of approved schemes								
<i>(i) Variations requiring the approval of the Executive</i>								
None this cycle		0	0	0	0	0	0	
		0	0	0	0	0	0	
<i>(ii) Variations not requiring approval</i>								
Net rephasing from 2021/22 into future years		Cr 849	849				0	
		Cr 849	849	0	0	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		Cr 849	849	0	0	0	0	
Add: Proposed new schemes								
Legal Case Management & Court Bundling System		0	355	0	0	0	355	
Winter Maintenance Equipment Replacement		0	0	115	115	230	460	
Operational Estate Maintenance		0	3,500	7,500	7,500	0	18,500	
Health & Well Being Centre		0	767	12,365	1,135	314	14,581	
New Schemes Total		0	4,622	19,980	8,750	544	33,896	
TOTAL REVISED CAPITAL PROGRAMME		73,643	63,932	30,214	12,091	544	180,424	
Less: Further slippage projection		Cr 40,000	Cr 10,000	15,000	15,000	15,000	Cr 5,000	
Add: Estimate for further new schemes		0	3,500	3,500	3,500	3,500	14,000	
TOTAL TO BE FINANCED		33,643	57,432	48,714	30,591	19,044	189,424	

This page is left intentionally blank

CAPITAL PROGRAMME MONITORING - JANUARY 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2021/22	2022/23	2023/24	2024/25	TOTAL	Comments/reason for variation
	£'000	£'000	£'000	£'000	£'000	
Rephasing of schemes						
PCT Learning Disability reprovision programme - Walpole Road	Cr 100	100				The Department of Health capital is for uses associated with the reprovision of NHS Learning Disability (LD) Campus clients to the community and projects relating to the closure of the Bassetts site. The remaining capital is intended for use relating to LD day / associated respite services. The modernisation of day activities is underway and there is a continuing requirement for complex needs provision at Astley day centre. Regeneration and ECHS are reviewing how Astley should be configured to meet the needs of people with complex needs in the longer term. Residual budget phased in 2022/23.
Financial Systems Replacement	Cr 300	300				Scheme approved by Executive on 12th February 2020 to procure and implement a new Financial System to replace the existing Oracle E-Business Suite R12, and in-house developed budget monitoring systems (EBM and FBM). The scheme was delayed slightly due to the impact of COVID-19 and essential upgrades required for other financial systems. Following the decision by the Leader in November 2020 to procure the Oracle Cloud ERP system, officers awarded a contract through the G-Cloud framework in March 2021 to Namos Solutions to implement the system. First Application Walkthrough build completed in August and the System Integration Test build completed in November. User Acceptance Testing build completed in January 2022 with testing due to start in February. Go live is currently still on track for April 2022.
Mental Health Grant	Cr 82	82				This funding is made available to support reform of adult social care services. Budget re-phased from 2021/22 to 2022/23
Supporting Independence - Extra Care Housing	Cr 13	13				This funding is available for specialist equipment/adaptations in extra care housing to enable schemes to support people with dementia or severe physical disabilities. Consideration is being given to the potential for additional telecare in ECH. Residual budget phased into 2022/23.
Transforming Social Care	Cr 10	10				The remaining balance is currently being considered to undertake work supporting mobile working in Adult Social Care. Residual budget phased into 2022./23
Bromley North Village	Cr 70	70				Scheme has completed. The remaining budget required for remedial works is expected to be used but works have been delayed due to Covid and lack of staff resources
Beckenham Town Centre Improvements	Cr 106	106				This scheme is funded by TfL, and most aspects of the capital works are now complete. Tree planting is currently underway, and enhancements to the street lighting await commencement. Following completion of capital works, a post completion report and safety audit must be undertaken. Most of this work was completed in 2019/20, with some budget now being used to make remedial works to the paving.
Penge Town Centre	Cr 168	168				The New Homes Bonus (NHB) funded project consisting of public realm improvements, Shopfront improvements, Business Support, and Wayfinding. The scheme was to implement planned TfL bus route and carriageway improvements. The scheme commenced implementation in November 2017 and completed September 2018. Manufacture of new wayfinding infrastructure is expected in Spring 2022. Additional street furniture and Heritage Plaques have been installed. Funds for a second round of shop front improvements will be used in the next financial year.
TOTAL REPHASING ADJUSTMENTS	Cr 849	849	0	0	0	

This page is left intentionally blank

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - EXEC 09/02/22 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2019-20		2020-21		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimate £'000	Actual £'000	Estimate £'000	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
Summary Financing Statement											
Capital Grants	12,074	9,851	11,122	8,394	13,622	14,428	0	0	0	0	0
Other external contributions	8,248	7,050	10,314	5,192	4,308	3,364	2,200	2,200	2,200	2,200	2,200
Usable Capital Receipts	909	6,601	1,365	1,103	3,034	20,998	25,511	18,141	8,298	7,489	3,540
Internal Borrowing	0	0	0	0	0	16,395	0	0	0	0	0
Revenue Contributions	4,662 Cr	58	8,266	5,056	12,679	2,247	100	100	100	0	0
Borrowing (external)	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	25,893	23,444	31,067	19,745	33,643	57,432	27,811	20,441	10,598	9,689	5,740
Financing Required					33,643	57,432	48,714	30,591	19,044		
Financing Shortfall					0	0	20,903	10,150	8,446		
Usable Capital Receipts											
Balance brought forward	29,313	29,313	24,439	24,439	25,263	33,979	23,231	23,992	6,458	5,963	5,963
New usable receipts	3,580	1,727	3,995	1,927	11,750	10,250	42,172	607	8,298	7,489	8,906
	32,893	31,040	28,434	26,366	37,013	44,229	65,403	24,599	14,756	13,452	14,869
Capital Financing	Cr 909	Cr 6,601	Cr 1,365	Cr 1,103	Cr 3,034	Cr 20,998	Cr 25,511	Cr 18,141	Cr 8,298	Cr 7,489	Cr 3,540
Repayment of Internal Borrowing	0	0	0	0	0	0 Cr	15,900	0 Cr	495	0	0
Balance carried forward	31,984	24,439	27,069	25,263	33,979	23,231	23,992	6,458	5,963	5,963	11,329
Internal Borrowing											
Balance brought forward	0	0	0	0	0	0 Cr	16,395 Cr	495 Cr	495	0	0
Capital Financing	0	0	0	0	0 Cr	16,395	0	0	0	0	0
Repaid from new Capital Receipts	0	0	0	0	0	0	15,900	0	495	0	0
Balance carried forward	0	0	0	0	0 Cr	16,395 Cr	495 Cr	495	0	0	0
General Fund											
Balance brought forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Less: Capital Financing	0	0	0	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	0	0	0	0	0	0	0	0	0	0	0
Balance carried forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL AVAILABLE RESERVES	51,984	44,439	47,069	45,263	53,979	43,231	43,992	26,458	25,963	25,963	31,329
Anticipated Capital Financing Requirement (CFR)											
Non housing Housing		9,600 Cr	1,000	25,700	14,900	14,100	13,300				
Housing		0	0	0	10,000	10,000	10,000				
Total CFR		9,600 Cr	1,000	25,700	24,900	24,100	23,300				
Movement in CFR		8,400 Cr	10,600	16,100 Cr	800 Cr	800 Cr	800				
<p>The future transfer of land from the General Fund to the HRA does not result in a capital receipt, as the HRA is not a separate legal entity but the effect would be similar in that it would mean that the Council can incur more capital expenditure without needing to borrow. Although the accounting arrangements are 'technical' in order to meet statutory accounting requirements the effective transfer of land has the same impact as generating a capital receipt of an equivalent value and therefore the equivalent value can be used to fund future capital schemes.</p>											
Assumptions:											
New capital schemes - £3.5m p.a. from 2022/23 for future new schemes.											
Capital receipts - includes figures reported by Property Division as shown in Appendix E											
Current approved programme - as recommended to the Executive 24/11/21											
Internal Borrowing to fund until Capital Receipts pay back - Site G, Depot Improv,											

This page is left intentionally blank

Investment Fund	£'000
Revenue Funding:	
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
Capital Funding*:	
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
Property Purchase	
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
Other Schemes	
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		
Growth Fund:		£'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 Employer	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 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
Approved by Executive 30th June 2021 - £116k for 2 year FTC Planning Officer	Cr	116
Approved by Executive 20th Oct 2021 - Professional Services: Civic Centre Development	Cr	500
Total further spending approvals	Cr	<u>20,328</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		12,036

APPENDIX F - FEASIBILITY WORKS

Location	Estimated Feasibility / Viability Cost (£'000)	Description	January 2022 Status
West Wickham Leisure Centre		HRA/Regen Opportunity	Awaiting condition reports
<i>Feasibility to re-purposing of High Street Assets</i>	100	Works to value Councils stake on potential variations to lease	Detailed proposals awaited from Tenant
The Walnuts Centre		Regen Opportunity	In detailed negotiations with Developer prior to seeking Executive Approval
Old Town Hall/Civic Centre		Reduction and refurbishment of Council Office Space	Subject to output of Accommodation Review
Depots Review - Disposal Options		Env Services Programme	Works to clarify scope ongoing
Libraries (Chislehurst model roll out)		Regen Opportunity	

This page is left intentionally blank

SUPPLEMENTARY NOTE: AGENDA ITEM 6:

CAPITAL MONITORING QUARTER 3 2021/22 & CAPITAL STRATEGY 2022 TO 2026

This note updates Executive Agenda Item 6 to incorporate proposed changes made to the Health & Wellbeing Centre Capital Scheme that were drafted subsequent to Item 6 being submitted for inclusion on the Agenda.

The impact of the changes are set out below in bold typeface. Additionally, revised Appendices A (Variations) and Appendix C (Financing) are also appended.

- 3.3 If all the changes proposed in this report are approved, the total Capital Programme 2021/22 to 2025/26 would increase by ~~£33,896k~~ **£44,645k**, solely due to the inclusion of new capital bids. Planned capital expenditure of £849k will be re-phased from 2021/22 to 2022/23

Health and Well-being Centre (~~£14.581m~~ **£25.330m**)

- 3.22 This scheme, which was the subject of a preliminary report to Executive in October 2021, concerns the redevelopment of the former Adventure Kingdom and Great Hall as a Health & Well Being Centre, together with a new community hall and 48 accommodation units. 6 Construction will be funded by the CCG and Council, with the CCG taking a lease on the Health & Well Being Centre. Based on projected revenues from lease income and the sale of units, a surplus of £1.53m is forecast. **The gross cost of this scheme is estimated at £25.330m, with a net cost (following adjustment for the CCG's contribution to the scheme) of £14.581m**

Following the changes highlighted above, Appendix A has been amended to incorporate the amended estimated cost of the scheme. Additionally, Appendix C also required amendment, though the Financing Shortfall and Available Reserves figures are unchanged from the original submission.

Attached: Revised Appendices A and C.

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - JANUARY 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	Revised 2021/22	Revised 2022/23	Revised 2023/24	Revised 2024/25	Revised 2025/26	TOTAL 2021/22 to 2025/26	Comments / reason for variation
		£'000	£'000	£'000			£'000	
Current Approved Capital Programme								
Programme approved by Executive 24/11/2021	Exec 24/11/21	74,492	50,487	5,748	3,341	0	153,813	
Housing & Library Improvement in West Wickham	Exec 24/11/21	0	4,800	4,841	0	0	9,641	
Depot Infrastructure Works - Budget Reduction	Exec 24/11/21	0	0	Cr 355	0	0	Cr 355	
Additional Estimate: York Rise	Sp Exec 27/01/22	0	3,174	0	0	0	3,174	
Approved Programme prior to 3rd Quarter's Monitoring		74,492	58,461	10,234	3,341	0	146,528	
variations in the estimated cost of approved schemes								
<i>(i) variations requiring the approval of the Executive</i>								
None this cycle		0	0	0	0	0	0	
		0	0	0	0	0	0	
<i>(ii) variations not requiring approval</i>								
Net rephasing from 2021/22 into future years		Cr 849	849				0	
		Cr 849	849	0	0	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		Cr 849	849	0	0	0	0	
Add: Proposed new schemes								
Legal Case Management & Court Bundling System		0	355	0	0	0	355	
Winter Maintenance Equipment Replacement		0	0	115	115	230	460	
Operational Estate Maintenance		0	3,500	7,500	7,500	0	18,500	
Health & Well Being Centre		0	1,332	21,480	1,972	545	25,330	
New Schemes Total		0	5,187	29,095	9,587	775	44,645	
TOTAL REVISED CAPITAL PROGRAMME		73,643	64,497	39,329	12,928	775	191,173	
Less: Further slippage projection		Cr 40,000	Cr 10,000	15,000	15,000	15,000	Cr 5,000	
Add: Estimate for further new schemes		0	3,500	3,500	3,500	3,500	14,000	
TOTAL TO BE FINANCED		33,643	57,997	57,829	31,428	19,275	200,173	

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - EXEC 09/02/22 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2019-20		2020-21		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimate £'000	Actual £'000	Estimate £'000	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
Summary Financing Statement											
Capital Grants	12,074	9,851	11,122	8,394	13,622	14,428	0	0	0	0	0
Other external contributions	8,248	7,060	10,314	5,192	4,308	3,364	2,200	2,200	2,200	2,200	2,200
Usable Capital Receipts	909	6,601	1,365	1,103	3,034	21,563	34,626	18,978	8,529	7,489	3,540
Internal Borrowing	0	0	0	0	0	16,395	0	0	0	0	0
Revenue Contributions	4,662 Cr	58	8,266	5,056	12,679	2,247	100	100	100	0	0
Borrowing (external)	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	25,893	23,444	31,067	19,745	33,643	57,997	36,926	21,278	10,829	9,689	5,740
Financing Required					33,643	57,997	57,829	31,428	19,275		
Financing Shortfall					0	0	20,903	10,150	8,446		
Usable Capital Receipts											
Balance brought forward	29,313	29,313	24,439	24,439	25,263	33,979	23,231	23,992	6,458	5,963	5,963
New usable receipts	3,580	1,727	3,995	1,927	11,750	10,815	51,287	1,444	8,529	7,489	8,906
	32,893	31,040	28,434	26,366	37,013	44,794	74,518	25,436	14,987	13,452	14,869
Capital Financing	Cr 909	Cr 6,601	Cr 1,365	Cr 1,103	Cr 3,034	Cr 21,563	Cr 34,626	Cr 18,978	Cr 8,529	Cr 7,489	Cr 3,540
Repayment of Internal Borrowing	0	0	0	0	0	0	Cr 15,900	0	Cr 495	0	0
Balance carried forward	31,984	24,439	27,069	25,263	33,979	23,231	23,992	6,458	5,963	5,963	11,329
Internal Borrowing											
Balance brought forward	0	0	0	0	0	0	Cr 16,395	Cr 495	Cr 495	0	0
Capital Financing	0	0	0	0	0	Cr 16,395	0	0	0	0	0
Repaid from new Capital Receipts	0	0	0	0	0	0	15,900	0	495	0	0
Balance carried forward	0	0	0	0	0	0	Cr 16,395	Cr 495	Cr 495	0	0
General Fund											
Balance brought forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Less: Capital Financing	0	0	0	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	0	0	0	0	0	0	0	0	0	0	0
Balance carried forward	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL AVAILABLE RESERVES	51,984	44,439	47,069	45,263	53,979	43,231	43,992	26,458	25,963	25,963	31,329
Anticipated Capital Financing Requirement (CFR)											
Non housing Housing		9,600 Cr	1,000	25,700	14,900	14,100	13,300				
Housing		0	0	0	10,000	10,000	10,000				
Total CFR		9,600 Cr	1,000	25,700	24,900	24,100	23,300				
Movement in CFR		8,400 Cr	10,600	16,100 Cr	800 Cr	800 Cr	800				
<p>The future transfer of land from the General Fund to the HRA does not result in a capital receipt, as the HRA is not a separate legal entity but the effect would be similar in that it would mean that the Council can incur more capital expenditure without needing to borrow. Although the accounting arrangements are 'technical' in order to meet statutory accounting requirements the effective transfer of land has the same impact as generating a capital receipt of an equivalent value and therefore the equivalent value can be used to fund future capital schemes.</p>											
Assumptions:											
New capital schemes - £3.5m p.a. from 2022/23 for future new schemes.											
Capital receipts - includes figures reported by Property Division as shown in Appendix E											
Current approved programme - as recommended to the Executive 24/11/21											
Internal Borrowing to fund until Capital Receipts pay back - Site G, Depot Improv.											

This page is left intentionally blank

Report No.
CSD22025

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: TREASURY MANAGEMENT - ANNUAL INVESTMENT STRATEGY 2022/23 AND QUARTER 3 PERFORMANCE 2021/22

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 At its meeting on 7th February 2022 the Executive, Resources and Contracts PDS Committee considered the attached report summarising treasury management activity during the third quarter of 2021/22. The report also includes the Treasury Management Strategy and the Annual Investment Strategy for 2022/23, which are required by the CIPFA Code of Practice for Treasury Management in the Public Services to be approved by the Council.
 - 2.2 The report also includes prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both of which require the approval of Council. For clarification, the Council is required by statute to agree and publish prudential indicators, primarily to confirm that the Council's capital expenditure plans are affordable and sustainable. The report ensures that the Council is implementing best practice and complying with the requirements of the CIPFA Code of Practice for Treasury Management.
 - 2.3 The Resources, Commissioning and Contract Management Portfolio Holder referred the report to Council as recommended.
-

2. RECOMMENDATIONS

Council is recommended to -

- (1) **Note the performance report and revised Treasury Management and Prudential Codes.**
- (2) **Adopt the Treasury Management Statement and the Annual Investment Strategy for 2022/23 including the prudential indicators and the Minimum Revenue Provision (MRP) policy statement.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

1. Policy Status: Existing Policy: To maintain appropriate levels of risk, particularly security and liquidity, whilst seeking to achieve the highest rate of return on investments.
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Not Applicable: Further Details
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Interest on balances
 4. Total current budget for this head: £3,591k surplus currently projected.
 5. Source of funding: Net investment income
-

Personnel

1. Number of staff (current and additional): 0.25fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	See attached report

Decision Maker: Resources, Commissioning and Contracts Management
Portfolio Holder

Date: For pre-decision scrutiny by Executive, Resources and Contracts PDS
Committee on 7th February 2022
Council on 28th February 2022

Decision Type: Non-Urgent Executive Non-Key

Title: TREASURY MANAGEMENT - ANNUAL INVESTMENT
STRATEGY 2022/23 & QUARTER 3 PERFORMANCE 2021/22

Contact Officer: David Dobbs, Head of Corporate Finance and Accounting
Tel: 020 8313 4145 E-mail: david.dobbs@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Ward: All

1. Reason for report

- 1.1. This report summarises treasury management activity during the third quarter of 2021/22. Investments as at 31st December 2021 totalled £442.9m (£396.9m at 31st December 2020) and there was no outstanding external borrowing.
 - 1.2. This report also includes the Treasury Management Strategy and the Annual Investment Strategy for 2022/23, which are required by the CIPFA Code of Practice for Treasury Management in the Public Services to be approved by the Council.
 - 1.3. The report also includes prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both of which require the approval of Council. For clarification, the Council is required by statute to agree and publish prudential indicators, primarily to confirm that the Council's capital expenditure plans are affordable and sustainable.
 - 1.4. The report ensures that the Council is implementing best practice and complying with the requirements of the CIPFA Code of Practice for Treasury Management
-

2. RECOMMENDATION(S)

- 2.1. The Resources, Commissioning and Contracts Management Portfolio Holder is requested to:
 - (a) note the Treasury Management performance for the third quarter of 2021/22.

(b) note the publication of the revised Treasury Management and Prudential Codes , with formal adoption required in 2023/24.

(c) recommend that Council agrees to adopt the Treasury Management Statement and the Annual Investment Strategy for 2022/23 including the prudential indicators and the Minimum Revenue Provision (MRP) policy statement.

2.2. Council is requested to:

(a) note the performance report and revised Treasury Management and Prudential Codes

(b) agree to adopt the Treasury Management Statement and the Annual Investment Strategy for 2022/23 including the prudential indicators and the Minimum Revenue Provision (MRP) policy statement

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

1. Policy Status: Existing policy. To maintain appropriate levels of risk, particularly security and liquidity, whilst seeking to achieve the highest rate of return on investments.
 2. BBB Priority: Excellent Council .
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Interest on balances
 4. Total current budget for this head: £3,591k surplus currently projected for 2021/22
 5. Source of funding: Net investment income
-

Personnel

1. Number of staff (current and additional): 0.25 FTE
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

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 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required, as a minimum, to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year comparing actual activity to the strategy. This effectively means that in-year monitoring is incorporated into the three reports required by the Code of Practice and that Quarter 1 monitoring will no longer be reported unless there are any matters that officers feel should come before the Committee sooner.
- 3.2 This report includes details of investment performance and treasury management activity in the third quarter of 2021/22. It also sets out the Treasury Management Strategy and the Annual Investment Strategy for 2022/23.
- 3.3 Changes in the regulatory environment have placed a much greater onus on Members to undertake the review and scrutiny of treasury management policy and activities. This report is important in that respect as it provides details of the actual position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 3.4 The Council has monies available for Treasury Management investment as a result of the following:
- Positive cash flow;
 - Receipts (mainly from Government) received in advance of payments being made;
 - Capital receipts not yet utilised to fund capital expenditure;
 - Provisions made in the accounts for liabilities e.g. provision for outstanding legal cases which have not yet materialised;
 - General and earmarked reserves retained by the Council.
- 3.5 Some of the monies identified above are short term and investment of these needs to be highly 'liquid', particularly if it relates to a positive cash flow position which can change in the future. Future monies available for Treasury Management investment will depend on the budget position of the Council and whether the Council will need to substantially run-down capital receipts and reserves. Against a backdrop of unprecedented cuts in Government funding, which will require the Council to make revenue savings to balance the budget in future years, there is a likelihood that such actions may be required in the medium term which will reduce the monies available for investment.
- 3.6 The Council has also identified an alternative investment strategy relating to property investment. To date, this has resulted in actual and planned acquisitions which generated £4.6m in 2016/17, £5.6m in 2017/18, £5.5m in 2018/19, £5.4m in 2019/20, £5.3m in 2020/21 and is budgeted to achieve £5.2m in 2021/22. This is based on a longer-term investment timeframe of at least 3 to 5 years and ensures that the monies available can attract higher yields over the longer term.
- 3.7 A combination of lower risk investment relating to Treasury Management and a separate investment strategy in the form of property acquisitions (generating higher yields and risks) provides a balanced investment strategy. Any investment decisions will also need to consider the likelihood that interest rates will increase at some point. The available resources for the medium term, given the ongoing reductions in Government funding, will need to be regularly reviewed.

Treasury Performance in the quarter ended 31st December 2021

- 3.8 Borrowing: The Council's healthy cashflow position continues and, other than some short-term borrowing at the end of 2015/16, no borrowing has been required for a number of years.
- 3.9 Investments: The following table sets out details of investment activity during the second quarter and year to date:

	Qtr Ended 31/12/21		2021/22 Year to Date		Paragraph
	Deposits £m	Ave Rate %	Deposits £m	Ave Rate %	
Balance of "core" investments b/f	290.00	0.67	265.00	0.97	
New investments made in period	65.00	0.48	195.00	0.40	
Investments redeemed in period	-85.00	0.83	-190.00	0.94	
"Core" investments at end of period	270.00	0.60	270.00	0.60	
Money Market Funds	60.00	0.01	60.00	0.01	3.16
CCLA Property Fund*	40.00	24.96	40.00	19.98	3.26
Multi-Asset Income Funds*	40.00	0.30	40.00	4.45	3.28
Schroders Diversified Growth Fund	20.00	5.45	20.00	5.44	3.30
Project Beckenham Loan	2.90	6.00	2.90	6.00	3.20
Sovereign Bonds	10.00	1.84	10.00	1.84	3.21
"Alternative" investments at end of period	172.90	6.68	172.90	6.49	
Total Investments at end of Period	442.90	2.97	442.90	2.90	

* The rates shown in here are the total return (ie. the dividend income plus the change in capital value). A more detailed breakdown of the rates for these investments is shown in the relevant paragraphs

- 3.10 Details of the outstanding investments at 31st December 2021 are shown in maturity date order in Appendix 2 and by individual counterparty in Appendix 3. The return on the new "core" investments placed during the third quarter of 2021/22 was 0.48%.
- 3.11 Reports to previous meetings have highlighted the fact that options with regards to the reinvestment of maturing deposits have become seriously limited in recent years following bank credit rating downgrades. Changes to lending limits and eligibility criteria, as well as the introduction of pooled funds and housing associations have alleviated this to some extent, but there are still not many investment options available other than placing money with instant access accounts at relatively low interest rates.
- 3.12 Despite this, the Council's treasury management performance compares very favourably with that of other authorities. The Council was in the top decile nationally for 2014/15, 2015/16, 2016/17 and 2017/18 (the most recent CIPFA treasury management statistics available) and officers continue to look for alternative investment opportunities, both within the current strategy and outside, for consideration as part of the ongoing review of the strategy.
- 3.13 Active UK banks and building societies on the Council's list now comprise National Westminster Bank, Santander UK, Goldman Sachs International Bank, Close Brothers, Al Rayan, National Bank of Kuwait, and Yorkshire, Principality, Nottingham & Skipton Building

Societies, and all of these have reduced their interest rates significantly in recent years. The Director of Finance will continue to monitor rates and counterparty quality and take account of external advice prior to any investment decisions.

- 3.14 The chart in Appendix 1 shows total investments at quarter-end dates back to 1st April 2004 and shows how available funds have increased steadily over the years. This has been a significant contributor to the over-achievement of investment income against budgeted income in recent years.

Interest Rate Forecast (provided by Link Asset Services)

- 3.15 The current Bank of England base rate is 0.25%, following an increase at the December meeting of the Monetary Policy Committee. The market believes that further rises will follow, especially in the light of persistent inflationary pressures in the economy. Link has stated that it believes that the rate will next increase in June 2022, with more increases to follow in 2023 and 2024.

Link Group Interest Rate View	20.12.21													
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20

Money Market Funds

- 3.16 The Council currently has 6 AAA-rated Money Market Fund accounts, with Federated Prime Rate, Aberdeen Standard (formerly known as Ignis), Insight, Blackrock, Fidelity and Legal & General, all of which have a maximum investment limit of £15m. In common with market rates for fixed-term investments, interest rates on money market funds have fallen considerably in recent years. The Aberdeen Standard, Fidelity and Federated Funds currently offer the best rate at around 0.01%.
- 3.17 The total balance held in Money Market Funds has varied during the year to date moving from £23m as at 31st March 2021 to £35m as at 30th September 2021 to £60m as at 31st December 2021. The Money Market Funds currently offer the lowest interest of all eligible investment vehicles with the exception of the Government Debt Management Account Deposit Facility; however, they are the most liquid, with funds able to be redeemed up until midday for same day settlement.
- 3.18 Daily balances in the Money Market Funds will vary considerably and have been higher than usual over the previous six months owing to the receipt of Covid related grant funding by the Council. Additionally, balances tend to be higher during February and March to provide a cashflow buffer when the Council's income from Council Tax and Business Rates is significantly lower than the rest of the year. Occasionally, these balances are also inflated to ensure that the Council has sufficient liquidity to cover any 'non-standard' expenditure such as investment property purchases.

Housing Associations

- 3.19 Deposit with Housing Associations have recently attracted favourable rates and most recently the Council's Treasury Management Strategy Statement was amended to increase the overall limit for investments with Housing Associations to £80m. Current investments in Housing Associations total £45m, with rates varying from 0.6% to 2.15%.

Loan to Project Beckenham

- 3.20 On 26th June 2017 Council approved the inclusion in the strategy of a secured loan to Project Beckenham relating to the provision of temporary accommodation for the homeless that had previously been agreed to be advanced from the Investment Fund. A loan of £2.3m was made in June 2017, at a rate of 6%, although that may increase to 7.5% if the loan to value ratio exceeds a specified value. £1m of this loan was re-paid during 2019/20 leaving a balance of £1.3m as at the end of March 2020. Three further loan advances totalling £800,000 have been made during 2021/22, and the balance as at 31st December was £2.9m. A further loan drawdown of £350,000 was made in January 2022.

Sovereign Bonds

- 3.21 During November 2021, it was agreed that the Council's Treasury Management Strategy be amended to allow investment in sterling denominated Sovereign Bonds, subject to a maximum of duration of 3 years and an exposure limit of £25m. On 30th November 2021, an investment of £10m was made for two years at a rate of 1.84%.

Pooled Investment Schemes

- 3.22 In September 2013, the Portfolio Holder and subsequently Council approved the inclusion of collective (pooled) investment schemes as eligible investment vehicles in the Council's Investment Strategy with an overall limit of £25m and a maximum duration of 5 years. The limit was subsequently increased to £40m by Council in October 2015, £80m in June 2017 and £100m in December 2017. Such investments would require the approval of the Director of Finance in consultation with the Resources Portfolio Holder.
- 3.23 Until March 2018, accounting rules required that the change in capital value of these investments be held in the Available for Sale Financial Assets Reserve, and only recognised in revenue on the sale of the investment. In year projections for interest on balances therefore only reflected the dividends from these investments.
- 3.24 However, from 2018/19 onwards, local authorities have been required to account for financial instruments in accordance with IFRS9. One of the results of this is that changes in the capital value of pooled fund investments are recognised in revenue in-year. MHCLG has since issued regulations providing a statutory override to reverse the impact of IFRS9 on the Council's General Fund, which came into force in December 2018. The regulations are currently only applicable for a period of five years to March 2023, when it is intended for movements in value to be recognised in year.
- 3.25 Due to the regulations being time limited and the potentially volatile nature of these investments, interest/dividend earnings above 2.5% (£1,509k in 2018/19, £1,196k in 2019/20 and £1,520k in 2020/21) have been set aside in an Income Equalisation earmarked reserve. This will protect the Council against unexpected variations in the capital value of these investments and any timing issues arising from the expiry of the statutory override.

CCLA Property Fund

- 3.26 Following consultation between the Director of Finance and the Resources Portfolio Holder, an account was opened in January 2014 with the CCLA Local Authorities' Property Fund and an initial deposit of £5m was made, followed by further deposits of £5m in July 2014, £5m in March 2015, £10m in October 2015, £5m in October 2016 and £10m in October 2017. The investment in the CCLA Fund is viewed as a medium to long-term investment and dividends are paid quarterly. A breakdown of the dividends earned and capital growth is provided in the table below.

Annualised Net Return	Dividend %	Capital Growth %	Total Return
01/02/14 – 31/3/14	4.29	-29.64	-25.35
01/04/14 – 31/03/15	5.03	3.44	8.47
01/04/15 – 31/03/15	5.02	1.63	6.65
01/04/16 – 31/03/16	4.55	-2.50	2.05
01/04/17 – 31/03/17	4.59	2.41	7.00
01/04/18 – 31/03/18	4.46	1.57	6.03
01/04/19 – 31/03/19	4.45	-3.68	0.77
01/04/20 – 31/03/20	4.30	-0.71	3.59
01/04/21 – 31/12/21	3.81	16.17	19.98
Cumulative Return	4.44	1.77	6.21

3.27 The annualised fund return for the year to 31st December 2021 was capital growth of 16.17% and dividends paid of 3.81%% resulting in a total return of 19.98%. Since inception, dividends paid have averaged 4.50% per annum and the capital value has decreased by 1.25% per annum resulting in a net annual return of 3.25%.

Multi-asset Income Fund

3.28 Following approval by Council in June 2017, the limit for pooled investment schemes was increased to £80m and an investment of £30m was made on 12th July 2017 in the Fidelity Multi-Asset Income Fund following the agreement of the Resources, Commissioning and Contracts Management Portfolio Holder. A subsequent investment of £10m was made on December 30th 2019. The annualised fund return for the year to 31st December 2021 was capital growth of 0.24% and dividends paid of 4.21% resulting in a total return of 4.45%.

3.29 Since inception, dividends paid have averaged 4.30% per annum and the capital value has declined by -0.65% per annum resulting in a net annual return of 3.66%.

Annualised Net Return	Dividend %	Capital Gain/Loss %	Total Return %
12/07/17 – 31/03/18	4.42	-6.27	-1.85
01/04/18 – 31/03/19	4.26	1.45	5.71
01/04/19 – 31/03/20	4.37	-11.81	-7.44
01/04/20 – 31/03/21	4.38	9.52	13.90
01/04/21 – 31/12/21	4.21	0.24	4.45
Cumulative Return	4.30	-0.65	3.66

Global Diversified Income Fund

3.30 During 2020/21 a new investment was made in the Global Diversified Income Fund managed by Schroders. The aim of this fund is to provide long-term capital growth and income of 3-5% per annum. An initial investment of £10m was made in March 2021, followed by a further £10m in April 2021. A breakdown of the dividends earned and capital growth is provided in the table below.

Annualised Net Return	Dividend %	Capital Gain/Loss %	Total Return %
01/03/21 – 31/03/21	2.45	2.43	4.88
01/04/21 – 31/12/21	2.93	2.51	5.44
Cumulative return	2.90	2.51	5.41

Property Acquisition Scheme

- 3.31 As agreed by the Executive during 2021, the Council will embark on a property acquisition scheme under a funding arrangement with Orchard & Shipman. This will involve the formation of an LLP which will be a joint venture between the Council and Orchard & Shipman. As part of this scheme, the Council will make a £20m loan (in tranches) for 50 years. Annual repayments will start from year 3 of 1.6% (£320k) per annum and increasing annually by CPI (collared at 0-4%), As the Effective Interest Rate on the loan is dependent on CPI, it is possible that this will be lower than the rate the Council might achieve through treasury management investments, so there may be a loss of treasury management income.

Heritable Bank

- 3.32 Members will be aware from previous updates to the Resources Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the Icelandic bank, Landsbanki. In October 2008, the bank was placed in administration and the investment was frozen. To date, a total of £5,044k has been received (99% of the total claim of £5,087k) leaving a balance of £43k (<1%).

Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23

- 3.33 Appendix 4 sets out the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23. This combines the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services (revised in 2009 and updated in 2011 and 2017) and the Prudential Code. The Strategy includes throughout details of proposed prudential indicators and will be submitted for approval to the February Council meeting. Many of the indicators are academic as far as the Council is concerned, as they seek to control debt and borrowing. (not currently applicable to Bromley), but they are a statutory requirement.
- 3.34 Members will be aware that, since the Icelandic bank crisis in October 2008, the Council has approved a number of changes to the eligibility criteria and maximum exposure limits (both monetary and time) for banks and building societies. The Council also applies a minimum sovereign rating of A- to investment counterparties.
- 3.35 While the Council effectively determines its own eligible counterparties and limits, it also uses Link Asset Services as an advisor in investment matters. Link uses a sophisticated modelling approach that combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes indicate Link's recommendations on the maximum duration for investments. The Council will use its own eligibility criteria for all investment decisions, but will also be mindful of Link's advice and information and will not use any counterparty not considered by Link to be a reasonable risk. In line with the requirements of the CIPFA Treasury Management Code of Practice, the Council will always ensure the security of the principal sum and the Council's liquidity position before the interest rate.
- 3.36 Although, as indicated above, the strategy allows the Council to make a range of investments, in practical terms the Council has recently utilised only a narrow range of investment types, namely Money Market Deposits, Fixed Interest loans to Banks, Housing Associations and Local Authorities, Sovereign Bonds and Pooled Investment Vehicles. Moreover, the Council's investment decisions have been informed by consideration of maximising the available whilst operating within the parameters set out within the strategy, namely credit-ratings and investment category limits.
- 3.37 Recent Treasury Management updates have highlighted the fact that options with regards to the reinvestment of maturing fixed-interest deposits have become seriously limited in recent

years following bank credit rating downgrades and the low-interest rate environment that has persisted for some time in the UK. Whilst the Bank of England base rate is expected to continue to rise, the Council anticipates a significant lag before this translates into investment opportunities that provide a return in excess of what is currently being achieved by the Council.

- 3.38 Changes to lending limits and eligibility criteria, as well as the inclusion of pooled funds and housing associations within the strategy have alleviated this to some extent, but there are still limited options available other than placing money with instant access accounts at relatively low interest rates.
- 3.39 Details of eligible types of investment and counterparties are set out in the Annual Investment Strategy, as set out in Appendix 4.

Revised Treasury Management and Prudential Codes

- 3.40 During December 2021 CIPFA published a revised Prudential Code (Prudential Code for Capital Finance in Local Authorities) and Treasury Management Code (Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes). It also stated that formal adoption is not required until the 2023/24 financial year. This Council is required to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.
- 3.41 The revised codes will have the following implications:
- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement
 - clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment
 - address ESG issues within the Capital Strategy
 - require implementation of a policy to review commercial property, with a view to divest where appropriate
 - create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices)
 - ensure that any long-term treasury investment is supported by a business model
 - a requirement to effectively manage liquidity and longer-term cash flow requirements
 - amendment to TMP1 to address ESG policy within the treasury management risk framework
 - amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council
 - a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).
- 3.42 In addition, all investments and investment income must be attributed to one of the following three purposes:

- (i) **Treasury Management.** Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

- (ii) **Service Delivery.** Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is “either related to the financial viability of the project in question or otherwise incidental to the primary purpose”.
- (iii) **Commercial return.** Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council’s financial capacity – i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

3.43 Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 Treasury Management Strategy.

Regulatory Framework, Risk and Performance .

3.44 The Council’s treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act) which provides the powers to borrow and invest as well as providing controls and limits on this activity
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing that may be undertaken (although no restrictions have been made to date)
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services
- Under the Act, the MHCLG has issued Investment Guidance to structure and regulate the Council’s investment activities
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007, the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

3.45 The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular, its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low-risk approach.

4 POLICY IMPLICATIONS

4.1 In line with government guidance, the Council’s policy is to seek to achieve the highest rate of return on investments whilst maintaining appropriate levels of risk, particularly security and liquidity.

5 FINANCIAL IMPLICATIONS

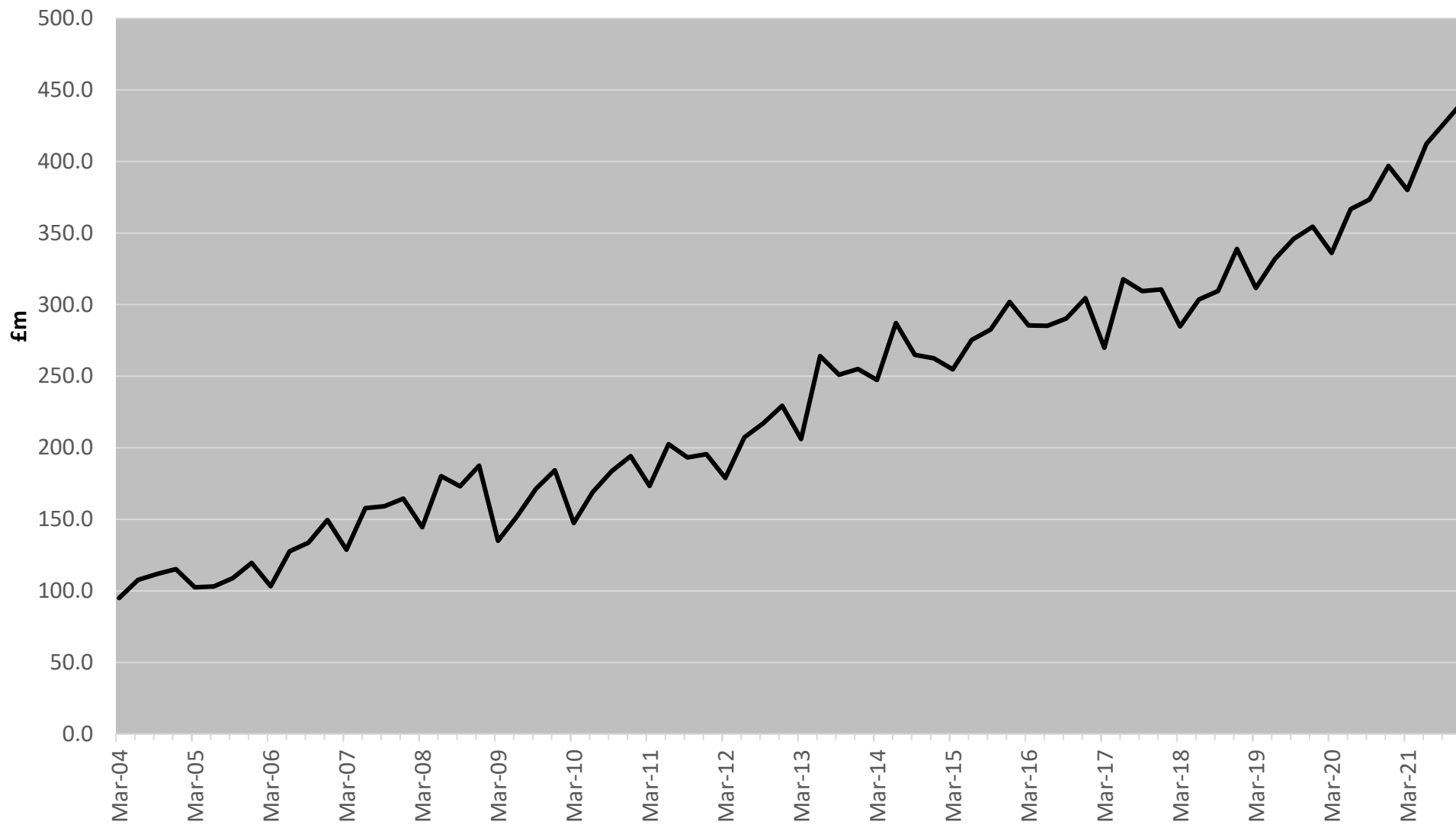
- 5.1 The persistent low interest rate environment in the UK this has led to new core investments being taken out at lower rates, this is expected to lead to a lower rate of return on the portfolio of treasury investments held by the Council. Whilst the Bank of England base rate is expected to continue to rise, the Council anticipates a significant lag before this translates into investment opportunities that provide a return in excess of what is currently being achieved by the Council.
- 5.2 The treasury management strategy has previously been revised to enable alternative investments of £100m which will generate additional income of around £2m compared with lending to banks.
- 5.3 To further mitigate and offset the risk of diminishing investment returns, this report includes a proposed amendment to the current strategy, under which the Council would have access an additional low-risk investment category, which it would seek to utilise as and when favourable rates become available.

6 LEGAL IMPLICATIONS

- 6.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 6.2 This report fulfils the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Personnel, Legal and Procurement Implications
Background Documents: (Access via Contact Officer)	CIPFA Code of Practice on Treasury Management CIPFA Prudential Code for Capital Finance in Local Authorities CLG Guidance on Investments External advice from Link Asset Services

TOTAL INVESTMENT PORTOFOLIO



This page is left intentionally blank

Counterparty	Start Date	Maturity Date	Rate of Interest	Amount	Fitch		Moody's		S&P		Fitch		Moody's		S&P	
					Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
FIXED DEPOSITS																
					Ratings at time of Investment						Ratings as at December 2021					
GOLDMAN SACHS INTERNATIONAL BANK	27/01/2021	27/01/2022	0.14	5.0	A+	F1	A1	P1	A+	A-1	A+	F1	A1	P-1	A+	A-1
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	28/01/2021	27/01/2022	0.22	15.0	AA-	F1+			A	A-1	AA-	F1+			A	A-1
CLOSE BROTHERS	18/03/2021	18/03/2022	0.40	10.0	A-	F2	Aa3	P-1			A-	F2	Aa3	P-1		
SOUTHERN HOUSING GROUP	30/09/2021	31/03/2022	1.70	10.0			A3				A	F1+	A3			
GOLDMAN SACHS INTERNATIONAL BANK	01/04/2021	01/04/2022	0.39	10.0	A+	F1	A1	P-1	A+	A-1	A+	F1	A1	P-1	A+	A-1
AL RAYAN BANK PLC - LONDON	09/04/2021	08/04/2022	0.35	10.0			A1	P-1					A1	P-1		
AL RAYAN BANK PLC - LONDON	09/04/2021	08/04/2022	0.35	5.0			A1	P-1					A1	P-1		
GOLDMAN SACHS INTERNATIONAL BANK	09/04/2021	11/04/2022	0.39	5.0	A+	F1	A1	P-1	A+	A-1	A+	F1	A1	P-1	A+	A-1
NATWEST	16/04/2021	14/04/2022	0.18	10.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
PLACES FOR PEOPLE HOMES LTD	14/04/2020	14/04/2022	2.15	10.0							A		A3		A-	
WALSALL METROPOLITAN BOROUGH COUNCIL	20/04/2020	20/04/2022	1.45	5.0	N/A						N/A					
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	25/11/2021	25/05/2022	0.37	5.0	AA-	F1+			A	A-1	AA-	F1+			A	A-1
QATAR NATIONAL BANK SAQ	06/12/2021	06/06/2022	0.54	5.0	A+	F1	Aa3	P-1	A	A-1	A1	F1	Aa3	P-1	A	A-1
METROPOLITAN HOUSING TRUST	12/06/2020	10/06/2022	1.50	5.0					A-		A				A-	
THURROCK COUNCIL	12/06/2020	13/06/2022	1.55	5.0	N/A						N/A					
NATWEST	23/06/2021	23/06/2022	0.17	20.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
SANTANDER	17/12/2021	17/06/2022	0.30	15.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
AL RAYAN BANK PLC - LONDON	06/07/2021	06/07/2022	0.35	5.0			A1	P-1					A1	P-1		
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	16/07/2021	15/07/2022	0.22	10.0	AA-	F1+			A	A-1	AA-	F1+			A	A-1
PRINCIPALITY BUILDING SOCIETY- CARDIFF	30/07/2021	29/07/2022	0.17	10.0	BBB+	F2	Baa2	P-2			BBB+	F2	Baa2	P-2		
NATIONAL WESTMINSTER BANK	13/08/2021	12/08/2022	0.17	5.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
NATIONAL WESTMINSTER BANK	16/08/2021	16/08/2022	0.19	5.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
CLOSE BROTHERS	16/08/2021	16/08/2022	0.45	10.0			A3				A-	F2	Aa3	P-1		
LANCASHIRE COUNTY COUNCIL	19/08/2021	19/08/2022	0.15	5.0	N/A						N/A					
NATIONAL WESTMINSTER BANK	13/12/2021	13/09/2022	0.41	5.0	A+	F1	A1	A1	A	A-1	A+	F1	A1	P-1	A	A-1
CLOSE BROTHERS	29/10/2021	28/10/2022	0.55	10.0	A-	F2	Aa3	P-1			A-	F2	Aa3	P-1		
NATWEST	29/10/2021	28/10/2022	0.28	15.0	A+	F1	A1	P-1	A	A-1	A+	F1	A1	P-1	A	A-1
QATAR NATIONAL BANK SAQ	03/12/2021	02/12/2022	1.03	10.0	A+	F1	Aa3	P-1	A	A-1	A+	F1	Aa3	P-1	A	A-1
YORKSHIRE HOUSING LTD	20/01/2021	20/01/2023	1.00	10.0			A3						A3			
WALSALL METROPOLITAN BOROUGH COUNCIL	20/04/2020	20/04/2023	1.68	10.0	N/A						N/A					
OPTIVO	23/08/2021	23/08/2023	0.60	10.0			A3						A3			
TOTAL FIXED INVESTMENTS				270.0												
OTHER FUNDS																
ABERDEEN STANDARD (IGNIS) LIQUIDITY FUND				15.0												
PRIME RATE (FEDERATED) STERLING LIQUIDITY FUND				15.0												
FIDELITY INSTITUTIONAL CASH FUND				15.0												
INSIGHT STERLING LIQUIDITY FUND				15.0												
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			40.0												
FIDELITY MULTI-ASSET INCOME FUND	12/07/2017			40.0												
SCHRODERS GLOBAL DIVERSIFIED	01/03/2021			20.0												
PROJECT BECKENHAM LOAN	09/06/2017			2.9												
SOVEREIGN BONDS	01/12/2021		1.84	10.0												
TOTAL INVESTMENTS				442.9												

This page is left intentionally blank

	Start Date	Maturity Date	Rate of Interest %	Amount £m	Total £m	Limit £m	Remaining £m
<u>UK BANKS</u>							
NATWEST BANK PLC	16/04/2021	14/04/2022	0.18000	10			
NATWEST BANK PLC	23/06/2021	23/06/2022	0.17000	20			
NATWEST BANK PLC	13/08/2021	13/08/2022	0.17000	5			
NATWEST BANK PLC	16/08/2021	16/08/2022	0.19000	5			
NATWEST BANK PLC	13/12/2021	13/09/2022	0.41000	5			
NATWEST BANK PLC	29/10/2021	28/10/2022	0.28000	15	60	80	20
SANTANDER PLC UK	17/12/2021	17/06/2022	0.30000	15	15	30	15
CLOSE BROTHERS LTD	18/03/2021	18/03/2022	0.40000	10			
CLOSE BROTHERS LTD	29/10/2021	16/08/2022	0.45000	10			
CLOSE BROTHERS LTD	29/10/2021	28/10/2022	0.55000	10	30	30	0
GOLDMAN SACHS INTERNATIONAL BANK	27/01/2021	27/01/2022	0.13500	5			
GOLDMAN SACHS INTERNATIONAL BANK	01/04/2021	01/04/2022	0.38500	10			
GOLDMAN SACHS INTERNATIONAL BANK	09/04/2021	11/04/2022	0.38500	5	20	20	0
AL RAYAN BANK PLC - LONDON	09/04/2021	08/04/2022	0.35000	10			
AL RAYAN BANK PLC - LONDON	09/04/2021	08/04/2022	0.35000	5			
AL RAYAN BANK PLC - LONDON	06/07/2021	06/07/2022	0.35000	5	20	20	0
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	28/01/2021	27/01/2022	0.22000	15			
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	25/11/2021	25/05/2022	0.37000	5			
NATIONAL BANK OF KUWAIT (INTERNATIONAL) - LONDON	16/07/2021	15/07/2022	0.22000	10	30	30	0
<u>UK BUILDING SOCIETIES</u>							
PRINCIPALITY BUILDING SOCIETY	30/07/2021	29/07/2022	0.17000	10	10	10	0
<u>OVERSEAS BANKS</u>							
QATAR NATIONAL BANK	03/12/2021	02/12/2022	1.03000	10			
QATAR NATIONAL BANK	06/12/2021	06/06/2022	0.53500	5	15	15	0
<u>LOCAL AUTHORITIES</u>							
THURROCK COUNCIL	12/06/2020	13/06/2022	1.55000	5	5	15	10
WALSALL MBC	20/04/2020	20/04/2022	1.45000	5	5	15	0
WALSALL MBC	20/04/2020	20/04/2023	1.68000	10	10	15	0
LANCASHIRE COUNTY COUNCIL	19/08/2021	19/08/2022	0.15000	5	5	15	10
<u>Housing Associations</u>							
SOUTHERN HOUSING GROUP LTD	30/09/2021	31/03/2022	1.70000	10	10	10	0
OPTIVO	23/08/2021	23/08/2023	0.60000	10	10	10	0
PLACES FOR PEOPLE HOMES LTD	14/04/2020	14/04/2022	2.15000	10	10	10	0
METROPOLITAN HOUSING TRUST	12/06/2020	10/06/2022	1.50000	5	5	10	5
YORKSHIRE HOUSING LTD	20/01/2021	20/01/2023	1.00000	10	10	10	0
<u>Other Investments</u>							
FIDELITY MONEY MARKET FUND	15/08/2005			15	15	15	0
ABERDEEN STANDARD (IGNIS) LIQUIDITY FUND	25/01/2010			15	15	15	0
FEDERATED (PRIME RATE) STERLING LIQUIDITY FUND	15/06/2009			15	15	15	0
INSIGHT STERLING LIQUIDITY FUND	15/06/2009			15	15	15	0
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			40			
FIDELITY - MULTI ASSET INCOME FUND	12/07/2017			40			
SCHRODERS	01/03/2021			20	100	100	0
SPRING CAPITAL LOAN	09/06/2017			2.9	2.9		
SOVEREIGN BONDS	01/12/2021	01/12/2023	1.84000	10	10	25	15
TOTAL INVESTMENTS				442.9	442.9		

This page is left intentionally blank



Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual
Investment Strategy: 2022/23

Contents

Introduction.....	3
1.1 Background.....	3
1.2 Statutory and Reporting requirements	3
1.3 Treasury Management Strategy for 2022/23	4
1.4 Treasury management consultants	4
1.5 Elective Professional Client Status	5
The Capital Prudential Indicators 2022/23 – 2024/25.....	5
2.1 Capital Expenditure	5
2.2 The Council's borrowing need (Capital Financing Requirement)	6
2.3 Minimum revenue provision (MRP) policy statement.....	7
2.4 Core Funds and Expected Investment Balances	7
2.5 Affordability prudential indicators	8
Treasury Management Strategy.....	8
3.1 Current portfolio position	8
3.2 Treasury Indicators: limits to borrowing activity.....	9
3.3 Prospects for Interest Rates.....	10
3.4 Borrowing Strategy	12
3.5 Policy on Borrowing in Advance of Need	12
Annual Investment Strategy	13
4.1 Investment Policy.....	13
4.2 Creditworthiness policy	13
4.3 Country limits	16
4.4 Investment Strategy.....	16
4.5 End of year investment report.....	17
4.6 Scheme of Delegation	17
4.7 Role of the Section 151 Officer	17
ANNEX 1: Economic Background.....	19
ANNEX 2: Specified and Non-Specified Investments – Eligibility Criteria	26
ANNEX 3: Prudential Indicators – Summary for Approval by Council.....	30

Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council. Although the Council does not borrow to finance its general fund capital spending plans, officers still plan and forecast the longer-term cash flow position in order to ensure that the Council can meet its capital spending obligations and that it maintains balances (working capital) at a prudent and sustainable level.

Having obtained the requisite permissions to re-open its Housing Revenue Account (HRA) during 2020/21 the Council will provide immediate finance through internal borrowing, with no external borrowing required. Repayments and interest will be made through the internal movement of funds to the general fund.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Statutory and Reporting requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by Members before being recommended to the Council. This role is undertaken by the Executive, Resources and Contracts Policy Development & Scrutiny Committee.

Prudential and Treasury Indicators and Treasury Strategy (this report) - This covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Part-Year Treasury Management Report (approved by Council in December 2021) – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this report is to ensure that all elected members on the full council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

1.3 Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

1.4 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

1.5 Elective Professional Client Status

From 3rd January 2018 the Financial Conduct Authority is obligated to treat all Local Authorities as “retail clients” under European Union legislation, the Markets in Financial Instruments Directive II (MiFID II). The client status of the Local Authority relates to its knowledge and experience with regards to the use of regulated investment products and the decision-making processes it has in place for making such investments. The directive is focused on products such as Certificates of Deposit, Gilts, Corporate Bonds and investment funds, including Money Market Funds.

The Council will opt up to “elective professional” status in order to continue to have access to these funds as an investment option as they are not available to retail clients. The Council had opted up to elective professional status with all relevant counterparties, including its advisers and brokers, prior to the deadline. This will be kept under regular review and counterparties will be added or removed as necessary for the Council’s investment needs.

The Capital Prudential Indicators 2022/23 – 2024/25

The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

2.1 Capital Expenditure

This prudential indicator is a summary of the Council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts as per the quarterly capital monitoring and review reports to Executive. The data shown below was reported to the Executive in November 2021 (2021/22 – Q2 Capital Monitoring)

Capital expenditure £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-HRA ¹	19.7	34.5	44	24.3	21.8
HRA ²	-	-	-	-	-
Total	19.7	34.5	44	24.3	21.8

¹ Based on the capital monitoring position reported to the Executive on 24/11/21

² Note: The HRA Business Plan has yet to be drafted and approved and it is therefore not currently possible to estimate HRA Capital Expenditure.

The table below is indicative and it summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need; for Bromley there is no shortfall and hence no borrowing need within this forecast period. The current capital financing position is included in the quarterly capital monitoring reports to the Executive.

Financing of capital expenditure £m ³	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Total Expenditure	19.7	34.5	44	24.3	21.8
Financed by:					
Capital receipts	1.1	3.9	25.4	22	18.1
Capital grants/ contributions / internal borrowing	13.5	17.9	18.6	2.3	2.2
Revenue contributions	5.1	12.7	-	-	-
General fund	-	-	-	-	1.5
Net financing need	-	-	-	-	-

2.2 The Council's borrowing need (Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

If the CFR is positive, the Council may borrow from the Public Works Loans Board (PWLB) or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The Council's CFR represents liabilities arising from finance leases entered into in recent years in respect of various items of plant and equipment (primarily equipment in schools and vehicles and plant built into highways and waste contracts). The Council currently has no external borrowing as such. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

£m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Financing Requirement					
CFR – non housing	25.7	14.9	14.1	13.3	12.5
CFR – housing	-	10	10	10	10
Total CFR	25.7	24.9	24.1	23.3	22.5
Movement in CFR	16.1	-0.8	-0.8	-0.8	-0.8

Movement in CFR represented by					
Net financing need for the year (above)	17.5	-	-	-	-

³ Table data based on the Capital Financing Position reported to Executive on 24/11/21

Less MRP/VRP and other financing movements	-1.4	-0.8	-0.8	-0.8	-0.8
Movement in CFR	16.1	-0.8	-0.8	-0.8	-0.8

2.3 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

The Council is recommended to approve the following MRP Statement:

The MRP will be based on the estimated lives of the assets, in accordance with the regulations, and will follow standard depreciation accounting procedures. Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

In practice, the Council's capital financing MRP is assessed as 4% of the outstanding balance on the finance leases the Council has entered into. A Voluntary Revenue Provision (VRP) may also be made in respect of additional repayments.

Note: There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

2.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves, etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
General Fund balance	20	20	20	20	18.6
Capital receipts	1.9	11.8	10.3	20.9	1
Capital grants	8.4	13.6	13.6	-	-
Provisions	15.8	15.8	15.8	15.8	15.8
Other (earmarked reserves)	269.8	240	200	180	160
Total core funds	315.9	301.2	259.7	236.7	195.4
Working capital ⁴	64.2	138.8	130.3	103.3	94.6

⁴ Working capital balances shown are estimated year end; these may be higher mid-year.

Under/over borrowing	-	-	-	-	-
Investments	380.1	440	390	340	290

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.5.1 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-HRA	-	-	-	-	-
HRA	-	-	-	-	-
Total	-	-	-	-	-

Treasury Management Strategy

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2021 is summarised below, together with forward projections. The table shows the actual external borrowing (the treasury management operations) against the capital borrowing (the Capital Financing Requirement) highlighting any over or under borrowing.

	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
External borrowing					
Borrowing at 1 April	-	-	-	-	-
Expected change in borrowing	-	-	-	-	-

Other long-term liabilities (OLTL)	25.7	24.9	24.1	23.3	22.5
Expected change in OLTL	16.1	-0.8	-0.8	-0.8	-0.8
Actual borrowing at 31 March	-	-	-	-	-
CFR – the borrowing need	25.7	24.9	24.1	23.3	22.5
Under / (over) borrowing	25.7	24.9	24.1	23.3	22.5
Investments	380.1	440	390	340	290
Net investments	354.4	415.1	365.9	316.7	267.5
Change in Net investments	27.9	60.7	-49.2	-49.2	-49.2

Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage non-compliance in the future. This view takes into account current commitments, existing plans, and the proposals in this year's budget report.

3.2 Treasury Indicators: limits to borrowing activity

3.2.1 The Operational Boundary

This is the total figure that external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2023/25 Estimate
Borrowing	10.0	10.0	10.0	10.0
Other long-term liabilities	20.0	20.0	20.0	20.0
Total Operational Boundary	30.0	30.0	30.0	30.0

3.2.2 The Authorised Limit for external borrowing

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following Authorised Limit:

Authorised limit £m	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Borrowing	30.0	30.0	30.0	30.0
Other long-term liabilities	30.0	30.0	30.0	30.0
Total Authorised Limit	60.0	60.0	60.0	60.0

3.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Additional notes by Link on this forecast table: -

- LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. As an average since 2011, there has been a 75% correlation

between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant upward risk exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, (which was eventually passed by both houses later in 2021), and an even larger sum on an American families plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when:

1. A fast vaccination programme had enabled a rapid opening up of the economy during 2021.
2. The economy was growing strongly during the first half of 2021 although it has weakened overall during the second half.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its December meeting with an aggressive response to damp inflation down during 2022 and 2023.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows:
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

3.4 Borrowing Strategy

The Council currently has no plans to borrow to finance either general fund or HRA capital expenditure. It finances all expenditure from external grants and contributions, capital receipts or internal balances. The Council does, however, have a Capital Financing Requirement (CFR) of £25.7m (as at 31st March 2021), which is the outstanding liability on finance leases.

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy and will monitor interest rates in financial markets.

3.4.1 Treasury indicators for debt

There are three debt-related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2020/21	2021/22	2022/23
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	20%	20%	20%
Maturity Structure of fixed interest rate borrowing 2020/21			
	Lower	Upper	
Under 12 months (temporary borrowing only)	100%	100%	
12 months to 2 years	N/A	N/A	
2 years to 5 years	N/A	N/A	
5 years to 10 years	N/A	N/A	
10 years and above	N/A	N/A	

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Annual Investment Strategy

4.1 Investment Policy

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are reported separately.

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

The intention of the strategy is to provide security of investment and minimisation of risk.

4.2 Creditworthiness policy

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Investment Counterparty Selection Criteria - The primary principles governing the Council's investment criteria are the security and liquidity of its investments, although the yield or return on the investment is also a key consideration. After these main principles, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to those that determine which types of investment instrument are either Specified or Non-Specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The rating criteria require at least one of the ratings provided by the three ratings agencies (Fitch, Moody's and Standard & Poors) to meet the Council's minimum credit ratings criteria. This approach is supported by Link and is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by Link, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to counterparty at the minimum Council criteria may be suspended from use, with all others being reviewed in light of market conditions.

In addition, the Council receives weekly credit lists as part of the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS (Credit Default Swap) spreads to give early warning of likely changes in credit ratings (these provide an indication of the likelihood of bank default);
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties and a recommendation on the maximum duration for investments. The Council would not be able to replicate this level of detail using in-house resources, but uses this information, together with its own view on the acceptable level of counterparty risk, to inform its creditworthiness policy. The

Council will also apply a minimum sovereign rating of A- to investment counterparties.

The criteria for providing a pool of high-quality investment counterparties (both Specified and Non-specified investments) are:

- **Banks 1** - good credit quality – the Council will only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of A- or equivalent;
 - c) have, as a minimum, at least one of the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - Short term – Fitch F3; Moody's P-3; S&P A-3
 - Long term – Fitch BBB+; Moody's Baa3; S&P BBB+
- **Banks 2** – Part nationalised UK bank – Royal Bank of Scotland. This bank can be included provided it continues to be part nationalised.
- **Bank subsidiary and treasury operation** - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings in Banks 1 above.
- **Building societies** - The Council will use all societies that meet the ratings in Banks 1 above.
- **Money Market Funds** – The Council will use AAA-rated Money Market Funds, including VNAV funds.
- **UK Government** (including gilts and the DMADF)
- **Other Local Authorities, Parish Councils, etc.**
- **Housing Associations**
- **Collective (pooled) investment schemes**
- **Supranational institutions**
- **Corporate Bonds**
- **Sovereign Bonds**
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes**

The Council's detailed eligibility criteria for investments with counterparties are included in Annex 2.

All credit ratings will be continuously monitored. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use for new investments will be withdrawn immediately.
- in addition to the use of Credit Ratings, the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the external advisers. In addition, this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support. The Council forms a view and determines its investment policy and actions after taking all these factors into account.

4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using these credit criteria as at the date of this report is shown in Annex 2. This list will be amended by officers should ratings change in accordance with this policy.

4.4 Investment Strategy

In-house funds: The Council's core portfolio is around £350m although cashflow variations during the course of the year have the effect from time to time of increasing the total investment portfolio to a maximum of around £450m. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months).

Investment returns expectations.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in Bank Rate in quarter 2 of 2022), are as follows.:

Average earnings in each year	Now	Previously
2022/23	0.50%	0.50%
2023/24	0.75%	0.75%
2024/25	1.00%	1.00%
2025/26	1.25%	1.25%
Long term later years	2.00%	2.00%

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to

reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

As at year end	2020/21	2021/22	2022/23	2023/23
	£m	£m	£m	£m
Principal sums invested > 365 days	170.0	170.0	170.0	170.0

For its cash flow generated balances, the Council will seek to utilise its short notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

4.5 End of year investment report

After the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.6 Scheme of Delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

4.7 Role of the Section 151 Officer

The S151 officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;

- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, and treasury management, with a long-term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

ANNEX 1: Economic Background

COVID-19 vaccines.

These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the 'pingdemic' in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.

- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

MPC MEETING 16th DECEMBER 2021

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- **On 10th December we learnt of the disappointing 0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- **On 14th December, the labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.

- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- **On 15th December we had the CPI inflation** figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- **Other elements of inflation are also transitory** e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- Although it is possible that the Government could step in with some **fiscal support for the economy**, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!
- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a surprise increase in Bank Rate from 0.10% to 0.25%. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that “there has been significant upside news” and that “there were some signs of greater persistence in domestic costs and price pressures”.
- On the other hand, it did also comment that “the Omicron variant is likely to weigh on near-term activity”. But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now “these conditions had been met”. It also appeared more worried about the possible boost to inflation from Omicron itself. It said that “the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation”. It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning “global price pressures might persist for longer”. (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)

- On top of that, there were no references this month to inflation being expected to be below the 2% target in two years' time, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a "modest tightening" in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. "Modest" seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.
- In as much as a considerable part of the inflationary pressures at the current time are indeed transitory, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows:
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, CPI inflation hit a near 40-year record level of 6.8% but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decades high.
- **Shortages of labour** have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the Fed's meeting of 15th December would take aggressive

action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3rd meeting, was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – “maximum employment”. The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being “transitory” and instead referred to “elevated levels” of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent “for some time”. It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.

- **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- **November’s inflation figures** breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to *persistently* higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB’s target of 2% and it is likely to average 3% in 2022, in line with the ECB’s latest projection.
- **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB’s target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- The ECB will now also need to consider the impact of Omicron on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of peripheral countries,

(compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.

- The EU has entered into a period of political uncertainty where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.
- **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of 2020; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- However, the pace of economic growth has now fallen back in 2021 after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The People's Bank of China made a start in December 2021 on cutting its key interest rate marginally so as to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time

soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.

- **WORLD GROWTH.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

ANNEX 2: Specified and Non-Specified Investments – Eligibility Criteria

Eligibility Criteria for investment counterparties

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria (i.e. non-sterling and placed for periods greater than 1 year).

A variety of investment instruments will be used. Subject to the credit quality of the institution and depending on the type of investment made, investments will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

SPECIFIED INVESTMENTS

These investments are sterling investments of not more than one-year maturity or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are relatively low risk investments where the possibility of loss of principal or investment income is small. These would include investments with:

1. The UK Government (such as the Debt Management Account deposit facility, a UK Treasury Bill or a Gilt with a maximum of 1 year to maturity).
2. A local authority, parish council or community council (maximum duration of 1 year).
3. Corporate, Sovereign or supranational bonds of no more than 1 year's duration.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
5. A bank or building society that has been awarded a high credit rating by a credit rating agency (only investments placed for a maximum of 1 year).
6. Certificates of deposit, commercial paper or floating rate notes (maximum duration of 1 year).

Minimum credit ratings (as rated by Fitch, Moody's and Standard & Poors) and monetary and time period limits for all of the above categories are set out below. The rating criteria require at least one of the ratings provided by the three ratings agencies (Fitch, Moody's and Standard & Poors) to meet the Council's minimum credit ratings criteria. The Council will take into account other factors in determining whether an investment should be placed with a particular counterparty, but all investment decisions will be based initially on these credit ratings criteria. The Council will also apply a minimum sovereign rating of A- (or equivalent) to investment counterparties.

NON-SPECIFIED INVESTMENTS

Non-specified investments are any other type of investment (i.e., not defined as Specified above) and can be for any period over 1 year. The identification and rationale supporting

the selection of these other investments and the maximum limits to be applied are set out below.

Non-Specified Investment Category	Limit (£ or %)
Bank Deposits with a maturity of more than one year and up to a maximum of 3 years. These can be placed in accordance with the limits of the Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	£80m and 3 years limits.
Building Society Deposits with a maturity of more than one year. These can be placed in accordance with the limits of the Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	None permitted at present.
Deposits with other local authorities with a maturity of greater than 1 year and up to a maximum of 3 years. Maximum total investment of £15m with each local authority.	£15m limit with each local authority; maximum duration 3 years.
Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. The use of UK Government gilts is restricted to fixed date, fixed rate stock with a maximum maturity of five years. The total investment in gilts is limited to £25m and will normally be held to maturity, but the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity. The Director of Finance must personally approve gilt investments. The Council currently has no exposure to gilt investments.	£25m in total; maximum duration 5 years.
Non-rated subsidiary of a credit-rated institution that satisfies the Council's counterparty list criteria. Investments with non-rated subsidiaries are permitted, but the credit-rated parent company and its subsidiaries will be set an overall group limit for the total of funds to be invested at any time.	Subject to group limit dependent on parent company's ratings.
Corporate Bonds with a duration of greater than 1 year and up to a maximum of 5 years, subject to satisfaction of credit ratings criteria as set out below.	£25m in total; maximum duration 5 years.
Sovereign Bonds with a duration of greater than 1 year and up to a maximum of 3 years, subject to a minimum credit rating of A-.	£25m in total; maximum duration 3 years. Sterling only.
Collective (pooled) investment schemes with a duration of greater than 1 year. The total investment in collective (pooled) investment schemes is limited to £100m and can include property funds, diversified growth funds and other eligible funds.	£100m in total.
Certificates of Deposit, Commercial Paper and Floating Rate Notes with a duration of greater than 1 year, subject to satisfaction of credit ratings criteria as set out below.	Subject to group banking limits dependent on bank / building society credit ratings.

Housing Associations with a duration of between 1 and 2 years, subject to satisfaction of credit ratings criteria as set out below.	£80m in total; maximum duration 2 years.
--	--

CRITERIA FOR FUNDS MANAGED INTERNALLY AND EXTERNALLY

- **Banks General** - good credit quality – the Council may only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of A- or equivalent;
 - c) have, as a minimum, at least one of the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- Short term – Fitch F3; Moody's P-3; S&P A-3
- Long term – Fitch BBB+; Moody's Baa3; S&P BBB+

- **Banks 1A – UK and Overseas Banks (highest ratings)** - the Council may place investments up to a total of £30m for a maximum period of 1 year with UK banks (and up to a total of £15m for a maximum period of 1 year with Overseas banks) that have, as a minimum, at least at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1+	AA-
Moody's	P-1	Aa3
S & P	A-1+	AA-

- **Banks 1B – UK and Overseas Banks (very high ratings)** - the Council may place investments up to a total of £20m for a maximum period of 1 year with UK banks (and up to a total of £10m for a maximum period of 6 months with Overseas banks) that have, as a minimum, at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1	A
Moody's	P-1	A2
S & P	A-1	A

- **Banks 1C – UK and Overseas Banks (high ratings)** – the Council may place investments up to a total of £10m for a maximum period of 1 year with UK banks (and up to a total of £5m for a maximum period of 3 months with Overseas banks) that have, as a minimum, at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated):

	Short-Term	Long-Term
Fitch	F3	BBB+
Moody's	P-3	Baa3
S & P	A-3	BBB+

- **Banks 2 - Part nationalised UK banks (Royal Bank of Scotland)** - the Council may place investments up to a total of £80m for up to 3 years with the part-nationalised UK Royal Bank of Scotland provided it remains part-nationalised.

- **Bank subsidiary and treasury operation** - The Council may use these where the parent bank has provided an appropriate guarantee and has the necessary ratings in Banks 1 above. The total investment limit and period will be determined by the parent company credit ratings.
- **Building societies** - The Council may use all societies that meet the ratings in Banks 1 above.
- **Money Market Funds** – The Council may invest in AAA rated Money Market Funds, including Constant Net Asset Value (CNAV) Funds, Low Volatility Net Asset Value (LVNAV) funds and Variable Net Asset value (VNAV) funds. The total invested in each of the CNAV and LVNAV Funds must not exceed £15m at any time and £10m for VNAV funds. This includes the Payden Sterling Reserve Fund for which a limit of £15m is also applied. No more than £25m in total may be invested in VNAV funds at any time.”
- **UK Government (including gilts and the DMADF)** – The Council may invest in the government’s DMO facility for a maximum of 1 year, but with no limit on total investment. The use of UK Government gilts is restricted to a total of £25m and to fixed date, fixed rate stock with a maximum maturity of 5 years. The Director of Finance must personally approve gilt investments.
- **Local Authorities, Parish Councils etc** – The Council may invest with any number of local authorities, subject to a maximum exposure of £15m for up to 3 years with each local authority.
- **Business Reserve Accounts** - Business reserve accounts may be used from time to time, but value and time limits will apply to counterparties as detailed above.
- **Corporate Bonds** – Investment in corporate bonds with a minimum credit rating of A- is permitted, subject to a maximum duration of 5 years and a maximum total exposure of £25m.
- **Sovereign Bonds** – Investment in sovereign bonds (sterling denominated only) with a minimum credit rating of A- is permitted, subject to a maximum duration of 3 years and a maximum total exposure of £25m.
- **Collective (pooled) investment schemes** – these may comprise property funds, diversified growth funds and other eligible funds and are permitted up to a maximum (total) of £100m.
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes** – These are permitted, subject to satisfaction of minimum credit ratings in Banks General above.
- **Housing Associations** – The Council may invest with Housing Associations with a minimum credit rating of AA-, for a maximum duration of 2 years, and with a maximum deposit of £10m with any one Housing Association and £80m in total.
- **Sovereign Ratings** – The Council may only use counterparties in countries with sovereign ratings (all 3 agencies) of A- or higher.

ANNEX 3: Prudential Indicators – Summary for Approval by Council

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and require the approval of the Council. They are included separately in Appendix 1 together with relevant narrative and are summarised here for submission to the Council meeting for approval.

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The revised Code (published in 2009 and updated in 2011, 2017 and 2021) was initially adopted by full Council on 15th February 2010 and has subsequently been re-adopted each year in February.

PRUDENTIAL INDICATORS	2020/21	2021/22	2022/23	2023/24	2024/25
	actual	estimate	estimate	estimate	estimate
GF Capital Expenditure	£19.7m	£34.5m	£44m	£24.3m	£21.8m
HRA Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	£19.7m	£34.5m	£44m	£24.3m	£21.8m
Ratio of financing costs to net revenue stream	0.0%	0.0%	0.0%	0.0%	0.0%
Net borrowing requirement (net investments for Bromley)					
brought forward 1 April	£326.5m	£354.4m	£415.1m	£365.9m	£316.7m
carried forward 31 March	£354.4m	£415.1m	£365.9m	£316.7m	£267.5m
in year borrowing requirement (movement in net investments for Bromley)	+\$27.9m	-\$60.7m	-\$49.2m	-\$49.2m	-\$49.2m
Capital Financing Requirement as at 31 March	£25.7m	£24.9m	£24.1m	£23.3m	£22.5m
Annual change in Cap. Financing Requirement	£16.1	-\$0.8	-\$0.8	-\$0.8	-\$0.8

TREASURY MANAGEMENT INDICATORS	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	estimate	estimate	estimate	estimate
Authorised Limit for external debt -					
Borrowing	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
other long-term liabilities	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
TOTAL	£60.0m	£60.0m	£60.0m	£60.0m	£60.0m
Operational Boundary for external debt -					
Borrowing	£10.0m	£10.0m	£10.0m	£10.0m	£10.0m
other long-term liabilities	£20.0m	£20.0m	£20.0m	£20.0m	£20.0m
TOTAL	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
Upper limit for fixed interest rate exposure	100%	100%	100%	100%	100%
Upper limit for variable rate exposure	20%	20%	20%	20%	20%
Upper limit for total principal sums invested for more than 365 days beyond year-end dates	£170.0m	£170.0m	£170.0m	£170.0m	£170.0m

Report No.
CSD22026

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: APPOINTMENT OF EXTERNAL AUDITOR

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 At its meeting on 8th February 2022, the General Purposes and Licensing Committee considered the attached report explaining that, under the Local Government Audit and Accountability Act (2014), the Council is required to appoint an external auditor to audit its accounts each financial year. The current auditor appointment (with EY as the incumbent) covers the period up to and including the audit of the 2022/23 accounts.
 - 1.2 The report sets out options for appointing the external auditor for the five-year period from 2023/24. It concludes with a recommendation to opt-in to a sector-led approach via the established sector-led body, Public Sector Audit Appointments Ltd (PSAA) and outlines the next steps required.
 - 1.3 The decision on the appointment of the auditor is one that cannot be delegated by full Council – General Purposes and Licensing Committee recommends Council to become an “opted in” authority with Public Sector Audit Appointments Ltd for the appointment of its External Auditor for the five-year period for 2023/24 onwards.
-

2. RECOMMENDATION

That Council approves the proposal to become an ‘opted in’ authority with Public Sector Audit Appointments Ltd for the appointment of its External Auditor for the five-year period for 2023/24 onwards.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Existing budgetary provision
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	See attached file

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE
COUNCIL

Date: 8th February 2022
28th February 2022

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

Title: APPOINTMENT OF THE EXTERNAL AUDITOR

Contact Officer: David Dobbs, Head of Corporate Finance and Accounting
Tel: 020 8313 4145 Email: david.dobbs@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Ward: Borough Wide

1. Reason for report

- 1.1 Under the Local Government Audit and Accountability Act (2014) the Council is required to appoint an external auditor to audit its accounts each financial year. The current auditor appointment (with EY as the incumbent) covers the period up to and including the audit of the 2022/23 accounts.
- 1.2 This report sets out options for appointing the external auditor for the five-year period from 2023/24. It concludes with a recommendation to opt-in to a sector-led approach via the established sector-led body, Public Sector Audit Appointments Ltd (PSAA) and outlines the next steps required.
- 1.3 The decision on the appointment of the auditor is one that cannot be delegated by Full Council but is being brought to this Committee for its prior review and consideration.

2. RECOMMENDATION

- 2.1 That Council be recommended to approve the proposal to become an 'opted in' authority with Public Sector Audit Appointments Ltd for the appointment of its External Auditor for the five-year period for 2023/24 onwards.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head:
 5. Source of funding: Existing budgetary provision for external audit fees.
-

Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: N/A.
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Background

- 3.1 The current external auditor appointment arrangements were agreed by Council in 2017 and cover the five years up to and including the audit of the 2022/23 accounts. To make the appointment, Bromley opted into the national auditor appointment arrangements established by Public Sector Audit Appointments Limited (PSAA).
- 3.2 Under the Local Government Audit and Accountability Act (2014), the Council is required to appoint an auditor to audit its accounts for each financial year. The statutory requirement is to have an auditor appointment in place by 31 December of the year preceding the start of the contract i.e., by 31 December 2022. The time needed to run an effective procurement process means that the Council needs to decide how it wishes to undertake the process.
- 3.3 PSAA has formally invited all eligible bodies to become opted-in authorities to the national auditor appointment arrangements for the audit years 2023/2024 to 2027/2028. The length of the compulsory appointing period is the five consecutive financial years.

Options Available

- 3.4 Under the Local Government Audit and Accountability Act (2014) there are three options available to a Local Authority in appointing an external auditor. However, the scope of a local audit is fixed and is determined by the Code of Audit Practice (currently published by the National Audit Office), the format of the financial statements (specified by the Chartered Institute of Public Finance and Accountancy) and the application of auditing standards is currently regulated by the FRC.
- 3.5 The options are:
- To arrange our own procurement and make the appointment ourselves through an independent Auditor Panel;
 - To arrange procurement in conjunction with other Council's through a joint independent Auditor Panel; or
 - To again utilise the national collective scheme administered by PSAA (i.e., the opt-in to the sector led approach described in paragraph 3.3).
- 3.6 Consideration of the options indicates that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally primarily because:
- Collective procurement reduces costs for the sector and for individual bodies and should bring economies of scale through purchasing power;
 - If it does not use the national appointment arrangements, Bromley will need to establish its own Auditor Panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract. This will incur additional resources and officer time;
 - It is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms¹, and a local procurement would be

¹ As at June 2021, the nine registered firms are: BDO, Cardens, Deloitte, EY, Grant Thornton, KPMG, Mazars, PWC and Azets UK.

drawing from the same limited supply of auditor resources as PSAA’s national procurement; and

- Supporting the sector-led body offers the best way of to ensuring there is a continuing and sustainable public audit market into the medium and long term. Additionally, the central co-ordination of appointments and management of contracts will help to manage possible conflicts and provide for synergy in the appointment-making process.

3.7 The sector-led approach via the PSAA has the support the Local Government Association, which set up the PSAA during 2014. Additionally, it is anticipated that this will be the most popular option across the sector as a whole, for the reasons set out above.

Next Steps

3.8 If Bromley decides to take advantage of the national auditor appointment arrangements and opt into the PSAA scheme, formal notification must be given by 11 March 2022. This is a decision which the relevant regulations require can only be made by Full Council or its equivalent.

3.9 As noted earlier in the report, if Bromley wishes to pursue either sole or joint procurement then arrangements will need to be made to convene an Auditor Panel in line with the requirements, including a majority of independent members and an independent chair.

4. FINANCIAL IMPLICATIONS

4.1 Opting-in to the national scheme provides a strong opportunity to ensure fees are as low as possible, whilst ensuring the quality of audit is maintained by entering into a large-scale collective procurement arrangement.

4.2 If the national sector-led scheme is not utilised, additional resources will be needed to establish and convene an Auditor Panel and conduct a local procurement exercise.

5. LEGAL IMPLICATIONS

5.1 The relevant legislation governing this matter is the Local Audit and Accountability Act 2014. Further requirements are set out in the Local Audit (Appointing Person) Regulations 2015.

Non-Applicable Sections:	Personnel Implications; Policy Implications; Impact on Vulnerable Adults and Children; Procurement Implications.
Background Documents: (Access via Contact Officer)	Background documents are available from the Head of Corporate Finance & Accounting.

Report No.
CSD22027

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: 2022/23 PAY AWARD

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

1.1 At its meeting on 8th February 2022, under the terms and conditions of employment framework, the General Purposes and Licensing Committee considered the attached report on the 2022/23 pay award for Council staff. The annual pay award is now part of the Council's budget planning process – this requirement was a key driver for coming out of the national/regional pay negotiating framework.

1.2 The General Purposes and Licensing Committee supported the recommendations in the report.

2. **RECOMMENDATIONS**

(1) Council is recommended to approve the following:

(i) A flat 2.25% pay increase for all staff (excluding teachers who are covered by a separate statutory pay negotiating process)

(ii) An additional £100k towards Merited Rewards for 2022/23, bringing the total to £300k for rewarding staff for exceptional performance.

(iii) That the Trade Unions' pay claim for staff be rejected (see paragraph 3.8 and the appendices of the attached report.)

(2) Council is also requested to note that, as in the previous years since coming out of the nationally/regionally negotiated frameworks, Bromley staff will receive the 2022/23 pay increase in time for the April pay.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: £1.8m
 2. Ongoing costs: £1.7m
 3. Budget head/performance centre: Staffing budgets across the Council
 4. Total current budget for this head: £76m
 5. Source of funding: Central Contingency
-

Personnel

1. Number of staff (current and additional): All Council staff (except teachers)
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Non-statutory
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Financial/Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	See attached report

London Borough of Bromley

Report No.

PART I – PUBLIC

Agenda Item No.:

Decision Maker: General Purposes & Licensing

Date: 8th February 2022

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

TITLE: 2022/23 PAY AWARD

Contact Officer: Emma Downie, Head of HR Business, Systems & Reward
Tel: (020) 8313 4082 email: emma.downie@bromley.gov.uk

Chief Officer: Charles Obazuaye, Director of HR, Customer Services & Public Affairs
Tel: (020) 8313 4355 email: charles.obazuaye@bromley.gov.uk

Ward: N/A

1. REASON FOR REPORT

- 1.1 Under the local terms and conditions of employment framework, the General Purposes & Licensing Committee (GP&L) is required to make a recommendation on pay awards to Full Council.
 - 1.2 Pursuant to the local framework, the annual pay award review is now part of the Council's budget planning process. This requirement is a key driver for coming out of the national/regional pay negotiating frameworks.
-

2. RECOMMENDATION(S)

- 2.1 **Members are asked to recommend that Full Council approve the following:**
 - (i) **A flat 2.25% pay increase for all staff (excluding teachers who are covered by a separate statutory pay negotiating process)**
 - (ii) **An additional £100k towards Merited Rewards, for 2022/23, bringing the total to £300k for rewarding staff for exceptional performance.**
 - (iii) **That the Trade Unions' pay claim for staff be rejected (see para 3.8 below and attached Appendices)**
- 2.2 **Members also note that, as in the previous years since coming out of the nationally/regionally negotiated frameworks, Bromley staff will receive the 2022/23 pay increase in time for the April pay.**

Corporate Policy

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

Financial

1. Cost of proposal: £1.8m
 2. On-going costs: £1.7m
 3. Budget Head/Performance Centre: Staffing budgets across the council
 4. Total current budget for this Head: £76m
 5. Source of Funding: Central contingency
-

Staff

1. Number of staff (current and additional): All Council staff, except teachers.
 2. If from existing staff resources, number of staff hours:
-

Legal

- 1) Legal Requirement: Non-Statutory Requirement
 - 2) Call In: Call in is not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected)
-

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 The Council formally adopted a local terms and conditions of employment framework for its staff, except teachers, on 12th November 2012. The key elements of the localised arrangements are as follows:

- Locally determined annual pay award for all staff, except teachers, aligned with the annual budget setting process;
- Merited reward (non-consolidated/non-pensionable) for exceptional performers;
- Any pay increases, including increments and pay awards linked to satisfactory performance for all staff, not automatic.

3.2 The Council continues to face financial challenges going forward and although there is a broadly balanced budget next year and a good local government finance settlement has been received, this has to be considered against the context of significant cost/growth pressures, higher inflation, increase in employer's national insurance costs and the ongoing impact of Covid. The Council's approach to this pressure and the challenges and opportunities it faces to balance the budget is comprehensively addressed in the report 'Draft 2022/23 Budget and Update on Council's Financial Strategy 2023/24 to 2025/26' to Executive on 12th January 2022. A copy of the report can be found at the following link:

[\(Public Pack\)7. Draft Budget 2022/23 Agenda Supplement for Executive, 12/01/2022 19:00 \(bromley.gov.uk\)](#)

3.3 Delivering sustainable finances is increasingly important during a period of national and international economic issues which creates uncertainty over the longer term. This has been further exacerbated by the Covid-19 Pandemic and additional pressures on Public Sector finances.

3.4 In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities and mitigate against the cost pressures currently being forecast. The Transforming Bromley Agenda seeks to address these issues.

3.5 Against this background, the Council proposed for staff and Trade Union consultation purposes a flat 2.25% pay award increase for all staff, except teachers who are covered by a separate statutory pay negotiating process.

3.6 In addition to this and in recognition of the hard work of staff, especially during the Covid-19 Pandemic, the Council proposed an additional £100k towards Merited Rewards, increasing the amount to £300k for 2022/23.

3.7 The proposal was communicated on behalf of the Director of HR, Customer Services & Public Affairs to all staff on 13th February 2022 and the Unions, comprising Unison, GMB and Unite branch and regional officers were also advised. At the time of writing the report feedback is still being gathered. The initial reaction from the unions is not favourable compared to the positive and realistic response from the Departmental representatives. Whilst both stakeholders recognised the rising

inflation rate currently at 5.4% (CPI), the Departmental representatives unlike the unions accepted that the Council's offer of 2.25% was reasonable in the current unprecedented financial climate

- 3.8 This year, a joint claim was submitted on behalf of GMB, Unison and Unite. The Unions' claim is as summarised below (Management's response is indicated in italics) A full copy of the claim and supporting documentation can be found at Appendix A.

- A 10% across the board uplift with a follow through to all allowances / rates

National pay talks are still ongoing for 21/22 with the final offer at 1.75% compared to the 2% already implemented at Bromley for 21/22. Whilst the previous years pay award has still not been settled nationally, there are no proposals for the 22/23 pay award.

The proposed Bromley pay award of 2.25% is likely to match or exceed that being considered by other LG employers. The unions' 10% pay claim would cost the Council £7.6m. A 10% pay claim does not reflect the on-going unprecedented pressures from the Covid-19 Pandemic.

The latest figures from the Office for National Statistics (ONS) currently report RPI at 7.5% and CPI at 5.4% however, the pay offer has to be seen in the wider context of the pressures on Public Sector Finances.

- A £2000 home working lump sum. This to be uprated each year in line with the percentage pay rise.

Since the beginning of the Covid-19 Pandemic, various support has been made available including laptops and IT goody bags to support agile working, desks and chairs made available where required, mental health support and wellbeing initiatives and online training and support.

The Council's commitment to hybrid and agile working is very clear as stated in the Transforming Bromley Workplace Modernisation Programme. Therefore, as we ease back to the workplace following the easing of the coronavirus restrictions, staff can work smartly in a mixed arrangement including a combination of home and office working or wholly from the office, subject to the desk to staff ratio (50/50 or 60/40) being considered as part of the Council's asset management review

- A £500 Covid Hazard payment for all staff who have not been able to work from home due to the nature of the role.

As a public health authority, we take the wellbeing of all of our employees seriously. Rapid Testing is available to staff and contractors, relevant PPE is available, where applicable, and vast work has been undertaken to ensure office areas are Covid secure. Our comprehensive Returning to the Workplace Staff Handbook was also produced and made available to all staff which can be found here

<https://lbbstaffhandbook.guide/>

- A commitment to discuss a reduction in the working week with no loss of pay.

There are no plans to look at a reduction of the standard working week

However, we are committed to giving serious consideration to requests for flexible working arrangements. This includes 'compressed weeks' where staff work their usual 5-day week hours over the course of 4 days. We already have a number of colleagues working under these arrangements.

- A phased increase of annual leave by 5 days

There are no plans to increase the minimum entitlements for annual leave. The minimum leave in the Council is 24 plus the 8 statutory bank holiday, rising to 30 for long standing employees with 5 years or more service. This compares very favourably with the leave provisions both in the private and public sector.

In addition, employees are given a discretionary additional concessionary day during the Christmas period.

- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage);

One of the key principles of adopting a local pay framework allows democratically elected Members/Councillors to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks. In 2020/21, the Council removed the equivalent of lower spinal points up to and including spinal point 8.

- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £11.05 per hour for 2021-22 (£10.85 for 2020);

Although The London Living Wage is not a statutory requirement, the proposed 2.25% increase would bring the lowest hourly rate at Bromley to £11.06 p.h.

- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours;

Bromley will be meeting its statutory obligation to publish its gender pay information and continues to seek to address the gap. At present there are a number of women employed in senior management positions within the Council. Bromley also has a range of flexible working and benefits for working parents. Bromley's pay arrangement is equality compliant.

- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2020 was £1,200, the 2021 rate is awaited);

This is not applicable to any Bromley staff

- Planned overtime rates in line with the GLPC recommendations for 2022-23 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates);

Contractually, staff that carry out planned overtime can be reimbursed as time off in lieu or overtime based on the agreed rates under the localised terms and conditions of employment.

- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council;

The Council recognises the need to ensure an adequate work life balance for its staff and empowers its managers and staff to ensure that this happens. Monitoring by Senior Management helps to reinforce this best practice. The introduction of a formal workload agreement between the Council and the Trade Unions is not therefore required.

- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming;

Bromley Council previously adopted localised terms and conditions giving democratically elected Members/Councillors the ability to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks.

The situation at the national/regional level for 21/22 remains unsolved let alone the 22/23 pay award. The proposed Bromley pay award of 2.25% is likely to match or better that being considered by other LG employers as well as being implemented for April 2022.

How does the Council's 2022/23 pay award increase offer compare?

- 3.9 The National Joint Council (NJC) is yet to agree its pay deal for 21/22. The National Employers for Local Government had put forward a full and final pay settlement for April 2021 of 1.75% on all NJC pay points 2 and above (2.75% for point 1). The unions have rejected the National Employers' full and final one-year pay offer and have confirmed the timetable for industrial action ballots.
- 3.10 The Council will continue to monitor staff recruitment and retention and where appropriate additional pay including the use of market supplements and any other proportionate responses will be adopted e.g. hard to fill and retain posts in children/adult services. Since coming out of national terms & conditions, Bromley's pay remains competitive for all occupations.
- 4. Public & Private Sector pay forecast 2022/2023**
- 4.1 In November 2020, the Chancellor imposed a freeze on public sector pay rises. In October 2021 it was announced that the pause on public sector pay would be lifted from April 2022.

- 4.2 Private sector pay rises are expected to be in the region of 2.5% in 2022 according to the Chartered Institute of Personnel and Development (CIPD).
- 4.3 The Council continues to operate in an economic climate of national financial uncertainty whilst having to face enormous pressures to deliver services where demand for growth is high particularly in relation to care services to vulnerable children and adults. This is also set against the backdrop of global financial impact and uncertainty due to the ongoing Covid-19 Pandemic.
- 4.4 The Council will continue to respond positively and flexibly to the labour markets regarding critical skills and hard to recruit and retain posts, in particular by offering enhanced packages if appropriate. Staff employed by the Council are also able to access the “Real Benefits” Scheme. Through the scheme the Council has negotiated favourable discounts with a range of retailers in Bromley. Accessing these benefits maximises the opportunity for employees to save on everyday living costs and staff feedback in this respect has been very positive.
- 4.5 Additionally, the Leader, the Portfolio Holder for Resources and their Cabinet colleagues and the Chairman of General Purposes and Licensing Committee are still committed to the Merited Pay Reward scheme for exceptional performers
- A separate amount of £200k for Merited Award vouchers for exceptional performers has been set aside and in 2022/23 a proposed one off increase to bring this to £300k. In 2021/22 a total of 484 awards ranging from circa £250 to £1,000 were awarded to staff. Also, a total of 162 mini rewards circa £50 (average) were awarded to staff.
 - Members have also reiterated their commitment to Staff Training and Development including the Graduate Internship Scheme and the Apprenticeship Levy.
 - Every year the Council recruits graduate interns and many of them have been promoted into permanent senior positions in the organisation. In terms of the Apprenticeship Levy, HR is developing a plan to use the levy to upskill existing staff in the organisation partly to address areas of recruitment and retention difficulty.

5. POLICY IMPLICATIONS

- 5.1 As stated in paragraph 3.1 above, the annual pay award review is one of the key drivers for adopting the localised terms and conditions of employment framework for staff, except teachers. It enables the Council to set its own pay award free from nationally/regionally negotiated arrangements, usually divorced from local pressures and circumstances.
- 5.2 Aligning the pay review process with the budget setting process means that the cost of the pay increase is not viewed in isolation from the other significant cost pressures impacting on the Council's overall budget

6. FINANCIAL IMPLICATIONS

- 6.1 A 2.25% increase to all staff as detailed in recommendation 2.1 (ii), will cost the Council £1.7m p.a. The proposed increase of £100k in Merit Reward payments would be a non-recurring cost in 2022/23 only.
- 6.2 The Council continues to face an underlying 'budget gap' as identified in the 2022/23 Council Tax report to Executive and there remains a need for savings to be identified in future budget choices. Provision for a 2.25% increase has been included in the Draft 2022/23 Budget. The proposed £100k increased cost of Merit Rewards would need to be funded from Central Contingency.

7. LEGAL IMPLICATIONS

- 7.1 As set out in the report, there are no specific implications, including equal pay arising from the proposed pay award recommendations as detailed in para 2.1 above.

8. PERSONNEL IMPLICATIONS

- 8.1 As set out in the report.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	



PAY CLAIM: 2022-23

Submitted by Joint Trade Unions to the London Borough of Bromley

1. Introduction

This pay claim is submitted by the joint trade unions on behalf of staff working for the London Borough of Bromley (LBB hereafter).

The claim is set at a level that we believe recognises the following key points:

- Major increases in the cost of living over recent years continue to significantly reduce the value of staff wages, with exponential impact forecast in 2022;
- Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services during the Covid-19 pandemic;
- Appropriate reward is needed for the increased workload and stress placed on staff against a background of major budget cuts and the pandemic;
- Average pay settlements across the economy have been running ahead of those received by Bromley Council staff over recent years, increasing the likelihood of recruitment and retention problems in the long term;
- Nobody should be paid less than the nationally recognised Foundation Living Wage (London Living Wage) rate, which has become a benchmark for the minimum level of decent pay across the UK and is now paid by large sections of the public services and many major private companies

The joint trade unions therefore submit the following claim for 2022-23, which seeks to improve and enhance the morale and productivity of our members. Meeting our claim will give LBB the opportunity to demonstrate its commitment to creating a workforce which is well paid and high in morale and productivity. The claim is straightforward and realistic.

2. Summary Claim

We are seeking:

- A 10% across the board uplift with a follow through to all allowances / rates

- A £2000 home working lump sum. This to be updated each year in line with the percentage pay rise.
- A £500 Covid Hazard payment for all staff who have not been able to work from home due to the nature of the role.
- A commitment to discuss a reduction in the working week with no loss of pay.
- A phased increase of annual leave by 5 days
- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage);
- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £11.05 per hour for 2021-22 (£10.85 for 2020);
- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours;
- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2020 was £1,200, the 2021 rate is awaited);
- Planned overtime rates in line with the GLPC recommendations for 2022-23 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates);
- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council;
- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming;
- The advantages of the NJC pay spine are:
 - The NJC pay spine is transparent
 - Using the NJC pay spines aids comparability with other NJC employers
 - It becomes easier to apply future NJC pay awards
 - Using the NJC pay spine future proofs the employer against National Living Wage
 - Increases and so provides stability
 - The NJC pay spine provides a sound basis for future pay and grading exercises

3. Background to the Claim

A substantial increase will help restore and maintain living standards of the staff who have seen their real pay eroded considerably.

The greatest asset of LBB is its employees. In this pay round, our members are looking for evidence of the value that LBB places upon them for their contribution to the Council's response to the unprecedented and continued circumstances created by the Covid-19 pandemic.

This claim is both realistic and fair. The following gives full justification for the claim. The joint unions hope that LBB will give this claim the full consideration and response which employees expect and richly deserve.

4. Falling Value of Pay

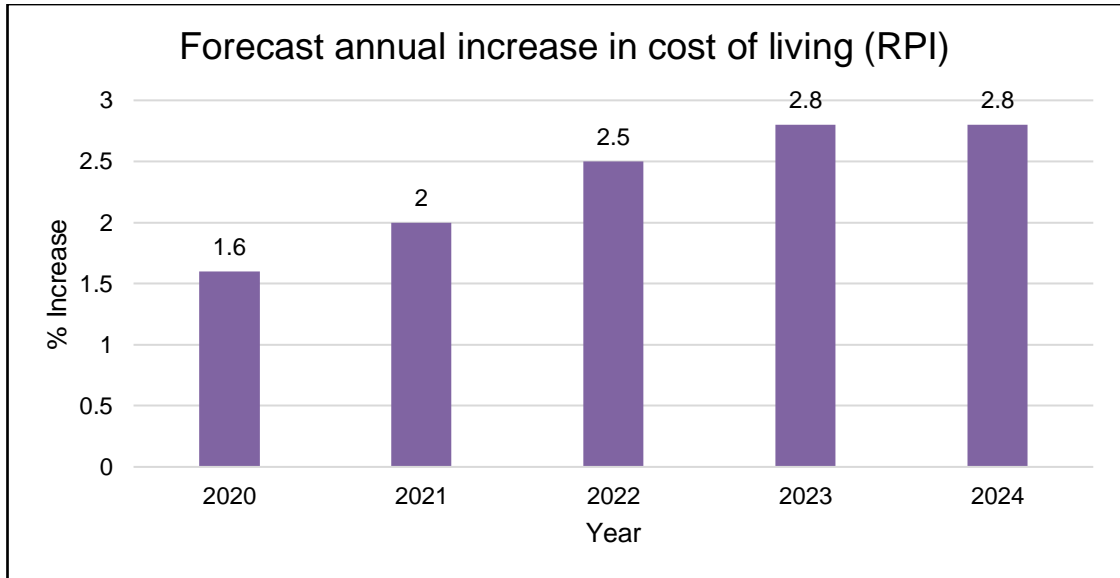
The table below demonstrates the major fall in living standards suffered by staff over recent years.

	LBB pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2012	0%	3.2%
2013	1.2%	3.0%
2014	1.2%	2.4%
2015	1.2%	1.0%
2016	1.2%	1.8%
2017	1.2%	3.6%
2018	2.0%	3.3%
2019	2.25%	2.6%
2020	2.5%	1.5%
2021	2.0%	4.1%

This means that, while the cost of living has risen by at least 25% over the last decade, pay in LBB has risen by just under 15%, equating to thousands of pounds in cuts to the value of staff wages.

The Treasury average of independent forecasts states that RPI inflation averaged 1.6% over 2020. It will then escalate every year to reach 2.8% by 2024, following the pattern shown in the graph below. These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value, and this will only be exacerbated by inflation as witnessed in the past six months alone.

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, January 2021



Source: HM Treasury Forecasts for the UK Economy, May 2020

5. Falling Behind Average Pay Rates

The ability of LBB to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

The table below shows that pay settlements over the last year across the economy have been running at 2%, which, while commensurate with the 2021 LBB award, maintains the gaps created by previous settlements and continues the trend of being below the NJC award (2.75% in 2020).

Year	Average pay settlements	LB Bromley pay increases
2010	2.0%	0%
2011	2.5%	0%
2012	2.5%	0%
2013	2.5%	1.2%
2014	2.5%	1.2%
2015	2.2%	1.2%
2016	2.0%	1.2%
2017	2.0%	1.2%
2018	2.5%	2.0%
2019	2.5%	2.25%
2020	2.6%	2.5%
2021	2.0%	2.0%

6. Recruitment and Retention Pressures Continue

Recruitment and retention are a key priority for councils. As of 2017/18, 78% of councils were experiencing recruitment and retention difficulties, with 10% feeling forced to enact a recruitment freeze at some point during 2017/18 (LGA workforce survey 2017/18). This issue is particularly acute for a variety of professional and specialist roles, including social work, planning, and building control.

Successive workforce surveys conducted by the LGA make it apparent that pressures are rising. Local Authorities reported average vacancy rate of 8% (rising to 9.5% for unitary authorities) is significantly higher than the averages for wider public sector and in the economy as a whole.

With the general unemployment rate in the UK economy set to rise as the country adapts to 'the new normal' created by Covid-19, competitive wages will only become more crucial if LBB wish to recruit and retain staff.

As temporary and agency staff are used to deal with staffing problems caused by absenteeism or recruitment and retention difficulties, this can, in turn, have a negative impact on workload and morale.

7. Morale Under Threat

Working against a background of consistent cuts and the ongoing threat to services caused by the pandemic, staff have been facing greater workload pressures. The resulting increased stress puts the morale of the workforce at risk and poses a long-term threat to LBB's ability to provide a consistent quality of service.

While requesting the above, it should be noted that LBB has followed best practice in terms of Working from Home guidance to its staff to protect their physical and mental health, but members continue to raise concerns about the consistency of application of WFH guidance and the availability of suitable equipment to perform job roles remotely.

8. Conclusion

There can be no doubt that all employees working for LBB have seen a significant fall in their living standards; their real earnings have fallen substantially.

To deliver a quality service, LBB relies on its workforce, and the retention of a specialist, skilled, experienced, and dedicated workforce is important to the quality-of-service delivery. Competition for that workforce from other sectors is strong.

2022 is the year in which LBB can begin to demonstrate that its workforce is included as we begin to recover from the impact of Covid-19.

This is a fair and realistic claim which we ask LBB to meet in full.

This page is left intentionally blank

Report No.
CSD22012

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **COUNCIL**

Date: **Monday 28 February 2022**

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

Title: **PAY POLICY STATEMENT 2022**

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

1.1 Under the Localism Act 2011 the Council is required to publish a Pay Policy Statement which must be approved by full Council every year. The 2022/23 Pay Policy Statement was agreed by General Purposes and Licensing Committee at the meeting on 8th February 2022 and is attached for Members' consideration and approval.

2. **RECOMMENDATION:**

Council is recommended to approve the 2022/23 Pay Policy Statement attached to this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Within existing budget
 2. Ongoing costs: Within existing budget
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Not Applicable
-

Personnel

1. Number of staff (current and additional): Chief Officers and Deputy Chief Officers as defined in the Local Government & Housing Act.
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement – Localism Act 2011
 2. Call-in: Not Applicable: Full Council; decisions are not subject to call-in
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/ Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	See attached report

London Borough of Bromley

Report No. HR

PART I – PUBLIC

Agenda Item No.:

Decision Maker: General Purposes & Licensing Committee

Date: 8th February 2022

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

TITLE: PAY POLICY STATEMENT 2022/23

Contact Officer: Charles Obazuaye
Tel: (020) 8313 4381 email: charles.obazuaye@bromley.gov.uk

Chief Officer: Director of HR, Customer Services & Public Affairs

Ward: N/A

1. REASON FOR REPORT

- 1.1 Under the Localism Act 2011 the Council is required to publish a Pay Policy Statement which must be approved by Full Council every year. The 2022/23 Pay Policy Statement is attached for Members consideration and approval.
-

2. RECOMMENDATION(S)

2.1 Members are asked to:

- (i) recommend that Full Council approve the 2022/23 Pay Policy Statement attached to this report.

Corporate Policy

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

Financial

1. Cost of proposal: Within existing budget
 2. On-going costs: Within existing budget
 3. Budget Head/Performance Centre:
 4. Total current budget for this Head:
 5. Source of Funding:
-

Staff

1. Number of staff (current and additional): Chief Officers and Deputy Chief Officers as defined in the Local Government & Housing Act.
 2. If from existing staff resources, number of staff hours:
-

Legal

- 1) Legal Requirement: Statutory Requirement
 - 2) Call In: Call in is not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) N/A
-

Ward Councillor Views

- 1) Have Ward Councillors been asked for comments: N/A
- 2) Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Localism Act requires the Council to prepare and publish a Pay Policy Statement every year. The statement must set out the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.

3.2 The objective of this aspect of the Act is to require authorities to be more open and transparent about local policies and how local decisions are made.

The first Pay Policy Statement which was approved by Full Council on 26th March 2012 has been up-dated every year to reflect Member decisions to adopt a localised terms and conditions of employment framework for all staff, except teachers. The attached Pay Policy statement for 2022/23 is not materially different to the previous Statements. A key aspect of the localised pay framework is the local determination of the annual pay award as part of the financial budget planning process. As before, Bromley pay award will also be paid on time in April.

3.3 Another key aspect of the localised pay framework is the emphasis on individual pay and performance. There is no automatic pay uplift or increment or pay award without satisfactory individual performance. To further localise its terms and conditions of employment, the Council has with effect from 1st April 2015 appointed new staff (including internal promotions) on spot salaries. It offers greater flexibility and managerial empowerment not always possible under the traditional incremental pay progression system.

3.4 As stated above, Bromley employees are clear on how performance is linked to pay. The Council's appraisal process, Discuss, uses a "structured conversation" coaching style to improve employee engagement and empowerment, whilst supporting managers to undertake a more proactive approach to managing performance and developing potential of staff.

3.5 The scheme enables each employee's contributions to Making Bromley Even Better strategic objectives to be individually assessed and, where appropriate, recognised through the award of the discretionary merited reward payment. £200k is allocated in the base budget to support the scheme although in 2021/22 members agreed an additional £200k for one year in recognition of the work of staff during the pandemic. Since the introduction of the scheme a total of 1811 merited rewards have been made. Separately 1378 mini merit awards have been made to staff.

3.6 The Appraisal process for Chief Officers, including the Chief Executive, normally includes a 360-degree feedback from peers, direct reports, partner organisations and key Members. The Chief Executive is responsible for appraising his Chief Officers. The Chief Executive's appraisal is managed by a Member Panel comprising the Leader, Deputy Leader, Portfolio Holder for Resources and any other Members, including the Leaders of the minority parties or their representatives. The Panel is supported by the Director of HR, Customer Services & Public Affairs. The attached

proposed Pay Policy Statement 2022/23 also sets out the pay review and performance appraisal arrangements for the Chief Executive. The Member Panel will undertake the appraisal of the Chief Executive. Following the appraisal and any feedback to the Chief Executive the panel will reconvene as a formally constituted committee of Council to determine the Chief Executive's pay to conclude his annual performance appraisal.

4. POLICY IMPLICATIONS

4.1 The Pay Policy Statement is legally required pursuant to the Localism Act 2011. It requires the Council to annually prepare and publish its statement on pay and remuneration, mainly for Chief Officers, as defined in the Local Government and Housing Act.

4.2 Since coming out of the national/regional collective bargaining frameworks, the Council's Pay Policy Statements have reflected the key drivers for localised terms and conditions of employment, namely:

- A single local annual pay review mechanism aligned with the budget setting process;
- A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance;
- Annual pay increases linked to satisfactory performance for all staff; no automatic pay increases.

5. FINANCIAL IMPLICATIONS

5.1 All decisions taken in accordance with this policy statement will be contained within existing budgets.

6. LEGAL IMPLICATIONS

6.1 The requirement to adopt and publish a Pay Policy Statement arises under the Localism Act 2011. The Policy Statement is consistent with the statutory guidance published by the Secretary of State for Communities and Local Government to which all relevant authorities must have regard. The guidance does not limit the general statutory provisions on delegation under Section 101 of the Local Government Act 1972.

7. PERSONNEL IMPLICATIONS

7.1 Details of this year's Pay Policy Statement are as set out in this report and the accompanying Policy Statement.

Non-Applicable Sections:	
Background Documents:	

(Access via Contact Officer)	
------------------------------	--

London Borough of Bromley

1. Introduction

- 1.1 The Localism Act 2011 introduces a requirement for public authorities to publish annual pay policy statements. It states, in the main, that a relevant authority must prepare a pay policy statement for the Financial Year 2012/13 and each subsequent year.
- 1.2 Pursuant to the Act and the associated guidance and other supplementary documents, this pay policy statement sufficiently summarises Bromley Council's approach to the pay of its workforce and its "Chief Officers". In summation, the statement covers the Council's policies for the 2022/23 Financial Year, relating to:
- i) remuneration of its Chief Officers;
 - ii) remuneration of its lowest paid employees;
 - iii) the relationship between (i) and (ii) above.
- 1.3 In relation to "Chief Officers" the pay policy statement must describe the Council's policies relating to the following:
- i) the level and elements of remuneration for each Chief Officer;
 - ii) remuneration of Chief Officers in recruitment;
 - iii) increases and additions to remuneration for each Chief Officer;
 - iv) the use of performance related pay for Chief Officers;
 - v) the use of bonuses for Chief Officers;
 - vi) the approach to the payment of Chief Officers on their ceasing to hold office under, or to be employed by, the authority; and
 - vii) the publication of access to information relating to remuneration of Chief Officers.
- 1.4 As required by the Act and the supporting statutory guidance which, in turn, reflects the Local Government and Housing Act 1989, the definition of Chief Officer for the purpose of the pay policy statement covers the following roles:
- i) the Chief Executive/Head of Paid Service;
 - ii) the Monitoring Officer;
 - iii) a statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989;
 - iv) a Deputy Chief Officer responsible and accountable to the Chief Officer. However, it does not include those employees who report to the Chief Executive or to a statutory or non-statutory Chief Officer but whose duties are solely secretarial or administrative or not within the operational definition or the meaning of the Deputy Chief Officer title.

2. Exclusion

- 2.1 The Act does not apply to schools' staff, including teaching and non-teaching staff.

3. Context: Key Issues and Principles

- 3.1 General Context – clearly there are a number of internal and external variables to consider in formulating and taking forward a pay policy. Reward and recognition is a key component of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward and celebrating individual and organisational achievements.

The HR Strategy is based on an assumption that all staff come to work to do a good job and make a difference. The Council expects high standards of performance from staff at all levels and seeks, in return, to maintain a simple, fair, flexible, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce.

3.2 Local Terms and Conditions of Employment

Local terms and conditions of employment for all staff including "Chief Officers" as defined in paragraph 1.4 above were introduced with effect from 1 April 2013. Teachers employed by the local authority in Community Schools and Voluntary Controlled schools are excluded as their terms and conditions are set in statute and do not afford the Council the discretion to include them in the localised arrangements.

- 3.2.1 The main features of the localised terms and conditions framework are as follows, namely:

- (a) A single local annual pay review mechanism aligned with the budget setting process.
- (b) A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance.
- (c) Annual pay increases including annual increments (if appropriate) linked to satisfactory performance for all staff; not automatic.

3.3 Recruitment and Retention

The Council aims to enhance its ability to recruit and retain high quality staff by being competitive in the labour markets. This is still the case even in the current financial straitened times. We will keep our pay policy updated and align it to reflect the "Bromley Council employee of the future" characterised by innovation, flexibility, empowerment, leadership and individualised rewards for exceptional performers. The size of the Council's workforce is likely to continue to reduce but reasonably remunerated to recruit and retain quality

staff to deliver Member priorities. The Council is well placed to respond to changes in the labour markets, especially in relation to hard to fill and retain roles, e.g. Children Social Workers. A comprehensive Recruitment and Retention Strategy/package for Children's Social Workers is in place to deal with the regional and national shortage of qualified/experienced staff. A similar plan is also in place to address the recent recruitment and retention challenges in the adult social care workforce. There are also problems recruiting experienced/qualified Planners and Surveyors and qualified Mental Health Practitioners. These challenges are within the remit of the Corporate Recruitment and Retention Board chaired by the Director of HR, Customer Services & Public Affairs, comprising key representatives across the organisation including the Director of Children's Services, the Director of Adult Services and the Director of Housing, Planning, Property and Regeneration. The Board looks at the push and pull factors impacting on staff recruitment and retention, including local and regional labour market intelligence, leaver/exit info, etc. The Council has commissioned a tool to gather real time leavers' opinions, as well as on-boarding surveys.

As part of the Transforming Bromley agenda there is increased focus on smart and agile working. This includes the availability of smart technology to improve work-life balance, increased digitalisation of services, and ultimately improved customer experience.

3.4 Accountability

3.4.1 The Act requires that pay policy statements and any amendments to them are considered by a meeting of Full Council and cannot be delegated to any Sub-Committee.

3.4.2 Such meetings should be open to the public and should not exclude observers.

3.4.3 All decisions on pay and reward for "Chief Officers" must comply with the agreed pay policy statements.

3.4.4 As stated above, the Council must have regard to any guidance issued/approved by the Secretary of State. The first guidance issued by the Department of Communities and Local Government (DCLG) (now MHCLG) states in inter alia "that full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment." The Secretary of State considered that £100,000, including salary, bonus, fees or allowances or any benefit in kind, is the right level to trigger Member approval.

3.4.5 The most recent guidance issued in February 2013 states that Authorities should offer full Council the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the

organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set. The components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonus, fees or allowances paid. The Council's position on this is still as set out in the 2014/15 pay policy statement. Chief Officer severance packages are generally included in the annual statement of accounts. Also, Executive approval is sought for severance packages for chief officers. There is also an overarching scrutiny of settlement/compromise agreement packages from the Audit Sub-Committee. These arrangements ensure Member engagement.

4. Transparency

- 4.1 In line with the guidance, the pay policy statement will be published on the Council's website and accessible for residents to take an informed view on whether local decisions on all aspects of remuneration are fair and reasonable.
- 4.2 The Council is also required to set out its approach to the publication of and access to information relating to the remuneration of "Chief Officers".

The Council also discloses the remuneration paid to its senior employees in the Annual Report and Statement of Accounts and is accessible on the Council's website at:

http://www.bromley.gov.uk/downloads/download/136/annual_accounts

For the purposes of the Code, senior employee salaries are defined as all salaries which are above £50,000. The information, including the posts which fall into this category, will be regularly updated and published.

5. Fairness

- 5.1 The Council must ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff. In addition, the Act requires the Council to explain the relationship between the remuneration of its Chief Officers and its employees who are not Chief Officers, and may illustrate this by reference to the ratio between the highest paid officer and lowest paid employee and/or the median earnings figure for all employees in the organisation.
- 5.2 The Council's pay arrangement is equality compliant. The Council achieved Single Status/Equal Pay Deal via a collective agreement with the Unions in 2009.
- 5.3 Additionally, the Act specifically requires the Council to set out its policies on bonuses, performance related pay, severance payments, additional fees/benefits (including fees for Chief Officers for election duties),

re-employment or re-engagement of individuals who were already in receipt of a pension, severance or redundancy payment, etc.

6. Position Statement

- 6.1 The Council's position on the requirement of the Act and the information that it is required to include its Pay Policy Statements is as summarised above and as set out in the attached table (Appendix B).
- 6.2 This Statement is for the Financial year 2022/23
- 6.3 The Statement must be approved by Full Council. Once approved it will be published on the Council's website. Any amendments during the Financial Year must also be approved by a meeting of Full Council.
- 6.4 This Statement (including the Appended table) meets the requirement of the Localism Act 2011 and the Department for Communities and Local Government (DCLG) guidance.
- 6.5 Legislation introduced in 2017 means that The Council is required to publish its gender pay gap data annually. The gender pay report for 2021 will be published at the end of March 2022 in line with statutory deadlines.

London Borough of Bromley

PAY POLICY STATEMENT FOR FINANCIAL YEAR 2022/23	
POLICY AREA UNDER THE ACT	POLICY STATEMENT
	<i>For the purposes of this policy statement the term “Chief Officer” includes the Chief Executive, Statutory and non-statutory Chief Officers and Deputy Chief Officers within the meaning of the Local Government and Housing Act 1989.</i>
Level and elements of remuneration of Chief Officers and relationship with the remuneration of employees who are not Chief Officers	<p>The authority implemented a localised pay and conditions of service framework for all staff except teachers, with effect from 1 April 2013. Under the local framework the Council:</p> <ol style="list-style-type: none"> a) Introduced an annual local pay review mechanism aligned with the budget setting process for all staff except teachers to replace the national and regional collective bargaining arrangements and the existing local arrangements for Lecturers in Adult Education; b) Introduced a scheme of discretionary non-consolidated non-pensionable rewards for exceptional performance applicable to all staff except teachers; c) Will reinforce the link between individual performance and pay by making any annual pay increase and increments (where appropriate) subject to satisfactory performance for all staff; not automatic. d) Agreed to make no change to existing terms and conditions of service before April 2015. <p>The move to fully localised terms and conditions is on the back of the Bromley Single Status agreement reached with the relevant recognised trade unions in 2009 affecting the BR grade staff. Under the localised terms and conditions of service framework the Council retains its existing terms and conditions including the grading and job evaluation schemes for BR staff and MG and PT staff, except for the annual pay review and appraisal process. Under the localised terms and conditions framework the Council will not be bound by the national or/and regional pay settlements. Instead, by means of the process of the localised annual pay review the Council aims to:</p> <ul style="list-style-type: none"> • ensure that staff are appropriately rewarded for the job that they do

- enhance the Council's ability to compete by maintaining a simple, fair, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce;
- improve the links between organisational efficiency, individual performance and reward
- ensure that decisions on reward and recognition are better aligned with the considerations and timetable of the annual budget setting process

The Council has agreed the process of job evaluation as a way of ensuring a fair system of remuneration relative to job weight thereby managing any risk of equal pay claims. MG and PT jobs are graded using the James Job Evaluation Scheme, and BR jobs are graded using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The BR grades are based around "anchor" salary points and consist of incremental scales. However, with effect from 1st April 2015 new BR staff (including internal promotions) are appointed on spot salaries with no increments. Individual spot salaries will be renewed annually, minimally, subject to satisfactory performance.

Individuals employed on the MG and PT grades are appointed to a spot salary within the relevant salary bands having regard to the Council's ability to recruit and retain suitably qualified, skilled and experienced officers to deliver excellent front line services and achieve Council priorities. Exceptionally staff may be paid outside of the relevant band for their grade because of market forces. The same principles apply to anyone who is engaged on a self-employed basis and paid under a contract for services. Under the [Special Recruitment measures](#) agreed by Chief Officers, every recruitment request including permanent, temporary, casual, agency staff or self-employed is scrutinised and formally approved first by the Director and then the Director of HR, Customer Services & Public Affairs on behalf of the Chief Executive.

The Council offers a lease car arrangement as a recruitment and retention incentive to certain staff occupying key posts including some front-line posts on the BR grades. Employees with a lease car are expected to make a minimum 30% contribution to the cost and for Chief and Deputy Chief Officers the value range of this benefit is between £2,566 - £3,728 per annum subject to this not exceeding 70% of the car's current benchmark value plus insurance.

	<p>Any employee who does not have a lease car is eligible to receive a car user allowance if they use their own vehicle for business purposes capped locally at the rate for cars not exceeding 1199cc, other than in exceptional circumstances where the Director of HR, Customer Services & Public Affairs agrees that a car with a larger engine size is necessary for the efficient performance of the job. The current car mileage payment arrangement is 45p per mile for all users (except lease car users) consistent with the HMRC recommended rate. The rate for lease car users is considerably lower, currently 11.5p per mile.</p> <p>The Council normally engages a mix of external and internal personnel for election duties. The fees generally reflect the varying degree of roles undertaken by individuals. Fees paid to both the Returning Officer and the Deputy Returning Officer are in accordance with the appropriate Statutory fees and Charges Order and they reflect their personal statutory responsibilities.</p> <p>The Council is required to have measures in place to respond to any major emergency incidents in the Borough or on a pan London basis which includes a small group of Senior Officers on standby for the LA GOLD rota. The Chief Executive and Director of Environment and Public Protection undertake the lead role and do not receive any additional remuneration for this. Other officers who undertake this role receive a payment commensurate with other call out allowances for the relevant period of the standby.</p> <p>All employees including Chief Officers are entitled to apply for an interest free season ticket loan and reimbursement of any expenses necessarily incurred in the performance of their role including but not limited to travelling, and subsistence. Employees also have access to an interest free childcare loan under the childcare deposit loan scheme.</p> <p>Also, the Council operates a Salary Sacrifice scheme for all staff. This covers childcare vouchers, cycle to work, technology and salary sacrifice lease car scheme. Staff are also able to access other optional benefits such as annual leave purchase scheme, Gym Flex and Lifestyle benefits offering discounts at local and national retailers.</p>
Use of PRP for Chief Officers	The annual review of salaries includes an assessment of work performance in the preceding twelve months for all staff. Under the localised terms and conditions of employment framework for all staff, including Chief Officers (with the exception of teachers), pay increases, including pay awards, increments, etc., are linked to

	<p>satisfactory performance. Pay increases will be withheld from poor performers. The performance of the Chief Executive is appraised by a Member Panel comprising the Leader, Deputy Leader, Portfolio Holder for Resources and other elected Members, including the Leaders of the Minority Parties, or their representatives. The Panel is supported by the Director of HR, Customer Services & Public Affairs in a technical advisory capacity. These Members will sit as a panel to undertake the appraisal but will sit as a committee of council to make a final decision. The Panel will assess and determine the Chief Executive's performance and pay within his grade band and will then sit as the Chief Executive Appraisal Committee to make the final determination. The Chief Executive and Directors are subject to a 360-degree appraisal process involving a range of feedback sources. Chief Officers and senior staff do not currently have an element of their basic pay "at risk" to be earned back each year. All staff apart from teachers will be eligible to be considered on merit for the one off non-consolidated non pensionable reward payment for exceptional performances.</p>
Use of bonuses for Chief Officers	Not applicable.
Remuneration of lowest-paid employees	The Council's grading structure for BR graded staff starts at £20,297 per annum (21/22) and the Council therefore defines its lowest paid employee as anyone earning £20,297 (pro rata for part-time staff). Currently the Council's pay multiple – the ratio between the Chief Executive as the highest paid employee and the lowest paid employee is 1:10, and between the Chief Executive and the median salary is 1:6.
Increases and additions to remuneration of Chief Officers	<p>Where it is in the interests of the Council to do so the Chief Executive may review the salaries of Chief Officers and Senior Staff from time to time within the MG, PT and MB Salary scales.</p> <p>Such circumstances include for example but are not limited to the impact of market forces and staff undertaking significant additional responsibilities on a time-limited or permanent basis. This is also the case for any other officer of the Council, including BR staff. Being outside of the nationally/regionally negotiated terms and conditions allows greater flexibility and discretionary payments in support of business priorities and recruitment and retention challenges. The Council has agreed a separate recruitment and retention package for children's and adults' social workers.</p>

Remuneration of Chief Officers on recruitment	Where the post of Chief Executive falls vacant the salary package and the appointment will be agreed by Full Council. Full Council or a Member panel appointed by full Council or the Urgency Sub Committee will also agree any salary package in excess of £100K to be offered for any new appointment in 2022/23 to an existing or new post. All Chief Officer and Senior staff appointments will be made in accordance with the Council's agreed Constitution and Scheme of Delegation which can be found at London Borough of Bromley Constitution
Any discretionary increase in or enhancement of a Chief Officer's pension entitlement	<p>Chief Officers are eligible to join the Local Government Pension Scheme. The Council will not normally agree to any discretionary increase in or enhancement of a Chief Officer's pension entitlement. However, each case will be considered on its merits and the Council recognises that exceptionally it may be in the Council's interests to consider this to achieve the desired business objective. Members' agreement will be required in all cases taking into account legal, financial and HR advice appropriate to the facts and circumstances.</p> <p>A Chief Officers' Panel is authorised to consider applications from staff aged 55 and over for early retirement and may exercise discretion to waive any actuarial reduction of pension benefits in individual cases based on the demonstrable benefits of the business case including the cost, impact on the service, officer's contribution to the service and any compassionate grounds.</p> <p>The Council has adopted a Flexible Retirement Policy under which a Chief Officers' Panel may agree to release an employee's pension benefits whilst allowing them to continue working for the Council on the basis of a reduced salary resulting from a reduction in their hours and/or grade. The policy requires that the employee is aged 55 or over and that there is a sound business case for any such decision and can be found at Flexible Retirement Policy</p>
Approach to severance payments - any non-statutory payment to Chief	<p>Where demonstrable benefit exists it is the Council's policy to calculate redundancy payments on the basis of the statutory number of weeks' entitlement using the employee's actual salary.</p> <p>Under the Council's agreed Scheme of Delegation, the Director of Corporate Services has delegated authority to settle legal proceedings and/or to enter into a Settlement Agreement in relation to potential or actual claims</p>

<p>Officers who cease to hold office/be employed</p>	<p>against the Council. Settlement may include compensation of an amount which is appropriate based on an assessment of the risks and all the circumstances of the individual case.</p> <p>In exceptional cases where it is in the interests of the service to do so a payment in lieu of notice, or untaken leave may be made on the termination of an employee's employment. Payment for untaken leave may also be due under the terms of the Working Time Regulations. We already see approval for funding for severance packages for chief officers from the Executive. There is also overarching scrutiny from the Audit Sub – Committee. These arrangements give transparency and ensure Member sight of chief officers' severance packages.</p> <p>The Council will not normally re-engage anyone as an employee or consultant who has received enhanced severance/redundancy pay or benefited from a discretionary increase in their pension benefits. However exceptionally it may be that business objectives will not be achieved by other means in which case a time-limited arrangement may be agreed by the Director of HR & Customer Services and Director of Finance having regard to the Council's financial rules and regulations.</p> <p>Any application for employment from ex-employees who have retired at no cost to the Council, or who have retired or been made redundant from elsewhere will be considered in accordance with the Council's normal recruitment policy. However, where an employee re-joins local government employment, whose pension benefits are already in payment, they may be subject to an abatement policy. This means that their pension benefits in payment could be reduced in line with that policy.</p> <p>Please refer to the below guidance for further information:</p> <p>SPECIAL_SEVERANCE_GUIDANCE_v3_FINAL.pdf (publishing.service.gov.uk)</p>
<p>Publication of and access to information relating to this Policy and to</p>	<p>Once agreed the Council will publish this Pay Policy on its website. Full Council may by resolution amend and re-publish this statement at any time during the year to which it relates.</p>

the remuneration of Chief Officers	The Council also discloses the remuneration paid to its senior employees in the annual report and statement of accounts as part of its published accounts. The Council has no full-time release Trade Union officers. Reasonable time off will be provided to Trade Union officials, including Stewards, in the course of their normal contractual job with the Council.
------------------------------------	--

This page is left intentionally blank

Report No.
CSD22029

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: MEMBERS ALLOWANCES SCHEME 2022/23

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 The regulations governing Members' Allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year, and this report details the proposed allowances for 2022/23.
- 1.2 The Members Allowances Scheme was considered by General Purposes and Licensing Committee at its meeting on 8th February 2022. The Committee recommended that Council approve the scheme with all allowances retained at the current level, with the addition of an allowance of £53 for each attendance as a member of the Appeals Sub-Committee (which has been added to the schedule in the attached Scheme). The Committee also recommended that the Mayoral and Deputy Mayoral Allowances be retained at 2021/22 levels.

2. RECOMMENDATION

Council is recommended to approve the Members Allowances Scheme 2022/23 with allowances retained at the current 2021/22 level and with the addition of an allowance of £53 for attendance at Appeals Sub-Committee meetings, and to agree the Mayoral and Deputy Mayoral allowances for 2022/23 at the same level as for 2021/22.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. MBEB Priority: Managing Our Resources Well
-

Financial

1. Cost of proposal: £1,090k
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members Allowances
Mayoral & Civic Hospitality – Mayoral Allowance
 4. Total current budget for this head: £1,073k for Members Allowances, £25k for Mayoral
 5. Source of funding: Revenue Budget
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The Local Authorities (Members Allowances) (England) Regulations 2003 (SI 2003/1021)
 2. Call-in: Not Applicable: Full Council decisions are not subject to call-in
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All 60 councillors (to be reduced to 58 in May 2022) receive at least the basic allowance.
-

Ward Councillor Views

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

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	See attached report

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Tuesday 8 February 2022

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

Title: MEMBERS ALLOWANCES SCHEME 2022/23

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 The regulations governing Members' Allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year, and this report details the proposed allowances for 2022/23. Until 2019 and 2020, when small increases were agreed, allowances had remained frozen since 2009 due to the economic circumstances and the pressure on the Council's budgets. In 2021 the allowances remained unchanged.
- 1.2 If Members are minded to increase the allowances a reasonable guide would be the increase recommended for Council staff, which, subject to Member confirmation, is expected to be 2.25%. The Mayoral and Deputy Mayoral Allowances are not part of the scheme, but are usually considered in conjunction with it. The scheme has to be agreed by full Council – this will be at the meeting on 28th February 2022.

2. **RECOMMENDATIONS**

(1) The Committee is requested to consider the proposed Members Allowances Scheme 2022/23 and the Mayoral and Deputy Mayoral Allowances and in particular to consider whether to recommend that allowances are retained at the current level or are raised from 1st April 2022.

(2) The Committee is recommended to agree that the Members' Allowances Scheme 2022/23 (appendix 2) and the Mayoral and Deputy Mayoral allowances for 2022/23 (paragraph 3.4) be submitted to Council for approval.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. MBEB Priority: Managing our Resources Well
-

Financial

1. Cost of proposal: Estimated Cost: £1,090k
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members Allowances
Mayoral & Civic Hospitality – Mayoral allowance
 4. Total current budget for this head: £1,073k for Members Allowances, £25k for Mayoral Allowance
 5. Source of funding: Revenue Budget
-

Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021)
 2. Call-in: Applicable Not Applicable: This report does not involve an executive decision.
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All 60 Councillors (to be reduced to 58 in May 2022) receive at least the basic allowance.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Every local authority is required to have a basic, flat rate allowance payable to all Members, and is required to review its allowance scheme before the beginning of each financial year. The basic allowance recognises the time commitment of Councillors, including meetings with Council officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs and general expenses such as the use of Councillors' homes and equipment. It must be the same for all Councillors in the authority and may be paid either as a lump sum or in instalments throughout the year - Bromley has always paid allowances by monthly instalment. In addition, allowances can be paid to reflect particular posts (Special Responsibility Allowances) or membership of particular committees that meet frequently to determine applications (referred to as Quasi-Judicial Allowances). The quasi-judicial allowances are now paid as a set amount per meeting attended, rather than as a fixed amount per annum.
- 3.2 Following a detailed review in 2008, Members' Allowances were scrutinised by a Member working group which reported through to the Council. As a result certain allowances were upgraded to reflect Member duties at the time. The scheme remained largely unchanged for several years until, in 2016, a Member Working Group suggested some minor changes within the existing budget which were implemented for the 2016/17 Scheme, including rounding the allowances up or down as appropriate to the nearest £5. Between 2009 and 2019 Members consistently refused to increase their allowances, until increases of 2.25% and 2.5% were agreed in 2019 and 2020, in accordance with the increases for officer salaries. In 2020, Members also agreed additional increases for the Leader of the Council and the two Minority Group Leader posts. In 2021, the allowances were not changed. The proposed scheme for 2022/23 presented in this report is unchanged from 2021/22 in terms of the type and number of allowances to be paid.
- 3.3 The regulations provide that before the Council makes or amends a scheme it shall have regard to the recommendations made by an independent remuneration panel report, although this requirement does not apply if the only change is the application of an annual indexation increase. London Councils set up an Independent Panel chaired by Sir Rodney Brooke CBE DL which meets every four years and reported in January 2018, and this should be taken into account in determining the level of allowances each year. The Panel recommends an amount for the basic allowance for Councillors in London, and suggests amounts in five bands for positions of additional responsibility. Although Bromley's basic allowance is one of the highest in London it is only very slightly above the level suggested by the Independent Panel in 2018 (which is £11,045pa). Bromley's special responsibility allowances are in general substantially below the levels recommended by the Panel. A summary of the Panel's 2018 recommendations, with comparisons to equivalent Bromley roles, is set out in **Appendix 1**.
- 3.4 **Appendix 2** shows the proposed scheme for 2022/23 based on the allowances remaining at the same levels as for 2021/22. The Mayoral and Deputy Mayoral allowances are not part of the Member's Allowances scheme, but can also be approved by Council and this will be included in the budget for 2021/22. The Mayoral Allowance is currently £16,452 and the Deputy Mayoral Allowance is £3,746.
- 3.5 As an example, if the allowances are raised in line with the proposed increase in officer salaries, the Basic allowance would rise from £11,393 to £11,649. The overall additional cost would be £24k per annum for Members allowances, and £454 per annum for the Mayoral allowances.

4. FINANCIAL IMPLICATIONS

Provision has been made for the allowances in the draft revenue budget for 2022/23 to be approved by Council.

5. LEGAL IMPLICATIONS

The statutory provisions relating to Members' allowances are contained in The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021).

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Personnel/Procurement
Background Documents: (Access via Contact Officer)	Report from the Independent Panel on Remuneration of Councillors in London (2018) Report to General Purposes and Licensing Committee, February 2021 – Members' Allowances Scheme 2021/22

London Councils Remuneration Panel Report 2018 - Summary

London Councils Band	Example posts	2018 London Councils Panel Recommendation	Current (2021/22) LBB Equivalent
Basic Allowance	All Members	£11,045	£11,393
Band 1	Executive Assistant Sub-Cttee Chairman Leader of 2 nd Minority Group Members of Sub-Committees meeting frequently – EG Plans/Licensing/Adoption	£2,582 - £9,397	£3,746 £2,064 £4,667 £53 per meeting for Plans Sub-Cttee or Licensing Sub-Cttee £210 per meeting for Foster Panel
Band 2	Civic Mayor Chairman of Regulatory Cttee Chairman of Scrutiny Panel Leader of principal Opposition Group	£16,207 - £29,797	£16,452 £9,087 £7,483 £9,333
Band 3	Portfolio Holder Chairman of Health & Wellbeing Board Chairman of main Overview and Scrutiny Committee	£36,917 - £43,460	£21,380 £9,087 £9,087
Band 4	Leader	£57,085	£40,000
Band 5	Directly Elected Mayor	£85,162	N/A

London Borough of Bromley

Members' Allowances Scheme

From 1st April 2022, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 (2003 No. 1021) [as amended by SI 2003 No. 1692], the London Borough of Bromley will operate the following Members' Allowances Scheme.

1. This Scheme is known as the London Borough of Bromley Members' Allowances Scheme and will operate from 1st April 2022 until amended.
2. In this Scheme:
 - “Councillor” means a member of the London Borough of Bromley who is an elected Member;
 - “Member” for the purposes of this Scheme shall mean elected Councillors;
 - “year” means the 12 months ending 31st March.
3. The Council in agreeing this Scheme has considered the recommendations of the Independent Panel commissioned by the Association of London Government on the remuneration of Councillors in London entitled “The Remuneration of Councillors in London 2018” published January 2018.

Basic Allowance

4. A basic annual allowance of £11,393 shall be paid to each Councillor.

Special Responsibility Allowances

5. (1) An annual Special Responsibility Allowance will be paid to those Members who hold special responsibilities. The special responsibilities are specified in Schedule 1 (attached).
- (2) During periods after an election when any position of special responsibility is unfilled, the relevant Special Responsibility Allowance shall be payable to the new holder of the position from the day after the previous holder ceases to be responsible.
- (3) The amount of each Special Responsibility Allowance is specified against that special responsibility in Schedule 1. The conditions set out in paragraphs 5(2), 5(4) and 14 apply.
- (4) Where a Member holds more than one position of special responsibility then only one Special Responsibility Allowance will be paid. Subject to sub-paragraph (5), Members may be paid quasi-judicial allowances in addition to a Special Responsibility Allowance.
- (5) All Members of the Licensing Sub-Committee, Plans Sub-Committees and the Foster Panel shall be paid a quasi-judicial allowance at the rates set out in Schedule 1.

Childcare and Dependent Carers Allowance

6. The Council has agreed that no allowance will be paid for childcare or dependent carers.

Co-optees Allowance

7. The Council has agreed that no allowance will be paid for co-opted members

Travel and Subsistence Allowance

8. The Basic Allowance covers all intra-Borough travel costs and subsistence. All other necessarily incurred travel and subsistence expenses for approved duties as set out in the Regulations (Regulation 8(a) to (h)) will be reimbursed under the same rules and entitlement as applies to staff. Travel by bicycle will also be paid at the same rates as applies to staff. Claims for reimbursement are to be made within one month of when the costs were incurred.

Ability to Decline an Allowance

9. A Member may, by writing to the Director of Corporate Services, decide not to accept any part of his entitlement to an allowance under this Scheme.

Withholding of Allowances

10. The Standards Committee may withhold all or part of any allowances due to a Member who has been suspended or partially suspended from his/her responsibilities or duties as a Member of the Authority. Any travelling or subsistence allowance payable to him/her for responsibilities or duties from which they are suspended or partially suspended may also be withheld.
11. Where the payment of an allowance has already been made in respect of a period in which a Member has been suspended or partially suspended, the Council may require the allowance that relates to that period of suspension to be repaid.

Members of more than one Authority

12. Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority for the same duties.

Part-year Entitlements

13. If during the course of a year:
 - (a) there are any changes in the Basic and/or Special Responsibility Allowances,
 - (b) a new Member is elected,
 - (c) any Member ceases to be a Member,
 - (d) any Member accepts or relinquishes a post in respect of which a Special Responsibility Allowance is payable, or
 - (e) the Standards Committee resolves to withhold any allowances during the suspension of a Member,

the allowance payable in respect of the relevant periods shall be adjusted pro rata to the number of days.

Payments

14. Payments shall so far as is reasonably practicable normally be made for Basic and Special Responsibility Allowances in instalments of one-twelfth of the amount specified in this Scheme.

Schedule 1

Allowances for the year ending 31st March 2023

	Current £
Basic Allowance	11,393
Special Responsibility Allowances	
Leader of the Council	40,000
Portfolio Holders (x6)	21,380
Executive Members without Portfolio	3,746
Executive Assistants (x6)	3,746
Chairman of Health and Wellbeing Board	9,087
Chairman of main PDS Committee	9,087
Chairman of Portfolio PDS Committees (x5)	7,483
Chairman of Development Control Committee	9,087
Vice-Chairman of Development Control Committee	2,064
Chairman of Plans Sub-Committees (x4)	2,903
Chairman of General Purposes and Licensing Committee	9,087
Vice-Chairman of General Purposes and Licensing Committee	2,064
Chairman of Audit Sub-Committee	2,064
Chairman of Pensions Committee	2,064
Leader of largest Opposition Party	9,333
Leader of second largest Opposition Party	4,667
Quasi-Judicial Allowances	
Members of Appeals Sub-Committee (per meeting)	53
Members of Plans Sub-Committee (per meeting)	53
Members of Licensing Sub-Committee (per meeting)	53
Members of Foster Panel (per meeting)*	210

* Payable up to an annual maximum limit of £3,664 per Councillor

This page is left intentionally blank

Report No.
CSD22031

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **COUNCIL**

Date: **Monday 28 February 2022**

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

Title: **PLANNING SERVICE IMPROVEMENTS**

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Tasnim Shawkat, Director of Corporate Services and Governance

Ward: All

1. Reason for report

- 1.1 At its meeting on 11th January 2022 the Development Control Committee considered the attached report setting out progress in terms of continuous improvements to the Planning Service, including a list of recommendations from the 2021 Planning Advisory Service review, and suggestions from the Standards Committee. The Committee agreed a number of actions, some of which require changes to the Scheme of Delegation to Officers and the Local Planning Protocol. Both of these documents form part of the Council's Constitution, (Appendices 10 and 11), so full Council approval is required.

2. **RECOMMENDATIONS**

Council is recommended to approve –

(1) The changes to the Scheme of Delegation to Officers set out in paragraph 3.7 of the attached report (relating to call-in.)

(2) The changes to the Local Planning Protocol set out in paragraphs 3.8-3.12 of the attached report (recommendations from Standards Committee).

(3) The changes to the Scheme of Delegation to Officers set out in paragraph 3.14 of the attached report (relating to a shortened timeframe of seven days for call-in of non-material amendment applications and details pursuant to conditions.)

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Planning Division
 4. Total current budget for this head: £1.653m
 5. Source of funding: Existing Revenue Budget
-

Personnel

1. Number of staff (current and additional): 66.8fte
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable: Full council decisions are not subject to call-in.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Vulnerable adults and children/Policy/Financial/ Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	See attached report

Decision Maker: DEVELOPMENT CONTROL COMMITTEE

Date: Tuesday 11th January 2022

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

Title: PLANNING SERVICE IMPROVEMENTS

Contact Officer: Tim Horsman, Assistant Director Planning & Building Control
Tel: 020 8313 4956 E-mail: Tim.Horsman@bromley.gov.uk

Chief Officer: Director of Housing, Planning and Regeneration

Ward: (All Wards)

1. Reason for report

This report sets out the current position in respect of continuous service improvements to the Planning Service and seeks agreement for recommended actions.

2. **RECOMMENDATION(S)**

1. **Members agree actions as recommended against each item in the table in Section 3.4 of this report**
2. **Members agree the recommendations of the Standards Committee from July 2021 in Section 3.5 of this report**
3. **Members agree the related changes to the Scheme of Delegation in Section 3.7 of this report**
4. **Members agree the related changes to the Local Planning Protocol in Sections 3.8 – 3.12 of this report**
5. **Members agree to the creation of an online form for planning ‘call in’ requests as set out in Section 3.13 of this report**
6. **Members are additionally asked to agree (i) the non-related amendment to the Scheme of Delegation set out in paragraph 3.14 of this report and (ii) the change to weekly list procedures set out in paragraph 3.15 of this report.**
7. **Members agree that recommendations 3,4 and 6(i) above be considered by Full Council**

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Planning Department
 4. Total current budget for this head: £1.653m
 5. Source of funding: Existing revenue budget 2021/22
-

Personnel

1. Number of staff (current and additional): 66.8ftes
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Following being close to ‘designation’ by the government in 2019 the Council through both Officers and Members has been committed to identifying and implementing a wide range of service improvements to secure better performance and quality of decision making in its Planning service.
- 3.2 Following the Planning Advisory Service (PAS) report from 2019 there have been regular reports to Development Control Committee on related service improvements setting out proposed and achieved actions. The Council asked PAS to return to Bromley in 2021 to reassess the position and advise on any further recommendations for continual improvement.
- 3.2 A new set of recommendations and actions has been identified from the appended 2021 PAS report and this is set out in a new table below. As the 2021 PAS report addressed issues from the previous report that the author considered to be outstanding, the table previously included in the Planning Service Improvements reports has been replaced with an updated version at 3.4. A list of the completed recommendations from the earlier table is also set out below at 3.3 for information. The 2021 PAS report is appended to this report.
- 3.3 Previous PAS recommendations which are considered to have been completed:
- New Local Planning Protocol
 - Criteria for applications to be considered at DCC
 - Scheme of delegation to be broadened
 - ‘Call ins’ to be in writing with clear planning reasons
 - ‘Call in’ monitoring to be reported to DCC
 - Format of committee agenda to be reviewed including ‘Lists’
 - Officer role at committee to be reviewed including presentations
 - Quality of committee reports to be improved
 - Review of appeal decisions and costs to be reported to DCC
 - Where motion goes against Officer recommendation, clear reasons for refusal or conditions to be agreed before vote is taken
 - Review of site visit procedures for committee members
 - Consideration of use of different room for committee meetings
 - More pro-active approach to major pre-application discussions including early Member involvement such as presentations to committee and improved communication between Officers and Members
 - Regular reports on performance of planning and appeals team
- 3.4 The new 2021 PAS report identified the following issues and recommendations, and these are set out in the table below alongside suggested actions for Members to consider:

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
1. Members must be careful to balance all factors appropriately in their decisions and ensure that they base their views on good evidence rather than hunches and gut feelings.	Decision making can be based on hunches and gut feelings rather than good evidence and the balancing of all factors.	Training on planning decision making – in particular around evidence needed to support decisions - in person and signposting to information / guides – to

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
		be added to Councillor Planning Training intranet page.
2. Less emphasis on the local view at committee by wider training of Members with particular reference to the Local Planning Protocol and the LGA's "Probity in Planning".	No significant change was detected since the 2019 PAS report in the approach to local views at committees with Members acting as strong advocates for local views rather than being seen to take a broader perspective required in planning decision making.	Training on planning decision making – in particular around balancing local and strategic considerations - in person and signposting to information / guides – to be added to Councillor Planning Training intranet page. Addition of strategic implications into committee reports.
3. Improve consistency of decision making between all the planning committees.	Consistent decision making is important in maintaining quality defensible decisions.	There are a number of ways this can be achieved – in the longer term the restructuring and / or reduction in number of planning committees and / or chairmen could be considered but in the short term it is felt this matter can be initially addressed by compulsory training for Members sitting on any planning committee to ensure a consistent approach to decision making.
4. Committees should not be dominated by individual Councillors.	This makes it more difficult for the Chairman to progress the meeting.	The Chairmen ensure that all Members have an equal opportunity to contribute and not allow individual members to dominate discussions.
5. Profile of the Local Planning Protocol and Code of Conduct should be raised amongst Officers and Members.	This is essential for quality effective decision making and good knowledge of it was not evident.	Report to DCC updating plus more signposting including Councillor Planning Training intranet page. Make reference in planning application reports.

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
		Require Councillors to have read LPP before sitting on or attending to address any planning committee.
6. Local Planning Protocol should be reviewed and included in future training for Members and Officers.	This is essential for quality effective decision making and good knowledge of it was not evident.	Report to DCC updating plus more signposting including Councillor Planning Training intranet page.
7. Information on committee scheduling for major applications to be provided to DCC Chairman and Vice Chairman on a weekly basis and provide a basis for future agenda planning.	More frequency is needed to ensure good committee programming and agenda planning.	Agreed more regular updates as required.
8. Certificates of lawfulness should be exempt from call in to committee and should all be determined under delegated powers (which should be amended accordingly).	The decision is not based on the normal balance of planning issues but solely on the facts of each case. Consequently, they are not applications that should be presented to committees for debate.	Certificates only to be called in on an exceptional basis but there are some cases which involve a degree of judgement.
9. Call in requests should only be made by a relevant Ward Member or with the agreement of one of the Ward Members. The Member who has called in an application should attend the relevant committee meeting.	A significant number of applications are still considered by the PSCs because they have been called in by Members. They take up a considerable resource both in committee time, officer preparation and report writing.	As recommended although if unable to attend the Member calling the application in can submit written comments or dial in remotely to the meeting instead – update delegated powers and LPP.
10. Call ins should be in writing using an online form requiring specific information including options around whether the Member would be happy to allow a delegated decision based on a specific recommendation and include clear reasons why the application needs a committee decision.	A significant number of applications are still considered by the committee because they have been called in by Members. They take up a considerable resource both in committee time, officer preparation and report writing.	Agreed – suggested content for a form is set out in this report. Delegated powers and LPP to be updated.
11. Brief Officer presentations to be	There is a clear benefit	Presentations will be made

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
made at all planning committees on each item before debate.	to public perception that, when Members debate an item, they have a clear understanding of the issues in front of them and discussions with Members and officers confirmed they find presentations very helpful.	at all committee meetings.
12. The Officer role at committee be fulfilled effectively and robustly so Officers are able to provide professional advice to the committee on items at any point. Chairmen should ensure that the order of proceedings set out in Section 7 of the Local Planning Protocol is consistently followed and Chairmen and committee members should encourage and allow Officers to fulfil their roles properly.	Planning committees can only work effectively if there is mutual trust and respect between Members and officers and a culture of working together to deliver high quality decisions and service.	Agreed. For Chairmen to action and Officers to ensure that they are confident to fulfil the role. Officers to speak first by making presentation.
13. Substitutions at committee should be impartial and seen to be so.	There is evidence that substitutions based on Ward Members interest are continuing and occasionally ward Members are “loading” particular meetings.	Agreed. To be added to Local Planning Protocol and for Councillors to note and action. No more than 2 out of 9 Members sitting on a committee should be representing any particular ward at any time. This does not include visiting Members.
14. Where a motion goes against Officer recommendation the procedure should be: <ul style="list-style-type: none"> • summarises motions put and seconded • clarifies reasons for refusal or permission if different to that recommended or if additional reasons / conditions are to be added • gives the Planning Officer the opportunity to advise committee prior to motion being considered. 	Members should be clear what they are voting on and need to avoid the possibility of a challenge against a decision.	Local Planning Protocol to be updated and Chairmen to be mindful of this. Planning Officer to be given clear opportunity to advise the committee before any decision is made. Training on valid grounds of refusal and conditions to be provided.
15. In the 2019 PAS report, it was	This approach remains a	Process to be added to the

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
<p>recommended that where a final decision to refuse could make the Council vulnerable at appeal and awards of costs, officers should seek a deferral of the item for one cycle of the committee so that a confidential report which sets out the risks can be prepared and avoids officers having to advise on these issues in public (the final decision on the application should however always be in public), or defer the application to the next DCC.</p>	<p>concern. The latest figures available show that £36,236.15 had been paid out in cost awards for the period April 2019 to March 2020. These cost awards were in part because the Council could not provide objective analysis of its reasons or substantive evidence to support the reasons for refusal. The times when applications might need to be deferred are small and I remain of the view that this option should be available to the committee and officers if the decision is likely to put the Council in a vulnerable position. Doing so does not undermine the position of the committee and Members but instead displays a careful approach to the process.</p>	<p>Local Planning Protocol and option to be available to committee whilst being mindful of non-determination appeal timescales.</p>
<p>16. In respect of committee room:</p> <ul style="list-style-type: none"> • The current seating layout in a “U” format be continued post COVID as it enables eye contact to be made with all of the participants, which the previous “T” layout did not. • Member seating is placed as close as possible to the public seating area to enhance inclusivity • Examination of the best way to provide facilities for PowerPoint presentations to be visible to all Members and the visiting public and most appropriate solution installed as soon as possible. • Information available to visitors to the meetings be reviewed and improved. 	<p>In order to make meetings as inclusive as possible.</p>	<ul style="list-style-type: none"> • Keep seating as currently laid out • Powerpoint has been used as described at DCC and can be for future meetings • Officers will review the experience for the public who attend meetings to include a review of information on the website and facilities at the meeting.
<p>17. Relevant training for committee Members and substitutes should be compulsory in the following areas:</p> <ul style="list-style-type: none"> • Introduction to Planning • The Development Plan and Decision Making • Predetermination and 	<p>To ensure good quality decision making.</p>	<p>Training programme to be arranged / updated.</p> <p>Annual training to be obligatory for all Members who sit on or substitute at any planning committee.</p>

PAS Recommendation (from PAS report)	Reasoning (from PAS report)	Proposed Action
Predisposition <ul style="list-style-type: none"> • Probity and Disclosure of Interests • How committees work • The Local Planning Protocol 		Regular updates on planning for Members. Officer training to also be rolled out as appropriate
18. A clear programme for the following reports to be considered should be agreed: <ul style="list-style-type: none"> • performance improvements • analysis of 'call ins' • application performance including speed of decision making and proportion of delegated decisions • outcomes of overturned appeals for major applications • appeals resulting in costs • detailed monitoring of appeals. 	Such reports provide important and useful information for Officers and Members to assist in quality decision making	Schedule of reports to be agreed with DCC Chairman
19. Increase regularity of DCC meetings to monthly	To ensure reasonable sized agendas and avoid delays in determining applications.	DCC to remain every 2 months however additional sessions to be added as needed for pressing applications or policy matters.

3.5 Members are also asked to consider the following recommendations from Standards Committee in July 2021:

i). When more than 50% of a planning committee declared that they knew a planning applicant the matter would automatically be referred to the Development Control Committee. The Chairman of the Development Control Committee would regularly liaise with officers and when applications were submitted by local developers whom many Members may know the application would automatically be referred to the Development Control Committee.

ii). Members to be made aware that a "Cab Rank" principle operated for the allocation of planning applications and they should therefore not request that an application be referred to a specific committee.

iii). Councillors who have called an application to committee should not move or second the motion.

3.6 Members will note from the suggested actions above that there are changes to other documents recommended and these are as follows:

Scheme of Delegation:

3.7 Recommendations 9 & 10 –

Part (21)(v) of the delegated powers of the Assistant Director for Planning & Building Control is part of a list of situations where a delegated decision may not be made on a planning application and currently reads as follows:

“(v) Any application listed in (20) above which one or more Bromley Councillor formally requests in writing (“calls in”) with a reason (s) be determined by Committee.”

Proposed new wording:

“(v) Any application listed in (20) above which one or more Bromley Councillor for the Ward in which the application site is located (or any other Bromley Councillor with the written agreement of a Councillor for that Ward) formally requests (“calls in”) using the online call in request form giving a planning reason(s) for that ‘called in’ application to be determined by committee.”

Local Planning Protocol:

3.8 Recommendations 5,13 &17 & Standards Committee Recommendation (i) -

Add new section ‘1A – Attendance at Planning Committee’ to the Local Planning Protocol as follows:

1A.1 Officers and Councillors attending any planning committee meetings to address or advise the committee are required to have read and understood this Protocol prior to attending a meeting.

1A.2 Substitute Members at planning committee meetings should be impartial and no more than two Members sitting on a committee should be representing any particular ward at any time. This does not include visiting Members.

1A.3 All Members who sit on a planning committee are required to have basic training before they sit on that committee, which is provided annually on the following topics and will be monitored:

- *Introduction to Planning*
- *The Development Plan and Decision Making*
- *Predetermination and Predisposition*
- *Probity and Disclosure of Interests*
- *How committees work*
- *The Local Planning Protocol*

1A.4 When more than 50% of the Members of a specific Plans Sub Committee declare at the start of the meeting (or beforehand) that they know a planning applicant, the matter would automatically be referred to the Development Control Committee without debate. The Chairman of each committee is responsible for identifying such cases.

3.9 Standards Committee Recommendation (ii) –

Add new paragraph 2.5 as follows:

2.5 Applications are placed onto committee agendas by Officers using a ‘cab rank’ principle whereby they are reported to the next available committee once the case officer is content that the application is ready to be reported. Members should not request to Officers that applications be considered by a particular committee or on a particular date.

3.10 Recommendation 14 –

Update paragraph 8.5 to read as follows:

8.5 Where a motion goes against Officer recommendation the procedure should be:

- 1. Chairman summarises motions put and seconded*
- 2. Chairman clarifies reasons for refusal or permission if different to that recommended or if additional reasons / conditions are to be added*
- 3. Chairman gives the Planning Officer the opportunity to advise committee prior to the motion being considered.*

The advice from the Planning Officer will be based upon the material considerations that have been discussed by the Committee and whether there are grounds that could be defended in the event of an appeal or legal challenge. The solicitor advising the Committee will be called upon as necessary to give advice on legal matters.

3.11 Recommendation 15 –

Update paragraph 8.6 to read as follows:

8.6 If the Planning Officer considers that he/she is unable to give that advice immediately, or if the Planning Officer considers that a final decision to refuse could make the Council vulnerable at appeal and awards of costs, Officers should be able to seek a deferral of the item for one cycle of the committee so that a confidential report which sets out the risks can be prepared and avoids Officers having to advise on these issues in public (the final decision on the application should however always be in public), or defer the application to the next Development Control Committee.

3.12 Standards Committee Recommendation (iii) –

Update paragraph 8.1 to read as follows:

8.1 Councillors who have called in an application to committee should not move or second a motion on that application. The Chairman should take the motion that is proposed and seconded first and only if that motion fails move to the next motion that is proposed and seconded.

Other Documents:

3.13 Recommendations 9 & 10 –

Suggested questions for online form for Councillor call in requests:

- 1. Name of Councillor*
- 2. Is the site in your Ward, and if not do you have the written agreement of a Councillor for that Ward?*
- 3. Application reference number*
- 4. Site Address*
- 5. Planning reason for call in*

6. *Would you be happy for a decision to be made under delegated authority if the application was to be a) refused or b) permitted or with any other specific recommendation – e.g. with a specific planning condition?*

3.14 Members are also asked to agree the following change to the Scheme of Delegation:

Part (21)(viii) of the delegated powers of the Assistant Director for Planning & Building Control is part of a list of situations where a delegated decision may not be made on a planning application and currently reads as follows:

(viii) Where less than 21 days has passed since the application appeared on a “Weekly List” of applications circulated to members other than where all ward Members have agreed otherwise in writing.

Non material amendment applications (suffixed AMD) and details pursuant to conditions (suffixed CONDT) are expected to be determined within much shorter timescales than standard planning applications and the requirement to wait for 21 days from the weekly list date has been causing unnecessary delays in some cases for these simple applications. Members are asked to agree a shortened timeframe for call in for these two specific application types to help Officers process these more quickly as follows:

(viii) Where less than 21 days has passed since the application appeared on a “Weekly List” of applications circulated to members other than where all ward Members have agreed otherwise in writing, other than for non-material amendments and details pursuant to conditions, where the time frame is 7 days from the weekly list date.

3.15 Members are also asked to agree that weekly lists only be provided in Ward Order from now onwards, instead of the numerical and ward order lists that are currently circulated.

4. FINANCIAL IMPLICATIONS

- 4.1 There may be some training costs however no other significant costs are expected at this stage.
- 4.2 Better decision making may result in a reduction of costs awarded against the Council at appeal and some changes may reduce the cost of processing applications, for example those determined under delegated powers as opposed to committee decisions.

5. LEGAL IMPLICATIONS

- 5.1 The recommended measures should reduce the likelihood of successful legal challenge against planning decisions.

6. PERSONNEL IMPLICATIONS

- 6.1 See financial implications above

Non-Applicable Sections:	Policy Implications; Procurement Implications Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Planning Advisory Service Reports May 2019 and June 2021 Probity in Planning (PAS) December 2019 Bromley Council Constitution Bromley Local Planning Protocol

This page is left intentionally blank

Contents:

1. Introduction
- 1A. Attendance at Planning Committee
2. Referral of Applications to Committee
3. Agenda and Reports
4. Site Visits
5. Late Representations
6. Public Speaking Procedure
7. Order of Proceedings
8. Decision Making and Voting
9. Councillor and Officer Roles

1 Introduction

1.1 Planning has a positive and proactive role to play at the heart of local government. It helps councils to stimulate growth whilst looking after important environmental areas. It can help to translate goals into action. It balances social, economic and environmental needs to achieve sustainable development.

1.2 The planning system works best when officers and councillors involved in planning understand their roles and responsibilities, and the context and constraints in which they operate. Planning decisions are based on balancing competing interests and making an informed judgement against a local, regional and national policy framework.

1.3 The seven principles of public life apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, both nationally and locally, and as such applies to councillors and officers. The overarching principles were first set out by Lord Nolan in 1995 in the Government's First Report on Standards in Public Life. They were reasserted and refined in subsequent reports of the Committee on Standards in Public Life, most recently the Local Government Ethical Standards Report published in 2019. These principles are:

- **Selflessness:** holders of public office should act solely in terms of the public interest.
- **Integrity:** holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity:** holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** holders of public office should be truthful.

- **Leadership:** holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

1.4 This protocol and code of conduct applies to all planning committee meetings, currently known as Development Control Committee and Plans Sub Committees, and to all Officers and Councillors attending committee meetings. Reference to planning committee is to either of these meetings. Planning committee is a formal meeting of elected Members who make statutory decisions as the Local Planning Authority.

1.5 The purpose of this document is to help all those involved with planning committees, and in particular those making decisions, be consistent in their behaviour and approach and to ensure that the meetings are conducted fairly, transparently and in accordance with the relevant legislation. It has been produced in accordance with the Planning Advisory Service publication 'Probity in Planning' – December 2019.

1.6 Where permission is refused, applicants can appeal against planning decisions to the independent Planning Inspectorate, with a possibility of costs being awarded against the Local Planning Authority if unreasonable behaviour by the Authority can be demonstrated. Appeals can also be submitted against the imposition of planning conditions.

1.7 Planning decisions can be the subject of judicial review, and aggrieved parties can go to the Local Government and Social Care Ombudsman with complaints about

maladministration. Adherence to this protocol will minimise the risk of appeals being lost, successful costs claims, lost court cases and upheld complaints.

1A Attendance at Planning Committee Meetings

1A.1 Officers and Councillors attending any planning committee meetings to address or advise the committee are required to have read and understood this Protocol prior to attending a meeting.

1A.2 Substitute Members at planning committee meetings should be impartial and no more than two Members sitting on a committee should be representing any particular ward at any time. This does not include visiting Members who cannot vote.

- 1A.3 All Members who sit on a planning committee are required to have basic training before they sit on that committee, which is provided annually on the following topics and will be monitored: Introduction to Planning
- The Development Plan and Decision Making
- Predetermination and Predisposition
- Probity and Disclosure of Interests
- How Committees Work
- The Local Planning Protocol

1A.4 When more than 50% of the Members of a specific Plans Sub Committee declare at the start of the meeting (or beforehand) that they know a planning applicant, the matter would automatically be referred to the Development Control Committee. The Chairman of each committee is responsible for identifying such cases.

2. Referral of Applications to Committee

2.1 Applications can be included on a committee agenda for any of the following reasons:

1. They are subject to a written 'call in' by a Councillor
2. They fall outside of the powers delegated to Planning Officers
3. Planning Officers decide to refer the application to committee

2.2 This is a summary and reference should be made to the Scheme of Delegation (Appendix 10 of the London Borough of Bromley Constitution https://www.bromley.gov.uk/downloads/download/211/constitution_of_the_london_borough_of_bromley) which provides the constitutional framework for powers of delegation to Officers and sets out the arrangements for 'call in'.

2.3 Planning applications, tree matters and contravention reports can be considered by either Plans Sub Committee or Development Control Committee. Matters of policy and strategic reports are only considered by Development Control Committee.

2.4 If an application is to be considered at planning committee (see 2.1 above), the following procedures apply to determining which committee to report it to:

- 'Non-major' applications are considered by Plans Sub Committee unless the Assistant Director (Planning) determines that the application is of strategic importance and refers it to Development Control Committee.
- 'Major' applications - Officers recommend a decision route and this is agreed by the Chairman and/or the Vice Chairman of Development Control Committee within 3 working days of receiving the Officer recommended

decision route in writing. This will normally be via a recommendation list provided at least monthly.

2.5 Applications are placed onto committee agendas by Officers using a 'cab rank' principle whereby they are reported to the next available committee once the case officer is content that the application is ready to be reported. Members should not request to Officers that applications be considered by a particular committee or on a particular date.

3. Agenda and Reports

3.1 The planning committee agenda will include planning applications in numerical order based on the application reference number.

3.2 Application reports are normally presented in a standard format provided by the Assistant Director (Planning). Reports will identify and analyse the material considerations, of which the committee will need to take account when considering the application on its planning merits. The presentation of reports for matters other than applications may vary according to their content but will present a clear recommendation where appropriate.

3.3 Planning committee agendas must be published on the Council's website a minimum of 5 working days prior to the committee meeting.

3.4 Planning application reports will always include an officer recommendation for either approval or refusal. Non application reports will include a recommendation where appropriate.

4. Site Visits

4.1 Planning Officers will normally visit each application site for cases being considered by committee and these visits are used to inform the committee report and recommendation. Photographs from these visits are often used within reports to illustrate particular important points.

4.2 For formally arranged Councillor site visits, the Chairman of the relevant committee in consultation with the Assistant Director (Planning) or Head of Development Management will decide whether a site visit for committee members is necessary in advance of any particular application being determined at committee. Such visits will not be publicised.

4.3 A site visit for committee members is only likely to be necessary if either:

- I. the impact of the proposed development is particularly difficult to visualise from the plans and any supporting material, including photographs taken by officers; or
- II. the proposal is particularly contentious

4.4 Formally arranged site visits are for observing the site and gaining a better understanding of the issues. They should not be used as a lobbying opportunity by applicants or their agents, local residents, objectors or supporters or for debating any aspect of the proposal or for making any decision. Councillors will usually be accompanied by a Planning Officer.

4.5 It is often useful for committee members to visit a site to familiarise themselves with it prior to consideration of an application at committee. If Members do encounter an applicant or neighbour during any informal visit, they should not express an opinion, either for or against the proposal.

4.6 Doing so could be misinterpreted as lobbying and may create a suspicion of bias. If such contact is made this should be declared in Committee, but this should not prevent that Member from taking part in the consideration of that application provided they have acted in accordance with the advice in this Protocol.

5. Late Representations

5.1 Planning applications involve public consultation which has to comply with a legal statutory minimum requirement. In many cases the Council consults over and above the statutory minimum and our approach to this is set out in Section 4 of our published Statement of Community Involvement

https://www.bromley.gov.uk/info/1004/planning_policy/154/statement_of_community_involvement.

5.2 Public consultation on planning applications includes a formal period for representations to be submitted, and representations are accepted only on a discretionary basis after the expiry of the formal consultation period. Representations received after formal consultation has closed are not guaranteed to be considered in the determination of an application.

5.3 To ensure that all representations can be assessed and presented to planning committee as appropriate, it is necessary to have a cut off time for receiving representations on applications to be considered at committee and this is 12 noon on the day of the meeting. The Assistant Director (Planning) has the final decision on whether to accept late representations.

5.4 As committee reports are prepared and published some time in advance of committee meetings, any representations (including those from consultees) received
December 2021 v1.8

after publication of the report will be uploaded to our website and may be verbally summarised by the Officer attending the meeting.

5.5 If late representations affect the conclusions of the report or recommendation this will be reported verbally to the committee.

5.6 Documents must not be distributed to committee members at the committee meeting (including by public speakers) to ensure that the material considered in the determination of the application is available to all.

6. Public and Visiting Councillor Speaking Procedure

6.1 Members of the public making written comments on planning applications which are to be considered by a planning committee have the opportunity to verbally address Councillors at committee if they wish. Anyone wishing to speak must have already written in expressing their views on the application. Speakers are not normally permitted on items other than planning applications.

6.2 Members of the public wishing to speak at planning committee must give notice to the Democratic Services Team of their intention to speak no later than 10:00 am on the working day before the meeting. Requests to speak will only be registered once the relevant agenda has been published.

6.3 Should speakers wish to table any correspondence or photographs to supplement their speech to the committee, all documents must be submitted to the Democratic Services Team by 5.00 p.m. on the working day before the meeting. A permanent copy of any item must be provided and it is not acceptable to refer to

online maps, photographs on phones/ipads or similar. The Chairman's agreement must be sought at the meeting for any items to be considered.

6.4 Order of public speakers: if the recommendation is 'permission' then it will normally be the opponent first, supporter second. If the recommendation is 'refusal', the reverse order will apply.

6.5 Normally one person is permitted to speak for an application and one person permitted to speak against it. If there are more than two requests to speak for or against, people with similar views should get together and agree spokespersons. If there is no agreement, the first person to notify Democratic Services of their intention to speak will be called. Among supporters, the applicant (or if the applicant wishes, the agent) takes precedence, and if the applicant or agent do not wish to speak, the first supporters will be called.

6.6 Residents' Associations or other organisations wishing to make use of these arrangements must appoint a single spokesperson to represent their views.

6.7 Speakers are reminded that only material planning considerations are relevant to the determination of planning applications.

6.8 Each speaker will normally be given up to three minutes and this will be indicated by the warning light system in front of the speaker: - an amber light will show the passing of two-and-a-half minutes and a red light will show the completion of the three minute period. At the red light the Chairman will normally ask the speaker to cease their presentation.

6.9 Members of the Committee (but not visiting Ward Members) may ask speakers to clarify points raised. Otherwise, once members of the public have spoken, no further intervention will be permitted.

6.10 Visiting Ward Councillors should notify the Democratic Services Team of their intention to speak at committee prior to 5:00pm the day before the meeting. Visiting Councillors do not have a formal time constraint but should aim to keep their presentation to within 3 minutes. Any representations must be limited to material planning considerations. Visiting Members must not sit with members of the committee or sub-committee after they have finished addressing the committee so it is clear that they are not part of the formal committee membership.

7. Order of Proceedings

7.1 Whilst the order of consideration of items at planning committee is ultimately a matter for the Chairman, planning applications will normally be heard first, followed by other items.

7.2 The Chairman will normally vary the order of the agenda taking items with visiting Councillors and public speakers first. Speakers and visiting Councillors should leave the table once they have spoken, prior to the debate on the item commencing.

7.3 Matters will proceed for each item as follows, skipping items where there is nothing to report or no speaker present:

1. Update from Planning Officer and presentation for applications
2. Public speaker(s) (see 6.7 above)

3. Visiting Ward Councillor (see 6.13 above)
4. Committee debate
5. Chairman summarises motions put and seconded
6. Chairman to clarify reasons for refusal or permission if different to that recommended or if additional reasons / conditions are to be added
7. Planning Officer opportunity to advise committee prior to motion being considered
8. Vote taken
9. Chairman to summarise and confirm the decision

Planning, legal and other professional officers have a right to be heard and to give advice within their area of professional expertise at any point in the consideration of an application.

7.4 The Chairman should be careful to ensure that additional conditions or reasons for refusal are clearly identified prior to going to the vote and not afterwards to ensure that the committee is clear what it is voting on. The Chairman can take advice from legal, planning or other professional officers present.

7.5 Should there be differing views about the content of reasons for refusal or conditions, the Chairman may take a separate vote following the main vote to clarify the outcome.

7.6 Committee members are given the opportunity to record their vote against whatever motion is put if they wish.

7.7 It is important for the quality of decision making that the Planning Officer is provided with an opportunity to update Members and make any final comment

immediately prior to the vote being taken to help ensure that the committee is fully aware of any further advice pursuant to the debate / motion.

7.8 Meetings will normally finish by 10:00pm.

8. Decision Making and Voting

8.1 Councillors who have called in an application to committee should not move or second a motion on that application. The Chairman should take the motion that is proposed and seconded first and only if that motion fails move to the next motion that is proposed and seconded.

8.2 Should votes for or against a recommendation both fail it is still open to the committee to consider whether they might defer the application for possible changes to make it acceptable to the majority of the committee. The Chairman can use her or his casting vote to decide if voting is equal for and against a motion.

8.3 Councillors should state motions they put clearly and include any specific changes they propose to the officer recommendation so that the committee understand the extent of the motion being proposed (see also 7.5 above).

8.4 When voting, committee members should raise their hands clearly to ensure an accurate count for the vote.

Motions and Votes Against Officer Recommendation:

8.5 Where a motion goes against Officer recommendation the procedure should be:

1. Chairman summarises motions put and seconded

2. Chairman clarifies reasons for refusal or permission if different to that recommended or if additional reasons / conditions are to be added
3. Chairman gives the Planning Officer the opportunity to advise committee prior to the motion being considered.

The advice from the Planning Officer will be based upon the material considerations that have been discussed by the Committee and whether there are grounds that could be defended in the event of an appeal or legal challenge. The solicitor advising the Committee will be called upon as necessary to give advice on legal matters.

8.6 If the Planning Officer considers that he/she is unable to give that advice immediately, or if the Planning Officer considers that a final decision to refuse could make the Council vulnerable at appeal and awards of costs, Officers should be able to seek a deferral of the item for one cycle of the committee so that a confidential report which sets out the risks can be prepared and avoids Officers having to advise on these issues in public (the final decision on the application should however always be in public), or defer the application to the next Development Control Committee.

9. Councillor and Officer Roles

9.1 The PAS publication 'Probity in Planning' 2019 states: *"Councillors and officers have different but complementary roles within this system, and effective*

communication and a positive working relationship between officers and councillors is essential to delivering a good planning service..”

9.2 The 7 Standards of Public Life identified in the Localism Act 2011 are:

- Selflessness – public interest
- Integrity – not open to inappropriate influence/private gain
- Honesty – truthful; declaration of interests and gifts
- Objectivity – use best evidence; impartial; non-discriminatory
- Accountability – open to scrutiny
- Openness – open and transparent decisions in public
- Leadership – uphold and exhibit standards and behaviours

9.3 The Planning Advisory Service Report for Bromley (May 2019) states: *“The role of Councillors on the Committees presents a challenge to the individual. It is often considered to be a quasi-judicial role, but has been described as*

“A formal administrative process involving the application of national and local policies, reference to legislation and case law as well as rules of procedure, rights of appeal and an expectation that people will act reasonably and fairly.”

(Local Government Association/Planning Advisory Service: Probity in Planning for Councillors and Officers 2013.)

In this role Councillors are expressly being asked to place to one side any party political interests, and their role as the representatives of a particular ward, and assess, debate, and then determine often controversial planning proposals in the wider public interest of the whole Council area, and in line with national and local

planning policy. They must do so in a way which demonstrates they have understood their role and have approached the decision point open to considering and weighing the merits of all the material issues.”

Members must never be involved in decision making for applications submitted by themselves. a family member or a close personal associate, and must comply with the Members Code of Conduct at all times when such applications are submitted.

If on consideration of a planning application a fair minded and informed observer, having considered the facts, would conclude that there was a real possibility that a Member was biased the Member must recuse themselves from consideration of that application.

9.4 The role of the committee Chairman is to lead and manage the committee and in particular:

- determine the order in which questions may be addressed from the committee members following the officers presentation;
- ensuring that the public speaking procedure is followed;
- managing the committee debate about applications including the order in which Councillors who wish to address the committee may speak;
- determining when the debate has come to a close and votes should be cast in the order in which the motions were first completed (i.e. where the motion has been moved and seconded by Members of the Committee).
- ensuring that debate and decisions made are suitably focused on relevant planning considerations.

9.5 Councillors sitting on the planning committee should:
December 2021 v1.8

- make planning decisions on applications presented to the Committee openly, impartially, with sound judgement and for sound planning reasons.
- consider only material planning considerations in determining applications
- exercise their responsibilities with regard to the interests of the London Borough of Bromley as a whole rather than with regard to their particular Ward's interest and issues;
- Come to meetings with an open mind.
- Not allow anyone (except officers, other committee Members and public speakers when they are addressing the committee) to communicate with them during the meeting (orally or in writing) as this may give the appearance of bias. For the same reason, it is best to avoid such contact immediately before the meeting starts.
- Consider the advice that planning, legal or other officers give the committee in respect of the recommendation or any proposed amendment to it.
- Comply with section 38(6) of the Planning and Compulsory Purchase Act 2004 which requires the Local Planning Authority to make decisions in accordance with the development plan unless there are good planning reasons to come to a different decision.
- Come to their decision only after due consideration of all of the information available to them, including the local information that Members are uniquely placed to access, but always remembering to take decisions on planning grounds alone. If Members feel there is insufficient time to digest new information or that there is insufficient information before them, then they should seek an adjournment to address these concerns.

- Not vote on a proposal unless they have been present to hear the entire debate, including the officer update and any public speaking.
- Make sure that if they are proposing, seconding or supporting a decision contrary to the officer's recommendation or the development plan, that they clearly identify and understand the planning reasons leading to this conclusion and that they take into account any advice planning, legal or other officers give them. Their reasons must be given prior to the vote and be recorded. Be aware that they may have to justify the resulting decision by giving evidence in the event of challenge.
- Members should avoid requests for officers to speed up or delay the determination or assessment of particular applications or for items to be reported to particular meetings for their own personal or political convenience or following lobbying by applicants, agents/advisers, local residents or other interested parties.
- seek to attend relevant training and briefing sessions organised from time to time for them.

9.6 The role of Planning Officers at committee is:

- to use professional judgement when recommending decisions on applications and other planning matters.
- to provide professional advice to the committee on planning applications and other matters at any point in the meeting.

Review of DCC and Planning Sub Committees London Borough of Bromley

Planning Advisory Service and Vink Planning – July 2021

Introduction

1. This report sets out the results of a second review of the way the Development Control (DCC) Committee and Planning Sub Committees (PSC) of London Borough of Bromley (LBB) operate. This second review was carried out at the request of LBB by the Planning Advisory Service using Martin Vink, an experienced PAS consultant and formerly Development Manager at Ashford Borough Council. It was requested by the Council as it was again at risk of designation by MHCLG due to its record on major appeals. As with the previous review in 2019 the emphasis was on whether the 5 planning committees are
 - making defensible decisions on planning applications, and
 - operating effectively.
2. Again, the review was carried out by interviewing a range of Councillors and officers and viewing several committee meetings. The meetings viewed were the virtual meetings of the DCC on 25 March 2021 and the PSC meetings of 15 October 2020 and 4 March 2021.

Overall Impressions

3. The committees are generally being well run but chairmen need to tread a careful balance between ensuring business is progressed and leading the debate and decisions. Chairman also need to ensure that the debates are not dominated by individual Councillors.
4. Access to the committees by the public is good and speaking opportunities are taken up well. The order of proceedings and voting procedures are clear.
5. The quality of debate is generally effective but the predominance of the local views in the debate remains. Members must be careful to balance all factors appropriately in their decisions and ensure that they base their views on good evidence rather than hunches and gut feelings.
6. I and several of the Councillors I interviewed are concerned about the consistency of decisions between the 4 PSCs. Whilst there is generally consistency between the sister committees (1 & 3 – 2 & 4) there can be variations.

Recommendation

- Officers should review this area and report to the relevant committee chairmen.
7. Agendas are clear and the minutes are a particularly good record. Access to information is easy, either through the Council's web site or the Mod.Gov app.
 8. As identified in this report there have been some significant improvements in the way the committees operate. I have reviewed this progress and suggested how further improvements might be made.

The 2019 Review

9. The previous review (see report dated May 2019 at Appendix 1) identified several concerns about the way the planning committees were operating, principally
 - an overly strong presumption by the Council to protecting the local environment over delivering necessary new development

- an unduly strong emphasis placed on “local or ward views”
 - an approach to decision making which does not give sufficient weight to the primacy of National and up to date local planning policy
 - decisions taken after the original refusal because some reasons are not defensible at appeal.
10. It identified 20 recommendations to resolve these principal concerns and to improve the way the committees operate.
11. The Council has responded very proactively to the 2019 report by
- Members and officers working together to deliver change
 - reporting the recommendations to the DCC committee on 6 occasions between October 2019 and March 2021
 - responding positively to most of the recommendations
 - reviewing procedures and implementing change.
12. As identified below some changes have yet to be embedded in the way committees operate and I have identified areas where improvements can be made.
13. The following sections of the report look at each of the areas for improvement in turn and identifies how successful changes have been.

New Local Planning Protocol for Members

14. A Local Planning Protocol and Code of Conduct (LPP) was adopted in July 2020 and is embedded in the Constitution (Appendix 11). It applies to both Members and officers and is based on the LGA advice in “Probity in Planning” published in 2019. This publication was also included in a DCC agenda for Members. The LPP is an important and effective document and contains advice on many of the issues which were raised by the PAS review in 2019 (see Appendix 1). The application of the Protocol by all Members and officers, involved in the planning committee process, would ensure the smooth running of committees and protect all concerned from unwanted scrutiny.
15. Whilst I recognise that the LPP was only adopted in July last year and committee meetings have been held virtually for much of the time since, I am concerned that many Members did not have a good knowledge of its contents nor were all the procedures within it being followed, for example call in procedures, format of committee meetings and the role of officers (see detailed comments below). This must change if the Council is to be consistent and effective in the way it handles planning decision making.

Recommendation

- To raise the profile of the Local Planning Protocol and Code of Conduct amongst Members and officers
- To review the effectiveness of the Local Planning Protocol and Code of Conduct on a regular basis and update as necessary
- To include the Local Planning Protocol and Code of Conduct in any future training of planning committee Members and of officers attending DCC and PSCs.

Reduce number of Members on DCC

16. In our earlier report we recommended that the size of the DCC be reduced however, LBB have decided not to implement this recommendation. Having viewed a recent committee I did not identify that the numbers

of Members present was problematic however, some Members are taking a dominant role and making it more difficult for the chairman to progress the meeting. This is also a problem in some PSC meetings.

Scheme of delegation to be broadened

17. The scheme has been completely reviewed and a revised scheme agreed. This is set out in the Constitution and summarised in the Local Planning Protocol. The revised scheme is a significant improvement and provides clarity for all. Applications are now only considered by the Committee if
- They are subject to a written 'call in' by a Councillor
 - They fall outside of the powers delegated to Planning Officers
 - Planning Officers decide to refer the application to committee
18. It clarifies that major applications only go to the DCC following agreement by the chairman and non-major applications are mainly considered by Plans Sub Committees. On major applications Officers recommend a decision route, and this is agreed by the Chairman and/or the Vice Chairman of DCC within 3 working days of receiving the Officer recommended decision route. Officers usually provide a list every month, but this causes problems with programming particularly now that the DCC is only meeting every eight weeks.

Recommendation

- An Excel spread sheet is sent to the chair/vice chair of DCC at the end of each week identifying the proposed committee dates for major applications.
 - The chair/vice chair should confirm the recommended decision route within 3 working days
 - Applications would be removed from the spreadsheet when determined but would re-appear if appealed
 - The spread sheet would provide the basis for future committee agenda planning.
19. Certificates of Lawfulness applications both proposed and existing use are being considered by the PSCs. At one of the committees I viewed, the application had been called in by a Councillor.
20. These applications seek to establish whether an existing or proposed works are lawful in terms of the current planning legislation. The decision is not based on the normal balance of planning issues but solely on the facts of each case. Consequently, they are not applications that should be presented to committees for debate. Whilst I recognise that ward Members may have useful local factual information that can assist in the determination of applications for existing use, this does not justify them being determined at the planning committees where the debate was around the merits of the proposal (i.e., the suitability of the size and design of an extension) rather than whether the proposal met a range of legal tests. The determination of the applications should be carried out by the planning and legal officers of the Council.

Recommendation

- The scheme of delegation be revised to confirm that Certificate of Lawfulness applications both proposed and existing are not reported to the Planning Committees but determined by planning officers in consultation with the legal team as required.
- Certificate of Lawfulness Applications are exempt from call in to committee by Members.

'Call ins' to be in writing with clear planning reasons

21. This recommendation has been acted upon with clear requirements being agreed. The LPP requires Members to

- make call in requests in writing
 - give clear reasons for the call in which must be related to material planning issues or because there are *strong* (my emphasis) public interest reasons.
22. A significant number of applications are still considered by the PSCs because they have been called in by Members. They take up a considerable resource both in committee time, officer preparation and report writing. Those I interviewed confirmed that not all Members are complying with these requirements.

Recommendation

- Call in requests that are not made in writing should not be acted upon.
- Call in requests must have clear reasons why the application needs a committee decision
- Call ins should only be made by a relevant ward Member or with the agreement of one of the ward Members
- Who has called in the application and the reasons for the request should be included at the beginning of the committee report.
- The Member who has called in the application is expected to attend the relevant committee meeting to speak on the application
- The process be automated using an online form which would be logged on the back-office system and made available to the case officer. The form would
 - require the details of the ward Member, the application number and the reasons for call in
 - include options which would allow Members to indicate whether they would be happy for officers to determine the applications if they were recommended either for approval or refusal
 - require completion of all sections before the request is accepted thereby avoiding any misunderstandings.

'Call in' monitoring to be reported to DCC

23. Clear monitoring reports are now being presented to the DCC showing total call ins and disaggregated data at the ward level. This has confirmed that call ins are most common in a small number of wards and the relevant Members should ensure that they apply discretion when invoking this procedure.

Format of committee agenda to be reviewed including 'Lists'

24. This has been reviewed and the "lists" removed. The agendas are now much clearer and users prefer the new approach.

Officer role at committee to be reviewed including presentations

25. Changes here have been limited. The July 2020 version of the Local Planning Protocol confirms that, for each major application, officers will be the first to address the committee providing an update and a short presentation. Only a limited number of presentations have been given so far but, where they have, users have found them useful, they have concentrated debate on the salient issues and there is a clear benefit to public perception that, when Members debate an item, they have a clear understanding of the issues in front of them.
26. All my discussions with Members and officers confirmed they find presentations very helpful. Similarly, they all agreed presentations should be made for all applications on both the DCC and PSC committee agendas. The only proviso to this was that presentations must be concise.

Recommendation

- That officers present each application on the agenda to the DCC and PSC. The presentation to include
- images of the existing site (where possible) utilising officer photographs or Google Earth or Street View.
- a description of the application proposals including useful images / elevations / plans from the application
- a short summary of the main issues for consideration
- presentations to PSC committee to be no more than 3 minutes
- presentations to DCC to be limited to 5 minutes unless the application is particularly large or complex when a longer presentation can be agreed in advance with the chairman.

27. Planning Officers still appear reticent to interject into debates to provide advice or correct misleading statements and to take a robust role in the meetings if it is required. Planning committees can only work effectively if there is mutual trust and respect between Members and officers and a culture of working together to deliver high quality decisions and service. The Local Planning Protocol highlights and supports this important officer role and is specific that

“The role of Planning Officers at committee is:

- to use professional judgement when recommending decisions on applications and other planning matters.
- to provide professional advice to the committee on planning applications and other matters at any point in the meeting.

If a motion is proposed that contradicts that in the Officer report the Planning Officer should be given the opportunity to give the committee advice on that motion prior to any vote.”

Recommendation

- Chairmen should ensure that the order of proceedings set out in section 7 of the agreed LPP is followed consistently
- Officers should ensure that they fulfil their roles at committee effectively and robustly
- Committee Chairmen and Members should encourage and allow them to do so.

Quality of committee reports to be improved

28. All committees are now operating a revised report template. This includes using images to assist in describing applications. All users of the committees reports confirm that this has been a beneficial change and makes it much easier to assimilate the necessary information in the decision making process.

Recommendation

- Officers to continue to use the new report templates and ensure that images are included where possible to assist Members in understanding the sites and the proposals.

Review of appeal decisions and costs to be reported to DCC

29. This recommendation has been acted upon and a detailed report was last presented to the Development Control Committee on 19 November 2020. Ideally this report should be repeated every six months and significant changes or lessons learned highlighted to Members. Of particular use within the report is comparison with national statistics, especially the levels of appeals allowed which remains above the national average, and the numbers of appeals by ward. This latter analysis highlights particularly well the impact that call in applications have in certain wards in the Borough and emphasises the need for Member training to be kept up to date.

Less emphasis on 'local view' at committee

30. I did not detect any significant change in the approach to local views at committees with Members acting as strong advocates for local views rather than being seen to take a broader perspective.

Recommendation

- Wider training of Members with particular reference to the Local Planning Protocol and the LGA's "Probity in Planning".

Substitutions at committee should not be related to Ward Interest

31. The response to this in the reports to DCC on service improvements is "This could impact on the ability to provide substitutes and may not be necessary as long as other recommendations are followed in respect of Member training and approach"

32. Unfortunately, I obtained anecdotal evidence that this is continuing and occasionally ward Members are "loading" particular meetings. Every effort should be made to ensure that substitutes at the committee meetings are impartial and can be seen to be impartial.

Where motion goes against Officer recommendation, clear reasons for refusal or conditions to be agreed before vote is taken

33. The agreed Local Planning Protocol now requires this but when I viewed committees, held before the Protocol was agreed, votes to overturn officer recommendations were taken and the reasons decided upon after the decision had been made. This is a dangerous procedure; Members may not be clear what they are voting on, and the decision could be open to challenge. The agreed procedure now is that after any debate the Chairman

- summarises motions put and seconded
- clarifies reasons for refusal or permission if different to that recommended or if additional reasons / conditions are to be added
- gives the Planning Officer the opportunity to advise committee prior to motion being considered.

This approach complies with best practice.

34. The Planning Protocol also requires that

"If the officer considers that he/she is unable to give that advice immediately, further consideration of the matter will be suspended and the agenda item will be adjourned so that the officer can bring a report to the next available committee setting out his/her advice."

This reflects the concerns expressed in our previous report and emphasises the need for officers to be able to defer consideration of an application until they can present a full answer to questions raised. This chimes well with the issues discussed in the next section.

Recommendation

- Ensure clear understanding and application of the Local Planning Protocol by all Members and officers at committee meetings.

Deferral of items where there is a risk of losing appeal and/or costs

35. In the PAS report of 2019 (see Appendix 1) we said

“The Committee has a procedure for deferral of decisions to a later PSC which are contrary to officer recommendations to approve (Section 4 of the PSC agenda). Where a final decision to refuse could make the Council vulnerable at appeal and awards of costs, officers should seek a deferral of the item for one cycle of the committee so that a confidential report which sets out the risks can be prepared and avoids officers having to advise on these issues in public. The decision on the relevant application should however always be made in public. An alternative would be to defer such applications to the next meeting of the DCC. This would emphasise the role of the DCC as the “parent committee”.”

36. This approach has not been adopted by the Council with the report to the DCC stating

“This is potentially too onerous and would create unnecessary delay and additional committee time. This could be dealt with by a combination of better discussions with Ward Councillors during the planning application process and legal and planning officer advice at and before the meeting where appropriate.”

37. This approach remains a concern. The latest figures available show that £36,236.15 had been paid out in cost awards for the period April 2019 to March 2020. These cost awards were in part because the Council could not provide objective analysis of its reasons or substantive evidence to support the reasons for refusal. The times when applications might need to be deferred are small and I remain of the view that this option should be available to the committee and officers if the decision is likely to put the Council in a vulnerable position. Doing so does not undermine the position of the committee and Members but instead displays a careful approach to the process.

Recommendation

- Implement the recommendations from the 2019 review report.

Review of site visit procedures for committee Members

38. A review has occurred and effective procedures have been reviewed and incorporated in the Local Planning Protocol.

Consideration of use of different room for committee meetings

39. The Council has reviewed this but has concluded that the Council Chamber remains the best location. Consequently, consideration needs to be given to making the meetings as inclusive as possible. Changes have been made due to COVID-19 requirements but further adaptations would be beneficial.
40. The previous report highlighted the need to improve information available to visitors. Understandably with the pandemic, this has not been progressed.

Recommendation

- The current seating layout in a “U” format be continued post COVID as it enables eye contact to be made with all of the participants, which the previous “T” layout did not.
- Member seating is placed as close as possible to the public seating area to enhance inclusivity
- Examination of the best way to provide facilities for PowerPoint presentations to be visible to all Members and the visiting public and most appropriate solution installed as soon as possible.
- Information available to visitors to the meetings be reviewed and improved.

More pro-active approach to major pre-application discussions including early Member involvement such as presentations to committee and improved communication between Officers and Members

41. Significant changes have taken place since my last visit. Members are now being involved in pre application discussions with applicants on major and significant applications. Members are finding this very helpful. They have also bought into the culture of trying to resolve issues and improve applications at an early stage, often making them less likely to run into last minute issues at committee and be refused.

Committee should include at least one Executive Member

42. The Council has decided that this is not an option they wish to take up.

Effective compulsory training should be provided for all committee Members including substitutes and a list of trained Members retained

43. The 26 November 2019 Planning Service Improvement report to DCC highlighted a comprehensive Member training plan for Members was being prepared and options for delivery methods were being reviewed. A list of 15 topics which training could cover were identified. Officers were working to provide a Members’ webpage to include information about the Planning team at Bromley, the Local Planning Protocol, a rolling training schedule, information from past training sessions and other useful documents and links, plus key headline planning news in a simple and easy to digest format. This portal has the potential to be very useful.
44. Interviewees confirmed that some training, for example on viability, has since been provided but had not seen the online portal. Further training should be rolled out and an update on the online portal should be provided.
45. I remain concerned that training for committee Members and substitutes is not compulsory. Bromley is unusual in this and strongly encouraging Members to attend training is insufficient to ensure good decision making continues. All those I interviewed which included most of the committee chairmen supported making training compulsory if Members want to be able to determine applications.

Recommendation

- All Members of the Planning Sub and Development Control Committees should be required to have a minimum level of training to include
 - Introduction to Planning
 - The Development Plan and Decision Making
 - Predetermination and Predisposition
 - Probity and Disclosure of Interests
 - How committees work
 - The Local Planning ProtocolSuch training to be compulsory for Members wishing to take part in the debate and voting at these committees.
- All Members be strongly encouraged to undertake other topic based training as may be offered to maintain their levels of competency.

Regular reports on performance of planning and appeals team

46. Since the 2019 review several reports have been presented to the Development Control Committee. These have covered
- performance improvements
 - analysis of 'call ins'
 - application performance including speed of decision making and proportion of delegated decisions
 - outcomes of overturned appeals for major applications
 - appeals resulting in costs
 - detailed monitoring of appeals.
47. The reports are providing Members with important and very useful information. I appreciate that the period since the previous review has been dominated by the difficulties resulting from the COVID-19 pandemic but it is essential these reports are continued and on a regular basis. At present there is no clear pattern of when they are presented to DCC and a programme should be agreed. This is especially important for the report which provides detailed monitoring of appeals, which has a wealth of useful information, and the report which explains why major appeals have been allowed. This latter report is useful training for Members and officers.

Recommendation

- Agree programme for regular presentation of monitoring reports and review of the implementation of agreed actions/performance.

Other Areas of concern / improvement

48. The frequency of DCC meetings is being reduced to once every 8 weeks. Given the number of items the committee must consider this may well be problematic and delay the determination of major applications. Making meetings monthly would help avoid the problem of the meeting on 25 March 2021, when the agenda was far too long with 24 items on the agenda and a report pack of 544 pages.

Recommendation

- Carefully forward plan DCC agendas via the spreadsheet described in paragraph 18.
- Limit scale of agendas by programming DCC meetings for each month and cancel if there are insufficient items for the agenda.

Conclusions

49. The Council has taken a robust approach to improvements since the 2019 report and much good work has been done. Commitment to improvements from Members and officers is strong and will help in carrying the committee process forward. Of particular note are the adoption of the Local Planning Protocol, revised report formats, presentations to committee and Member involvement in pre application discussions. There are still several areas where further improvement can be made and I hope that the recommendations in this report are helpful and that you are able to take many of them forward.

Martin Vink

23 July 2021

Appendix 1: Report by PAS to LB Bromley May 2019

This page is left intentionally blank

Introduction

1. With a desire to learn and share best practice on decision-making processes, and considering potential 'designation' by the MHCLG based on major application performance at appeal, the London Borough of Bromley (LBB) requested the Planning Advisory Service to
 - provide a light touch review of the council's Development Control Committee (DCC) and Planning Sub Committees (PSC), and
 - advise whether they are operating effectively.
2. The review has been carried out by Cllr Melvyn Caplan from Westminster City Council, a former leader of that council and currently, amongst other roles, chair of a Planning Sub Committee and Martin Vink, a consultant on behalf of PAS but formerly Development Manager at Ashford Borough Council
3. In delivering the review we identified its scope as set out in Appendix 1.
4. To review the Committee processes in line with the scope, and make recommendations based on an assessment of evidence, we have taken account of the following sources of information: -
 - a) Publicly available material from LBB (Constitution, Committee reports, etc.)
 - b) National best practice guidance
 - c) Reviewers' own experience
 - d) Observations through attendance at the Planning Sub Committee meeting on 28 March and Development Control Committee meeting of 4 April 2019
 - e) 1:1 interviews with Councillors, Council staff, and public stakeholders

General comments relating to Development Control and Planning Sub Committees

5. DC/Planning committees pose a combination of challenges which need to be reconciled in a manner which is effective, fair, and consistent. The role of Councillors on the Committees presents a challenge to the individual. It is often considered to be a quasi-judicial role, but has been described as

"A formal administrative process involving the application of national and local policies, reference to legislation and case law as well as rules of procedure, rights of appeal and an expectation that people will act reasonably and fairly."

(Local Government Association/Planning Advisory Service: Probity in Planning for Councillors and Officers 2013.)
6. In this role Councillors are expressly being asked to place to one side any party-political interests, and their role as the representatives of a particular ward, and assess, debate, and then determine often controversial planning proposals in the wider public interest of the whole council area, and in line with national and local planning policy. They must do so in a way which demonstrates they have understood their role and have approached the decision point open to considering and weighing the merits of all the material issues.
7. Planning, legal, and democratic support officers of the Council all have clear roles to play in supporting their Councillors in ensuring the DCC and PSCs are efficient, effective, and uphold the highest standards of

decision making. Training, guidance material, report writing, presentations and advice at Committee all need to be effective and regularly reviewed in the light of a changing environment.

8. All councils need to be satisfied that the operation of its Planning Committee is delivering value for money. The council needs to be satisfied that there is a good match between the significance of the decision to be made on each of the applications which form the agenda for each meeting, and the substantial time and resource costs associated with a planning application being determined by Committee.

Background

9. Bromley Borough Council covers an area of 150 sq. Km on the southern edge of London inside the ring of the M25. Development pressures are strong with major developments planned for the town centre and other locations.
10. The Borough has a newly adopted Local Plan (2019) and a number of Supplementary Planning Documents including a Town Centre Action Area Plan, Affordable Housing, General Design Principles, Conservation

Application Performance January 2017 - December 2018

	Total	Determined in agreed time	Not Determined in agreed time	percentage in agreed time	LB Bromley Target
Majors	59	48	11	81%	60%
Non Majors	5959	4940	1019	83%	70%
Appeal Decisions for applications determined between April 2016 - March 2018					
	Total applications determined	No of Appeals Allowed		% allowed	MHCLG target
Major Appeals	75	9		12.0%	10%
Non Major Appeals	6542	262		3.7%	-

Area Guidance, etc. The Borough is also included in the London Plan 2015 and the 2017 draft London Plan. The Borough includes large areas of Green Belt, some Metropolitan Open Land, 45 Conservation Areas plus Areas of Special Residential Character. Protecting this character whilst dealing with development pressures is a significant tension in the council's decision making. The principal planning issues facing the Council are:

- Pressure from increasing housing targets — where any additional homes can be built
- Pressure for school places and locations for new / expanded schools
- Pressure for more development in town centres

- Pressure on existing protected land (Green Belt / MOL)
 - Budget cuts / staffing levels
 - Ability to attract (experienced) staff to Bromley
11. The speed of handling planning applications is good but the quality of decisions (% overturned at appeal - 24 months to the end of March 2018) was 12% for major applications, outside the Government target of 10% which places the Council at risk of designation.
12. The proportion of applications determined by officers (delegated decisions) has increased slightly in recent years to 91%. Given that major applications only account for approximately 10% of all applications and the delegation agreement does not require all major applications to go to the committees, the proportion of decisions that are delegated appears low.
13. The percentage refused is very high which linked to the high levels of applications leads to a large number of appeals. This is not only a significant resourcing issue for the Council but has resulted in 271 appeals being allowed in the period 1/4/16 to 31/3/18. Awards of costs for appeals was £170,000 last year. Does this suggest a restrictive approach to decision making across the Council which is out of sync with decision making elsewhere and which will result in the Council continuing to be at risk of designation as appeals are allowed?

% Applications Refused in 2018

	% Refused	Number of LPA with higher % in England	Number of London Boroughs with higher %
Major Applications	44	1	0
Minor Applications	32	19	6
Other Applications	22	12	6

Note: There are 339 Local Planning Authorities in England and 33 London Boroughs

14. Decisions on planning matters, including applications, are made by the Development Control Committee (DCC), any of the 4 Planning Sub Committees (PSC) and officers. Of the 60 councillors at Bromley 31 sit on either the DCC or PSC. Of the 31 only 17 sit on the DCC. Each of the PSC has 9 members with some members sitting on more than one PSC, for example 4 members sit on both PSC 1 and 3 and 5 sit on both PSC 2 and 4.
15. The Committees terms of reference and voting procedures are set out in the Council's Constitution. Members are bound by the Council's general code of conduct and whilst there is a requirement for members to maintain high standards it might be useful to incorporate reference to the 7 Standards of Public Life identified in the Localism Act 2011:
- **Selflessness** – public interest
 - **Integrity** – not open to inappropriate influence/private gain
 - **Honesty** – truthful; declaration of interests and gifts
 - **Objectivity** – use best evidence; impartial; non-discriminatory

- **Accountability** – open to scrutiny
- **Openness** – open and transparent decisions in public
- **Leadership** – uphold and exhibit standards and behaviours

19. In our discussions no reference was made to any specific Protocol or Code of Conduct for Members when handling planning matters. Such Protocols are common amongst other planning authorities and set the framework for the member and officer roles in determining planning decisions.

20. Since our visit we have found, by chance, that LB Bromley did publish a Development Control Guide to Good Practice in 2006 which is still current but no longer issued to Councillors. We appreciate that this document predates the Localism Act (2011) and in many respects is out of date. However, it not only deals with probity issues but also includes useful background and explanation of the way in which the Bromley Planning Committee functions. We appreciate that the Council now use the LGA “Probity in Planning” (2013) booklet as it is more up to date and reflects the Localism Act 2011. We suggest, however, consideration is given to agreeing a revised Protocol for the PSCs and DCC which incorporates the elements of the 2006 document that are still relevant and particular to LB Bromley with the advice in the LGA booklet which recommends Councils adopt a local code for these issues. This would allow members and officers have a clear reference for procedures and approaches which are specific to LB Bromley.

21. Procedures for speaking at the Committees are set out in Planning Division Information Sheet 1.4 available on the Council’s web site.

Assessment

22. The principal driver for us being invited to Bromley was the risk of the Council being designated as a poor performer due to its major appeal record (see 13 above). Whilst the Council has been unfortunate that 4 major allowed appeals related to 2 sites, the very high level of refusal of applications, the resultant high number of appeals, the success rate of appeals supported by further reading of the major appeal decisions and Members’ approach at the committees suggests certain trends, namely

- an overly strong presumption by the council to protecting the local environment over delivering necessary new development
- an unduly strong emphasis placed on “local or ward views”
- an approach to decision making which does not give sufficient weight to the primacy of National and up to date local planning policy
 - decisions taken after the original refusal because some reasons are not defensible at appeal.

We deal with these below.

22. We were only able to see one PSC and one DCC in action. Our overall impression is that whilst local people think the committee represents local level views well, the committees may not be operating in the best interests of the Borough as a whole. The relationship between members and officers appears strained and limits the effective delivery of the service. We set out below our comments and conclusions against the scope of the review set out in appendix 1.

Purpose

- *Is it clear that members of the Committee fully understand their role?*
 - We found:
 - Committees and members who are focused on maintaining the open character of the Borough, its conservation areas and areas of special character.
 - Meetings that are run based on local knowledge, where debate starts with the ward view as opposed to a planning view of the application with subsequent ward input.
 - Committees and members who do not appropriately balance ward/local views with the Borough wide agenda of
 - promoting economic development to generate new income and employment opportunities,
 - providing access to affordable, secure and decent homes
 - enhancing cultural and community activities across the Borough.
 - An approach to new development which does not adequately recognise the demands being placed on the Borough. Repeatedly we heard that Bromley is different from the rest of London which suggests an unresolved tension between delivering local protectionist aspirations and fully engaging with the need to deliver the requirements of the London Plan. This approach is perhaps best summarised by the inspector at the appeal into new housing at the junction of South Eden Park Road and Bucknall Way, Beckenham, when he said

“...But it is clear that Bromley is likely to have to deliver a step change in dpa completions in coming years and that its recent failure to adequately balance the need to exceed the delivery of 641 dpa against a continued blanket protection of all UOS sites is unrealistic and unsustainable if London, the capital city and most prosperous part of the UK, is to achieve anywhere near its OAN (Objectively Assessed Need)...”

We note Council officers consider that the Inspector fundamentally misunderstood the OAN and that the current position is that Bromley has exceeded its housing target and there is nothing to suggest that this will not continue to be the case.
 - We appreciate that the recently adopted Local Plan makes allocations for new housing and that the council currently has an adequate 5 year land supply but there could be increasing demands to deliver housing coming from the review of the London Plan and the local desire to protect the current character of the Borough may not be persuasive in forthcoming appeals (although it is noted that Bromley has objected to the draft London Plan and at present it is of limited weight). Indeed, it was not surprising that the representatives of local residents’ societies were complimentary of the approach of the council and its planning committees as their views are often supported by the council’s decisions.
 - The size of the Planning Sub Committees is acceptable but as explained above (para 15) the number of councillors involved and the limited cross over of members between each committee does raise issues of consistency.

- The size of the DCC is very large at 17 members and should be reduced to a more manageable size.
 - Paragraph 2.07 of the Constitution lists the functions of the Development Control Committee as
 - Planning and Conservation - responsible for all duties relating to planning and development control,
 - Unitary Development Plan,
 - Highways use and regulation, and
 - Common Land and Village Greens

The Plans Sub Committees are responsible for all powers and duties of the Council as Local Planning Authority.

In other words, the PSCs are authorised to deal with all planning applications whatever their size. With the DCC and PSCs having the same powers to determine applications, there needs to be clarity about which types of applications are referred to the DCC for determination. We were unable to find a clear procedure for this. Indeed, we gained the distinct impression that applications appeared on the DCC agenda in part to satisfy members wishes to have some planning applications to determine at each DCC rather than any structured approach. Consequently, the purpose of the DCC in relation to handling planning applications needs to be clarified. We can see that it could have a role for example determining

- applications which are identified by previously agreed criteria as being large or strategic, or
- applications where the PSCs wish to make a decision which is contrary to officer advice, or
- applications where the PSCs decision could leave the council at risk of a cost award if an appeal was lodged

as well as the other responsibilities currently included in The Constitution.

- *Do the delegated agreement and process for 'call ins' serve to support the Committee members and officers in making best use of their time to look at the 'right' applications?*
- Whilst the percentage of delegated decisions has increased during recent years it is still at the lower end of the scale. Currently the delegation procedure allows all applications to be determined by officers unless the application is for
 - the approval of 10 or more dwellings
 - the approval of any new commercial development whether or not a major application
 - approval of any application resulting from an enforcement case,
 - and any application "called in" by any councillor, whether or not the application is in their ward or an adjoining ward.
 - An application is submitted by a Member or an officer

We saw an application decided by the DCC which was straightforward, with no local representations and was consistent with policy. This could have been determined by a PSC or most effectively could

have been a delegated decision if the Scheme of Delegation did not require all *new* commercial development to be determined by councillors.

- The Scheme of Delegation is too restrictive. For example, why are all new commercial applications and approval of enforcement cases singled out for committee attention? As with other procedures we believe this may be a historic approach and the scheme should now be reviewed.
- We identified a high level of call ins with concentrations from particular councillors and wards. We were surprised that call-ins can be made by any member regardless of whether the application is in their ward or not. In any event, and to avoid any misunderstandings, any request that delegated powers should not be exercised must be made in writing with reasons stating why PSC should determine the application. This approach accords with the council's Good Practice Guidelines (2006) and the advice in "Probity in Planning" (p10).
- Going forward the level nature and source of call-ins should be monitored, reported to the DCC and options for maintaining suitable sized agendas explored.
- *Do members understand the process, and is the information they receive relevant and concise?*
 - Councillors appeared to have a clear understanding of the committee process
 - The agenda format, in particular the various lists, is confusing and staff were not aware of the reasons for it. The Good Practice Guidelines of 2006, provides some explanation but we suggest the format of the agenda is reviewed, in conjunction with
 - a review of the planning officer role at committee (see below)
 - questioning of what constitutes an application meriting special consideration (section 2 of the agenda) - would the public know why these applications are special?
 - a review of the relationship of PSCs to the DCC with perhaps applications, where Members wish to make a decision contrary to the officers' recommendation, standing referred to the DCC
 - improving the quality of reports to the committee (see below)
 - a regular review of appeal decisions and the reasons for appeals being allowed, especially when costs are awarded against the Council.

Format and Process

- *How are applications debated and voted on?*
 - Councillors in the main concentrated on relevant planning considerations.
 - Our discussions and experience of the committees suggest too great an emphasis is given to the "local view". We were told that particular Ward Members put pressure on officers and members to secure refusals in their wards. In addition, there is evidence that ward members appear as substitutes on the PSCs when applications in their wards are listed on an agenda, which is not good practice.
 - We are concerned that ward members are attending as strong advocates for their ward and are also voting on the application. Members should be the champions of their residents, but in most cases should not

decide applications in their own ward. This would reflect the approach advocated in “Probity in Planning” p10.

- Notwithstanding the bias towards the local/ward view, debate kept to the appropriate planning issues.
- There is inadequate involvement of officers in the debate, indeed we have the impression that councillors have a poor opinion of officers and do not welcome their advice at the Committee. Consequently, the officer role is reduced to one of providing updates. The Council’s own Good Practice Guidelines of 2006 provides clear guidance (below) which should be incorporated in the revised protocol we have recommended. It can be updated to include/reflect the advice in “Probity in Planning” by the LGA.

“Officers’ Right to Speak

The Chief Planner or his representative should be allowed to speak first on any item to correct or update the officers’ report, to set the scene and to summarise the gist of his advice. He/she should be entitled to respond throughout the debate, but at the Chairman’s discretion, to correct or amplify any potentially misleading statement by Members. If after the discussion, it appears that some Members are not following the officers’ advice, the officer should be allowed to respond to any new points made and to address the implications of a contrary decision.

Reasons

Since the Chief Planners reports are written several weeks ahead of the committee meeting, it is sensible to allow the Chief Planner or his representative to update his report with the results of any outstanding consultations and late objections. Because the reports are publicly available prior to the committee meeting both applicants and objectors often asked for additional points to be made or factors stressed. To avoid complaints about maladministration, it is essential for the offices to be allowed to amplify the report. On many controversial proposals that have a complex history, it is useful for the officer to point out the salient issues. It is not unusual for Members in debating the issues to make comments that might be interpreted as misleading. This is not intended to be a criticism of Members since questionable information may have been provided by applicants or objectors, or the officer’s report should perhaps have been framed more clearly. In these instances again, it is essential for any such comments to be amplified or corrected by the officers to avoid the decision been based on arguably inaccurate facts, or misunderstanding. It is open to Members to refuse an application that has been recommended for permission, but before the final vote is taken the officer ought to be allowed to speak to clarify any matters or point out the implications of the Members’ decision, as well as comment on any conditions or suggested grounds of refusal."

(LB Bromley Development Control Good Practice Guidelines 2006)

- The Committees were well chaired.
- Voting procedures at the Committee were very clear.
- Care should be taken to ensure, where the motion is different from the officers’ report, that the reasons for refusal or for approval and any necessary conditions are clear before the vote is taken.

- The Committee has a procedure for deferral of decisions to a later PSC which are contrary to officer recommendations to approve (Section 4 of the PSC agenda). Where a final decision to refuse could make the Council vulnerable at appeal and awards of costs, officers should seek a deferral of the item for one cycle of the committee so that a confidential report which sets out the risks can be prepared and avoids officers having to advise on these issues in public. The decision on the relevant application should however always be made in public. An alternative would be to defer such applications to the next meeting of the DCC. This would emphasise the role of the DCC as the “parent committee”.
- Care should be taken that motions for refusal are always clearly put and well defined to enable officers to formulate effective reasons for the minutes and decision notices.
- *Does the standard, clarity and layout of Committee reports support the Committee process?*
- Good decision making starts with good, clearly understood information.
- We strongly support the recent change to officers providing a clear, well reasoned recommendation to either approve or refuse each application. This approach is best practice and to continue with the previous approach, of providing optional recommendations, is not supported nor is it in accordance with the Royal Town Planning Institute Code of Practice.
- The reports are too long and fail to concentrate on the issues central to a determination of the particular case. In a desire to cover everything, the key issues of policy that are important are not sufficiently prominently highlighted.
- The report should state why the application has been presented to the committee for a decision. If the application has been called-in the report should state by whom and why.
- A precis of consultee comments should be given and not provided verbatim.
- The reports should include maps, plans and drawings which adequately describe the proposal rather than relying on members viewing details online beforehand or by passing a file around the committee table during discussion. This latter practice seems counterproductive as it distracts members from the debate, is not clear to members of the public and assists the perception that the committee does not fully appreciate the issues of particular cases.
- Members should also be encouraged to access the relevant file online prior to the committee meeting.
- Examples we saw which support this change to reports and the introduction of presentations at committee were:
 - decision on whether or not to allow a second dormer window on a front roof line in an Area of Special Residential Character would have been better informed and more robust if photographs of the site and street had been provided in an initial presentation.
 - debate about the height and design of proposed dwellings on a constrained site appeared uninformed, as no graphics were available.
 - debate on whether to allow an increase in the number of dwellings on a site by subdividing previously permitted units would have been better informed if plans and drawings showing the approved and proposed structures had been provided prior to the debate or referred to by officers

when it was clear a decision contrary to their advice was likely to be made. (This refusal leaves the council open to a difficult appeal.)

- *Does the presentation of Committee reports by Planning Officers support the Committee process?*
- There are no presentations by officers at the committees. Instead, a file of plans and relevant information is handed round the members during debate. We found this a particular failing and it must be addressed. We were left with the distinct perception that councillors did not always know the sites referred to nor did they appreciate the design and impact issues arising from the various applications. The lack of presentations does foster poor perceptions of the committees by the public potentially bringing the council into disrepute.
- The committee being provided with an illustrated presentation with site/contextual photographs and relevant plans/drawings would aid the debate and improve the perception for those attending that the applications and their context were clearly understood.
- *What is the process for Councillor site visits, how are views recorded and reported back to Committee?*
 - Our impression is that site visits by the committee are very infrequent and we did not discuss them. The 2006 Good Practice Guidelines confirms that these visits are for fact finding only and the merits of the case should not be discussed. Procedures for agreeing and handling site visits should be reviewed. Consideration might also be given to early site visits for the largest and most complex applications. There is also useful advice on page 15 of "Probity in Planning".
 - For the larger and more complex applications, the absence of clear photographs Plans and 3D images as well as no site visits gives a poor impression of the decision making process
- *Does the Committee chamber layout support the Committee process?*
 - No - see Customer Experience below.
- *How effective are the arrangements for training Committee members?*
 - see Quality and Improvement section below

Customer Experience

- *How is public engagement managed at the Committee?*
 - Speakers at the Committee appreciated the welcome and clear guidance provided.
 - Customers told us, and we saw, the welcoming and inclusive style of the Chairs of the Committees.
 - Speakers seemed to appreciate the opportunity to respond to questions from councillors.
 - Speakers described the room as intimidating (see customer experience below)
 - Customers reported well run, professional and effective Committees.

- Committee agendas are available well in advance and easily accessible for customers via the [mod.gov](https://www.mod.gov.uk) app.
- *How could public understanding of the role, and limitations of the Planning and Development Control Committees be improved?*
 - Using Committee Room 1 instead, unless a very large number of the public are expected to attend, as the layout of the Council Chamber is restrictive and intimidating for those taking part in proceedings. Officers have raised concerns about member security if a smaller room is used but many other Councils hold meetings in smaller more intimate rooms without security issues. Additionally, security staff are on duty in any event should they be needed. This issue should not prevent the Council developing a more inclusive approach to its customers at planning meetings.
 - Customer experience at the Committee meeting is mixed.
 - Customers are clearly directed to the Council Chamber and welcomed by staff.
 - Details of applications that have been withdrawn are displayed as is how to access the Council's public Wifi.
 - The acoustics of the Council Chamber are poor and the layout of the room makes it very difficult for the public to hear.
 - The committees felt very distant from the public gallery.
 - The layout of the tables as "T" meant that the councillors could not be clearly seen and that views of the people on ends of the top table were blocked, making it more difficult for these officers to interact with the committee members.
 - No information is available about of how the Committee will operate or on emergency evacuation procedures. A laminated A4 sheet with this information might prove helpful to the public.
- *How should public representations be managed during the Committee?*
 - The public welcomed the opportunity to address the Committees and answer questions. The 3-minute allowance for speakers is adequate, successful and mirrors many other councils.

Roles and Responsibilities

- *Is the role of Councillors on the Committee, and more widely, understood in relation to the handling of planning applications and ensuring probity?*
 - Member's involvement in applications seems to be solely at the end of the process i.e. at committee. This is often too late in the process and prevents the opportunity for active engagement with the local point of view at a stage when change/improvements to developments could more easily be made. We suggest a more proactive approach to pre-application discussions on major applications involving:
 - meetings with developers attended by members and officers to discuss early ideas and to set out likely local concerns

- presentations to a wider audience of members of the planning committees, again to understand the issues likely to be of concern, and
- on the biggest applications
 - public engagement events, and possibly
 - the presentation of an early issues report to the PSC/DCC to confirm officers are covering all the areas members would wish.

These measures ensure that

- no big surprises happen at the determining committee
- local concerns can be fully considered and where possible ameliorated
- applications are less likely to be refused for reasons that cannot be adequately supported at appeal
- perceptions of the council will change from being highly regulating to facilitating and consequently more in tune with national policy in the NPPF.
- Officers should encourage Ward Members to contact them to discuss potentially contentious applications and members should respond positively to the initiative.
- There is no specific Planning Code of Practice for Members and we believe that the Council would benefit from more tailored advice and procedures. Some advice is provided in the Development Control Good Practice Guidelines (2006) but this should be updated to reflect the changed roles of councillors following the Localism Act 2011.
- Officers should encourage and facilitate the involvement of Ward Members in pre application discussions to ensure early discussion of local views and issues. Their involvement should not be prevented on grounds of commercial confidentiality. Ward members should be trusted to maintain confidentiality.
 - Officers should seek greater opportunities for effective and meaningful member and community involvement in pre-application discussions particularly around major developments.
- *Is the role of the Portfolio Members at Committee understood by all concerned?*
 - Only 3 of the 31 PSC and DCC members are also members of the Executive. This seems quite a low proportion and the council may wish to give consideration to having at least one Executive member on each of the PSC and DCC to ensure that strategic issues are adequately addressed as part of debate.
- *Is the support from officers at the Committee consistent and of high quality?*
 - There is little dialogue between officers and members and little evidence of an atmosphere of mutual trust and respect.
 - Officers should be enabled to provide appropriate advice, clearly explain the relevance of national and local policy and feel confident to advise Members when their approach to an application is difficult to support in planning terms. This approach follows the Good Practice Guidelines of 2006. The importance of having a clear unambiguous professional recommendation cannot be overstated. It reflects both best

practice and the requirements of the RTPI. The previous practice of option recommendations should not be reintroduced.

Quality and Improvement

- *How effective are the arrangements for training Committee members?*
- Training on planning matters is provided but from what we learnt is limited and not compulsory. Effective training should be compulsory for all Members who wish to sit and vote on the PSCs and DCC and to substitute. Additional training on specific topics should also be provided on a regular basis. A list of trained members should be maintained by Democratic Services and available to the Chairs of the committees to ensure that only trained members make decisions. The Standards Committee also has a role to monitor and advise on these matters. It is not sufficient to only rely on induction training; continuing member training for planning members is vital.
- Training could be extended to
 - reviewing appeal decisions particularly major appeals
 - viewing the results of decisions on the ground and evaluating what went well and what didn't.
 - design and place making especially in relation to higher density housing and the implications of the new NPPF
- *What monitoring and review arrangements are in place for the Committee to assess its performance?*
 - Reports to the DM Committee on the performance of the Planning Department and on the results of appeals are sporadic. These should be presented on a regular/quarterly frequency. Reporting on appeals should explain the reasons for refusal and the Inspector's decision which would provide a very good way of examining issues and good training.

Conclusions

23. We found well chaired committees but a decision making process which was not working well. The decisions being made at both delegated and committee level result in very high levels of refusals and too many appeals. Whilst this may in part reflect the particular geography of the Borough, we are not convinced that this is the sole reason. We saw an approach where, amongst other issues:

- The local view was frequently given too much weight
- Members are not adequately fulfilling their borough wide role and determining applications in the wider public interest,
- Ward Members are voting on applications in their own wards,
- Members have little trust or respect for their officers or the advice being provided,
- Officers feel prevented from an active participation in the committee process,
- Too many reasons for refusal are not capable of support at appeal and officers are having to seek committee approval not to defend them.

- too many applications are being called to committee,
- the Scheme of Delegation was not effective and requires review,
- the lack of plans, drawings and photographs in reports and the absence of officer introductions/presentations at committee meetings hampered effective debate and undermined positive perceptions of the Council,
- there is little member involvement in pre-application discussions,
- In the sections above we have identified areas of good practice and made suggestions where improvements would be beneficial identified areas where improvements could be made,
- public engagement is hindered by the size and layout of the Council Chamber.

24. Some of the issues we have highlighted were addressed by the Council's own Guide to Good Practice (2006). We appreciate, with the introduction of the Localism Act and changing attitudes to member involvement, that some of this document is out of date and that more recent advice is given in the LGA booklet "Probity in Planning" (2013). The later booklet advises councils to develop their own codes and procedures and to document these so that all participants in the committee process have a clear point of reference. We strongly urge the Council to revise and update the 2006 document to reflect modern advice and practice.

25. We hope the insights provided are helpful, and that you are able to take forward many of the suggestions.

26. We wish you well for the future.

Cllr Melvyn Caplan and Martin Vink

May 2019

Appendix 1 - SCOPE OF THE REVIEW

The review has considered the following five aspects of the way the Planning Committee functions: -

Purpose

- Is it clear that members of the Committee fully understand their role?
- Do the delegated agreement and process for 'call ins' serve to support the Committee members and officers in making best use of their time to look at the 'right' applications?
- Do members understand the process, and is the information they receive relevant and concise?

Format and Process

- How are applications debated and voted on?
- Does the standard, clarity and layout of Committee reports support the Committee process?
- Does the presentation of Committee reports by Planning Officers support the Committee process?
- What is the process for Councillor site visits, how are views recorded and reported back to Committee?
- Does the Committee chamber layout support the Committee process?
- How effective are the arrangements for training Committee members?

Customer Experience

- How is public engagement managed at the Committee?
- How could public understanding of the role, and limitations of the planning Committee be improved?
- How should public representations be managed during the Committee?

Roles and Responsibilities

- Is the role of Councillors on the Committee, and more widely, understood in relation to the handling of planning applications and ensuring probity?
- Is the role of the Portfolio Holders at Committee understood by all concerned?
- Is the support from officers at the Committee consistent and of high quality?

Quality and Improvement

- How effective are the arrangements for training Committee members?
- What monitoring and review arrangements are in place for the Committee to assess its performance?

Report No.
CSD22015

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 28 February 2022

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

Title: RECOMMENDATIONS FROM THE STANDARDS COMMITTEE

Contact Officer: Philippa Gibbs, Deputy Democratic Services Manager
Tel: 020 8461 7638 E-mail: Philippa.Gibbs@bromley.gov.uk

Chief Officer: Director of Corporate Services and Governance

Ward: All Wards

1. Reason for report

At its meetings on 15 July 2021, and 10 January 2022, the Standards Committee made four formal recommendations concerning processes and procedures for improving ethical standards and improving the public perception of decision-making processes.

2. RECOMMENDATION(S)

That Full Council endorse the following recommendations of the Standards Committee:

2.1 That the following wording should be used for declarations at quasi-judicial meetings in the interest of openness and transparency:

“I know X purely as a Councillor” or “I know X socially and I have not discussed this matter with them” or “I know X socially and have discussed with them but have not made any commitment”.

2.2 That the Procedure for Handling Code of Conduct Complaints be amended to reflect that in cases where the conduct of a councillor, whilst falling short of the high standards of conduct expected, has been judged not to have amounted to a breach of the Code of Conduct, the Monitoring Officer is encouraged to give informal words of advice.

2.3 That in the rare instances of disagreement between the Monitoring Officer and an Independent Person, the Standards Committee or a Sub-Committee of the Standards Committee should consider a report from the Monitoring Officer which outlines the view of both the Monitoring Officer and the Independent Person.

2.4 That the Monitoring Officer establish an induction process for Independent Persons.

Impact on Vulnerable Adults and Children

1. Summary of Impact: There is no immediate impact
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £366k (2021/22)
 5. Source of funding: Revenue Budget
-

Personnel

1. Number of staff (current and additional): 2
 2. If from existing staff resources, number of staff hours: On average less than 2 hours a weeks is spent on matters concerning ethical standards
-

Legal

1. Legal Requirement: Statutory Requirement: The Council is required to have a Code of Conduct governing the ethical standards of Elected Members of the Council.
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All Members of the Council
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable

3. COMMENTARY

- 3.1 At its meeting on 15 July 2021, the Standards Committee held a discussion with the Chairman of the Development Control Committee regarding the report of the Planning Advisory Service and the Council's existing Local Planning Protocol. It was recognised that planning committees were a difficult area for elected members to navigate as decisions were often subjective and in many cases it was almost impossible to please all those party to a planning application. The focus of the Standards Committee was on the issue of Member integrity and the public perception of Member integrity.
- 3.2 At that time, planning training for Members was provided but stopped short of being mandatory. The Standards Committee recognised the importance of elected Members undertaking regular training and refresher training in order to demonstrate that they had the necessary competencies to take decisions at meetings.
- 3.3 The Standards Committee welcomed the following proposals in relation to planning applications which it was felt would ensure that there was open and transparent decision making and that the Council was seen to be open and transparent in its decision making:
- a) When more than 50% of a planning committee declared that they knew a planning applicant the matter would automatically be referred to the Development Control Committee. The Chairman of the Development Control Committee would regularly liaise with officers and when applications were submitted by local developers whom many Members may know the application would automatically be referred to the Development Control Committee.
 - b) Members to be made aware that a "Cab Rank" principle operated for the allocation of planning applications and they should therefore not request that an application be referred to a specific committee.
 - c) Councillors who have called an application to committee should not move or second the motion.
- 3.4 The Committee further resolved to recommend that basic training in planning for all Councillors, before they sit on a planning committee or within 3 months of election, be made mandatory. To be implemented by May 2022.
- 3.5 At its meeting on 10 January 2022, the Standards Committee had a further discussion concerning probity in planning and the report that had recently been provided by the Planning Advisory Service. At that meeting the Chairman of the Development Control Committee reported that she was pleased to confirm that all the recommendations made by the Standards Committee in July 2021, were on the agenda for the Development Control Committee on 11 January 2022, and were all recommended for approval. On 11 January 2022, the Development Control Committee approved all recommendations in relation to the report of the Planning Advisory Service and this will be the subject of a separate report to Full Council.
- 3.6 The Standards Committee noted that one of the recommendations from the Planning Advisory Service (PAS) was that all Members involved in planning decision making should have basic training. It was further noted that there was support amongst Members that any councillor sitting on planning committees must undertake this basic training. It was agreed that training would take place early after the May 2022 elections. The general view was that there would not be a Member of the Council who was not involved in planning in one way or another, due to the nature of the role of local ward members. Consequently, all Members of the Council would be strongly encouraged to engage with and undertake the planning training provided, however the training would be mandatory for those members sitting on Planning Committees.

- 3.7 Other issues considered by the Standards Committee on 10 January 2022 were declarations of interest at meetings and the complaints handling process and recommendations to Council were made.
- 3.8 In respect of declarations of interest at meetings, particularly quasi-judicial decision-making committees (those dealing with Planning and Licensing Matters), it was agreed that openness and transparency were paramount. Whilst recognising that it was almost impossible for elected members to fulfil their roles without developing professional networks and getting to know people, the Committee felt that it was essential that Members were transparent about these professional relationships and free from the appearance of bias. There was consensus across the Standards Committee that when a Member knew any parties to a particular decision, this should be declared in order to protect both the Member and the other parties.
- 3.8.1 **RECOMMENDATION: That wording along the following lines should be used for declarations at quasi-judicial meetings in the interest of openness and transparency:**
- “I know X purely as a Councillor” or “I know X socially and I have not discussed this matter with them” or “I know X socially and have discussed with them but have not made any commitment”.***
- 3.9 In respect of the process for handling Code of Conduct (Standards) complaints, the Standards Committee noted that in the past there had been certain circumstances under which the Monitoring Officer had offered “words of advice” to a councillor where a complaint had been received but where the conduct of the councillor, whilst falling short of the high standards of conduct expected, had been judged not to have amounted to a formal breach of the Code of Conduct. The Standards Committee felt that “words of advice” should be formally incorporated into the Procedure for Handling Code of Conduct Complaints.
- 3.9.1 **RECOMMENDATION: That the Procedure for Handling Code of Conduct Complaints be amended to reflect that in cases where the conduct of a councillor, whilst falling short of the high standards of conduct expected, has been judged not to have amounted to a breach of the Code of Conduct, the Monitoring Officer is encouraged to give informal words of advice.**
- 3.10 Whilst noting that instances of disagreement between the Monitoring Officer and an Independent Person were rare, the Standards Committee felt it appropriate that in such instances the Standards Committee or a Sub-Committee of the Standards Committee should arbitrate. As such, where arbitration was necessary the Monitoring Officer should present a report to the relevant Committee or Sub-Committee outlining the view of both the Monitoring Officer and the relevant Independent Person.
- 3.10.1 **RECOMMENDATION: That in the rare instances of disagreement between the Monitoring Officer and an Independent Person, the Standards Committee or a Sub-Committee should consider a report from the Monitoring Officer which outlines the view of both the Monitoring Officer and the Independent Person.**
- 3.11 The Standards Committee also agreed that an induction process for Independent Persons should be established.
- 3.11.1 **RECOMMENDATION: That the Monitoring Officer establish an induction process for Independent Persons.**

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Financial Implications, Personnel Implications, Procurement Implications, Policy Implications, Legal Implications
Background Documents: (Access via Contact Officer)	Minutes of the Standards Committee meetings held on 15 July 2021 and 10 January 2022.

This page is left intentionally blank