



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 5 January 2023

To: Members of the
EXECUTIVE

Councillor Colin Smith (Chairman)

Councillor Kate Lymer (Vice-Chairman)

Councillors Yvonne Bear, Nicholas Bennett J.P., Aisha Cuthbert, Christopher Marlow,
Angela Page and Diane Smith

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 18
JANUARY 2023 AT 7.00 PM**

TASNIM SHAWKAT

Director of Corporate Services & Governance

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

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2022
(Pages 3 - 28)

4 QUESTIONS

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

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

5 DRAFT BUDGET 2023/24 AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY (Pages 29 - 130)

6 CAPITAL STRATEGY 2023/24 TO 2026/27 & Q3 CAPITAL PROGRAMME MONITORING (Pages 131 - 148)

- 7 **COUNCIL TAX REDUCTION/SUPPORT SCHEME 2023/24** (Pages 149 - 220)
- 8 **PROCUREMENT STRATEGY - PROCUREMENT OF LEASE CARS AND LIGHT COMMERCIAL VEHICLES** (Pages 221 - 232)
- 9 **HOMES FOR UKRAINE** (Pages 233 - 242)
- 10 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 11 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

Items of Business

Schedule 12A Description

- | | | |
|----|---|---|
| 12 | EXEMPT MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2022 (Pages 243 - 248) | |
| 13 | CAPITAL STRATEGY 2023/24 TO 2026/27 & Q3 CAPITAL PROGRAMME MONITORING - APPENDIX E (Pages 249 - 250) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

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EXECUTIVE

Minutes of the meeting held on 30 November 2022 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Kate Lymer (Vice-Chairman), Yvonne Bear,
Nicholas Bennett J.P., Christopher Marlow, Angela Page
and Diane Smith

Also Present:

Councillor Simon Fawthrop and Councillor Simon Jeal

90 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Aisha Cuthbert.

91 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

92 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 19 OCTOBER 2022

The minutes of the meeting held on 18 October 2022 were agreed and signed as a correct record.

93 QUESTIONS

One oral question and three written questions were received. The questioner who had submitted the oral question was not present and it was therefore agreed that a written response would be provided. The questions are attached at Appendix A.

94 BUDGET MONITORING 2022-2023 Report FSD22086

The report provided the first budget monitoring position for 2022/23 based on expenditure and activity levels up to the end of September 2022. The report also highlighted any significant variations which would impact on future years as well as any early warnings that could impact on the final year end position.

The Executive noted the financial pressures within the Children's Social Care budget and the ongoing pressures arising from inflation.

The Portfolio Holder for Resources, Commissioning and Contracts Management reported that the Council had been able to execute Phase 2 of the Bromley Meadowship Homes Scheme, notwithstanding the recent market volatility. The Leader of the Council congratulated all those involved in delivering the scheme highlighting the strong team effort which had delivered an excellent outcome for the Council.

RESOLVED: That

- 1. The latest financial position be considered;**
- 2. A projected net overspend on services of £9,568k forecast based on information as at July 2022 be noted;**
- 3. The comments from Chief Officers detailed in Appendix 2 be noted;**
- 4. A projected reduction to the General Fund balance of £1,478k as detailed in section 3.3 of the report be noted;**
- 5. The full year cost pressures of £9.369m as detailed in section 3.4 of the report be noted;**
- 6. The release of funding from the 2022/23 central contingency as detailed in paragraphs 3.2.2 to 3.2.6 of the report be agreed;**
- 7. The release of £314k from the CEF Health Reserve Fund for expenditure in the CEF department as detailed in paragraph 3.8 of the report be agreed.**

95 CAPITAL PROGRAMME MONITORING 2022-23
Report FSD22083

The report summarised the current position on capital expenditure and receipts following the second quarter of 2022/23 and sought the Executive's approval to a revised capital programme.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. The report, including a total re-phasing of £134k from 2022/23 into future years be noted and a revised capital programme be agreed.**
- 2. The following amendments to the capital programme (paragraph 3.3 of the report) be approved:**
 - (i) Increase of £3,000k in relation to the budget for depots**

- (ii) Increase of £20,970k for additional costs associated with the Direct Line project, the preferred option for the existing capital budget for the Civic Centre redevelopment scheme**

2.2 That Council be recommended to approve the increase of £23,970k to the capital programme (paragraph 3.3 of the report)

96 OPERATIONAL PROPERTY REVIEW

A review of the Council's operational property had been undertaken to identify the optimal operational estate and understand the liability of it over a 10-year period together with the potential to undertake minor refurbishments where appropriate to minimise future liability. This report provided an overview of the work undertaken.

Introducing the report, the Director of Finance noted the funding gap in the Capital Programme and explained that this report, and the following report set out the proposed strategy in terms of funding the future capital programme.

In opening the discussion, the Portfolio Holder for Resources, Commissioning and Contract Management emphasised that Bromley Council had been continuously operating and providing services since 1964. However, during that time services and the way they were provided had changed and it was only appropriate that assets were reviewed to ensure the Council was in a strong position to continue to provide services.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That

- 1) The contents of the report be noted;**
 - 2) The Operational Estate Strategy as detailed at 3.22 to 3.30 of the report be adopted;**
 - 3) Officers progress the various Workstreams identified at 3.34 to 3.43 of the report noting that works packages once scoped and costed will then be reported to the Executive for consideration to proceed and award works packages;**
- 1) The sums identified within the report are incorporated into the Capital Programme be agreed;**
 - 2) The funding of the £3M resources identified at 3.45 of the report be agreed in principle to enable Officers to progress the various**

Workstreams and such funding to be made available from the Capital Programme.

97 PROPERTY DISPOSALS

The Operational Property Review had identified the need to generate Capital Receipts to reduce the overarching cost of clearing maintenance liabilities and for bringing up to a standard through minor refurbishment, those properties the Council intended to retain. A number of properties and leasehold interests had been identified for either disposal or by lease re-gearing to generate Capital Receipts.

The Leader of the Council emphasised that the Council would not be engaging in “fire sales” as some had been scurrilously suggesting and would only dispose of properties at the appropriate time. The Portfolio Holder for Resources, Commissioning and Contracts Management highlighted that as a result of the Council being debt free it was not forced to rush the sale of assets and Members could take their time and seek fair value.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That the report be noted.

98 FUTURE COUNCIL HQ OPTIONS

The report was provided for the Executive to consider the future provision of the Council’s Head Quarters with the options being to remain at the Civic Centre site and refurbish it or to relocate to a new site which was available subject to agreeing the right purchase price. The cost of the purchase would be offset by the disposal of the existing Civic Centre site.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That the report be noted.

99 BIGGIN HILL AIRPORT LTD: REQUEST TO VARY USER CLAUSE

BHAL had formally requested their intention to seek to modify the definition of “Permitted User” in clause 1.8 of the Lease. They had requested that the Council approved the modification, but should the Council not decide to approve it then pursuant to their rights under section 84 of the Law of Property Act 1925 (“LPA 1925”) they would apply to the Upper Tribunal (Lands Chamber) to determine such a change.

In introducing the item, the Portfolio Holder for Resources, Commissioning and Contracts Management made the following comments and highlighted the following points from the discussion at the Executive, Resources and Contracts PDS Committee on 23 November 2022:

1. The letter from BHAL dated 24th October demanded a response within 28 days, so this was not an item that could be deferred;
2. The legal advice the Council received indicated that the Council had strong grounds to resist challenge to the current Permitted User Clause (PUC);
3. The Council had a duty to behave reasonably in respect of any requests made by BHAL in its capacity as tenant;
4. Any amendment of the existing PUC could undermine the principle of no fare-paying passengers upheld by the Court of Appeal in 2002;
5. The lease had been set up partially to protect residents on environmental grounds; and
6. The 28-day deadline set by BHAL had, similar to the request last year, given the Council and Bromley residents relatively little time for discussion.

The Portfolio Holder noted that the letter dated 24th October received from BHAL contained the following sentence: "Please confirm that the Council agrees to BHAL's above proposed modification of the definition of the Permitted User in the Lease". This was followed by "However, having taken all of the above steps, if this still does not result in an agreement over the proposed modification then BHAL will have to make such an application and will refer the Tribunal to this correspondence". It was noted that under property law Bromley Council as landlord of the airport was required to consider any requests to amend the lease received from BHAL as tenant. Bromley Council was acting within its legal obligations as landlord by considering this request; it would also be entirely within its legal rights as landlord to refuse, providing this was done on reasonable grounds.

Executive heard that the existing permitted user clause, upheld by the Court of Appeal in 2002, did not permit fare-paying passengers. The original intention of this clause and the lease in general, as amended by the deed of variation and related documents in 2016, was to permit the operation and development of Biggin Hill airport for business aviation, flight training and private flying, as well as one air fare or display each year. It was drafted explicitly to preclude the possibility of fare-paying passengers from using the airport, as the resulting increase in aircraft movements would likely result in an unacceptable loss of amenity for residents living in the southern part of the borough.

The Portfolio Holder recognised that the latest request from BHAL did not explicitly request fare-paying passengers. However, it would allow "passenger services operated by aircraft carrying no more than 19 passengers, provided that seats are only made available to individuals who by reason of club

membership, shared ownership or some other private arrangement with the owner or operator of the aircraft are able to secure a seat on such a flight". The Portfolio Holder emphasised that the crucial words lie towards the end of the sentence: "some other private arrangement with the owner or operator of the aircraft". As noted by officers in paragraph 3.27 of the report "the statement contains enough ambiguity so as to allow for the possibility of multiple ways of purchasing tickets for flights with minimal restriction". It would effectively permit fare-paying passengers without explicitly doing so, and thus effectively end the restriction on the airport's activities upheld in the judgement of 2002.

However, in order for the Council to refuse the request on reasonable grounds, it must have substantive grounds on which to do so. The operations of Biggin Hill benefitted the borough in terms of generating local employment and diversifying the borough's economy. The Council also benefited directly via the turnover rent it received from the airport and its share of business rates generated by activities on the airport's site. Set against this, the airport's activities generated significant negative externalities for residents living in the southern part of the borough. The most significant of these was noise from aircraft travelling to or from the airport. This noise disrupted the sleep of residents who worked night shifts (including those at the Princess Royal University Hospital) and the enjoyment of residents living or visiting the southern part of the borough of their gardens or green spaces, as the noise of passing aircraft was sufficiently loud to halt conversation. The Portfolio Holder highlighted that in the summer months, when there could be aircraft movements every few minutes along a single route, the effect for residents was particularly oppressive. In addition, the growing number of residents working from home following the COVID-19 pandemic were also affected, with their virtual meetings and conference calls disrupted by aircraft noise. Although not visible or audible, the carbon emissions resulting from the airport's operations also concerned a growing number of residents. The Portfolio Holder suggested that private aviation was far more damaging in terms of carbon emissions per capita than regular aviation; with a BBC article from 2021 (<https://www.bbc.co.uk/news/59135899>) estimating the CO2 emissions per passenger were almost five times higher from private jets than regular commercial flights. The Portfolio Holder further noted that due to the cost of private aviation, the number of the borough's residents that have ever been able to use private aviation services from the airport was a mere fraction of the number of residents directly affected by its environmental impacts.

The Portfolio Holder noted that the proper role of the Council was to weigh the economic benefits from the airport's operations against the negative environmental externalities. It was entirely right and proper that Members considered the impact on residents as well as the purely financial impact on the Council as a corporate body. Bromley was not just a private landlord, but a local authority with democratic legitimacy to represent its residents and their interests in negotiations with third parties. It would be unreasonable to judge the Council's actions as if it were a private landlord with no broader public

role; indeed, this was recognised in clause 2.11 of the Lease which required any arbitrator assessing whether the Council was acting reasonably by refusing a request to amend the lease to the 'no reasonable local authority' test.

Turning to the likely impact of the proposed change, the Portfolio Holder noted that in the report Council officers highlighted that no forecast of the impact of any change to the permitted user clause on the number of annual aircraft movements had been provided. The number of movements was directly correlated to the impact the airport's operations had on those residents living under flightpaths in the southern part of the borough. Moreover, activity at the airport, and thus the Council's income from turnover rent and business rates, was also correlated with the number of movements. Considering the Council's obligation as a reasonable local authority to weigh the economic benefit from any changes to the airport's governing regime against the likely environmental impact, the Portfolio Holder felt that it was not reasonable for the airport to request a change to its governing regime without providing any data regarding the impact of the change in terms of the number of movements. The Portfolio Holder acknowledged that a claim may be made by the airport or others that the intent of the change was to ensure that aircraft that were already flying were used more efficiently, with supposed environmental benefits. The Portfolio Holder considered that this was highly disingenuous, as it ignored the fact that tickets may effectively be purchased for flights, then operators would be able to spread the fixed costs of flights over a greater number of passengers. That in turn would increase the viability of individual flights, and thus the total number of movements to and from the airport. As the environmental impact of the airport's operations could not be reduced to a financial value, the Council could not weigh the economic and environmental impacts of this potential change in monetary terms alone. However, the Portfolio Holder noted that while BHAL's financial contribution to the Council was under £1m per annum, the amount of Council tax paid by residents in the southern wards of Darwin, Hayes and Coney Hall, Petts Wood and Knoll, Bromley Common and Holwood, Farnborough and Crofton, Orpington, and Chelsfield was equivalent to circa £86m per year.

Finally, the Portfolio Holder noted that in their letter, BHAL implied that without 'modernisation', which they equated to amendment of the permitted user clause, the airport would not benefit from investment. The Portfolio Holder felt that it was difficult to see how this claim could be made when Members had been invited to the grand opening of Bombardier's newly expanded London Biggin Hill Service Centre earlier in the day. Bombardier were clearly prepared to make this investment under the existing terms of the lease. As noted in paragraph 3.29 of the officer report, Castle Air had similarly recently announced an increase in their operations from Biggin Hill and lastly, the Portfolio Holder noted the development of the hotel on the airport site.

In conclusion, the Portfolio Holder noted that while the Council wished to see the airport operate successfully and profitably within the bounds of its

governing documents, as it had done with considerable success in recent years, the Council would not be acting as a reasonable local authority if it agreed to further liberalisation of the lease without considering the likely environmental impact of such a change. Members knew from the airport's noise action plan that complaints had quadrupled since the variation of the lease in 2016, which had driven a shift in the type of aircraft using the airport from small general aviation aircraft to business jets. Councillors representing all southern wards excluding Biggin Hill, with a combined population of approximately 99,000, had personally conveyed to the Portfolio Holder the sheer volume of correspondence received on this issue, none of which was supportive of the airport's request. The Executive had before it not a request, but an ultimatum to change the lease put in place to protect the residents of the borough, without any forecast of how such a change was likely to affect them. On that basis the Portfolio Holder urged the Executive to follow the officer recommendation to refuse BHAL's application to amend the Permitted User Clause in the lease.

The Chairman of the Executive, Resources and Contracts PDS Committee supported the comments made by the Portfolio Holder for Resources, Commissioning and Contracts Management, confirming that they represented an accurate summary of the discussion at the recent PDS Committee. The Member also highlighted that local residents felt that they had not been consulted and had not had a voice.

The Officer recommendation that BHAL's application to amend the Permitted User Clause in the Lease be refused was put to the vote:

6 in favour

1 abstention

The motion was therefore carried.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That BHAL's application to amend the Permitted User Clause in the Lease be refused.

100 BROMLEY TOWN CENTRE HEALTH AND WELLBEING CENTRE DEVELOPMENT PROPOSAL ON BEHALF OF THE NHS BROMLEY ICB

On 20th October 2021 the Executive considered a proposal to develop a new Health and Wellbeing Centre (HWBC) with the South East London Clinical Commissioning Group (CCG) on the site of the former Adventure Kingdom building and the Great Hall at the Civic Centre. A key requirement for the CCG was that the new facility be ready for use by Spring 2024 due to funding pressures from the Department of Health and HM Treasury.

Subsequent to this, additional work was carried out and it was identified that to achieve the CCG's requirements an accelerated programme was required which would incur additional cost at an earlier stage to that originally envisaged. These additional costs were set out in paragraph 3.13 of the 20th October 2021 report.

This expenditure enabled detailed feasibility, design, planning and construction delivery planning to be progressed at pace and without delay. As a result of this there was a need to formally request the cost of the scheme, including costs recoverable from the CCG, be formally included within the Capital Programme so that identified sums within the report could be drawn down to facilitate the appointment of the various consultants and work required.

Furthermore, this demonstrated the Council's commitment to both HM Treasury and NHS England that it intended to proceed and could deliver the proposed development in a timely manner.

The Executive, Resources and Contracts committee supported the proposals at its meeting on 9th February 2022 as did the Executive Committee, subject to requesting regular reports to the PDS Committee on progress. The Leader added that regular reports would be needed for the Executive.

The report noted that as of 1st July 2022, following legislative changes, the CCG was now the South East London Integrated Care Board (ICB), The report provided the requested update to both ERC PDS and the Executive on the options available and sought the relevant authorities to enable the Council to continue to work with the ICB and to support them in their proposals for the refurbishment of the Adventure Kingdom as set out in the report.

Mr Mark Cheung, One Bromley Programme Director – Integrated Care (Bromley ICB) attended the meeting and explained that the report set out a proposal which made the most of the funding available. It was acknowledged that timescales were tight but it was felt that the project was deliverable in those timescales. The proposals would deliver a much needed health centre in Bromley Town which would complement the work being delivered in other parts of the borough. It was noted that it was an NHS-led scheme involving close partnership working with the Council.

The Executive noted that the Council was indemnified from costs and as such there was no financial risk to the Council. The Leader expressed thanks to everyone involved in developing the proposals.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. It be noted that the updated proposals for the HWBC on the site of the Adventure Kingdom and that previous proposals as approved by the Executive, Resources and Contracts at its meeting on 9th February 2022 will not be proceeding.**
- 2. Approval be given to agree the updated proposals with the ICB for delivery of the project on behalf of the ICB such as design, procurement, terms, management and funding, as set out in sections 3.2 to 3.18 of this report, as necessary to proceed and to approve the intention to continue to work in partnership with the ICB, noting that the ICB continues to provide a cost indemnity for the Council's costs in respect of the project.**
- 3. Authority be delegated to the Director of Housing, Planning, Property and Regeneration in consultation with the Director of Finance, the Director of Corporate Services and the Resources, Commissioning and Contract Management Portfolio Holder, to determine and finalise, as detailed in sections 3.2 to 3.18, all necessary commercial terms, financial arrangements and to deal with publicising, if appropriate, any Open Space Notices and considering representations received and reporting to Members as necessary, and prior to or in conjunction with the proposed report at 2.4 below.**
- 4. Approval be given for proceeding to procurement, via a compliant joint procurement arrangement with the ICB as set out in paragraph 3.12 to 3.16, for the main works contractor for the refurbishment of the HWBC site at an estimated cost of £6,500,000 (with cost indemnity for the works provided by the ICB). Noting that a formal decision on contract award (and associated contract novations) as set out in paragraphs 3.12 to 3.16 will be presented to Executive in due course prior to the commencement of contract.**
- 5. Authority be delegated to the Assistant Director of Legal Services to enter into all relevant legal agreements as detailed in paragraphs 3.12 to 3.16 of the report and any other necessary ancillary legal documentation relating thereto, including (but not limited to):**
 - The project agreement;**
 - The Section 2 agreement;**
 - Agreement for lease and lease; and**
 - Option agreement.**
- 6. It be noted that the ICB programme envisages construction commencement in June 2023 for completion in March 2024 in order to secure funding. Should there be significant delays to the ICB programme then the Council will need to consider whether it should proceed at that time.**

7. Officers provide regular updates to Executive, Resources and Contracts PDS Committee on the ICB's progress with the project.

**101 IT TRANSFORMATION
Report CSD22130**

(Having previously declared a pecuniary interest, Councillor Simon Fawthrop left the room for consideration of the item).

The report set out options and recommendations for the Executive to consider on the future of the Council's Data Centre and Disaster Recovery. The report appraised the various technical options as part of the analysis process included the recommended option, risks, benefits and the required changes that were needed to ensure that the Council provided an adequate disaster recovery capability.

The Executive noted that the proposals within the report could reduce the costs of any future Council accommodation plans. It was also noted that over time a move to a multi cloud approach would be considered as part of the Council's IT Strategy.

In response to a question, the Assistant Director for IT confirmed that the contract agreed through crown commercial could, if necessary, be renegotiated after 3 to 4 years to reflect any changes in the Council's circumstances.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 23 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. The information be noted and the procurement of Microsoft's Cloud (Azure) as the Council's Data Center with disaster recovery and increased resilience of the Data Centre for 5 years be agreed.**
- 2. An increase in the IT Services revenue budget of £400k be approved to ensure Microsoft Cloud (Azure), Disaster Recovery and Cyber Security functions required are procured and available for the Council. This additional revenue budget requirement represents a forward commitment as part of the 2023/24 and future years budget. There will be part-year costs expected of c. £100k in 2022/23 which will need to be managed from within the existing approved IT Services revenue budget.**
- 3. The use of the current IT service provider, BT, through the mechanism of the Westminster City Council Pan-London ICT Framework to procure the services detailed in the report be agreed. Also, where in the opinion of the Director of Corporate Services and Governance a separate procurement is required or**

desirable, agree to delegate authority to this Director in consultation with the Portfolio Holder, to authorise the use of an alternative procurement route in order to proceed to procurement and award the contract.

102 UK SHARED PROSPERITY FUND - BOROUGH ALLOCATION
Report HPR2022/057A

The report sought authority to accept the UK Shared Prosperity Fund borough allocation grant and delegated authority for agreeing allocation of the monies with GLA.

The Portfolio Holder for Renewal, Recreation and Housing highlighted that the initiatives this would fund would benefit the borough.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 16 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. the acceptance of the in-principle allocation of UKSPF grant funding totalling £1.63M, be approved and the capital programme and revenue budgets be adjusted accordingly;**
- 2. Authority be delegated to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to determine interventions agreed with Greater London Authority through a grant agreement and any variations to the grant;**
- 3. The proposed interventions submitted to the Greater London Authority set out in paragraphs 3.6-3.29 be noted; and,**
- 4. It be noted that the scope of this decision does not include the in-principle allocation of £760K for 2024-2025 for People and Skills which is only accessible through Local London and determined through sub-regional decision-making.**

103 NIGHT TIME ENTERPRISE ZONE FOR BROMLEY TOWN CENTRE
Report HPR2022/052

The report provided a summary of the successful Night Time Enterprise Zone bid for Bromley Town Centre and sought authority to spend the funding.

The Portfolio Holder for Renewal, Recreation and Housing thanked Officers for their work on putting the bid together noting that a good outcome had been achieved for Bromley.

The report had been circulated to Renewal Recreation and Housing PDS for comment.

RESOLVED: That

- 1. A new one-off revenue budget for the Night Time Enterprise Zone project of £130k, funded by GLA grant funding of £130k (Your Bromley match funding will be directly spent by Your Bromley) be approved, noting that this would be accepted and expended on the interventions included in the funding application, as set out in paragraph 3.9**
- 2. It be noted that the allocated funding must be spent prior to reimbursement by the Greater London Authority**
- 3. It be noted that this decision is being put before the Executive in accordance with General Exception Rule 15 of the Council's Access to Information Procedure rules for the following reasons:**
 - i) The grant award was confirmed on 15 September 2022, however the GLA did not publicly announce the awards until 17th November 2022, therefore it could not be published on the Council's Forward Plan 28 days before the decision is made;**
 - ii) due to the funding timescales, it would be impracticable to defer the decision until it has been included in the forward plan and to wait for the next Executive meeting.**
- 4. It be noted that in accordance with Rule 15 (b) the Chairman of the Renewal, Recreation and Housing PDS Committee had sight of the report 5 clear days prior to the decision, fulfilling the requirement of Rule 15 (b).**

**104 LAWN TENNIS ASSOCIATION PARKS RENOVATION FUND
Report HPR2022/054**

The report provided details of a successful grant application made to the Lawn Tennis Association to fund the renovation of ten tennis courts across the Borough and requested the Council's Executive approve the acceptance of the grant and proceed with the renovation works.

The Portfolio Holder for Renewal, Recreation and Housing thanked Officers for their work on the grant application which would deliver a huge boost to the tennis facilities in the borough.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 16 November and the Committee had supported the recommendations.

RESOLVED: That:

- 1) The acceptance of the Lawn Tennis Association Grant be approved, subject to standard Terms and Conditions;**
- 2) The scheme be added to the capital programme; and,**
- 3) Officers commence the tender process to procure an operator.**

**105 DEPOT INFRASTRUCTURE WORKS STAGE 3 UPDATE
Report ES20222**

On 16th July 2018, the Executive (ES18032) approved a total capital budget of £6.5m for infrastructure works across a range of depot locations.

Following the appointment of design consultants and the refinement of scope at Design Stage 2 (under the Royal Institute of British Architects Plan of Work - industry standard organisation of the design and construction process), on 24th November 2021, the Executive (ES20109) approved progression to Design Stage 3 and 4 and the procurement of a suitable construction contractor through a construction procurement framework. The construction contract at that time had an estimated value of £4.35 million.

Ordinarily further approval would not be required at the end of the detailed Stage 3 Design. However, the indicative costs for the works are significantly higher than anticipated and it is considered that altering the procurement process may provide better value for the Council. Therefore, the report sought approval for additional capital funds and a change in procurement route to ensure that the vital infrastructure works at the two Council Waste Sites required to deliver key frontline services are implemented.

In response to a question from a visiting Member, the Director of Environment and Public Protection confirmed that the works at the Churchfields site were progressing well and would be completed by Christmas. In relation to the lifespan of the works being completed, the Director of Environment and Public Protection suggested that in general a minimum lifespan of 10 years could be expected.

The report had been scrutinised by the Environment and Community Services PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. That it be noted that the total capital budget for the depot infrastructure works remains at £6.107m within the capital programme; with revenue funding from maintenance budgets now identified to fund the critical repair works at Central Depot Waste**

Site and Beaverwood Parks Depot referenced in Executive Report ES20109;

- 2. That it be noted that the progress of the design development for the two Council Waste Sites, as detailed in the report;**
- 3. That Full Council be recommended to approve an additional £3m capital funds from the capital programme to be allocated to the depot infrastructure works, giving a total all-inclusive budget of £9.107m;**
- 4. Proceeding to procurement for a suitable construction contractor via a restricted or competitive procedure with negotiation procurement process for the main works contract, along with the proposed variation of the Veolia contract as per Paragraph 2.5 be approved. The combined estimated total construction value of these works is £7.145m, with an additional £715k client contingency delegated to the Project Manager, Capital Projects to be used as needed making the total estimated value up to £7.860m; and,**
- 5. The Veolia Waste collection contract be varied to enable them to design and build two new weighbridges on the operational road within Waldo Road Waste Transfer Station section. The construction costs of which will be contained within the above figures.**

**106 GATEWAY REPORT - PROCEED TO PROCUREMENT:
SUBSTANCE MISUSE
Report ACH22-037**

The London Borough of Bromley had a statutory duty to improve the health of the population and to provide local public health services including arrangements to secure the provision of substance misuse services for adults and young people. Substance misuse services were currently provided by CGL (Change, Grow, Live) who delivered the adult substance misuse service, BDAS (Bromley Drug and Alcohol Service) and the young people's substance misuse service, Bromley Changes at an estimated whole value of £7,490k. Both contracts were due to expire on 30 November 2023. In recent years the Service had received additional grants from the Office for Health Improvement and Disparities (OHID) to increase the capacity and scope of the Contracts. Further grants were likely to be made available for 2023/24 and 2024/25.

A visiting Member explained that he had voted against the recommendations at the recent Adult Care and Health PDS Committee noting concerns in relation to combining the two contracts as the whole life value was a substantial increase on the current contract. A contract of this size would limit the number of providers that could realistically deliver it and could price out small, specialist services, and it was questioned if large providers could tailor their service to meet the local needs. The rise in demand was the reason for

the increase in contract value and there were further concerns about what was being done in relation to prevention services. The Assistant Director – Public Health advised that the proposal was to combine the contract, not the services – they wanted to gain the benefits and efficiency of one management and clinical governance structure, which was the current arrangement and there would also be two separate service specifications.

The Executive noted the concerns that had been raised and further noted that Officers would ensure that there was a break clause in the contract and that the performance of the successful contractor would be monitored through the Council's usual contract monitoring processes.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. A variation to the current Adult and Young People's Substance Misuse Services contracts (paragraphs 3.17 and 3.18 of the report) be approved to increase the contract value across both contracts by £120k for the period from 1 December 2022 to 30 November 2023.**
- 2. The extension be approved beyond term for the current contracts (paragraph 3.19 of the report) for a period of 4 months from 1 December 2023 to 31 March 2024 at an estimated value of £540k.**
- 3. The commissioning approach be approved and proceed to procurement for a combined Adults and Young People's Substance Misuse Service (paragraphs 3.20 to 3.25 of the report) for a five year contract commencing 1 April 2024, with the option to extend for a further three years, at an estimated annual value of £1,718k (whole life value £13,744k).**
- 4. Authority be delegated to Chief Officers in consultation with the Portfolio Holder to authorise an appropriate portion of the Supplemental Substance Misuse Treatment and Recovery (SSMTR) Grant to be drawn down in 2023/24, 2024/25 and to vary the scope and value of the contract accordingly subject to the grant conditions which will be specified by the Office for Health Improvement and Disparities (OHID).**

**107 GATEWAY 1: ADULT MENTAL HEALTH RECOVERY AND REHABILITATION SUPPORT AT HOME SERVICE
Report ACH22-035**

Mental Health recovery and rehabilitation accommodation-based support and floating support services aim to support mental health service users away from reliance on hospital and residential provision towards more enabling and cost-effective services such as supported accommodation, support in the community and targeted support towards independent living. The LBB Mental Health Flexible Support Service contract was due to expire on 30 September 2024. The current contract had been in place since 1 October 2019 and had an estimated value of £319k per annum. The contract had no further options to extend and a cumulative value of approximately £1,890k over the 5-year term.

The South East London Integrated Care Board (SELICB) Adult Mental Health Residential and Supported Accommodation Services contract was due to expire on 30 September 2024. The current contract had been in place since 1 April 2019 and had an estimated value of £1,432k per annum. The contract had no further extension options remaining and a cumulative value of approximately £6,963k over the 5-year term.

In addition, LBB held individual placement contracts for clients placed into SELICB contracted provision. In 2021/22 the combined annual value of these placements was estimated to be approximately £1.12m per annum. In total these two services had an estimated combined value more than £2.94m per annum.

The Gateway 0 report ACH22018, presented to Executive on 29 June 2022, advised members on the procurement options for future housing support mental health services in Bromley and gained approval to replace the existing service model with a new joint adult mental health recovery and rehabilitation support@home service contract in 2024, underpinned by the section 75 agreement between LBB and SELICB, and with a combined total contract value estimated at £2.66m per annum, split 50:50 between LBB and SELICB.

The report before the Executive sought approval to commence the procurement of the service in accordance with the arrangements set out in the report to commence the new service on 1 October 2024.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. The commencement of a tender process for the housing support mental health services ‘support@home’ contract be approved:**
 - for an initial period of 5 years from 01 October 2024 to 30 September 2029

- with two options to extend for a further period of 2 years from 01 October 2029 to 30 September 2031 and 1 October 2031 to 30 September 2033
 - at an estimated total contract value of £23.4m; and
2. Authority be delegated to the Chief Officer in consultation with the Portfolio Holder to approve the contract extension period(s) on satisfactory achievement of the contract performance indicators.

**108 GATEWAY 2: PERMISSION TO AWARD REPORT - ADVOCACY SERVICES (PART 1)
Report ACH22-036**

On 29th June 2022, Executive approved the re-tender of the Advocacy services to enable the commencement of a new contract from 1st April 2023. The current contract was delivered through Advocacy for All with an estimated annual value of £286k. The report set out the results of the tendering process for the provision of the advocacy services and sought Executive approval to award the contract. The report should be read in conjunction with the accompanying Part 2 Report.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

1. The contract for the provision of the Advocacy services be awarded as detailed in the accompanying Part 2 Report. The proposed contract will commence on 1st April 2023 for a five-year period with the option to extend for up to a further two years.
2. Authority be delegated to the Director of Adult Services, in consultation with the Portfolio Holder for Adult Care & Health services, the Assistant Director of Governance & Contracts, the Director of Finance and the Director of Corporate Services and Governance, to vary the contract to meet statutory demands and exercise the extension period for up to two years.

**109 LEARNING DISABILITY - SHORT BREAKS - CONTRACT AWARD (PART 1)
Report ACH22-041**

The Council had a contract in place with Ambient Support to provide a bed-based short breaks (formerly referred to as respite) service for adults with a learning disability. The contract was awarded for a two-year period from 1 April 2021 to 31 March 2023 and, as the contract was awarded following a direct negotiated contract award process, there was no opportunity to extend.

The short breaks block contract currently provided 6 beds at the 118 Widmore Road short breaks service with up to 4 additional beds available for spot purchase from Ambient Support. A gateway report, setting out proposals in relation to the bed based short breaks service and seeking agreement to progress a tender process was scrutinised by ACH PDS on 28 June 2022 and received Executive agreement on 29 June 2022. The report before the Executive detailed the outcome of the tender process and sought agreement to award the contract as set out in the accompanying Part 2. The contract was to provide 34 block bed nights per week and would commence on 1 April 2023 for a period of 5 years with an option to extend for another 3 years at a contract value as detailed in the Part 2 version of this report. The option to purchase additional beds on a spot basis would be in place to meet any peaks in demand.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. The contract for the provision of 34 block bed nights per week at the residential short breaks service at 118 Widmore Road be awarded for a period of 5 years from 1 April 2023 to 31 March 2028 with an extension option of 3 years from 1 April 2028 to 31 March 2031 to the provider and at the contract value as detailed in the Part 2 report.**
- 2. Authority be delegated to the Director of Adult Services, in consultation with the Portfolio Holder for Adult Care and Health Services, the Assistant Director Governance & Contracts, the Director of Finance and the Director of Corporate Services and Governance, to exercise the 3-year extension period.**

**110 LEARNING DISABILITY SUPPORTED LIVING SERVICES - BROMLEY ROAD, BROSSIE WAY AND PADUA ROAD - CONTRACT AWARD (PART 1)
Report ACH22-042**

The Council had a contract with Southside Partnership (also known as Certitude) to provide care and support into 3 supported living properties within the Borough. A Gateway report, setting out the strategy for undertaking the procurement of these services was agreed at Executive on 29th June 2022. The report before the Executive details the outcome of the procurement process and sought approval for the award of contract to the provider detailed in the accompanying Part Two report commencing 6 March 2023 for a period of 4 years to 5 March 2027 with an option to extend for a further 4 years from 6 March 2027 to 5 March 2031. The estimated total cost of the award over the full 8-year term (excluding inflationary increases and fluctuations due to individual client need) was detailed in the Part Two report.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 22 November and the Committee had supported the recommendations.

RESOLVED: That

- 1. The contract for the provision of supported living services be awarded to the provider detailed in the Part Two report commencing 6 March 2023 for a period of 4 years to 5 March 2027 with an option to extend for a further 4 years from 6 March 2027 to 5 March 2031. The estimated total cost of the award over the full 8-year term (excluding inflationary increases and fluctuations due to individual client need) is detailed in the Part Two report.**
- 2. Authority be delegated to the Director of Adult Services, in consultation with the Portfolio Holder for Adult Care and Health Services, the Assistant Director Governance & Contracts, the Director of Finance and the Director of Corporate Services and Governance, to exercise the 4-year extension period.**

**111 MAINTAINED NURSERIES TRANSFORMATION
Report CEF22078**

Identifying efficiencies within service areas was one of the agreed targets under the Transforming Bromley Agenda. The report explored the options for consideration by senior officers with regards to the Council's directly delivered nursery provision. The report went on to make recommendations for the next steps for both nursery settings, which if approved would be presented to elected members for consideration.

The Executive noted that the proposals formed part of the Council's Transformation Programme. The Deputy Leader and Portfolio Holder for Children, Education and Families emphasised that since the covid pandemic the numbers of children in the nurseries had fallen. Since the temporary closure of Blenheim, the team had done a good job of supporting parents to secure alternative nursery places.

A visiting Member noted that Penge and Cator ward councillors had given qualified support to market testing given the clear need for the Community Vision provision and any closure of that provision was opposed. The Penge and Cator ward councillors understood the different circumstances for the two nursery provisions.

The report had been scrutinised by the Children, Education and Families PDS Committee at its meeting on 17 November and the Committee had supported the recommendations.

RESOLVED: That

- 1) It be agreed to proceed to formal staff and public consultation on a proposal to close the Council nursery located in Blenheim Children and Family Centre. The proposal would include that the service is decommissioned from 31 March 2023 and that staff currently employed to work at Blenheim Nursery are permanently relocated to the Council nursery at Community Vision, Penge; and,
- 2) Authority to implement any proposed closure be delegated to the Director of Education in consultation with the Portfolio Holder for Children, Education and Families, having considered the outcome of the consultation period.

112 **HOLIDAY AND SATURDAY GROUP BASED SHORT BREAK SERVICE FOR DISABLED CHILDREN AND YOUNG PEOPLE - CONTRACT AWARD**
Report CEF220675A

The report sought approval for the recommendation to award the Holiday and Saturday Group Based Short Breaks Contract, scheduled to commence on 1 April 2023.

The recommendation to award followed on from the approval by Executive on the 29 June 2022, for commissioners to re-tender the Holiday and Saturday Group Based Short Breaks service to enable the commencement of a new service contract from 1 April 2023.

The Contract Award report should be read in conjunction with the accompanying Part 2 report which set out the details of the result of the tendering process for the provision of the Holiday and Saturday Group Based Short Breaks contract.

The report had been scrutinised by the Children, Education and Families PDS Committee at its meeting on 17 November and the Committee had supported the recommendations.

RESOLVED: That

- 1) The award of contract for the provision of the Holiday and Saturday Group Based Short Breaks Service be approved as detailed in the accompanying Part 2 Report. The proposed contract to commence on 1 April 2023 for the period of three years plus the option to extend for two periods of up to two years, making a total possible contract period of seven years, ending on 31 March 2030; and,
- 2) Authority be delegated to the Director of Children, Education and Families to apply the two two-year contract extensions in consultation with the Portfolio Holder for Children, Education and Families and subject to agreement of the Director for Corporate

Services and Governance, the Director of Finance and the Assistant Director: Governance and Contracts as determined by Contract Procedure Rules.

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

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

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

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

The following summaries refer to matters involving exempt information

115 CAPITAL PROGRAMME MONITORING 2022-23 (PART 2 APPENDIX)

The Executive noted the Part 2 Appendix.

116 OPERATIONAL PROPERTY REVIEW (PART 2)

The Executive considered a report containing the schedule of properties considered as part of the Operational Property Review.

117 PROPERTY DISPOSALS (PART 2)

The Executive considered the report approved the recommendations outlined in the report.

118 FUTURE COUNCIL HQ OPTIONS (PART 2)

The Executive considered a report setting out options for the future provision of the Council's Head Quarters.

**119 BIGGIN HILL AIRPORT LTD: REQUEST TO VARY USER
CLAUSE (PART 2)**

The Executive considered the Part 2 (exempt from publication) legal advice outlined in the report and noted that the Executive Resources and Contracts PDS Committee had recommended that the Executive agree to set aside appropriate funds to fight any tribunal case.

RESOLVED: That appropriate funds be set aside to fight any tribunal case.

**120 GATEWAY 2: PERMISSION TO AWARD REPORT - ADVOCACY
SERVICES (PART 2)**

The Executive considered the report and awarded the contract in line with the recommendations.

**121 LEARNING DISABILITY SUPPORTED LIVING SERVICES -
BROMLEY ROAD, BROSSIE WAY AND PADUA ROAD -
CONTRACT AWARD (PART 2)
Report ACH22-042**

The Council considered the report and awarded the contract in line with the recommendations.

**122 LEARNING DISABILITY SHORT BREAKS - CONTRACT
AWARD (PART 2)**

The Executive considered the report and awarded the contract in line the recommendations.

**123 HOLIDAY AND SATURDAY GROUP BASED SHORT BREAK
SERVICE FOR DISABLED CHILDREN AND YOUNG PEOPLE -
CONTRACT AWARD (PART 2)**

The Executive considered the report and awarded the contract in line with the recommendations.

124 DEPOT INFRASTRUCTURE WORKS STAGE 3 UPDATE

The Executive considered the Part 2 (exempt from publication) information set out in the report.

Chairman

The Meeting ended at 9.00 pm

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**EXECUTIVE
30 NOVEMBER 2022**

THE FOLLOWING QUESTIONS HAVE BEEN SUBMITTED FOR ORAL REPLY

From Mr Dermot McKibbin to the Portfolio Holder for Public Protection and Enforcement

Has the council progressed the Council's Housing Strategy recommendation to review housing condition data in the private rented sector and when will the results be known?

Reply:

Following publication of the Housing Strategy, and with the onset of the Covid Pandemic, a decision was made to delay consideration of a business case for increased investment in environmental health based interventions in the private rented sector for the first three years of the strategy. This area will now be subject to review as part of the housing strategy update.

THE FOLLOWING QUESTIONS HAVE BEEN SUBMITTED FOR WRITTEN REPLY

From Mr David Clapham to the Leader of the Council

(Item 10)

1. Item 5.10 on page 22 of the lease (page enclosed for convenience) between LBB and BHAL confirms the Tenant is liable for all costs, fees, charges, disbursements and expenses associated with every application for a consent or licence required by the provisions of the lease. Can the Executive confirm that the legal advice obtained together with all other associated costs fitting within the description contained within the lease covering this latest request from BHAL for a change to the Permitted User Clause will be invoiced to the Tenant?

Reply:

The Council will endeavour to recharge all its out of pocket expenses, wherever it is legally possible to do so.

(Background - Item 3.17 of the Officers report at Item 10 of the Agenda notes the lack of an environmental impact assessment.)

2. In view of Climate Change this is most concerning to residents. Nitrogen Oxide emissions will be high and hydrocarbon and carbon monoxide emissions can also be high, particularly when aircraft are idling on the ground. Given the proximity of the airport and aircraft flightpaths over many thousands of Bromley residents, what steps are being taken to quantify and report the air quality in the impacted area?

Reply:

The Council will be endeavouring to explore any such possibilities with BHA over coming months.

From Gill Slator to the Leader of the Council

Will Executive request and consider the initial representations received (UNITE representation attached) and bring back any formal consultation responses and recommendations to a future committee?

Reply:

I am advised that your representations were considered by Members of the CEF PDS meeting held on 17th November, so there is no need to do so again here this evening.

Agenda Item 5

Agenda Item

Report
No.
FSD23003

London Borough of
Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **18th January 2023**

Decision Type: Non-Urgent Executive Non-Key

TITLE: DRAFT 2023/24 BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY 2024/25 to 2026/27

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

Chief Officer: Director of Finance

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 This report seeks approval of the initial draft 2023/24 Budget including the full year effect of changes agreed as part of the 2022/23 Council Tax report and savings approved during the year with the resultant impact on the Council's medium term "budget gap".
- 1.2 A key part of the financial strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme and the impact on the revenue budget is reported elsewhere on this agenda.
- 1.3 PDS Committees views will also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on the 2023/24 Council Tax and Adult Social Care precept levels.
- 1.4 The report provides details of the Provisional Local Government Finance Settlement 2023/24 which was published on 19th December 2022 and represents a one-year settlement only, with limited indication of funding for 2024/25. The awaited Fair Funding Review and changes relating to the devolution of business rates, which could have a significant impact on future funding, have been delayed until at least 2025/26 – more realistically unlikely to be implemented until 2026/27.

- 1.5** There are still outstanding issues and areas of uncertainty remaining, including, for example grant conditions, which could impact on the final revenue budget. Any significant changes will be reported at the meeting and further updates will be included in the 2023/24 Council Tax report to the next meeting of the Executive.
-

2. RECOMMENDATIONS

2.1 The Executive is requested to:

- 2.1.1 Agree the initial draft 2023/24 Budget detailed in Appendix 7.**
- 2.1.2 Refer the initial draft 2023/24 Budget for each portfolio to the relevant PDS Committees for consideration.**
- 2.1.3 Note the financial projections for 2024/25 to 2026/27.**
- 2.1.4 Note that there are still areas of financial uncertainty which will impact on the final 2023/24 Budget.**
- 2.1.5 Agree to increase rent levels for London Affordable Rents and Social (Formula) Rents by 7% from April 2023 as set out in Section 12.2.**
- 2.1.6 Agree the proposed contribution of £246,470 in 2023/24 to the London Boroughs Grant Committee (see section 22).**
- 2.1.7 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 23).**
- 2.1.8 Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive.**
- 2.1.9 Note the outcome of the Provisional Local Government Financial Settlement 2023/24 as detailed in the report.**
- 2.1.10 Note the budget gap remaining of an estimated £29.6m per annum by 2026/27 and that any decisions made for the 2023/24 Budget will have an impact on the future year projections.**
- 2.1.11 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.**

Impact on Vulnerable Adults and Children

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

Corporate

Policy Status: Existing Policy

Making Bromley Even Better: Delivers on all of the key priorities

Financial

1. Cost of proposal: N/A
2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 4
3. Budget head/performance Centre: Council wide
4. Total budget for this head £189m Draft 2023/24 Budget (excluding GLA precept)
5. Source of funding: See App 7 for overall funding

Personnel

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2023/24 Financial Control Budget to be published in March 2023
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

1. Estimated number of users/beneficiaries (current and projected) - the Draft 2023/24 Budget includes the financial impact of the Council's strategies, service plans etc. which impact on all the Council's customers (including council taxpayers) and users of the services.

Ward Councilors Views

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

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

- 3.1 The Draft 2023/24 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting 'Making Bromley Even Better' priorities.
- 3.2 The Council continues to deliver key services and 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next four years and includes the outcome of the Provisional Local Government Finance Settlement 2023/24. It is important to note that some caution is required in considering any projections for 2024/25 to 2026/27 as this depends on the outcome of the Government's next Spending Review as well as the impact of the Fair Funding Review (likely to be from 2026/27).
- 3.3 A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The Covid situation had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The economic shock has had no comparisons for over 300 years. As part of the Office for Budget Responsibility report, published with the Autumn Statement, government overall debt is projected to represent 89.9% of Gross Domestic Product (GDP). This is expected to continue to increase and peak at 97.6% in 2026/27, maintaining a level not seen since the early 1960s. The next few years remain uncertain economically and fiscally, given that GDP is expected to fall in 2023/24 but deliver an overall increase of 2.6% per annum by 2026/27. These economic factors could impact on the funding available for local government. The Spending Review provided a one-year settlement which leaves considerable uncertainties over future years, with some limited assurances for 2024/25. However local government funding is currently expected to fall from 2025/26.
- 3.4 Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21, 2021/22 and 2022/23. For 2023/24 the Council has received a more generous settlement which includes additional funding for social care, including the repurpose of Adult Social Care Reform monies and a new Adult Social Care Grant. However, this needs to be considered in the context of the 'new normal' (post Covid), significant increases in inflation since 2022/23 and the considerable cost pressures across service areas facing local government. Austerity measures for future years, from 2025/26, will be a consideration but this will depend on the need for a sustainable economic recovery. It is currently predicted that it could take more than a decade to return UK public finances to full health. Therefore 'flat' real terms funding for councils may be the best-case scenario from 2025/26. The Government will need to address the impact of

the public finances from the Covid situation. Although, the Government did give positive recognition of the need for funding for local government, as part of the 2023/24 Provisional Local Government Finance Settlement, funding may remain 'unprotected' and the impact of additional funding for NHS and other 'protected' services results could lead to future real term funding reductions remaining for local government. Even if funding levels are maintained the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.

- 3.5 The Provisional Local Government Finance Settlement 2023/24 mainly provides funding proposals for one year only and the financial forecast assumes that various elements of the additional funding will continue in future years.
- 3.6 An update on the economic situation which can impact on public finances is provided in Appendix 1. Further details of the outcome of the Autumn Statement and Provisional Local Government Finance Settlement 2023/24 are provided in Appendix 2.
- 3.7 The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding with potential Government funding reductions in the medium and longer term. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.
- 3.8 Bromley has the second lowest settlement funding per head of population in 2023/24 for the whole of London, giving us £118 per head of population compared with the average in London of £314 – the highest is £533. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). Further details are provided in Appendix 3. If the council tax was the average of the four other low grant funded boroughs, our income would increase by £30.2m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council continues to express concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. Despite being a low-cost authority, Bromley has achieved general savings of over £120m since 2011/12 but it becomes more challenging to achieve further savings with a low-cost base.
- 3.9 Background information of the future local authority landscape is provided in Appendix 4. It is important to acknowledge that the Council has received a good settlement, compared with previous years, and if it was not for the significant cost increases arising impact from inflation it would be an even better settlement. It is clear that the Government have recognised the importance of local government in delivering key services but there remains uncertainty on whether the level of funding increases would continue in the future.

4. SUMMARY OF FINANCIAL FORECAST

- 4.1 Two of the Council's main activities which are grant funded are schools and housing benefits. Both areas of spend continue to be ring-fenced.

- 4.2 A high proportion of the Council's spend relates to third party payments, mainly contracts, which can limit flexibility to change spend levels as well as providing greater inflationary pressures (e.g., the impact of the National Living Wage).
- 4.3 As reported in previous years, the majority of the Council's spend relates to just a few service areas.
- 4.4 Even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £29.6m per annum by 2026/27. Without any action to address the budget gap in future years additional reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable.
- 4.5 The reasons for the budget gap by 2026/27 include, for example:
- (a) Inflation pressures partly offset by assumed council tax increase/adult social care precept of 4.99% (2.99% per annum from 2025/26) leaving a balance required of £18.3m.
 - (b) Growth/cost pressures of £81.8m, partly offset by mitigation of £55.0m resulting in a net additional cost of £26.8m
 - (c) Repurposed Adult Social Care reform monies (Cr £8.9m)
 - (d) Revenue impact of funding the capital programme (£6.6m)
 - (e) Impact of post Covid usage – freedom passes (£6.2m)
 - (f) Interest on balances (Cr £4m)
 - (g) Full year effect of Transformation Savings (Cr £2.7m in 2023/24 increasing to Cr £4.6m per annum in 2026/27)
 - (h) Savings from reduction in the Council's provision for risk/uncertainty held within the Central Contingency Sum (Cr £7.8m)
 - (i) Increase in Council Tax Base (Cr 1.5m)
 - (j) Fall out of building infrastructure fund (Cr £2m)
 - (k) Other variations of £0.5m
- 4.6 The above variations assume that there will not be Government funding reductions over the next four years and that the planned mitigation of growth pressures (see (b)) above is realised.
- 4.7 In the financial forecast, after allowing for inflation, council tax income and other changes there is an unfunded budget gap from 2026/27 partly due to net service growth/cost pressures. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the council can afford and the need for

significant mitigation or alternative transformation options.

5. DRAFT 2023/24 BUDGET AND FINANCIAL FORECAST

5.1 Details of the latest financial forecast, including the Draft 2023/24 Budget, are shown in Appendix 5 and summarised in the table below:

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Variations Compared with 2022/23 Budget				
Net changes in Government core funding (mainly inflation)	-2.7	-3.7	-4.6	-5.6
Cost Pressures				
Increased costs (8% in 2023/24, £4% in 2024/25 and 2% per annum thereafter)	25.0	37.4	43.2	49.0
Total Additional Costs	25.0	37.4	43.2	49.0
Revenue impact of funding the Capital Programme and reduction in investment income (see Capital Review report elsewhere on this agenda)	6.6	6.6	6.6	6.6
Income / Savings				
Interest on balances	-7.0	-7.0	-4.0	-4.0
Net impact of repurposed ASC Reform Monies (2023/24 and 2024/25)	-5.9	-8.9	-8.9	-8.9
Release general provision in contingency for significant uncertainty/variables	-5.8	-6.8	-7.8	-7.8
Release of hospital discharge monies to support revenue budget	-1.7	-1.7	-1.7	-1.7
Adult Social Care Market Sustainability and Improvement Fund - grant related income	-2.8	-4.9	-4.9	-4.9
Adult Social Care Market Sustainability and Improvement Fund - grant related expenditure	2.8	4.9	4.9	4.9
Adult Social Care Discharge Fund (through BCF)	-1.1	-1.7	-1.7	-1.7
Transformation Savings (net)	-2.9	-4.1	-4.4	-4.5
CIL Funding Opportunities	-0.7	-1.7	-2.1	-2.1
Total Income / Savings	-25.1	-31.9	-30.6	-30.7
Other Changes (includes use of non-recurring funds)				
Real Changes and other Variations	-0.2	0.0	-0.5	0.5
Total Other Changes	-0.2	0.0	-0.5	0.5
Council Tax				
Fall out of Collection Fund Surplus 2020/21 used to support 2022/23 Budget	2.4	2.4	2.4	2.4
Use of Collection Fund Surplus 2021/22 to support 2023/24 Budget	-5.4	0.0	0.0	0.0
Collection Fund Surplus 2022/23 (estimated) to support 2024/25 Budget	0.0	-5.0	0.0	0.0
Future years collection fund surplus (estimated)	0.0	0.0	-4.0	-2.0
Estimated increase in council tax base	-1.0	-1.5	-1.5	-1.5
Total Council Tax	-4.0	-4.1	-3.1	-1.1
Growth/Cost Pressures including mitigation (see Appendix 6)				
- Education	1.0	1.3	1.6	2.2
- Children's Social Care	6.5	6.4	6.3	6.2
- Adults Social Care	3.9	6.7	8.7	14.5
- Housing	-0.2	0.1	0.7	2.2
Variation in car park income	0.5	0.0	0.0	0.0
Reduction in investment property income	1.6	1.3	1.3	1.3
Other growth/cost pressures - Resources	1.5	1.0	1.0	1.0
Fall out of two-year add provision for building maintenance	-1.0	-1.0	-1.0	-1.0
Parks Infrastructure Fund	0.4	0.4	0.4	0.4
Building Infrastructure Fund (2 year funding falling out in 2024/25)	0.0	-2.0	-2.0	-2.0
Variation in freedom pass costs to reflect impact of post Covid usage	1.0	3.9	6.2	6.2
Total growth/cost pressures	15.2	18.1	23.2	31.0
Sub-total	14.8	22.4	34.2	49.7
Increase in ASC precept and Council Tax (assume 4.99% in 2023/24 and 2024/25 with 2.99% per annum thereafter)	-9.0	-18.4	-24.3	-30.3
Use of Covid earmarked reserves	1.2	3.3	5.8	5.8
Use of previous Collection Fund Surplus to meet budget gap (earmarked reserve)	-7.0	-5.6	-5.6	4.4
Remaining "Budget Gap"	0.0	1.7	10.1	29.6

- 5.2 Appendix 5 highlights that the Council, in the medium term will have an underlying budget gap and will need to take action to ensure a statutory balanced budget is realised in future years.
- 5.3 The above table highlights that it has been possible to achieve a potential balanced budget for next year through increasing council tax/ adult social care precept by an illustrative 4.99%, utilising the Covid and collection fund reserves, the impact of transformation savings and other changes. This has been delivered despite the significant cost/growth pressures and high inflation. 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 2024/25 have to be treated with some caution, particularly as the Government's next Spending Review, outcome of the Fair Funding Review (expected to be from 2026/27 at the earliest) and any future Government plans relating to arrangements for business rates – these changes combined could have a significant impact on the Council's finances.
- 5.4 In considering action required to address the medium term 'budget gap', the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Significant savings of over £120m were realised since 2009/10. Our council has to balance between the needs of service users and the burden of council tax on council taxpayers. With the Government placing severe reductions in the level of grant support, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.

6. CHANGES SINCE THE 2022/23 BUDGET THAT IMPACT ON THE DRAFT 2023/24 BUDGET AND FINANCIAL FORECAST

- 6.1 The 2022/23 Council Tax report reported to Executive in February 2022 identified a significant "budget gap" over the four-year financial planning period. Some key changes are summarised below.

6.2 Provisional Local Government Finance Settlement 2023/24 – Core Funding

- 6.2.1 The Local Government Finance Settlement 2023/24, which covers 2023/24 continues to provide a significant improvement in funding for local government and combined with 2021/22 and 2022/23 represented the most positive funding proposal for local government since austerity began 12 years ago. The latest 2023/24 settlement provides a continuation of real increases in funding although this is retaining reliance on the utilisation of the ASC precept (2% increase) to support cost pressures in social care. It has also provided retention of One-Off Services Grant (reduced from £2.652m in 2022/23 to £1.494m in 2023/24, repurposed Adult Social Care Reforms funding (£5.9m (net) in 2023/24 rising to £8.4m (net) per annum from 2024/25), additional funding towards social care costs (£3.9m in 2023/24 rising to £6.6m in 2024/25) and inflation cover for the Council's business rate share (£4.1m). The social care grant reflects the impact of the Council's ability to raise funding through the Adult Social Care precept – the more that can be raised the lower level of funding provided. The additional funding is welcomed but this has to be considered against the highest inflation levels for 41 years and ongoing cost/service pressures. Uncertainty remains on the level of funding beyond 2024/25. The forecast assumes that the level of core grant funding **will** not reduce from 2025/26.

6.3 Inflation

- 6.3.1 Historically, the main measure of inflation for annual price increases for the Council's contracted out services was Retail Price Index (excluding mortgage interest rates) i.e., RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally at least 1% above the Consumer Price Index (CPI) level. The Draft 2023/24 Budget assumes contract price increases of 8.0%, in 2023/24 reducing to 4.0% in 2024/25 and 2% per annum from 2025/26, which compares with the existing CPI of 10.7% (13.9% for RPIX) - inflation is at its highest level for 41 years. The Bank of England reported that CPI inflation remains elevated at over 10% in the near term'. They also state that 'CPI inflation is expected to remain close to 11% through the remainder of Q4. It then eases towards 10% in 2023 Q1, before falling further in subsequent quarters'. However the Monetary Policy Committee (MPC) views 'that the risks to the inflation projection are skewed to the upside'.

6.4 Interest on Balances

- 6.4.1 The budget for 2023/24 has been set at £9,841k (2022/23: £2,841k). Owing to succession of increases in the Bank of England base rate, counterparty rates have improved considerably and are currently in excess of 4%. Although income from interest is expected to rise significantly compared to the prior year, the budget also reflects an expected reduction in balances available for investment as a result of the probable utilisation of capital receipts, grants/contributions, as well as drawings from the Council's earmarked revenue reserves.
- 6.4.2 Reports to previous meetings had highlighted the fact that options with regards to the reinvestment of maturing deposits had become limited in recent years following bank credit rating downgrades and the prevailing low interest rate environment – though this has now ended. Changes to lending limits and eligibility criteria, as well as the introduction of other investment types (e.g. housing associations and sovereign bonds) have mitigated this to some extent.
- 6.4.3 Additionally, the treasury management strategy has previously been revised to enable alternative investments of £100m in pooled investments which generate additional income of approximately £2m compared with lending to banks. Officers continue to explore alternative investment opportunities, both within the current strategy and outside, for consideration as part of the ongoing review of the Council's treasury management activity.

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

- 6.5.1 The Council retains a Central Contingency Sum as part of the overall budget which includes a provision for risk/uncertainty, allows for unforeseen costs and includes various significant costs not allocated to Portfolio Budgets at this stage. The financial forecast assumes the release of £5.8m in 2023/24, £6.8m in 2024/25 and £7.8m per annum from 2025/26.
- 6.5.2 The Draft 2023/24 Budget and financial forecast includes significant growth/cost pressures, with the net impact reduced to reflect mitigation assumed of £14.1m in 2023/24 rising to £26.8m per annum from 2026/27 (see Appendix 6). Any reduction in the delivery of the mitigation savings could have a significant detrimental impact on the Council's budget gap and the contingency sum provides some funding support towards delivering a balanced budget in the medium term. Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the uncertainty on future year cost

pressures, significant changes that may follow relating to future new burdens, effect of ongoing population changes and the potential impact of other public agencies identifying savings or new cost burdens which impact on the Council's costs it is essential to retain an adequate sum to partly mitigate such cost risks. The uncertainty of future arrangements for Adult Social Care reforms adds to that risk. If the monies remaining are not required during the year the policy of using these resources, in general, for investment, generate income/savings and provide a more sustainable financial position should continue. To illustrate the benefit of the investment approach the Council has potential income in 2023/24 totaling £15.25m from a combination of treasury management income and rents from investment properties. Without this income, equivalent service reductions may be required.

6.6 Transformation Savings

6.6.1 With a remaining uncertainty on Government funding available in the future and the ongoing requirement for local authorities to be more self-sufficient, there is a need to consider what significant changes are required to manage within this new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends' groups) and exploring opportunities around community-based place shaping led by the Council as a community leader. Even with the additional income identified in this report the Council will need to plan for significant changes including the impact of a recession and the 'new normal'. As pressures in statutory services such as adult social care, children's social care and high needs as well as homelessness are growing, the scope to invest in local priorities and services that benefit the widest range of people is reducing. The Council has delivered savings of over £120m per annum since 2009/10 and the ability to make savings in lower priority areas becomes more problematic. The need for savings in areas that support the Council's key priorities becomes more critical to meet the legal requirements for a balanced budget. The Council will continue to look for ways to operate more efficiently and generate more income, but this alone will not be enough to meet the future years' budget gap. The key consideration is how the Council can balance the budget over the next four years. Considering the core statutory minimum service requirements, Chief Officers continue to undertake the transformational review across all services, focusing on higher spend services first with options being presented to future meetings. The ongoing transformation review will be a key consideration in addressing the budget gap over the next four years.

6.6.2 The Councils Transforming Bromley includes key workstreams as follows:

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

6.6.3 The Draft 2023/24 Budget includes the full year effect of the Phase 2 Transformation Savings combined with new changes, totaling £2,9m in 2023/24 increasing to £4.5m per annum from 2026/27).

6.6.4 More details of the savings are provided within Appendix 7. This key work continues, and further proposals will be reported to Members in the future as part of addressing the four-year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

6.7 Freedom Pass Costs

6.7.1 The cost of freedom passes is calculated taking into account the average number of journeys and costs of the previous two years for residents of pensionable age who use their freedom passes. The Council experienced significant reductions in the annual contribution to the freedom pass scheme in 2021/22 and 2022/23 following reduced use of transport arising from the impact of Covid 19. For 2022/23, the previous years' restrictions and less demand for travel had significantly reduced journey volumes leading to a reduction of 37% in the settlement costs, compared with 2021/22. However, a combination of inflation and increasing use of public transport (post Covid) results in the Draft 2023/24 Budget including an increase of £990k rising to an estimated increase of £6.2m per annum from 2025/26, compared with the 2022/23 Budget.

6.8 Council Tax Base

6.8.1 The Council's tax base has been updated to reflect changes in properties compared with the previous year. The latest position indicates a tax base of 134,093 "Band D" equivalent properties for 2023/24, which assumes an allowance of 1.66% for non- collection.

6.9 Covid Funding

6.9.1 The Government had provided significant funding towards Covid related costs up to 2021/22 including elements of unringfenced funding. Details of Covid funding and associated costs were included in the 'Provisional Final Accounts 2021/22' report to Executive on 29th June 2022. Any monies remaining have been retained in the Council's earmarked reserve to support ongoing Covid related costs. As no further funding has been provided by Government for the longer term, a sum of £13.044m was retained in the Council's earmarked reserve to support future costs. A sum of £5.848m was utilised in 2022/23 to support support the revenue budget which reduces to £4.648m in 2023/24 and £2.548m in 2024/25.

6.10 Cost/Growth Pressures and Mitigation

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

6.10.2 The financial forecast elements are summarised below with more details in Appendices 6 and 7.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Growth/cost pressures	39,479	50,751	68,680	81,807
Mitigation	-25,339	-34,530	-49,600	-55,038
Net additional costs	14,140	16,221	19,080	26,769

6.10.3 It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2024/25 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

6.11 Collection Fund Surplus and Covid Funding for Local Council Tax Support

6.11.1 It is a statutory requirement to maintain a Collection Fund at arm's length from the remainder of the Council's accounts.

6.11.2 For the purpose of Collection Fund accounting, the treatment of council tax and business rate surpluses and deficits is determined in the same way. Before the beginning of each financial year, billing authorities calculate their council tax requirement (including precepts) and their business rate income, and such payments are fixed and paid over the year towards the revenue budget. Any surplus or deficit on the collection fund as a result of income from council tax/ratepayers being more or less than originally estimated, are shared between the Council and the GLA (and in the case of business rates with central government). Any surplus/deficit generated is paid over the course of the second year (e.g., surplus for 2021/22 paid over 2023/24).

6.11.3 The collection fund had a non-recurring council tax surplus of £6.9m reflected in the 2021/22 Provisional Final Accounts report to the Executive on 29th June 2022. A sum of £5.4m will be allocated to the Council, with the £1.5m going to the Greater London Authority. The financial forecast assumes that the surplus will be used towards reducing the Council's budget gap in 2023/24.

6.11.4 The financial forecast assumes further surplus would be generated allocating an estimated £5m in 2024/25, £4m in 2024/25 and £2m in 2025/26.

6.11.5 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 set aside in earmarked reserves to support the revenue budget and reduce the estimated budget gap. The forecast assumes that the use of the collection fund surplus earmarked

reserve is used to support the revenue budget with further contributions of £9.1m in 2023/24, £10m in 2024/25 and £10m in 2025/26 - this partly reflects an approach adopted previously to smooth out future years budget gap.

- 6.11.6 The Council was allocated £2.3m in 2021/22 and £2.662m in 2022/23 for Local Council Tax Support from Government. This is unringfenced grant that was awarded in recognition of the additional cost of supporting households with financial difficulties as a result of the pandemic (cost of increase in council tax support claimants). As reported previously to Executive, owing to timing differences and the impact on the Collection Fund the equivalent amounts were set aside to compensate the General Fund in 2022/23 and 2023/24 respectively, which has been assumed in the Draft 2023/24 Budget and financial forecast.

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

- 6.12.1 In March 2017, after the Council agreed it's 2018/19 Budget, the Government agreed further iBCF non-recurring funding of £4.463m in 2017/18, £3.363m in 2018/19 and £1.677m in 2020/21. The utilisation of these monies required the joint agreement with Bromley CCG. As part of the 2021/22 Budget, the monies due that year were used to create a 'whole system reserve' that can be called to avoid any crisis in the joint health and social care systems. This can include, for example, utilising resources to aid hospital discharge when the clients still have complex needs. Given the assurances from Government that the level of funding will now continue, the Draft 2023/24 Budget assumes that the 2023/24 monies can be released to support the revenue budget.

6.13 Council Tax and Adult Social Care Precept

- 6.13.1 Government funding for local government takes into account the amount that can be raised locally through council tax and the adult social care precept. Therefore, there is an inherent assumption that local authorities will be increasing council tax and utilising the adult social care precept towards meeting costs and demographic pressures for social care. For Bromley, this change does not take into account any need to address low funding levels for the Council raised previously with the Government. Councils can still choose locally the level of council tax increase required, subject to referendum options. In calculating the Council's spending power, the Government has assumed that social care authorities will use the maximum council tax increase (below referendum limit) applying both the social care precept and general council tax increases every year. Members will need to consider the level of council tax and adult social care precept increases towards funding the Draft 2023/24 Budget and the impact in the medium and longer term. The Council could consider an overall council tax increase of up to 4.99% in 2023/24 (including adult social care precept of 2%), without the need for a referendum (see also Section 27).

6.14 Real Changes – Various

6.14.1 The real changes in 2023/24 totaling Cr 238k mainly relate to the fall out of local election costs (Cr £700k) offset by other additional costs of £462k in 2023/24 with net costs of £536k by 2026/27. Further details are reflected in the policy sheets in Appendix 7.

7. BUSINESS RATES (NNDR)

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

7.2 The Secretary of State reported to the Housing, Communities and Local Government Select Committee on 8th November 2021 and advised that the 75% retention is off the table in the short term, and it is ‘important we proceed with caution because it goes against the broader principle of levelling up because that works against the process of redistributing money to those who need it most, particularly in the wake of Covid, which has reinforced some inequalities.’

7.3 There is no fundamental reform of NNDR planned and there appears to be no change following the consultation on the Online Sales Tax. There will be a revaluation of business rates with future rateable values taking effect from 1st April 2023, with transitional arrangements being made. The Government’s latest position is that it is committed to reform the business rate system by delivering more frequent business rate revaluations. The Government announced various packages of business rate relief as part of the Autumn Statement 2022.

7.4 There will be new reliefs planned for 2023/24, including:

- Freezing the business rates multiplier for another year;
- Extending and increasing relief for retail, hospitality, and leisure businesses;
- Reforming Transitional Relief, including a cap on higher bill increases;
- Protection for small businesses who lose eligibility for either Small Business or Rural Rate Relief due to new property valuations.

7.5 Any future changes to business rates retention and the implementation of the Fair Funding Review is now expected to be delayed until at least 2026/27.

7.6 The Council continues to retain a 30% share of local business rates with 37% retained by the Government and 33% retained by the GLA which has been reflected in the Draft 2023/24 Budget.

8. SCHOOL FUNDING

- 8.1 Details of the impact of changes in school funding and the associated implications for 2023/24 and future years are provided in Section 24 of this report.

9. GOVERNMENT GRANTS

- 9.1 The full details of the final grant settlement for 2023/24 relating to all the grants received by the Council are awaited. Details of the Provisional Local Government Settlement 2023/24 are shown in Appendix 2.

10. DETAILED DRAFT 2022/23 BUDGET

- 10.1 Detailed draft 2023/24 Budgets are attached in Appendix 7 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets will now be forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February. Further updated information will also be available for individual PDS Committees.

- 10.2 Appendix 7 sets out the draft 2023/24 budget for each Portfolio as follows:

- A summary of the Draft 2023/24 Revenue Budget per Portfolio
- A high-level subjective summary for each Portfolio showing expenditure on employees, premises etc.
- 2023/24 Draft Contingency Sum
- A summary sheet per Portfolio showing actual 2021/22 expenditure, 2022/23 budget, 2023/24 budget and overall variations in planned spending between 2022/23 and 2023/24
- A summary of the main reasons for variations per Portfolio in planned spending between 2022/23 and 2023/24 together with supporting notes

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

- 11.1 As indicated elsewhere in the report, the Council will face future year cost and demographic pressures whilst Government core funding is expected to remain ‘flat’ i.e. not keep pace with such costs from 2025/26. There remains uncertainty around future funding from 2026/27 following the outcome of the delayed Government’s ‘Fair Funding’ review. The Government assumption remains that alternatives to Government funding will be potential increase in taxation receipts generated by council tax (including social care precept) and, where possible, business rates. Details of options relating to increasing council tax and the social care precept are identified elsewhere in this report. There are also benefits to explore opportunities to increase (or recover) the council’s business rate base through economic development, identify invest to save opportunities as well as realise investment income as shown below.

11.2 Community Infrastructure Levy (CIL)

- 11.2.1 The Community Infrastructure Levy (CIL) represents a local levy on developments that local planning authorities can introduce to help fund infrastructure in the area. Following consideration by the Development

Control Committee and the Executive, and having progressed through examination in public, the Borough CIL came into effect in June 2021.

11.2.2 Income raised from developments will be allocated in accordance with the Council's Infrastructure Development Plan statement and an officer group is in place to develop a list of priorities. There is some flexibility in allocating income of up to 15% on neighbourhood community projects and up to 5% can be allocated towards the costs of administration. Total CIL income of £1.25m is forecast next year, rising to c£3m in 2025/26. After allowing for funding community projects and administration, a sum of £1.0m has been allocated towards core service costs in 2023/24.

11.2.3 As the level and scope of future development is subject to local and regional economic and other factors, the actual level of future income each year will not necessarily be consistent with initial forecasts and may fluctuate from year to year.

11.3 Impact of Operational Property Review/Property Disposals and Addressing Funding of Capital Programme

11.3.1 The Capital Programme Monitoring Report – Quarter 2 2022/23 reported to Executive on 30th November 2022 and full Council on 12th December 2022, included the potential acquisition of the Direct Line site and further costs relating to depot works, which combined with the existing programme results in potential unfunded costs of £44.8m. The capital programme funding shortfall has to be addressed and members were advised in February 2022 of the need for a fundamental operational property review to assist in addressing the funding challenges and provide improved planning to meet future liabilities. The outcome was the Operational Property Review and Property Disposals reports to the same meetings in November/December 2022.

11.3.2 The review identified that the maintenance liability, as identified from condition surveys, over the next 10 years amounts to £82.1m and that a further £82.3m would be required to refurbish the portfolio to a minimum standard resulting in a total cost of £164.4m. The review referred to ways to reduce that liability down to a more financially sustainable level on an ongoing basis by:

- Identifying and recommending properties that could be released for disposal
- Identifying and recommending properties that will be ringfenced for feasibility to deliver housing
- Identifying and make recommendations on properties that have significant maintenance liabilities or disposal values that warrant consideration of a range of options going forward, and what that might mean for service delivery
- Identifying and make recommendations on property opportunities for rationalisation
- Identifying the properties that should be retained and maintained and the associated costs of doing so

Further details on the proposals approved are included in these reports.

11.3.3 To address the existing funding shortfall and consider the further cost of meeting these future liabilities (which are in addition to the existing capital programme) after allowing for funding disposals there remains a significant funding gap. The Capital Programme Review report elsewhere on this agenda includes recommendations to refinancing housing costs through borrowing, thus releasing

previously utilised earmarked reserves (which was set aside to enable internal borrowing), combined with the balance of funding from earmarked reserves. It is important to note that the recent housing related schemes provided significant savings on temporary accommodation costs and would have been considered to be funded through borrowing – the Council owned sites will form of any future Housing Revenue Account proposal, depending on the specific scheme. There will be a report later this year on the maintenance liabilities of the Churchill Theatre and a way forward – a sum of up to £5m has been included in the proposed capital programme at this stage for essential works, where required.

- 11.3.4 The Council's future capital strategy (2023/24 to 2026/27) reported elsewhere on this agenda includes details of proposed Public Loans Work Board (PWLB) borrowing to refinance existing housing schemes, coupled with the drawdown from the Council's earmarked revenue reserves to support future capital spending. These impact on the Council's revenue budget through the required annual repayment of the PWLB borrowing – estimated at £3.2m, and interest foregone by utilising monies that would otherwise yield at least 4% through treasury management investments – this amounts to £400k annually. Furthermore, as part of the Council's capital strategy a number of assets have been approved for disposal and this is expected to result in the loss of £3m annually in rental income. Overall, therefore annual capital financing costs are included in the budget at £6.6m per annum. The ultimate revenue impact will depend on the phasing of costs, impact of changes in building costs (inflation and supply), timing of disposals, income foregone from interest earnings and latest prevailing borrowing rates. However, for financial planning purposes annual revenue impact of £6.6m has been included in the 2023/24 Revenue Budget and this will be reviewed as part of the capital programme and revenue budget quarterly monitoring reports to future Executive meetings.
- 11.3.5 It is proposed in the Council's future capital strategy (2023/24 to 2026/27) report, elsewhere on this agenda, that future housing schemes are funded through borrowing, subject to the business case ensuring the proposals are self-financing and generate overall financial savings to the Council.

11.4 Investment Income

- 11.4.1 The 2023/24 draft budget for income includes properties purchased to date from the Investment Fund and the Growth Fund and there is further income relating to other investment properties (including the Glades, Walnuts, Biggin Hill Airport and other sundry properties). This provides a budgeted income of £7.45m. Income from treasury management investments of £7.8m combined with income from investment properties, potentially provides a total investment income of £15.25m. The strategy of generating additional investment income has helped reduce the budget gap by an equivalent amount.
- 11.4.2 The Council's investments span a wide variety of options with the majority of income from commercial properties. Apart from lending to banks, housing associations and various local authority's other investment choices include a £40m investment in a property fund and £60m in Multi Asset Income Funds which represents a medium term (3 to 5 years) investment opportunity. The diverse range of investments enables more income to be achieved whilst managing the Council's exposure to risk. The Council also undertook secure lending to a developer which generates interest income of 6% per annum which also supported a homelessness initiative.

- 11.4.3 The Council will explore using low-cost treasury management monies to support future joint venture opportunities with the aim to generate investment returns over a three-to-five-year period.
- 11.4.4 A prudent approach to budgeting and the front-loading of savings has enabled a longer-term approach to generate further income and deliver spend to save from the additional resources available, as well as mitigate against significant risks, to provide a more sustainable financial position in the longer term. Given the significant benefits of achieving sustainable investment income/savings, which protects key services, this approach should continue, where possible.

11.5 Review of Fees and Charges

- 11.5.1 There will need to be an ongoing review identifying opportunities as the medium term 'budget gap' remains significant. The 2023/24 Budget includes significant additional income from the review of fees and charges and Chief Officers will continue to review fees and charges for 2024/25 and beyond to identify opportunities to reduce the future years 'budget gap'.

11.6 Invest to Save

- 11.6.1 The Invest to Save earmarked reserve was approved by Council in October 2011, with an initial allocation of £14m, to enable "loans" to be provided for Invest to Save initiatives, with advances to be repaid within a "reasonable" period and on-going revenue savings to contribute towards reducing the budget gap. Five schemes have been approved to date with a total approved sum of £9.9m to be advanced from the fund (the most significant of which was the street lighting replacement scheme at £8.5m. As at 31st March 2022, the actual balance on the Fund stood at £18.5m. To date, full year effect savings in excess of £1m have been achieved on the five schemes.

11.7 Commissioning and Procurement

- 11.7.1 The Council will continue to identify opportunities for contract savings including the review of inflation provision and repackaging of contracts and re-negotiation to secure the best value for the Council.
- 11.7.2 In the last few years significant savings have been delivered through commissioning of services. There are cost pressures identified in the financial forecast but all opportunities to identify commissioning savings whilst protecting key services will be explored to assist in reducing the Council's "budget gap".
- 11.7.3 It remains key that commissioning plans, through the transformation programme are in place across services to identify options for most effective service delivery, identifying future changes, evidence any necessary cost pressures, provide mitigation options for addressing cost pressures and identifying demographic pressures. This will include options around innovative service delivery, providing key services at a lower cost and exploring partnership, external funding and commercial income opportunities.

11.8 Managing Rising Demand

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

12. HOUSING

12.1 Provision of Housing

12.1.1 The Council continues to face increased pressure from those presenting as homeless and, without a sufficient supply of accommodation, the Council faces no alternative but to utilise costly nightly rate accommodation. Despite all efforts to increase the supply of accommodation coming through housing association partners and private sector options this supply continues to be insufficient to meet the level of need and is likely to slow further due to current market conditions and housing pressures across the Capital and South East. Demand is also forecast to increase following financial pressures on households.

12.1.2 Whilst the focus on preventative measures has assisted in slowing the rate of growth in temporary accommodation (TA) use, options are extremely limited and increasing pressure is being seen from households faced with homelessness.

12.1.3 Projecting forward, this pressure looks set to continue meaning that without new affordable housing supply, numbers, and the length of stay in TA will continue to rise. The housing transformation plan sets out the need for approximately 1,000 affordable units in addition to anticipated new supply to mitigate against the costs of temporary accommodation. To date, five schemes have been approved, and funding allocated for the provision of around 109 modular housing units at the following sites:

	York Rise	Burnt Ash	Anerley	Bushell Way	West Wickham	Total
Number of units	35	25	10	25	14	109
	£'000	£'000	£'000	£'000	£'000	£'000
Estimated scheme cost (incl. land value)	11,636	5,162	2,548	5,649	3,343	28,338
Financed by:						
GLA grant	4,500	2,500	1,000	2,500	840	11,340
Section 106 contributions	1,072	523	340	523	356	2,814
Internal borrowing	6,064	2,139	1,208	2,626	2,147	14,184
	11,636	5,162	2,548	5,649	3,343	28,338

- 12.1.4 To meet the Housing Transformation target for the provision of 250 units, a further 141 units will be required. Based on the average costs above, this is likely to require further funding of around £36m.
- 12.1.5 Funding will also be required for the development or acquisition and refurbishment of 600 affordable homes also included in the Transformation work. This will be considered as part of the delivery vehicle options appraisal that is currently in progress, including through the Housing Revenue Account (see section on HRA below).
- 12.1.6 In addition to the housing development work referred to above, the Council has recently agreed two 'self-financing' acquisition schemes:
- The Beehive scheme resulted in the acquisition of the properties (77 properties to date), which are then leased to the Council for use as affordable housing.
 - Around 250 properties are expected to be purchased through the Meadowship Homes joint venture with Orchard & Shipman (subject to acquisition prices), also for use as affordable housing. This scheme is funded through a £67m finance facility from Pensions Insurance Corporation (PIC) and £20m funding from the Council. At the end of November 2022, sales have been agreed for the total portfolio, with 192 properties having exchanged or completed.
 - A further 200 properties are expected to be purchased through Meadowship Homes 2 which was agreed by Executive in July 2022, with final documents being agreed in November 2022. This scheme is funded through a £58m finance facility from Phoenix Life Limited and £15m funding from the Council.
- 12.1.7 Officers are exploring the option to expand these schemes and are considering the potential for other 'self-financing' development and acquisition schemes. Any such schemes will reduce future funding requirements to meet the target number of affordable homes detailed above.

12.2 Housing Rent Setting

- 12.2.1 As set out above, the Council is now a Social Landlord in respect of the homes that have been built on Council owned sites and must set the rent levels each year.
- 12.2.2 The rents for these properties are set at London Affordable Rents (LAR) which were introduced by the Greater London Authority (GLA) for the 2016-21 funding period. This is a benchmark rent, set by the GLA and based on the 2015/16 formula rent caps inflated by CPI +1%. There is a different LAR set for each bedroom size. The GLA publish a LAR each April.
- 12.2.3 In addition, the Council owns own a small number of properties which were previously used as tied accommodation for caretakers. As these units become vacant or the employment ceases, the rents are set as social rents (formula rents) with 1999 valuations.
- 12.2.4 In line with the Rent Standard (2020), social housing rents can be increased by CPI +1.0% until this cap is reviewed by central government in 2025, using the preceding September CPI level, which would mean an increase of up to 11.1% from April 2023.
- 12.2.5 However, in November 2022 the Government announced a rent ceiling of a 7% increase for 2023/24. It is proposed that all rents are increased by this amount, which will set weekly London Affordable Rents in line with the table below:

	2022/23	2023/24
	£	£
1 bed	168.34	180.12
2 bed	178.23	190.71
3 bed	188.13	201.30

12.2.6 Temporary Accommodation rent levels will remain the same at 90% of the relevant 2011 London Housing Allowance levels.

12.3 HRA and Respective Future Budget Planning

12.3.1 In July 2020 Council approved the setting up of a Housing Revenue Account (HRA) for the provision of affordable housing. Although there is no longer a requirement to submit a HRA business plan to the government, it is not only good practice for authorities to prepare HRA business plans but under self-financing there is a need for the HRA to have a detailed business plan for service and financial planning, and to sustain the assets and ensure that debts can be serviced.

12.3.2 The Council currently has an exemption from the Secretary of State to hold up to 199 properties in the General Fund rather than in the HRA. As the five sites detailed above will provide 109 properties, it is not intended at this time that they will be transferred to the HRA due to the additional administrative burden. However, officers have started work on a draft 30-year HRA business plan in readiness. Future reports will be presented for the consideration of business cases for individual sites and the adoption of the HRA business plan.

12.3.3 By appropriating the land from the General Fund into the HRA, the market value of the land is charged to the HRA. Although this is not an actual capital receipt, it does mean that the General Fund can incur more capital expenditure without needing to borrow through an adjustment to the Capital Financing Requirement. Further details of the impact on capital financing will be covered in the HRA 30-year business plan and annual treasury management strategy reports.

13. ADULT SOCIAL CARE REFORM

- 13.1 In September 2021, the Government provided plans to reform adult social care in England and £5.4bn (cumulative) was allocated for the period 2022/23 to 2024/25 to fund the reforms. This consisted of:
- £2.2bn would be used to reform how people pay for social care (charging reforms) and £1.4 bn to help local authorities move towards paying a “fair cost of care” to providers (total £3.6bn);
 - £1.8bn would be used to support wider system reform.
- 13.2 The funding was initially planned to come from the new Health and Social Care Levy, but in September 2022 the Government announced the levy would be cancelled. The then Health Secretary, Thérèse Coffey, however, said that funding for social care would remain unchanged.
- 13.3 The Government originally proposed that the adult social care charging reforms would be implemented from October 2023. However, at the Autumn Statement 2022, the Chancellor announced that the reforms would be delayed for two years (until October 2025), with the funding allocated “to allow local authorities to provide more care packages.”
- 13.4 Under the now-delayed reforms, the Government planned to introduce a new £86,000 cap on the amount anyone in England will have to spend on their personal care over their lifetime. The cap will apply irrespective of a person’s age or income. The legislative framework for a cap is already provided by the Care Act 2014, but the relevant provisions are not currently in force. Only money spent on meeting a person’s personal care needs will count towards the cap. Spending on daily living costs (commonly referred to as “hotel costs” in a care home) is not included. Prior to its announcement delaying the reforms, the Government had said daily living costs would be set at a notional level of £200 per week at 2021/22 prices.
- 13.5 The cap would not apply retrospectively (i.e., costs accrued before implementation will not count towards the cap). The Government also proposed to make the means test for accessing local authority funding support more generous. The upper capital limit (the threshold above which somebody is not eligible for local authority support) will increase from £23,250 to £100,000. The lower capital limit (the threshold below which somebody does not have to contribute towards their care costs from their capital) will increase from £14,250 to £20,000.
- 13.6 Known as ‘Fair Cost of Care’, local authorities can use their position as a large purchaser of social care to obtain lower fee rates from care providers, which can be less than the cost of providing the care. To compensate, providers often attempt to cross-subsidise by charging more to people who fund their own care. The Government said this leads to market failure and announced two measures to address the issue:
- Provisions in the Care Act 2014 (section 18(3)) will be brought fully into force enabling self-funders to ask their local authority to arrange their care in a care home for them so that they can benefit from lower rates.
 - £1.4 billion was to be provided to local authorities to support them to increase the rates they pay to providers where necessary (move towards paying a “fair cost of care”).

- 13.7 Prior to the Autumn Statement announcement delaying the charging reforms, the Government had announced the Fair Cost of Care reforms would be implemented in stages from October 2023 to April 2025. The Council has previously raised concerns that the funding for the reforms was insufficient, particularly for the Fair Cost of Care, with Bromley facing a higher funding shortfall compared with many other local authorities.
- 13.8 As part of the Draft 2023/24 Provisional Local Government Finance Settlement, the funding for Fair Cost of Care and Charging Reforms has been 'repurposed' and therefore can be used to support additional cost pressures on adults and children social care which is welcomed. There remains uncertainty about the future funding for the reforms when implemented in October 2025 and whether the existing 'repurposed' funding would need to be diverted to support the delayed reforms. The financial forecast assumes that the 'repurposed' funding can be used to support the Council's revenue budget and will not be required to fund the delayed reforms. This remains a potential financial risk for the Council and creates uncertainty for the future funding of key services.
- 13.9 The Draft 2023/24 Budget includes the 'repurposed' Adult Social Care Reform funding (£5.9m in 2023/24) as well as a new Adult Social Care Market Sustainability and Improvement Fund grant (£2.8m in 2023/24 and grant conditions are awaited).
- 13.10 A White Paper on social care reform was published on 1st December 2021 which included, for example, offering more choice, control and independence for care users, information on workforce reform, inspection and quality assurance, integrated housing support and integration with health services. As part of support for wider system reform the £1.8bn over the period 2022/23 to 2024/25 was originally planned to be allocated as follows:
- At least £300m to provide integrated housing
 - At least £150m for technology and digitalisation
 - At least £500m for workforce training and qualifications
 - Up to £25m to support unpaid carers
 - £30m for innovation of support and care
 - At least £5m to help people understand care and support available
 - More than £70m to improve the delivery of care and support services
 - Use of the balance (around £720m) yet to be determined

Further details are still awaited on the allocation of grant conditions of some of the above proposals.

14. INTERGRATION WITH HEALTH

- 14.1 The Council is working with the Bromley Integrated Care Board (previously South East London CCG) to explore opportunities for any further delivery of local integration of health and social care. Integration will help protect social care and provide more effective services to people in the community. There are close interdependencies between health and social care which was recognised by the Government in the creation of the Better Care Fund. Opportunities will be explored including the pooling of resources across the locality if it enables better opportunities for value for money, economies of scale, reduce duplication and streamline processes. The state of finances within the NHS, particularly amongst health providers, does create an inherent risk and therefore any integration arrangement must fully consider the implications, including the level of financial risk.

14.2 Advice from Chartered Institute of Public Finance and Accountancy (CIPFA) states that Councils have a duty to their own council taxpayers as well as their clients and need to ensure that their council taxpayers are not, in effect, being asked to underwrite a portion of NHS costs.

14.3 The new Integrated Care System (ICS) created from June 2022 provides a new combined South East London ICS. The changes will be monitored closely to identify the risks/opportunities that may arise to meet the 'Making Bromley Even Better Priorities'.

15. IDENTIFYING FURTHER SAVINGS

15.1 The scale of savings required in future years cannot be met by efficiency alone – there may need to be a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2023/24 Budget represents the fourth year of savings from the Transformation Programme (see section 6.6). This key work continues, and further proposals will be reported to Members as part of addressing the four- year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.

16. CORE STATUTORY MINIMUM REQUIREMENTS

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

16.2 Where services are statutory, there may be a duty to provide a relevant service, but in both personal and general services there is scope for interpretation on whether level or type of provision has discharged the duty or not. Sometimes because of contractual obligations or the creation of a legitimate expectation then a local authority cannot easily stop providing discretionary services.

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

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

- 16.4 Bromley has undertaken several pieces of work to align its services closely with its statutory duties. This work which identifies statutory and non-statutory services contributes to the key Transformation work and each individual work stream is addressing the extent of the statutory service and savings proposed.
- 16.5 As part of any core statutory minimum requirements review, the Council will need to consider an element of early intervention and prevention to avoid the escalation of costs arising from more expensive statutory interventions.

17. NEW SELF FINANCING PROPOSALS NOT INCLUDED IN THE 2023/24 BUDGET, AT THIS STAGE

17.1 Government Announced Additional Council Tax Support

- 17.1.1 The Government have announced further funding of £365,066 in 2023/24 to be used to provide a £25 reduction for council tax support claimants (working age and elderly making part contribution totals about 10,500 claimants) which would provide total support of an estimated £262,500 leaving a balance of around £102,566 for a discretionary scheme yet to be determined. Further details are awaited.

17.2 Extension of Household Support Fund

- 17.2.1 The Government have announced £1bn (nationally) to extend the Household Support Fund over 2023/24. Although the final allocation is awaited it is currently estimated at around £4m for Bromley.

17.3 Energy Bills Support Scheme Alternative Funding

- 17.3.1 The Government announced in December 2022 a new alternative fuel payments scheme, which initially will be piloted. Final details are awaited but the scheme includes:
- Households across Great Britain that use alternative fuels like heating oil will receive a £200 payment this winter;
 - 900,000 households in England, Scotland and Wales without a direct relationship to an energy supplier – such as care home or park home residents – will be able to apply online for £400 of non-repayable help with their fuel bills.

17.4 Homes for Ukraine

- 17.4.1 The Government announced in mid-December 2022 additional funding in 2023/24, following the first year of funding which includes an increase in the monthly support provided to host families from £350 per month to £500 per month as well reducing the one off 'council tariff' for new arrivals after 1st January 2023 (revised to £5,900) and retain the existing Education tariffs for new arrivals. They will also provide some additional funding support to create a Local Authority Housing Fund (£500m nationally).

17.5 New Grants Identified Above

- 17.5.1 Further details will be reported to members at a future meeting, once more details become available.

18. PENSION FUND

- 18.1 Using benchmark data across LGPS universe, the overall pension fund performance was ranked 60th in the LGPS universe for the year to 31st March 2022, 52nd over 3 years, 3rd over 5 years, 2nd over 10 years and 1st over 20 and 30 years. In addition to winning the LGPS Investment Performance of the year in 2017 and 2018 (assets under £2.5bn) and being runners up and 'Highly Commended' in 2019 and 2020 respectively, Bromley also won the Pensions, Treasury and Asset Management Award 2019 and Achieving Excellence in Asset Management at CIPFA's Public Finance Awards 2021, recognising the consistent high performance of the Fund as well as top decile performance in treasury management. The impact of the outstanding performance has resulted in the Council's pension fund now being assessed by the Council's Actuary as continuing to be 'fully funded' reducing the cost impact on the Council's General Fund. There are not expected to be any changes impacting on the Council's revenue budget and the outcome of the Actuarial Valuation (undertaken every three years) will be reported to Pensions Investment Sub Committee on 22nd February 2023.

19. EXTENDED PRODUCER RESPONSIBILITY FOR PACKAGING

- 19.1 The Government will introduce an administrative and waste management fee to organisations that handle and supply packaging that is ultimately collected by local authorities through packaging waste. It will relate to organisations that originate such packaging and the charge will depend on the size of the organization and ability for the packaging to be recycled. Fees are expected to be determined in 2024 and potential collection of fees is expected to commence during mid to late 2024/25. The income collected is expected to be distributed to local authorities on the relative need and resources of individual local authorities. It is not clear how much of the additional income will be redistributed and the individual impact on each local authority. It remains uncertain how the Government would distribute the monies. No assumptions have been made in the financial forecast, at this stage, relating to additional income for the Council.

20. BALANCING THE BUDGET

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

21. FAIR FUNDING REVIEW / DEVOLUTION OF BUSINESS RATES

- 21.1 In 2015, the Government said it would allow councils to retain 100% of business rates although this was revised down to 75% in 2017. Originally the roll out was to begin in 20/21 but has since been postponed and will not be undertaken during this life of Parliament.

- 21.2 A report to the Public Accounts Committee report titled Local Authority Financial Sustainability and the Section 114 Regime (Second Report of Session 2021/22) referred to the delay in the Fair Funding Review and the Secretary of State agreeing that the current distribution mechanism does not represent the 'fairest way to distribute resources'. The Committee recommended that the 'Government implement Fair Funding Review and business rate reset as soon as possible'
- 21.3 The Secretary of State reported to the Housing, Communities and Local Government Committee on 8th November 2021 and stated, 'we are looking to see what headroom we have for a redistribution of funding to better reflect the additional needs and responsibilities that local government has in those areas where it does not have the same resilient council tax base or the same level of business rates on which to draw'. It is 'not as crude as seeking to help local authorities in the north', 'but if it had to be boiled down to a single sentence, that is very much something in my mind'. The intention was that the 2022/23 'Services Grant' would not be part of a local authorities baseline funding and may be used as part of any transitional funding towards a new funding regime.
- 21.4 Local Governments funding arrangements were previously expected to experience their most significant reform for over two decades. Any changes were expected to include transitional arrangements that will impact on any 'winners' or 'losers' amongst Councils. The financial forecast assumes no financial changes from such a review.
- 21.5 The need for a Fair Funding Review is important as it will have been a decade since the funding formula have been updated whilst population has increased, and housing costs have continued to increase as well as other significant service demands for residents compared with some other parts of London and England. The basis of determining funding also needs to be able to reflect the situation facing boroughs such as Bromley. An assessment of whether the business rates retention system continues to incentivise councils to deliver business rates growth and is the fairest way to distribute funding is also overdue. The funding baseline no longer resembles the baseline of the Council relating to the early 2010s and therefore is no longer 'fit for purpose'.
- 21.6 The Draft 2023/24 Local Government Financial Settlement represented a good settlement for local government and Bromley. Bromley still seeks a fairer level of funding, considering the lower level of funding received, compared with other local authorities. However, the Fair Funding Review and any resultant review of business rates is now not expected to be implemented until at least 2026/27. The 'Service Grant' referred in 13.9.1 above has been reduced but included within each local authorities core funding. This highlights the likely significant delay in any major review in local government funding.
- 21.7 The 2023/24 Provisional Local Government Finance Settlement has provided a settlement, generally better than expected, and would provide a short-term "lifeline" for some local authorities and the government needs to ensure the long-term survival of councils with sustainable long- term funding.

22. LONDON BOROUGH GRANTS COMMITTEE

- 22.1 London Councils require formal notification of the Council's agreement to their contribution for 2023/24. The London Councils Grants Committee has proposed a Budget for 2023/24 comprising total expenditure of £6.668m.
- 22.2 Bromley's contribution to this Committee was £246,470 in 2022/23. The

proposed contribution represents no change compared with 2022/23.

22.3 The approval of at least two thirds of the constituent Councils of the London Boroughs Grants Scheme is required for the proposed 2023/24 budget. If it is not agreed by the 31st January 2023, the overall level of expenditure is deemed to be the same.

23. THE SCHOOLS BUDGET

23.1 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).

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

PROVISIONAL DSG FUNDING					
	Schools	High Needs	Early Years	Central	Total
	£'000	£'000	£'000	£'000	£'000
2022/23	245,142	67,544	21,011	2,091	335,788
2023/24 (provisional)	257,152	74,086	22,252	2,046	355,536
Variation	12,010	6,542	1,241	-45	19,748

23.3 The figures in the table above are provisional and subject to change once DfE issue any updates in due course.

23.4 The Schools Block has risen by £12m. This is due to an increase in the per pupil unit of funding and increases in the population figures. This includes the previous year supplementary grant of £7.1m which was paid as a separate grant in 2022/23. Allowing for the £7.1m grant the funding increase is £4.9m. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools.

23.5 There has also been an announcement of additional supplementary grant of £8.754m for 2023/24 for schools. This was originally 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 2023/24 only as the intention is to integrate this into the DSG from 2024/25 onwards.

23.6 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 2023/24.

23.7 The DSG allocation has resulted in an increase in high needs block funding of £6.5m for Bromley. £2.9m of this amount was announced in the Autumn spending review in recognition of increases in costs above and beyond the previous spending review and is intended to reflect likely cost increases local authorities and special schools will face in the provision for children and young people with high needs.

- 23.8 DfE has stipulated how this funding can be distributed to maintained special schools, special academies, pupil referral units and AP academies and therefore there are some restrictions on the use of this additional grant. The previous year's supplementary grant of £2.4m has been merged into the 2022/23 baseline figure
- 23.9 The remaining £3.6m is due to increases in per pupil funding and the increase in pupils themselves.
- 23.10 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 2024/25.
- 23.11 Early Years funding has increased by £1.241m. DfE have increased the part time equivalent (PTE) rates by 60p per hour for two-year-old funding and 29p per hour for three- and four-year-old funding for 2023/24. This has increased the grant by £1.227m. The assumption for volumes of hours (PTE's) remains the same for 2023/24 as the latest volumes for the 2022/23 DSG as DfE use January 2022 data. However this will change once the January 2023 census is published which will affect the figures. The remaining £14k increase is due to increases in Early Years Pupil Premium (EYPP) and Disability Access Funding (DAF).
- 23.12 The Central Block has decreased by £45k. The per pupil rate fell by 2.5% (the equivalent of a loss of £52k). £7k 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 £460k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2023/24 bringing the total Council core funding to £510k.

24. GENERAL AND EARMARKED RESERVES

- 24.1 The 2022/23 Council Tax report included financial projections relating to the use of reserves to support the revenue budget of £13.7m in 2023/24, £12.5m in 2024/25 and £10m in 2025/26. The reserves consisted of collection fund and Covid earmarked reserves.
- 24.2 The projected earmarked reserve is currently expected to reduce from £258.6m as at 31/3/22 to £114.8m by 31/3/26. This reflects the impact of the fall out of Section 31 Funding (£50.9m), use of covid monies (£13m), utilisation of collection fund monies to support the revenue budget (£30.8m), meeting the DSG deficit (£14.3m), funding commitments to support existing housing schemes (£32.5m) and other net changes (£2.3m). After allowing for the insurance fund, schools reserves, and monies retained for health that available sum is reduced to £97m. Any further funding of the capital programme from earmarked reserves (see report elsewhere on this agenda) would reduce any balance even further. It is important to note that the earmarked reserves are available to support services and deal with future budget risks as well as income volatility. In other words, it is not simply spare resources and thus has been mainly set aside for other earmarked purposes. If used for capital funding the earmarked reserves would no longer be available for the other purposes.
- 24.3 The main factors to considering the level of retained reserves, which includes the impact of some new challenges are:

- Within two years, the Council loses significant flexibility within the central contingency sum, following a reduction of £6.8m per annum by 2024/25;
- Reserves provide flexibility to fund potential overspends in year.
- The financial challenges facing the Council reduce the ability/flexibility to top up reserves in future years (historically used collection fund surplus, new homes bonus and contingency to top up reserves).
- We still have a significant budget gap over 4 years without a detailed plan to address meeting the gap over the medium term.
- We cannot reinstate reserves through borrowing in the future to compensate – once reserves are used, they are gone.
- We do forego interest but this offsets the alternative cost of borrowing.
- We need a level of reserves to deal with any significant unforeseen costs that may arise.
- Reserves assist in addressing financial shortfalls to enable phasing of savings.
- Reserves remain retained for specific earmarked purposes and may not be easily rediverted.
- Provide resources for spend to save initiatives.
- Provide support for future schemes in the capital programme.
- Provide headroom to deal with significant uncertainty relating to government funding and potential new burdens in the future not fully funded. This includes, for example, dealing with the uncertainty relating to future Adult Social care reform funding (see Section 13)

24.4 These are key factors to determine the sustainable level of one-off reserves that should be retained. Appendix 4 of the 2022/23 Council Tax report highlighted the Council's approach to utilising reserves and the significant value in retaining reserves. The Council Tax report refers to the level of reserves needs to be adequate to ensure the longer-term stewardship of the Council's finances remain effective and the Council maintains 'sustainable' finances in the medium term. The Council also has general reserves of £20m. Full details are included in the Provisional Final Accounts 2021/22, Executive, 29th June 2022

24.5 Medium term planning remains absolutely key in recognition of the medium-term budget deficit facing the Council. Inflation, new burdens, growth/cost pressures, uncertain medium and longer-term impact of the Covid situation and assumed flat lining of future Government funding will create significant budget gaps. Reserves are one off monies and do generate income and should only be used where no other savings/efficiencies can be identified or to plug the gap (short term) for the phasing of savings. In terms of budget planning the combined impact of the Council's budget gap for the next four years combined with a potential future DSG deficit would realistically result in the reserves being fully utilised within the medium term to support the Council's revenue budget.

24.6 The Council also has a Central Contingency sum to cover risk/uncertainty in the future included in the base budget (see Section 6.5). The updated financial forecast assumes the release of £5.8m in 2023/24 rising to £7.8m per annum from 2025/26.

24.7 If the existing general reserves are released now to fund service initiatives, delay savings or reduce council tax there would be a resultant "opportunity cost" relating to a corresponding loss in interest earnings/investment opportunities and further acceleration of the anticipated exhaustion of reserves which is not recommended. Any increase in service levels or initial protection would only be very short term. Reserves can only be used as a one-off contribution to revenue spending and

would not provide a sustainable solution to maintaining local government services.

25. ISSUES FOR FUTURE YEARS

- 25.1 The key issue to consider is the need to ensure long term sustainable finances to help ensure the Council can provide priority services in the longer term. Any final proposals as part of the 2023/24 Council Tax report in February will need to enable the Council to achieve a legally and financially balanced budget in 2023/24 but to also deal with the medium-term financial position as well. Even allowing for the options in this report a budget gap of £29.6m per annum remains from 2026/27. The financial outcome will also depend on the final decisions made on council tax levels.
- 25.2 The Provisional Local Government Finance Settlement 2023/24 represents a significant financial improvement in funding but does not represent a medium term settlement. Although significant additional funding has been provided, this has to be considered in the context of increasing inflation and significant cost/growth pressures. There is no increase in core funding identified beyond 2024/25. These factors combined with the awaited Fair Funding Review and uncertainty on changes in business rates arrangements results in the Council continuing to face financial uncertainty relating to the future funding landscape. The Council is better placed than many other authorities because of the history of robust financial management and ensuring best use of resources. The financial strategy needs to remain flexible and the Council's reserves resilient to respond to the impact of volatile external events and addressing budget deficits during this uncertain period.

26. COUNCIL TAX, FUNDING AND SPEND COMPARISONS

- 26.1 Details of council tax and funding levels between councils are shown in Appendix 3.
- 26.2 Bromley's council tax is amongst the lowest in outer London.
- 26.3 Using 2023/24 funding information, if Bromley received the average grant funding for London, its annual income would increase by £50.6m. If the Council had the average council tax levels for the 4 other lowest grant funded councils, the Council would receive additional income of £30.2m.
- 26.4 Despite being a low-cost authority, Bromley has achieved savings of over £120m since 2009/10 but it becomes more challenging to achieve further savings with a low- cost base.
- 26.5 Bromley has retained a low council tax despite lower levels of grant funding. This has been achieved by maintaining a below average spending base. It is important to recognise that the pattern of spending in Bromley restricts the options facing Members. One of the key issues in future year budgets will be the balance between spending, taxation and charges and service reductions in an organisation starting from a low spending base.

27. COUNCIL TAX LEVEL INCLUDING GLA PRECEPT

- 27.1 The Mayor of London's draft consolidated budget was published on 16th December 2022. It includes an indicative precept increase of 7.1% but this excludes an increase for police services. The Mayor could still increase the precept by up to 9.7%, once he has considered the police settlement.

- 27.2 The final GLA precept for 2023/24 is expected to be announced after the Assembly has considered the mayor's draft consolidated budget on 23rd February 2023.
- 27.3 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 £1.8m.
- 27.4 As part of the Localism Act, any council tax increase of 3% or above (excludes ASC precept) in 2023/24 will trigger an automatic referendum of all registered electors in the borough. If the registered electors do not, by a majority, support the increase then the Council would be required to meet the cost of rebilling of approximately £170k. The one- off cost of a referendum is estimated to be £700k.
- 27.5 The Government has enabled Councils for 2023/24 and 2024/25 to have a council tax precept of up to 2% per annum to specifically fund adult social care (a 2% increase in council tax equates to £3.6m additional income per annum) – this has been reflected in the funding from Government. Councils are able to levy the precept on top of the existing freedom to raise council tax by up to 2.99% without holding a referendum. Therefore, the Council could potentially have a council tax increase of just below 5% without the need for a council tax referendum. The Government introduced this change in recognition of the cost pressures facing social care authorities. Members will be requested to consider applying the precept as part of the 2023/24 Council Tax report to the Executive on 8th February 2023.

28. CONSULTATION

- 28.1 It is proposed that this report is considered by individual PDS Committees, and their comments and considerations will be reported back to the 8th February 2023 meeting of the Executive. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 27th February 2023 where the 2023/24 Budget and Council Tax will be agreed.
- 28.2 Prior to finalising the 'School's Budget' the Education, Children and Families Portfolio Holder will consult with the Schools' Forum.
- 28.3 Consultation papers will also be sent to local business representatives for their views and comments. Other examples of consultation will include consultation on specific budget proposals.

29. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

- 29.1 There remain risks in meeting the ‘budget gap’ arising from budget savings, mitigation options to address cost pressures, as well as ongoing cost pressures arising from new burdens, implications of the post Covid situation and the impact of Government policy changes. Action will need to be taken to contain, where possible these cost pressures, managing the implementation of savings, generate income or seeking alternative savings where required. The Council’s Corporate Risk Register shows that ‘Failure to deliver a sustainable financial strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget’ is the highest risk the Council is facing.
- 29.2 In addition to the issues shown above, a further list of the potential risks which will be faced in future years that Members should consider arising from the assumptions made are shown in Appendix 8. The level of balances held, and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures.

30. IMPACT ON VULNERABLE ADULTS WITH CHILDREN

- 30.1 The draft 2023/24 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.

31. POLICY IMPLICATIONS

- 31.1 The Draft 2023/24 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.

32. PERSONNEL IMPLICATIONS

- 32.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2023/24 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

33. LEGAL IMPLICATIONS

- 33.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. In coming to decisions in relation to the revenue budget (and the Council Tax), the Council and its officers have various statutory duties. In general terms, the Council is required by the Local Government Finance Act 1992 to make estimates of gross Revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget (and Council Tax). The amount of the budget requirement must be sufficient to meet the Council’s legal and financial obligations, ensure the proper discharge of its statutory duties, and lead to a balanced budget.

- 33.2 Schedule 72 to the Localism Act 2011 inserted a new section IVZA in the Local Government Finance 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.
- 33.3 The Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 33.4 Executive is being requested to delegate the setting of the schools' budget funded through the Dedicated Schools Grant to the Education, Children and Families Portfolio Holder.
- 33.5 The making of these budget decisions at full Council is a statutory responsibility for all Members. The Council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term, and that the interests of both Council Taxpayers and ratepayers on the one hand and the users of Council services on the other are both taken into account. The Council has a number of statutory duties which it must fulfill by law. Although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties, however, it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the Council must have due regard to elimination of discrimination, harassment and victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 33.6 This report sets the budget for the forthcoming financial year and, in some cases where budgets are recommended to be reduced, further decisions may be required (or have already been taken) to implement the initiative achieving the budget reduction. These decisions will be subject to any applicable consultation requirements and analysis of equalities impacts together with consideration of other specific legal requirements. This will be undertaken as part the decision-making process as required to implement the proposed budget.
- 33.7 Further a significant number of these decisions are by law for the Executive or delegated officers. Such considerations, which will be fully assessed by the decision makers in due course, are therefore not set out in this report. It therefore follows that the outcome of these decisions may lead to further amendments and/or changes to the proposed savings. Members will be aware that decisions on the budget do not amount to detailed decisions on the precise delivery of services, those decisions, in any event, for most services, being by law a matter for the Executive. Decision makers (usually Executive, Portfolio Holders or Chief Officers) are aware and will be reminded of their flexibility for example, around possible budget virements and adjustments and the use of reserves when they consider it appropriate to make alternative decisions, which may not accord with a particular budget line. The overall requirement to balance the budget remains, however.

- 33.8 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2023/24 Council Tax report to be reported to the February meeting of the Executive.
- 33.9 Section 106, Local Government Finance Act 1992, applies to Members where:
- They are present at a meeting of the Council, the Executive or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months; and
 - any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.
- 33.10 In these circumstances, any such Members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter. Such Members are not debarred from speaking. Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

34. CONCLUSION

- 34.1 One of the key issues in future year budgets will be the balance between spending, council tax levels, charges and service changes in an organisation starting from a low spending base. It is important to recognise that a lower cost base reduces the scope to identify efficiency savings compared with a higher cost organisation.
- 34.2 The Council has had to take significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Council tax has been kept low compared with other Councils. A combination of front loading of savings in previous years, pro-actively generating investment income and prudent financial management has assisted the Council to provide a potential balanced budget for 2023/24. There will be significant challenges as the Council is a low-cost authority and the position will need to be regularly reviewed particularly as there are risks relating to further cost pressures/new burdens. Apart from early identification of options to address the future years budget gap (2024/25 and beyond) including any significant transformation and income generating opportunities, it remains essential that Chief Officers identify mitigating action to address any in year cost pressures/new burdens to remain within their “cash envelope”.
- 34.3 There is uncertainty on the future arrangements for devolution of business rates and the awaited Government’s ‘Fair Funding’ review which may result in new responsibilities for the Council and associated risks. The changes will not be implemented until at least 2026/27 whilst the forecast assumes that Government funding will remain at a standstill from 2025/26. Financial challenges are expected to continue beyond the financial forecast period. The continuation long-term financial planning as part of the Medium-Term Financial Strategy remains essential to ensure that any future service changes are managed effectively.

- 34.4 The Council will continue to seek a fairer financial settlement on behalf of the residents of the Borough. The contribution of local MPs has also assisted in this arrangement.
- 34.5 There will continue to be increasing financial volatility, uncertainty and risk and the Council faces the challenge of delivering a balanced budget over the medium term. Stewardship and delivering sustainable finances are increasingly important during a period of national and international economic issues which creates uncertainty over the longer-term direction of the Government’s public expenditure plans. It is probable that the situation will remain volatile in the medium term requiring ongoing change in our detailed approach, but the framework should be one of tight financial forecasts and control linked to a clear strategic service direction. In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities (including regeneration) and mitigate against the cost pressures currently being forecast. It is important to consider actions now that address the “budget gap” in the medium term to enable the Council to ‘live within its means’.

Background documents	<p>Capital Programme Monitoring 2022/23, Executive, 30th November 2022</p> <p>Operational Property Review, Executive, 30th November 2022</p> <p>Property Disposals, Executive, 30th November 2022</p> <p>Budget Monitoring 2022/23, Executive, 30th November 2022</p> <p>Treasury Management – Quarter 2 Performance 2022/23 and Mid- year Review, Council, 12th December 2022</p> <p>Provisional Final Accounts 2021/22, Executive, 29th June 2022</p> <p>2022/23 Council Tax, Executive 9th February 2022</p>
Financial Considerations	Covered within overall report

Update on Economic Situation which can impact on Public Finances and Economic Context

1. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty has previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. Not since the second world war has a national emergency affected every business and household in the UK. The economic shock has had no comparisons for over 300 years. As part of the Office for Budget Responsibility report, published with the Autumn Statement, government overall debt is projected to represent 89.9% of Gross Domestic Product (GDP). This is expected to continue to increase and peak at 97.6% in 2026/27, maintaining a level not seen since the early 1960s. The next few years remain uncertain economically and fiscally, given that GDP is expected to fall in 2023/24 but deliver an overall increase of 2.6% per annum by 2026/27. Russia's war in Ukraine clearly contributes to the economic uncertainty. These factors could impact on the funding available for local government. The Spending Review provided a one-year settlement which leaves considerable uncertainties over future years, with some limited assurances for 2024/25. However local government funding is currently expected to fall from 2025/26. However, this report assumes the continuation of existing funding levels beyond 2025/26.

2. The key economic and fiscal headlines, for the UK, from the Autumn Statement 2022 are summarised below:

- Annual increase in inflation (CPI) is projected to be on average 9.1% in 2022/23 (currently 11.1%) , 7.4% in 2023/24, 0.6% in 2024/25 and -0.8% in 2025/26, 0.2% in 2026/27 and 1.7% in 2027/28;
- Annual increase in Gross Domestic Product (GDP) is projected to be 4.2% in 2022/23, -1.4% in 2023/24, 1.3% in 2024/25, 2.6% in 2025/26, 2.7% in 2026/27 and 2.2% in 2027/28;
- Debt as a percentage of GDP is projected to be 89.9% in 2022/23, 95.9% in 2023/24, 97.2% in 2024/25, 97.6% in 2025/26, 97.6% in 2026/27 and 97.3% in 2027/28.

New fiscal rules have been announced:

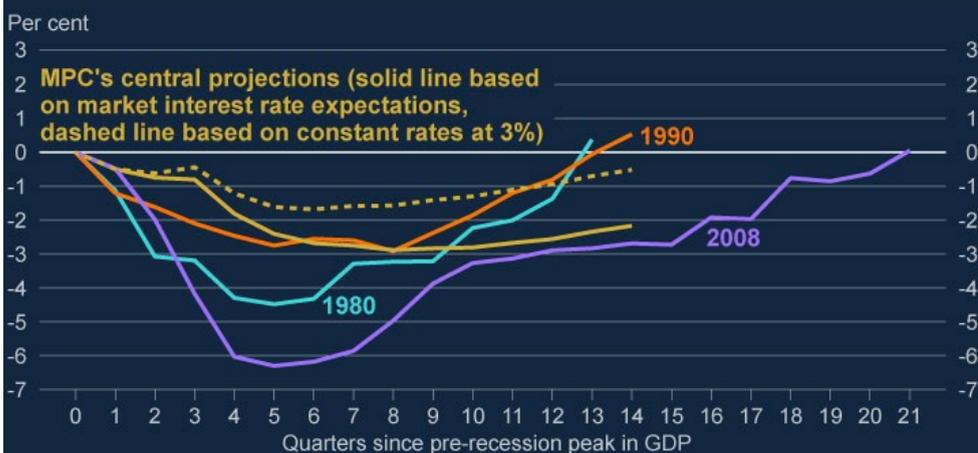
- Public Sector net debt needs to be falling as a percentage of GDP by the fifth year of the rolling forecast;
- Public sector net borrowing (the annual deficit) needs to be below 3% of GDP by the fifth year of the rolling forecast.

3. The Bank of England's Monetary Policy report (November 2022) provides two charts that indicates their view on the direction of GDP for the future.

Chart 1.1: GDP growth projection based on market interest rate expectations, other policy measures as announced



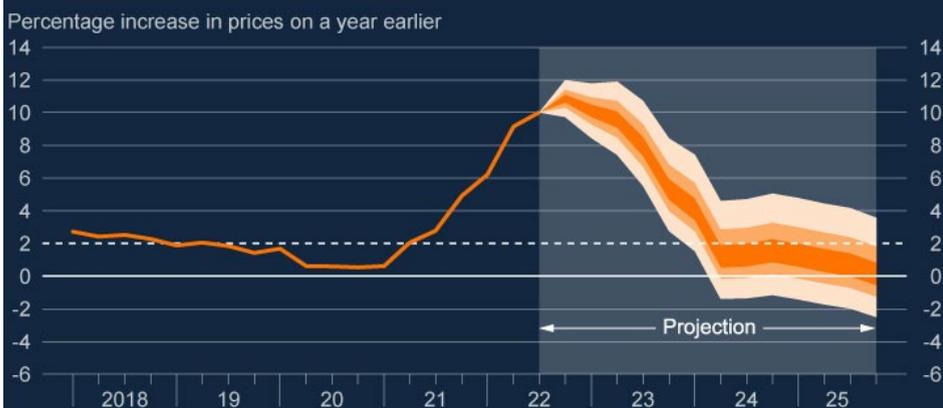
Chart 1.2: Changes in GDP since pre-recession peak in past recessions and the MPC's November 2022 projections (a)



Recessions are defined as at least two consecutive quarters of negative GDP growth. The UK economy is facing a recessionary period at the time of writing this report.

- The impact of significant increases in inflation for 2022/23 and projected for 2023/24 has resulted in additional costs of around £17.9m compared with the Council tax report to Executive on February 2022. Hence it is important to consider the direction of inflation and its impact on the Council's revenue budget and financial forecast. Many of the Council's contracts have annual price review clauses linked to CPI and other inflation indices with many reviewed using January and February indices each year. Therefore, for example, even if there was a sharp fall in inflation during 2023/24 the key annual price increase period for the Council, relating to contracts, will be determined by January and February indices.
- Office for Budget Responsibility (OBR) predictions indicate CPI inflation expected to be at 7.4% in 2023/24 - RPIX tends to have a rate of over 1% higher. The views of economic commentators vary on expected inflation levels. The Bank of England's inflation report (November 2022) provides the following projections for CPI inflation

Chart 1.4: CPI inflation projection based on market interest rate expectations, other policy measures as announced



6. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services in the future could result in a likely real term funding reductions remaining for local government or creating a situation where costs and demographic pressures facing local government are not matched fully by changes in government funding.
7. Bromley's core funding had been reduced in real terms by 75% compared with 63% (England) over the course of the 10 years up to 2019/20, with some respite from 2020/21 to 2023/24. The Government view new flexibilities including, for example, Adult Social Care Precept as a means to increase council tax to fund social care cost and demographic pressures
8. The Bank of England reported that the UK economy faces a very challenging outlook and 'it is expected to be in recession for a prolonged period and CPI inflation remains elevated at over 10% in the near term'. They also state that 'CPI inflation is expected to remain close to 11% through the remainder of Q4. It then eases towards 10% in 2023 Q1, before falling further in subsequent quarters. However, the Monetary Policy Committee (MPC) views 'that the risks to the inflation projection are skewed to the upside'. The Draft 2023/24 Budget assumes overall inflation of 8% for 2023/24, 4% in 2024/25 and 2% per annum thereafter.

Provisional Local Government Finance Settlement 2023/24

The Government published an Autumn Statement 2022 on 17th November, followed by the Policy Statement on 12th December 2022 and Provisional Local Government Finance Settlement 2023/24 on 19th December 2022.

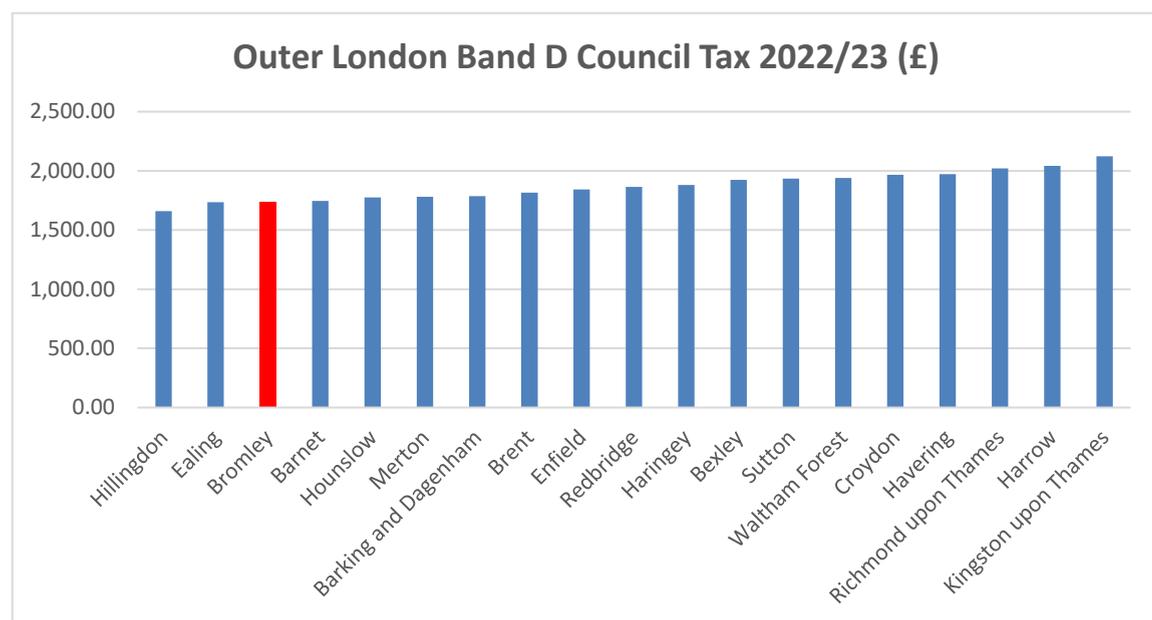
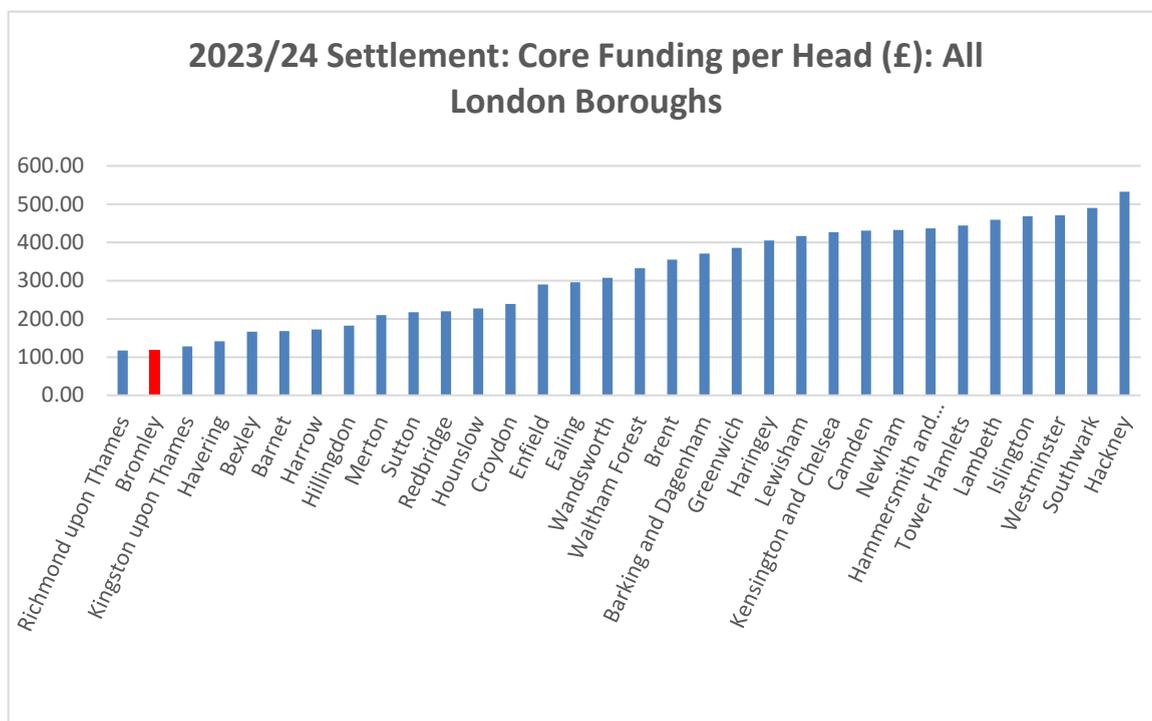
Key Changes/Updates include the following:

- Council Tax and ASC precept referendum limit will be 5% for both years (2023/24 and 2024/25);
- GLA can allow for £15 referendum principle re police precept – this may result in increase in GLA precept of 8.5%+;
- Confirmation that Revenue Support Grant would rise by CPI inflation in 2023/24 and 2024/25 as well as a commitment to continue to eliminate negative RSG (Bromley has negative RSG so no increase would apply).
- Business rates will be frozen but Local Government will receive additional funding to the equivalent of CPI annual increases (September CPI 2022 and 2023 indices) for 2023/24 and 2024/25 respectively);
- There will be transitional relief available as part of business rate revaluations from 2023/24;
- There will be an increase in 'spending power' expected to be a minim of 5% (if very low business rate share) and rise up to 10.1% if high proportion of business rate income in funding – RSG and business rates allows for inflation increase of 10.1% - Bromley's 'spending power' increases by 9%.
- Statutory override (high needs) will be in place for a further three years (2023/24 to 2025/26);
- The Government will delay the rollout of Adult Social Care Reforms from October 2023 to October 2025 and the funding allocated can be utilised to support adult and children's social care – it is not clear whether this is effectively one-off funding for two years. The 'repurposed' monies may still be required to support the Adult Social Care Reforms from October 2025 (the monies available equates to £5.9m in 2023/24 and £8.9m in 2024/25). The Council will benefit from the delay in incurring significant costs as part of the reforms as well as retaining the grant for at least two years for adults and children's social care;
- New Adult Social Care (ASC) grant which will be ring fenced (£2.8m) and the government expect monies to be used to make tangible improvements to ASC such as address discharge delays, social care waiting times, low fee rates and workforce pressure. Potential new burdens and there will a reporting requirement on the new Adult Social Care specific grant. Further details awaited on grant conditions;
- New ASC grant of £1.1m in 2023/24 and estimated £1.7m from 2024/25 distributed through a grant, potentially through Better Care Fund (BCF), which is intended to support hospital discharge;
- The 2022/23 One-Off Services Grant will reduce in 2023/24 to reflect national insurance savings and to increase contribution to Supporting Families Programme. The balance remaining will be distributed by the Settlement Fund Assessment – the Council received one off service grant of £2.6m in 2022/23 and this was expected to fall out in 2023/24. The impact of the redistribution is funding retained of £1.5m (net reduction of £1.1m compared with 2022/23 Budget);
- The government is limiting the increase in social housing rents, under current rules rents could have increased by up to 11.1% but now can only increase by a maximum of 7%;
- £1bn will be made available to extend the Household Support Fund over 2023/24;
- DLUHC will repurpose expired New Homes Bonus (NHB) legacy payments and lower tier service grant to create a one-off Funding Guarantee (to enable authorities to see an increase of at least 3% in their core spending power) – Minimal impact for Bromley;
- There will be new rounds of NHB payments in 2023/24 – minimal impact for Bromley;

- A commitment to consolidate 4 grants (Independent Living Fund; Council Tax Discounts – Family Annex; Local Council Tax Support Administration Subsidy; and Natasha’s Law), which are usually confirmed outside of the settlement, into the settlement;
- National Living Wage will increase, for individuals over 23 years, by 9.7% to £10.42 per hour;
- The Chancellor confirmed that for three years after the Spending Review period (from 2024/25) , day to day departmental spending would rise by 1% in real terms each year on average. Taking into account common priorities, such as NHS and schools, this could mean real-terms reduction in government grants to councils;
- Local Housing Allowances (used to determine housing benefit payments) will remain frozen;
- For 2024-25:
 - confirmation of a “significant” new funding stream relating to the Extended Producer Responsibility for packaging (pEPR) scheme – with LAs receiving additional (unspecified) income from the scheme. DLUHC, HMT and DEFRA will be assessing the impact of additional pEPR income on the relative needs and resources of individual local authorities in the coming year (i.e., this could impact on Council’s Settlement Funding Assessment for 2024/25);
 - DLUHC will review the 2024/25 funding for lower tier authorities - particularly given this pEPR scheme.
 - commitment to set out the future of the NHB “ahead of” the 2024-25 local government finance settlement.
- State pensions, benefits and tax credits will rise in line with inflation (10.1%) from April 2023;
- The NHS budget will increase by £3.3bn per annum;
- The Schools Budget will increase by £2.3bn per annum;
- The Energy Price Guarantee will rise to £3,000 from April 2023 (currently £2,500).

This is a positive outcome for local government finance. Although there remains significant financial sustainability challenges in the medium term, the additional funding provides significant support for the next two years.

Council Tax Levels and Government Funding



1. The above graphs illustrate that the Council has achieved a low council tax level despite low levels of Government funding. This has been achieved by retaining below average spending levels.
2. Using 2023/24 funding information, if Bromley's received the average grant funding for London, its annual income would increase by £50.6m
3. Bromley were to set its Council Tax at the average level of the lowest four settlement recipients then it would receive additional income of £30.2m

FUTURE LOCAL AUTHORITY LANDSCAPE

1. The Public Accounts Committee report titled *Local Authority Financial Sustainability and the Section 114 Regime (Second Report of Session 2021/22)* referred to the 'failure to properly fund children's and adult social care, especially adult social care, is the single biggest threat facing local government financial resilience. Given that the cost of providing social care consumes between 60% and 70% of the budgets of top-tier councils, a solution to this funding crisis alone could largely restore local government finance'. The report referred to the benefits of greater fiscal autonomy could contribute to improve local government's financial resilience. The report identified that local government has not had a multi-year financial settlement since 2015 and concluded that 'local government cannot manage its spending and borrowing without the medium-term certainty that multi-year settlements bring'.
2. Michael Gove, Secretary of State, addressing a Commons Select Committee in November 2022 referred to a review of the council tax system and details of the review and its implications are awaited.
3. A Council's Chief Financial Officer (Section 151 Officer) is required to make a Section 114 Notice if it appears that the expenditure in a financial year is likely to exceed the resources (including sums borrowed) available for the organisation to meet that expenditure. Once a Council has issued a Section 114 notice, spending on all but essential services must immediately cease. The Council would be required to meet within 21 days of the notice being issued to discuss what to do next. In the last few years Northamptonshire (2018), Croydon (2020 with third notice issued in 2022), Slough (2021), Nottingham (2021), Northumberland (re unlawful finances, 2022) and Thurrock (2022) have been issued Section 114 Notices. The number would have been even higher if some Councils hadn't sought a Capitalisation Direction which effectively enables borrowing to fund revenue costs – this is not a sustainable solution.
4. Local Government Chronicle reported in February 2022 that two dozen south east councils were thought to be at risk of Section 114s.
5. The Local Government Information Unit and Municipal Journal have collaborated on the State of Local Government Finance Report every January since 2012 to coincide with English councils setting their annual budgets. The last survey available was in 2020 which was sent to senior decision-makers at each of England's 343 councils (council leaders, chief executives, cabinet members for finance/resources and directors of finance/resources). Around half of English councils responded. The conclusion was that confidence in the sustainability of local government finance remains very low, with three quarters (74%) of councils saying they do not feel confident. 1 in 10 councils (12%) say they are in danger of being unable to fulfil statutory duties this year and 1 in 7 councils (14%) said they anticipate an increase in judicial challenges to the level of service provision that year.
6. In June 2022, the Local Government Association (LGA) advised that more councils could be tipped into financial crisis while others face emergency in-year cuts due to soaring inflation and living wage increases. Their analysis, at that time, predicted additional cost pressures of £2.4bn this year, rising to £3.6bn in 2024/25. They referred to 'soaring inflation, energy prices and National Living Wage (NLW) pressures are putting council services at risk'. The LGA analysis said both inflation

and energy prices have continued to spiral upwards since ministers announced the 2022/23 local government finance settlement and councils agreed their budgets in March – prompting an ‘unprecedented crisis’.

7. The National Audit Office produced the report titled *Local Government Finance System: Overview and Challenges Thirty-Fourth Report of Session 2021–22 Report*, published in January 2022. The report refers to:
 - ‘The sector is facing a wide range of risks that have built up during the period of sustained financial pressure on local authorities’
 - ‘The Department (DLUHC) needs to identify key areas of concern regarding the sustainability of local government finance and explain how these will be addressed as part of its stewardship role.’
 - ‘The sector is still facing uncertainty and stop-gap financial arrangements until such time as the longer-term reforms are put in place’.
8. NAO in their report titled *The local government finance system in England: overview and challenges*, published in November 2021 referred to:
 - ‘Funding reductions (up to 2019/20) have coincided with growing service demand and cost pressures’
 - ‘Key planned reforms relevant to local government finance system have been delayed’
 - ‘Rising social care spending has squeezed funds available for non-social care services’
 - ‘A lack of short-term funding certainty hampers local authorities’ ability to plan’
 - ‘Financial uncertainty does not support value-for money decision making’
 - ‘The financial resilience of the local government sector was being tested even before COVID-19 pandemic’
9. London Councils reported, as part of their response to the Provisional Local Government Finance Settlement 2023/24 that ‘neither fundamental reform to needs assessments nor the business rates reset will be implemented before 2025-26’ which is of concern. They stated that ‘the 2023-24 provisional local government finance settlement provided much needed additional resources for London boroughs through the largest increase to Core Spending Power since 2010. The increase in Core Spending Power will go a long way to helping boroughs to balance budgets next year and demonstrates that concerns raised by the sector’ have been heard by government’ However they also stated that ‘despite this increase, Core Spending Power will remain 18% below the 2010 level in real terms for London boroughs (13% across England)’. They also referred to ‘prior to the release of the provisional Local Government Finance Settlement, London boroughs were operating in an extremely uncertain financial environment, forecasting a funding gap of over £700m in 2023-24, with a similar level of savings required in 2024-25 despite the wider uplift in funding, there will still be significant pressure on borough budgets next year particularly as inflation remains high and the rising cost of living continues to increase demand for council services, in particular homelessness into next year’.
10. The Local Government Association (LGA), as part of their response to the Provisional Local Government Finance Settlement 2023/24 referred to:
 - These Government forecasts are based on the assumption that councils will raise their council tax by the maximum permitted without a referendum.

- Councils have always supported the principle of adult social care reforms and want to deliver them effectively but have warned that underfunded reforms would have exacerbated significant ongoing financial and workforce pressures’.
- The Government must urgently publish the response to the SEND Green paper, setting out policy reforms that will reduce pressure on high needs budgets, ensure councils can eliminate their High Needs Budget deficits before the end of March 2026 and include a focus on increasing levels of mainstream inclusion.
- The Government has clarified that the Review of Relative Needs and Resources and a reset of accumulated business growth will not be implemented in the current Parliament. When the Review does happen, it needs to consider both the data and the formulas used to distribute funding and the Government needs to ensure that overall local government funding is sufficient when new needs formulae are introduced to ensure that no council sees its funding reduce as a result and that there are transitional arrangements for any business rates reset.
- This is the fifth one-year settlement in a row for councils which continues to hamper financial planning and their financial sustainability.

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Bromley's Budget Requirement in 2022/23 (before funding from Formula Grant) @	221,663	221,663	221,663	221,663	221,663
Formula Grant and Business Rate Share	-42,828	-42,828	-42,828	-42,828	-42,828
Inflation allowance		-4,172	-5,112	-6,071	-7,049
	178,835	174,663	173,723	172,764	171,786
Assumed fall out of one off service grant		1,158	1,158	1,158	1,158
Grants to be consolidated into core funding		290	290	290	290
Changes in Government Core Funding		1,448	1,448	1,448	1,448
Cost pressures					
Increased costs (8% in 2023/24, 4% in 2024/25 and 2% thereafter)		25,139	37,334	43,163	48,993
Total additional costs		25,139	37,334	43,163	48,993
Revenue Impact of Funding the Capital Programme and reduction in investment income to fund schemes (See report elsewhere in the agenda)		6,600	6,600	6,600	6,600
Income/Savings					
Interest on balances		-7,000	-7,000	-4,000	-4,000
Repurposed ASC Reform Monies (2023/24 and 2024/25)		-6,500	-9,500	-9,500	-9,500
Less ILF monies replaced		600	600	600	600
Reduction in central contingency sum to offset significant inflation costs (inflation and risk reserve reduced)		-5,800	-5,800	-5,800	-5,800
Release general provision in contingency for significant uncertainty/variables		0	-1,000	-2,000	-2,000
Release of IBCF used as an earmarked reserve for hospital discharge to support revenue budget		-1,677	-1,677	-1,677	-1,677
Adult Social Care Market Sustainability and Improvement Fund - grant related income		-2,800	-4,900	-4,900	-4,900
Adult Social Care Market Sustainability and Improvement Fund - grant related expenditure		2,800	4,900	4,900	4,900
Adult Social Care Discharge Fund (through Better Care Fund)		-1,083	-1,710	-1,710	-1,710
Transformation Savings		-2,926	-4,065	-4,415	-4,480
CIL Funding Opportunities		-680	-1,680	-2,080	-2,080
		-25,066	-31,832	-30,582	-30,647
Other changes					
Real Changes and other Variations		-238	4	-541	536
		-238	4	-541	536
Council Tax					
Fall out of Collection Fund Surplus 2020/21 used to support 2022/23 Revenue budget		2,400	2,400	2,400	2,400
Collection Fund Surplus 2021/22 used to support 2023/24 Revenue Budget		-5,400	0	0	0
Collection Fund Surplus 2022/23 (estimated) used to support 2024/25 Revenue Budget		0	-5,000	0	0
Future years collection fund surplus		0	0	-4,000	-2,000
		-3,000	-2,600	-1,600	400
Growth/Cost Pressures including mitigation (See also Appendix 6)					
- Education		952	1,317	1,630	2,180
- Children's Social Care		6,500	6,400	6,300	6,200
- Adults Social Care		3,855	6,703	8,725	14,452
- Housing		-156	60	716	2,228
Variation in car park income		500	0	0	0
Fall out of two year addt provision for building maintenance		-1,000	-1,000	-1,000	-1,000
Parks Infrastructure Fund		400	400	400	400
Building Infrastructure Fund (Fall out of 2 year funding from 2024/25)		0	-2,000	-2,000	-2,000
Reduction in investment property income		1,556	1,308	1,276	1,276
Other growth pressures -Resources		1,533	1,033	1,033	1,033
Variation in freedom pass costs to reflect impact of post Covid usage		990	3,818	6,152	6,152
Total growth/cost pressures		15,130	18,039	23,232	30,921
Budget Requirement		194,676	202,716	214,484	230,037
2023/24 Council Tax Income	-178,835	-178,835	-178,835	-178,835	-178,835
Illustrative increase in ASC precept and Council Tax (assume 4.99% in 2023/24 & 2024/25 and 2.99% per annum thereafter)		-8,992	-18,364	-24,261	-30,333
Estimated increase in council tax base		-1,000	-1,500	-1,500	-1,500
Budget Gap before use of one off collection fund surplus and Covid reserve		5,849	4,017	9,889	19,369
Use of earmarked reserves					
Gradual fall out of use of Covid earmarked reserve towards funding Covid cost pressures		1,200	3,300	5,848	5,848
Collection Fund surplus to meet future years budget gap		-7,411	-8,300	-8,300	1,700
Fall out of Government funding towards additional council tax support costs (held in reserve)		362	2,662	2,662	2,662
		-5,849	-2,338	210	10,210
Revised Budget Gap		0	1,679	10,099	29,579

1) The above forecast assumes, for illustrative purposes, a 4.99% increase in ASC precept/ Council Tax for 2023/24 & 2024/25 and 2.99% per annum thereafter.

**FINANCIAL FORECAST 2023/24 TO 2026/27
GROWTH AND MITIGATION**

APPENDIX 6

	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2022/23</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>Budget</u>
					<u>£'000</u>
SUMMARY					
GROWTH (excel DSG)	39,479	50,751	68,680	81,807	
MITIGATION	-25,339	-34,530	-49,600	-55,038	
NET	14,140	16,221	19,080	26,769	
CHILDREN'S SOCIAL CARE					
<u>GROWTH</u>					
FYE of 2022/23 Overspends (placements)	6,600	6,600	6,600	6,600	20,937
	6,600	6,600	6,600	6,600	
<u>MITIGATION</u>					
Additional CCG contribution	-100	-200	-300	-400	Cr 2,350
	-100	-200	-300	-400	
NET GROWTH	6,500	6,400	6,300	6,200	
EDUCATION - DSG					
<u>GROWTH</u>					
Estimated DSG Brought Forward (c/fwd)	12,142	15,940	18,402	20,240	0
Placements including post 16	8,500	12,000	15,500	19,000	26,330
Home and hospital increased demand	160	160	160	160	877
	20,802	28,100	34,062	39,400	
<u>MITIGATION</u>					
Alternative Provision savings on service delivery	-158	-177	-189	-189	1,669
Additional high needs grant announced/estimated	-4,500	-8,000	-11,500	-15,000	-92,378
Free special school	0	-167	-362	-478	26,330
SEN additional in borough placements	-204	-554	-1,371	-1,850	26,330
Estimated c/forward of DSG	-15,940	-19,202	-20,640	-21,883	0
	-20,802	-28,100	-34,062	-39,400	
NET GROWTH	0	0	0	0	
net annual increases in DSG deficit (cumulative)	3,798	3,262	2,238	1,643	
cumulative increase in DSG deficit	3,798	7,060	9,298	10,941	
EDUCATION - RSG					
<u>GROWTH</u>					
SEN Transport additional demand	575	1,101	1,611	2,111	7,771
Cost pressures SEN transport	700	700	700	700	7,771
Decrease in Central DSG allocation	50	100	150	200	
Ed Psychologist and Soulbury pay	10	10	10	10	1,016
	1,335	1,911	2,471	3,021	
<u>MITIGATION</u>					
SEN transport route optimistaion etc.	-383	-594	-841	-841	7,771
	-383	-594	-841	-841	
NET GROWTH	952	1,317	1,630	2,180	
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
ADULT SOCIAL CARE					
ACM - Placements - 21/22 FYE	1,071	1,071	1,071	1,071	28,979
Learning Disabilities - 21/22 FYE	551	551	551	551	44,469
Mental Health - 21/22 FYE	-80	-80	-80	-80	6,711
National Living Wage	800	2,000	3,500	5,000	1,378
Fall out of IBCF one off use	1,000	1,400	1,400	1,400	0
ASC Reforms Costs (preparing/early requirements for 2023/24 and 2024/25)	1,000	1,000	7,600	10,000	1,000
Learning Disabilities Growth	1,822	3,356	5,183	7,010	44,469
	6,164	9,298	19,225	24,952	
<u>Mitigation</u>					
Preparing for adulthood support	-439	-485	-600	-600	44,469
BCF allocation for D2A	-458	-458	-458	-458	0
ASC Reforms funding			-7,600	-7,600	0
Improved hospital discharge arrangements	-1,005	-1,005	-1,005	-1,005	0
IBCF Inflation	-227	-227	-227	-227	0
Alternative accommodation for people with learning disabilities	0	-150	-250	-250	0
Savings from DomCare contracts	-180	-270	-360	-360	14,926
	-2,309	-2,595	-10,500	-10,500	
Net Growth	3,855	6,703	8,725	14,452	

Housing

Growth

Temp Accom. - growth	1,339	2,851	4,363	5,875	15,059
Temp Accom. - impact Homes for Ukraine	To be funded	by Govt grant			
Meadowship Homes	250	250	250	250	0
	1,589	3,101	4,613	6,125	

Mitigation (excluded from Transformation savings)

Housing development programme	-314	-967	-1,823	-1,823	
Housing acquisition programme	-1,431	-2,074	-2,074	-2,074	15,059
	-1,745	-3,041	-3,897	-3,897	

Sub total

	-156	60	716	2,228	
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Environment (and Public Protection and Safety)

Car parking income	-500	-1,000	-1,000	-1,000	Cr 200
Reduction in income from moving traffic contraventions	1,500	1,500	1,500	1,500	Cr 1,796
Waste volumes reduction	-800	-800	-800	-800	0
Mortary and Coroners services (£200k plus £100 respectively) -PPS	300	300	300	300	0
	500	0	0	0	

Resources Commissioning and Contract Management (RCCM)

Additional IT staffing - report to Executive	613	613	613	613	913
Savings in future project costs contained within dept budgets	-380	-380	-380	-380	0
Impact of IT systems moving to 'cloud' (Oracle plus report to Exec Nov 22)	500	500	500	500	0
Contribution to insurance fund	500	0	0	0	0
Increase in counsel costs supporting services	300	300	300	300	309
Income from investment properties	1056	808	776	776	Cr 9,276
Investment properties - maintenance sinking fund to prevent income reductions	500	500	500	500	Cr 9,276
	3,089	2,341	2,309	2,309	

Building Maintenance (RCCM)

Parks Infrastructure Fund (Environment)	-1,000	-1,000	-1,000	-1,000	4,942
	400	400	400	400	0

SUMMARY OF DRAFT 2023/24 REVENUE BUDGET - PORTFOLIO

2022/23 Final Budget	Portfolio/Item	2023/24 Draft Budget £'000
98,429	Education	109,712
Cr 92,411	Less costs funded through Dedicated Schools Grant*	Cr 102,180
6,018	Sub total	7,532
41,485	Childrens Social Care	47,102
80,790	Adult Care and Health	83,895
34,213	Environment & Community Services Portfolio	37,910
2,644	Public Protection and Enforcement	3,182
14,555	Renewal, Recreation and Housing	15,484
40,774	Resources, Commissioning & Contracts Management	47,597
1,284	Non Distributed Costs & Corporate & Democratic Core	1,361
221,763	Total Controllable Budgets	244,063
4,043	Total Non Controllable Budgets	4,823
Cr 942	Additional Revenue Expenditure Funded From Capital Under Statute	Cr 4,832
	Total Excluded Recharges	Cr 947
224,864	Portfolio Total	252,771
Cr 9,878	Reversal of Net Capital Charges	Cr 9,930
	Additional Capital Grants Funding Revenue Expenditure Under Statute	Cr 4,832
Cr 2,841	Interest on General Fund Balances	Cr 9,841
	Contribution to Carbon Neutral Initiatives Fund	
253	Contribution to Utilisation of New Homes Bonus for Housing	
	Utilisation of Prior Year Collection Fund Surplus/Set Aside	
18,208	Central Contingency Sum	19,298
	Contingency Provision for Revenue Impact of Capital Financing Programme	6,600
	Levies	
447	- London Pensions Fund Authority*	460
247	- London Boroughs Grants Committee	246
263	- Environment Agency *	272
315	- Lee Valley Regional Park *	324
231,878	Sub Total	255,368
Cr 253	New Homes Bonus	Cr 42,828
Cr 42,828	Business Rate Retention	Cr 1,494
Cr 2,652	Reduced funding following continuation of one off service grant	Cr 4,172
	Increase in funding (inflation)	Cr 5,400
Cr 2,400	Collection Fund Surplus (previous years)	Cr 366
Cr 2,662	Council tax support - collection fund surplus	Cr 9,111
Cr 1,700	Collection Fund Surplus - set aside for future years	Cr 2,300
	Collection fund surplus for future years (council tax support)	
Cr 548	Funding Covid cost pressures from Earmarked Reserve	
	Use of Specific Earmarked reserve created during 2022-23 to fund additional social work post	Cr 870
178,835	Bromley's Requirement (excluding GLA)	188,827

* The highlighted budgets above are still in draft with final allocations still awaited.

DRAFT REVENUE BUDGET 2023/24

	Education, Children & Families	Adult Care & Health	Environment & Community Services	Public Protection and Enforcement	Renewal, Recreation & Housing	Resources, Commissioning & Contracts Management	Portfolio Total
	£000	£000	£000	£000	£000	£000	£000
Employees	39,539	17,843	7,437	2,802	10,173	18,523	96,317
Premises	1,098	230	7,863	43	1,090	4,493	14,817
Transport	9,955	1,365	135	42	47	39	11,582
Supplies and Services	9,197	5,468	20,141	445	1,637	7,967	44,856
Third Party Payments	62,422	126,631	29,536	1,547	29,623	14,968	264,727
Transfer Payments	71,521	11,038			82,774	7,533	172,867
Government Grants	- 121,973	Cr 33,846		Cr 367	Cr 87,895	Cr 556	Cr 244,637
Other Grants Reimbursements and Contributions	- 3,718	Cr 29,018	Cr 289		Cr 514	Cr 461	Cr 34,000
Customer and Client Receipts	- 3,634	Cr 18,986	Cr 24,442	Cr 440	Cr 21,111	Cr 2,220	Cr 70,834
Controllable Recharges	- 3,174	4,228	Cr 1,565	Cr 890	Cr 6	Cr 1,719	Cr 3,126
Below Cost of Services on CIES	-		Cr 2			Cr 10,121	Cr 10,123
Movement between Reserves	- 6,598	Cr 1,059	Cr 905		Cr 334	671	Cr 8,225
Total Controllable Budgets	54,634	83,895	37,910	3,182	15,484	39,117	234,222
Capital Charges/ Financing	1,070	201	5,192		Cr 37	357	6,783
Repairs, Maintenance & Insurance	515	499	1,967	12	390	1,871	5,253
Rents and Other Property Based Charges	Cr 81	Cr 141	Cr 416		Cr 894	Cr 850	(2,381)
Not Directly Controllable Budgets	1,505	559	6,743	12	Cr 541	1,378	9,655
Net Recharges	10,841	3,489	2,336	816	5,574	Cr 24,004	Cr 947
Total Net Budget	66,980	87,942	46,989	4,010	20,517	16,491	242,930

2023/24 CENTRAL CONTINGENCY SUM

General	£'000
Provision for Unallocated Inflation	10,681
General provision for risk/uncertainty	3,500
Adult Social Care Market Sustainability and Improvement Fund - Grant related exp.	2,800
Building Infrastructure Fund	2,000
SEND Transport Growth	1,000
Property income recovery/rent variations	500
Grants to be consolidated into core funding and no longer reflected in departmental budgets	290
Legal support - childcare and adults social care	170
Property Valuation	100
Planning appeals - changes in legislation	60
Social Care grant re asc reforms	Cr 720
Adult Social Care Discharge Fund - Grant Income	Cr 1,083
	<u>19,298</u>

Contingency Provision for Revenue Impact of Capital Financing Programme	<u>6,600</u>
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There may be further changes to the Central Contingency to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget.

CHILDREN, EDUCATION AND FAMILIES PORTFOLIO**DRAFT REVENUE BUDGET 2023/24 - SUMMARY**

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
	Childrens Social Care				
1,775,557	Bromley Youth Support Programme	1,778,320	110,810	Cr 125,000	1,764,130
8,149,915	CLA and Care Leavers	8,280,450	496,370	2,593,890	11,370,710
676,052	Early Intervention and Family Support	1,341,650	189,800	Cr 69,850	1,461,600
21,406,286	Fostering, Adoption and Resources	19,025,320	1,381,510	3,442,390	23,849,220
4,357,719	Referral and Assessment Service	4,202,500	253,500	22,590	4,478,590
3,907,957	Safeguarding and Care Planning East	3,012,010	180,740	917,840	4,110,590
2,778,625	Safeguarding and Care Planning West	5,991,440	383,640	101,120	6,476,200
Cr 980,148	Safeguarding and Quality Improvement	(2,146,650)	169,320	Cr 4,431,640	(6,408,970)
42,071,963		41,485,040	3,165,690	2,451,340	47,102,070
	Education Division				
49,157	Workforce Development & Governor Services	(4,600)	1,700	0	(2,900)
99,173	Strategic Place Planning	132,310	20,250	0	152,560
0	Special Schools & Alternative Provision	15,674,480	940,470	5,320	16,620,270
2,612,226	SEN and Inclusion	41,383,250	2,553,610	9,145,000	53,081,860
Cr 1,455,746	Schools Budgets	(79,001,430)	(4,497,390)	(8,326,140)	(91,824,960)
694,308	Schools & Early Years Commissioning and QA	21,633,340	1,302,930	(71,000)	22,865,270
25,327	Other Strategic Functions	3,063,130	178,630	10,320	3,252,080
Cr 460,574	Adult Education Centres	(437,900)	(0)	10,000	(427,900)
6,974,439	Access and Inclusion	3,575,130	227,310	13,500	3,815,940
6,017,710		6,017,710	727,510	787,000	7,532,220
48,089,673	TOTAL CONTROLLABLE	47,502,750	3,893,200	3,238,340	54,634,290
6,321,290	TOTAL NON CONTROLLABLE	1,593,870	18,900	(108,220)	1,504,550
9,679,039	TOTAL EXCLUDED RECHARGES	10,852,210	0	(10,810)	10,841,400
64,090,002	PORTFOLIO TOTAL	59,948,830	3,912,100	3,119,310	66,980,240

Education, Children and Families

SUMMARY OF BUDGET VARIATIONS 2023/24

Ref		VARIATION IN 2023/24		ORIGINAL
		£'000	£'000	BUDGET 2022/23 £'000
1	2022/23 BUDGET			
			59,949	
2	Increased Costs		3,912	
	Full Year Effect of Allocation of Central Contingency			
3	Agency saving in 2022/23 Budget	Cr 121		
4	NI Adjustment 2022/23	Cr 163	Cr 284	
	Movements Between Portfolios/Departments			
5	Transfer of funding to the Chief Executives department	Cr 200		
6	Violence Against Women and Girls (VAWG) budget	Cr 64	Cr 264	
	Real Changes			
	<i>Other Real Changes</i>			
7	Drawdown of Reserves for Additional Social Worker Posts	870		
8	Removal of COVID Funding	200		Cr 3,000
9	Repurposed ASC Reform Monies	Cr 4,300	Cr 3,230	0
	<i>Growth</i>			
10	FYE effect of 2022/23 Children's Placements	6,600		20,937
11	Cost pressures SEN Transport	700		7,771
12	SEN Transport additional demand	575		7,771
13	Decrease in Central DSG allocation	50		
14	Ed Psychologists	10	7,935	1,016
	<i>Mitigation</i>			
15	Additional CCG Contribution	Cr 100		Cr 2,350
16	SEN Transport route optimisation, etc	Cr 383	Cr 483	7,771
	<i>Transformation Programme Savings</i>			
17	Adult Education	13		Cr 438
18	Fees and Charges	Cr 15		
19	Transport Services Policy	Cr 50		7,771
20	Maintained Nursery's to work under a commercial model	Cr 68		162
21	Emergency Foster Placement	Cr 79		5,361
22	0-25 Transitions Service (Inc. Short Breaks)	Cr 100		
23	Youth Services Review	Cr 125	Cr 424	732
24	Variations in Capital Charges		Cr 209	
25	Variations in Insurances		78	
26	2023/24 DRAFT BUDGET		66,980	

Education, Children and Families

Notes on Budget Variations in 2023/24

Ref Comments

Full Year Effect of Allocation of Central Contingency

- 3 Agency saving in 2022/23 Budget (Cr £121k)
The full year effect of agency worker savings expected as a result of the most recent contract award.
- 4 NI Adjustment 2022/23 (Cr £163k)
The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.

Movements Between Portfolios/Departments

- 5 Violence Against Women and Girls (VAWG) (Cr £64k)
It was agreed that the VAWG service would move from Children Service to the PPE portfolio where the MOPAC funding is allocated.
- 6 Transfer of Funding to the Chief Executives Department (Cr£200k)
Movement of temporary funding allocated to CEF in 2022/23 back to Chief Executives Department for 2023/24

Real Changes

Other Real Changes

- 7 Drawdown of Reserves for additional Social Worker posts (Dr £870k)
This adjustment relates to the 'Additional Staffing Capacity for Children's Social Care' paper that has been approved by the Executive.
- 8 Removal of COVID Funding (Dr £200k)
Part reversal of the COVID funding provided as part of the 2022/23 Budget to support the on-going impact of COVID-19 on the CEF portfolio.
- 9 Repurposed ASC Reform Monies (Cr £4,300k)
The government had previously announced funding for the Adult Social Care Reforms which were due to take effect from October 2023. The reforms have subsequently been delayed for two years, however the funding has been repurposed and will be distributed through the Social Care Grant for adult and children's social care. This helps offset growth pressures detailed below.

Growth

- 10 FYE effect of 2022/23 Children's Placements (Dr £6,600k)

The full year effect of 2022/23 pressures on Children Social Care placements is £6,600k. This covers all of the different placements within the Children Social Care area. Within this figure are some assumed management actions.

- 11 Cost pressures SEN Transport (Dr £700k)
On top of the on-going increase in client numbers and costs, there is the additional pressure in relation to increased costs above inflation in 2022/23 that feed through into 2023/24.
- 12 SEN Transport additional demand (Dr £575k)
Additional funding is required to support the increase in the numbers of clients using the service. Increases in pupils are the start of the academic year of 18% over the last 2 years . Costs have also increased as due to the impact of COVID, there is a shortage of workers to drive the clients.
- 13 Decrease in Central DSG allocation (Dr £50k)
There is an expected reduction in the Central Services Block of the Dedicated Schools Grant (DSG) funding. The growth covers the loss of grant and maintains the current service levels.
- 14 Ed Psychologists (Dr £10k)
This is a continuation of the recruitment and retention policy in order to retain staff and avoid costly temporary / agency staff. The pay structure will be more in line with the market and will therefore attract slightly higher costs.

Mitigation

- 15 Additional CCG Contribution (Dr £100k)
Additional funding has been secured above and beyond current budgeted levels.
- 16 SEN Transport route optimisation, etc (Cr £383k)
To help off-set the pressures in SEN Transport Growth, the service has undertaken various reviews to optimise the routes they are being delivered in order to help alleviate pressures.

Transformation Programme Savings

- 17 Adult Education (Dr £13k)
A continuation of the slight reduction in the transformation savings due to one off savings in previous years.
- 18 Fees and Charges (Cr £15k)
Savings from an increase to fees and charges across the Council of 3% above budgeted inflation for 2023/24.
- 19 Transport Services Policy (Cr £50k)
Changes to service provision including Personal Budgets and Independent Travel training initiatives.as reported previously to committee.
- 20 Maintained Nursery's to work under a commercial model (Cr £68k)

The in-house nurseries are currently being reviewed and options are being considered to move them to a more commercial model, as previously reported to committee.

21 Emergency Foster Placement (Cr £79k)

Assuming a steady stream of placements across the financial year being able to be diverted from IFA's and offsetting the costs of retaining three emergency carers.

22 0-25 Transitions Service (Inc. Short Breaks) (Cr £100k)

The combined 0-25 service will use a more efficient model of working which will enable savings to be made across the whole service.

23 Youth Services Review (Cr £125k)

There is an ongoing review of the Youth Service with the expectation that there will be efficiencies moving forward.

24 Variations in Capital Charges (Cr £209k)

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

(i) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – these are schemes in the capital programme that do not add value to the Council's fixed asset base. It is the nature of the capital programme that the projects covered will change from year to year. The amounts shown are for our current best understanding of the relevant schemes for 2023/24.

(ii) Government grants – mainly due to variations in credits for capital grants receivable in respect of 2023/24 capital programme schemes.

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

25 Variations in Insurances (Dr £78k)

Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

**CHILDREN, EDUCATION AND FAMILIES PORTFOLIO
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY**

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges £	Below Cost of Services on CIES	Movement between Reserves	Total Controllable £
Childrens Social Care													
Bromley Youth Support Programme	2,059,260	196,970	34,020	203,830	99,770	0	Cr 352,230	Cr 173,630	Cr 235,510	Cr 68,350		0	1,764,130
CLA and Care Leavers	3,627,412	0	35,380	1,649,770	1,553,570	7,417,690	Cr 2,229,202	0	Cr 692,340	8,430		0	11,370,710
Early Intervention and Family Support	2,834,420	312,620	27,300	162,720	190,950	0	0	Cr 26,230	Cr 178,980	Cr 1,861,200		0	1,461,600
Fostering, Adoption and Resources	2,519,900	0	229,600	1,843,900	22,700,840	772,500	Cr 317,520	Cr 2,550,000	0	Cr 50,000		0	25,149,220
Referral and Assessment Service	4,271,500	0	6,760	14,180	8,820	0	0	0	0	0		Cr 1,300,000	3,178,590
Safeguarding and Care Planning East	2,837,410	0	8,580	720,550	505,730	38,320	0	0	0	0		0	4,110,590
Safeguarding and Care Planning West	4,199,220	0	147,820	8,600	1,999,630	1,227,050	0	Cr 649,720	0	Cr 456,400		0	6,476,200
Safeguarding and Quality Improvement	3,023,960	0	11,040	1,185,300	0	0	Cr 9,957,960	Cr 193,600	0	Cr 477,710		0	6,408,970
	25,373,082	509,590	500,500	5,788,850	27,059,310	9,632,890	Cr 12,856,912	Cr 3,593,180	Cr 1,106,830	Cr 2,905,230		Cr 1,300,000	47,102,070
Education Division													
Workforce Development & Governor Services	35,400		170	17,690	20,360				Cr 43,360	Cr 33,160		0	Cr 2,900
Strategic Place Planning	314,240			43,420					Cr 205,100	0		0	152,560
Special Schools & Alternative Provision		24,410				16,706,315	Cr 59,455		Cr 51,000	0		0	16,620,270
SEN and Inclusion	7,680,690	310,800	9,359,490	752,640	30,710,540	6,263,910	Cr 85,190	Cr 125,090	Cr 518,660	232,730		Cr 1,500,000	53,081,860
Schools Budgets		700		273,530		17,911,344	Cr 106,073,014		Cr 105,770	Cr 33,750		Cr 3,798,000	91,824,960
Schools & Early Years Commissioning and QA	1,846,330	86,440	6,570	987,320	15,910	21,005,630	Cr 41,130		Cr 959,750	Cr 82,050		0	22,865,270
Other Strategic Functions	193,000	110	890	528,920	3,436,520		Cr 947,980		Cr 542,070	40,620		0	3,252,080
Adult Education Centres	1,488,450	165,470	1,510	355,930			Cr 1,909,440		Cr 306,250	Cr 199,560		0	427,900
Access and Inclusion	2,607,830	0	85,950	448,460	1,179,510				Cr 306,250	Cr 199,560		0	3,815,940
	14,165,940	587,930	9,454,580	3,407,910	35,362,840	61,888,429	Cr 109,116,209	Cr 125,090	Cr 2,526,860	Cr 269,250		Cr 5,298,000	7,532,220
	39,539,022	1,097,520	9,955,080	9,196,760	62,422,150	71,521,319	Cr 121,973,121	Cr 3,718,270	Cr 3,633,690	Cr 3,174,480		Cr 6,598,000	54,634,290

Service area	Capital Charges/ Financing £	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges £	Total Net Budget £
Childrens Social Care						
Bromley Youth Support Programme	102,000	55,840	Cr 72,980	84,860	325,260	2,174,250
CLA and Care Leavers		1,510		1,510	540,920	11,913,140
Early Intervention and Family Support	123,000	10,690		133,690	538,880	2,134,170
Fostering, Adoption and Resources		670		670	1,535,250	26,685,140
Referral and Assessment Service		1,610		1,610	397,690	3,577,890
Safeguarding and Care Planning East		740		740	314,370	4,425,700
Safeguarding and Care Planning West		71,800	Cr 7,940	63,860	617,030	7,157,090
Safeguarding and Quality Improvement		190,270		190,270	1,104,010	5,114,690
	225,000	333,130	Cr 80,920	477,210	5,373,410	52,952,690
Education Division						
Workforce Development & Governor Services		20		20	Cr 8,010	Cr 10,890
Strategic Place Planning		60		60	Cr 43,830	108,790
Special Schools & Alternative Provision	389,000	7,160		396,160	Cr 16,653,970	362,460
SEN and Inclusion	11,000	3,540		14,540	Cr 41,824,990	11,271,410
Schools Budgets	295,000	64,220		359,220	91,727,690	261,950
Schools & Early Years Commissioning and QA		28,720		28,720	Cr 21,711,030	1,182,960
Other Strategic Functions		20		20	Cr 2,934,640	317,460
Adult Education Centres	150,000	77,910		227,910	365,520	165,530
Access and Inclusion		690		690	Cr 3,448,750	367,880
	845,000	182,340	0	1,027,340	5,467,990	14,027,550
	1,070,000	515,470	Cr 80,920	1,504,550	10,841,400	66,980,240

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ADULT CARE & HEALTH PORTFOLIO

DRAFT REVENUE BUDGET 2023/24 - SUMMARY

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
	Adult Social Care				
22,492,722	Assessment and Care Management	24,473,360	2,787,640	Cr 3,757,030	23,503,970
0	Carers	0	5,630	0	5,630
117,472	Direct Services	86,120	63,530	Cr 12,330	137,320
39,169,154	Learning Disabilities Services	43,583,360	2,903,240	1,567,240	48,053,840
8,380,196	Mental Health Services	8,197,430	508,500	Cr 291,490	8,414,440
1,779,101	Quality Assurance & Safeguarding	1,929,970	119,320	Cr 22,290	2,027,000
71,938,645		78,270,240	6,387,860	Cr 2,515,900	82,142,200
	Integrated Commissioning Service				
Cr 25,440	Better Care Fund	Cr 20,320	Cr 1,029,170	0	Cr 1,049,490
0	Improved Better Care Fund	0	0	0	0
0	Information & Early Intervention	0	200,500	Cr 36,000	164,500
2,105,753	Integrated Commissioning Service	2,250,030	149,740	Cr 49,260	2,350,510
2,080,313		2,229,710	Cr 678,930	Cr 85,260	1,465,520
	Public Health				
Cr 128,430	Public Health	290,070	99,460	Cr 102,650	286,880
Cr 128,430		290,070	99,460	Cr 102,650	286,880
73,890,528	TOTAL CONTROLLABLE	80,790,020	5,808,390	Cr 2,703,810	83,894,600
2,601,762	TOTAL NON CONTROLLABLE	434,250	13,960	110,650	558,860
5,249,396	TOTAL EXCLUDED RECHARGES	3,488,780	0	0	3,488,780
81,741,686	PORTFOLIO TOTAL	84,713,050	5,822,350	Cr 2,593,160	87,942,240

ADULT CARE & HEALTH PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2023/24

Ref	VARIATION IN 2023/24		ORIGINAL
	£'000	£'000	BUDGET 2022/23 £'000
1	2022/23 BUDGET		
		84,713	
2	Increased Costs		
		5,822	
	Full Year Effect of Allocation of Central Contingency		
3	Agency workers contract savings	Cr 72	
4	Adj to NI budget following reversal of 2022-23 increase	Cr 145 Cr 217	
	Real Changes		
	<i>Other Real Changes</i>		
5	ASC Reform Monies	Cr 880	0
	Release of IBCF previously used as an earmarked reserve for hospital discharge to support revenue budget	Cr 1,677	Cr 1,677
7	Adult Social Care Market Sustainability and Improvement Fund	Cr 2,800	Cr 4,849
8	Fall out of Covid reserves monies	<u>1,000</u> Cr 4,357	1,000
	<i>Growth</i>		
9	Assessment & Care Management - Full Year Effect of 2021/22	1,071	28,979
10	Learning Disabilities - Full Year Effect of 2021/22	551	44,469
11	Mental Health - Full Year Effect of 2021/22	Cr 80	6,711
12	National Living Wage	800	1,378
13	ASC Reforms Costs	1,000	0
14	Fall out of one-off IBCF funding	1,000	1,000
15	Learning Disabilities Growth	<u>1,822</u> 6,164	44,469
	<i>Mitigation</i>		
16	Preparing for adulthood support - Learning Disabilities	Cr 439	44,469
17	BCF allocation for Discharge to Assess (D2A)	Cr 458	0
18	Improved hospital discharge arrangements	Cr 1,005	0
19	IBCF inflation	Cr 227	0
20	Savings from Domiciliary Care contracts	Cr 180	14,926
21	Changes to Fees & Charges	<u>Cr 159</u> Cr 2,468	Cr 17,350
	<i>Transformation Programme Savings</i>		
22	Renegotiation of the lease agreement for Day Centre	Cr 6	Cr 6
23	Charging for Dementia Respite Service	Cr 103	0
24	Trusted Assessor for Domiciliary Care	Cr 700	14,926
25	Reintroduce Joint Panel for Mental Health packages of care with NHS	Cr 100	Cr 128
26	High cost Placements and Package of Care and Review	Cr 200	6,711
27	Reducing void levels in Learning Disability Supported Living schemes	Cr 100	18,332
28	Review of Learning Disabilities Day Care	Cr 20	2,301
29	Review of Learning Disabilities Day Care 1:1's	Cr 100	2,301
30	Reduction of Extra Care Housing Void levels	Cr 100	4,256
31	Charge Providers for PVI Training	Cr 20	0
32	Shared lives - move to in Borough placements	Cr 32	627
33	Change of management arrangements for the Independent Living Centre	Cr 36	Cr 36
34	Management of Community Equipment and Integrated Therapies demand and catalogue	Cr 175	2,240
35	Review of moving and handling needs of individuals with high-cost care packages	Cr 50	11,985
36	Sexual Health	Cr 50	
37	NHS Health Check	<u>Cr 40</u> Cr 1,832	
38	Variations in Capital Charges		0
39	Variations in Insurances		117

ADULT CARE & HEALTH PORTFOLIO

Notes on Budget Variations in 2023/24

Ref Comments

Full Year Effect of Allocation of Central Contingency

3 Agency workers contract savings (Cr £72k)

The full year effect of agency worker savings expected as a result of the most recent contract award.

4 Adj to NI budget following reversal of 2022-23 increase (Cr £145k)

The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.

Real Changes

Other Real Changes

5 ASC Reform Monies (Cr £880k)

The government had previously announced funding for the Adult Social Care Reforms which were due to take effect from October 2023. The reforms have subsequently been delayed for two years, however the funding has been repurposed and will be distributed through the Social Care Grant for adult and children's social care. This helps offset growth pressures detailed below.

6 Release of IBCF previously used as an earmarked reserve for hospital discharge to support revenue budget (Cr £1,677k)

In previous years the non-recurrent Improved Better Care Fund (iBCF) funding of £1,677k had been set aside as a contribution to a 'whole system' reserve that can be called upon in relation to any crisis in the joint health and social care systems. This contribution is now being released to support growth pressures in the ASC revenue budget.

7 Adult Social Care Market Sustainability and Improvement Fund (Cr £2,800k)

The Adult Social Care Market Sustainability and Improvement Funding Grant is provided to upper tier authorities to enable tangible improvements to be made to adult social care in particular to address discharge delays, social care waiting times, low fee rates and workforce pressures in the adult social care sector.

8 Fall out of Covid reserves monies (£1,000k)

The 2022/23 budget included £1m from unringfenced Covid funding carried forward through reserves for the additional costs relating to the impact of Covid-19 on Adult Social Care. This was non-recurrent and falls out in 2023/24.

Growth

9 Assessment & Care Management - Full Year Effect of 2022/23 (Dr £1,071k)

The full year effect of the 2022/23 overspend on Assessment & Care Management is £1,071k and this has been funded in the 2023/24 budget.

10 Learning Disabilities - Full Year Effect of 2022/23 (Dr £551k)

The full year effect of the 2022/23 overspend on Learning Disabilities services is £551k and this has been funded in the 2023/24 budget.

11 Mental Health - Full Year Effect of 2022/23 (Cr £80k)

The full year effect of the 2022/23 underspend on Mental Health services is £80k and this has been funded in the 2023/24 budget.

12 National Living Wage (Dr £800k)

Provision of £800k has been included in the 2023/24 budget to fund the impact of the increase to the National Living Wage (from £9.50/hour to £10.42/hour).

13 ASC Reforms Costs (Dr £1,000k)

Growth of £1m has been included for preparatory work associated with the Adult Social Care reforms for 2023/24 and 2024/25. This is funded through the ASC Reform Grant detailed in note 5.

14 Fall out of one-off IBCF funding (Dr £1,000k)

£1.4m of one-off underspends on the Improved Better Care Fund (iBCF) was allocated in 2022/23 to part fund growth pressures. The remaining £400k is being used in 2023/24 so there is a fall out of £1m.

15 Learning Disabilities Growth (Dr £1,822k)

There are demand-related pressures on the Learning Disabilities budget in 2022/23 arising mainly from transition clients and increased client needs and complexity. This is offset by both mitigation and transformation savings as detailed below.

Mitigation

16 Preparing for adulthood support - Learning Disabilities (Cr £439k)

Investment in support planning for young people who will require support as adults will create sustainable services and partly mitigate the demand-related growth pressures for adult social care services in conjunction with Children's services.

17 BCF allocation for Discharge to Assess (D2A) (Cr £458k)

Included in the Assessment & Care Management FYE growth item above is an amount for the Discharge to Assess pathway. An allocation has been made from the additional increase in the Better Care Fund (BCF) allocation for 2022/23 above inflation.

18 Improved hospital discharge arrangements (Cr £1,005k)

As a result of the Covid-19 pandemic, the hospital discharge pathway had to be revised, resulting in additional costs borne by the Council. As the pressure has now subsided to some extent, and with new pathways being implemented in association with health partners, reductions in these costs are now anticipated, partly offsetting the Full Year Effect of 2022/23 expenditure shown in note 9.

19 IBCF inflation (Cr £227k)

Inflation on the Improved Better Care Fund (iBCF) in 2022/23 has been allocated towards funding growth pressures in ASC.

20 Savings from Domiciliary Care contracts (Cr £180k)

In 2021/22 the domiciliary care contracts with providers were recommissioned, with expected savings to be made across all service user groups as reported to the Executive in June 2021. This is in addition to the £240k included in the 2022/23 budget.

21 Changes to Fees & Charges (Cr £159k)

Savings from an increase to fees and charges across the Council of 3% above budgeted inflation for 2023/24.

Transformation Programme Savings

22 Renegotiation of the lease agreement for Day Centre (Cr £6k)

Changes to the lease arrangements for the day centre at St Marks Church will result in a saving of £6k.

23 Charging for Dementia Respite Service (Cr £103k)

Currently the Council has not implemented the charging policy for the dementia respite service. The implementation of the charging policy will bring in additional income of £103k.

24 Trusted Assessor for Domiciliary Care (Cr £700k)

The Trusted Assessor scheme involves the safe and timely review of provider support plans and to adjust them within agreed parameters. This approach allows domiciliary care providers to make changes to their support plans with the aim of helping people who use their services to reach their goals. It is expected that reduction in package costs can be achieved by adopting this approach.

- 25 Reintroduce Joint Panel for Mental Health packages of care with NHS (Cr £100k)
The reintroduction of a joint panel to agree packages of care with the NHS should result in additional funding of packages by the NHS.
- 26 High cost Placements and Package of Care and Review (Cr £200k)
Reviewing high cost packages of care in older people, physical disabilities and mental health areas is expected to realise savings of £200k.
- 27 Reducing void levels in Learning Disability Supported Living schemes (Cr £100k)
Ensuring that the supported living schemes are used effectively, with reduced numbers of voids is expected to save £100k from the budget.
- 28 Review of Learning Disabilities Day Care (Cr £20k)
This saving relates to the reduction in the use of spot placements in favour of making placements at the block contracted Astley Day Centre.
- 29 Review of Learning Disabilities Day Care 1:1's (Cr £100k)
A review will be undertaken of 1:1 packages for service users with complex needs who are attending a day care setting.
- 30 Reduction of Extra Care Housing Void levels (Cr £100k)
Reducing the level of voids in Extra Care Housing (ECH) schemes will result in better utilisation of the block funded ECH beds, avoidance of paying void rent and reducing placements (at additional cost) in domiciliary care or spot residential provision.
- 31 Charge Providers for PVI Training (Cr £20k)
Recharging some of the costs of training provided to care providers would result in an estimated £20k in additional income.
- 32 Shared lives - move to in Borough placements (Cr £32k)
Estimated savings of £32k are envisaged by bringing out of borough Shared Lives placements back in borough.
- 33 Change of management arrangements for the Independent Living Centre (Cr £36k)
Changes to the management arrangements for the Independent Living Centre at Lewis House in Beckenham are expected to save £36k.
- 34 Management of Community Equipment and Integrated Therapies demand and catalogue (Cr £175k)
To ensure that equipment provided offers the best value for money by continuously reviewing the catalogue and commencing trials of new equipment when possible. To provide training to staff across the Integrated Care System to support appropriate prescription. To scrutinise clinical reasoning for special orders and high-cost items.
- 35 Review of moving and handling needs of individuals with high-cost care packages (Cr £50k)
Ongoing reviews of care packages that require more than one member of staff are expected to save £50k.
- 36 Sexual Health (Cr £50k)
Savings of £50k are expected from further developing on-line provision and therefore reduce clinic attendance.
- 37 NHS Health Checks (Cr £40k)
Efficiency savings of £40k from using different near-patient testing and potential use of digital offer.

38 Variations in Capital Charges (Cr £6,682k/Dr £6,682k)

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

- (i) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – these are schemes in the capital programme that do not add value to the Council's fixed asset base. It is the nature of the capital programme that the projects covered will change from year to year. The amounts shown are for our current best understanding of the relevant schemes for 2023/24.
- (ii) Government grants – mainly due to variations in credits for capital grants receivable in respect of 2023/24 capital programme schemes.

39 Variations in Insurance (Dr £117k)

Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

ADULT CARE & HEALTH PORTFOLIO
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Below Cost of Services on CIES	Movement between Reserves	Total Controllable
	£	£	£	£	£	£				£			£
Adult Social Care													
Assessment and Care Management	8,871,360	203,700	371,650	5,002,430	45,767,660	4,818,250	Cr 8,708,550	Cr 661,440	Cr 14,539,380	Cr 17,621,710		0	23,503,970
Carers	0	0	0	0	0	99,520	0	0	0	Cr 93,890		0	5,630
Direct Services	1,443,730	0	79,380	99,990	46,320	0	0	0	Cr 552,160	Cr 979,940		0	137,320
Learning Disabilities Services	1,365,270	24,740	879,460	45,640	49,411,670	5,920,120	Cr 425,190	Cr 1,099,110	Cr 3,791,870	Cr 4,276,890		0	48,053,840
Mental Health Services	124,400	0	15,430	Cr 324,360	8,940,610	199,940	0	Cr 235,740	Cr 82,450	Cr 223,390		0	8,414,440
Quality Assurance & Safeguarding	1,843,230	1,880	2,830	253,570	6,210	0	0	0	0	Cr 80,720		0	2,027,000
	13,647,990	230,320	1,348,750	5,077,270	104,172,470	11,037,830	Cr 9,133,740	Cr 1,996,290	Cr 18,965,860	Cr 23,276,540	0	0	82,142,200
Integrated Commissioning Service													
Better Care Fund	0	0	0	0	9,206,060	0	Cr 1,200,000	Cr 26,645,710	0	17,990,160		Cr 400,000	Cr 1,049,490
Improved Better Care Fund	0	0	0	0	190,530	0	Cr 7,730,240	0	0	7,939,710		Cr 400,000	0
Information & Early Intervention	0	0	0	0	3,760,550	0	Cr 170,590	Cr 254,400	0	3,171,060		0	164,500
Integrated Commissioning Service	2,438,000	0	11,560	36,560	273,230	0	0	Cr 113,870	Cr 20,000	Cr 274,970		0	2,350,510
	2,438,000	0	11,560	36,560	13,430,370	0	Cr 9,100,830	Cr 27,013,980	Cr 20,000	22,483,840	0	Cr 800,000	1,465,520
Public Health													
Public Health	1,757,270	0	4,500	354,460	9,027,720	0	Cr 15,611,290	Cr 7,560	0	5,020,780	0	Cr 259,000	286,880
	1,757,270	0	4,500	354,460	9,027,720	0	Cr 15,611,290	Cr 7,560	0	5,020,780	0	Cr 259,000	286,880
	17,843,260	230,320	1,364,810	5,468,290	126,630,560	11,037,830	Cr 33,845,860	Cr 29,017,830	Cr 18,985,860	4,228,080	0	Cr 1,059,000	83,894,600

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges	Total Net Budget
	£				£	£
Adult Social Care						
Assessment and Care Management	31,000	332,060	Cr 112,140	250,920	4,360,450	28,115,340
Carers	0	0	0	0	0	5,630
Direct Services	0	750	0	750	Cr 2,900	135,170
Learning Disabilities Services	125,000	140,560	0	265,560	Cr 2,799,600	45,519,800
Mental Health Services	45,000	23,630	Cr 28,730	39,900	Cr 1,535,970	6,918,370
Quality Assurance & Safeguarding	0	640	0	640	Cr 1,006,620	1,021,020
	201,000	497,640	Cr 140,870	557,770	Cr 984,640	81,715,330
Integrated Commissioning Service						
Better Care Fund	0	0	0	0	20,320	Cr 1,029,170
Improved Better Care Fund	0	0	0	0	0	0
Information & Early Intervention	0	0	0	0	Cr 0	164,500
Integrated Commissioning Service	0	790	0	790	4,164,020	6,515,320
	0	790	0	790	4,184,340	5,650,650
Public Health						
Public Health	0	300	0	300	289,080	576,260
	0	300	0	300	289,080	576,260
	201,000	498,730	Cr 140,870	558,860	3,488,780	87,942,240

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIODRAFT REVENUE BUDGET 2023/24 - SUMMARY

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
	Street Scene & Green Spaces				
1,082,000	Arboriculture Management	756,580	42,690	13,580	812,850
(164,000)	Business Support and Markets	(64,070)	(3,850)	50,000	(17,920)
200,000	Senior Management	1,133,490	70,420	0	1,203,910
1,417,000	Performance Management and Business Support	439,420	26,360	0	465,780
6,039,000	Parks and Green Space	5,992,650	375,150	533,720	6,901,520
5,789,000	Neighbourhood Services	6,223,570	373,410	106,610	6,703,590
18,582,000	Waste Services	19,653,330	1,237,740	119,590	21,010,660
32,945,000		34,134,970	2,121,920	823,500	37,080,390
	Traffic, Parking & Highways				
6,072,000	Highways (Including London Permit Scheme)	8,812,990	565,630	(55,000)	9,323,620
0	Highways Planning	0	0	0	0
(6,967,000)	Parking	(9,462,250)	298,810	(34,000)	(9,197,440)
248,000	Traffic & Road Safety	133,220	4,180	(64,000)	73,400
(647,000)		(516,040)	868,620	(153,000)	199,580
	Transport Operations and Depot Management				
504,000	Transport Operations and Depot Management	594,310	35,620	0	629,930
504,000		594,310	35,620	0	629,930
32,802,000	TOTAL CONTROLLABLE	34,213,240	3,026,160	670,500	37,909,900
2,630,000	TOTAL NON CONTROLLABLE	6,769,120	94,600	(120,630)	6,743,090
2,449,000	TOTAL EXCLUDED RECHARGES	2,336,260	0	0	2,336,260
37,881,000	PORTFOLIO TOTAL	43,318,620	3,120,760	549,870	46,989,250

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2023/24

Ref	VARIATION IN 2023/24		ORIGINAL BUDGET	
	£'000	£'000	2022/23	£'000
1	2022/23 BUDGET			
				43,319
2	Increased Costs			3,121
	Full Year Effect of Allocation of Central Contingency			
3	Contract Inflation Uplifts across ECS			1,084
4	Cr	41		
5	Cr	23	Cr	64
	Real Changes			
6	Absorption of inflation increases for statutory NRSWRA income			42
7			Cr	335
7		47		
8	Increase in refuse/recycling collection to reflect additional units			
8		48		
9				18,897
9		20		
9			115	
9				18,897
10	Income on sale of recyclates not inflated in contract			37
11			Cr	77
11				1,283
12				50
12			Cr	266
	<i>Growth</i>			
13	Parks Infrastructure Fund			400
				5,993
	<i>Mitigation</i>			
14			Cr	946
14				14,552
15				1,500
15			Cr	3,017
16			Cr	800
				10,071
	<i>Transformation Programme Savings</i>			
17	Cr	300		
18	Cr	82	Cr	382
18				14,552
19	Cr	193		
20	Cr	4		
20				2,727
21	Cr	1	Cr	198
21				3,017
22			Cr	90
22				6,769
23			Cr	122
23				6,769
28	2023/24 DRAFT BUDGET			46,989

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO

Notes on Budget Variations in 2023/24

Ref Comments

2 Increased costs (Dr £3,121k)

Inflation has been allocated to budgets for 2023/24. A rate of 6% has been applied to pay and non-pay budgets.

Full Year Effect of Allocation of Central Contingency

3 Contract inflation uplifts within Street Scene, Parks and Waste Services (Dr £1084k)

The actual inflation indexation for Waste Services, Street Environment and Grounds Maintenance contracts exceeded that assumed when the 2022/23 budgets for those services were approved, and a draw down of additional budget of £1,084k to cover these increased costs was agreed from Central Contingency during the year. The total amount was split across the services: £810k Waste Services; £167k Street Environment; £107k Grounds Maintenance.

4 National Insurance - cut in employer contribution rate (Cr £41k)

The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.

5 Agency contract savings (Cr £23k)

The full year effect of agency worker savings expected as a result of the most recent contract award

Real Changes

Other Real Changes

6 Absorption of Inflation Increases for NRSWA Income (Dr £42k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As income under the New Roads & Street Works Act (NRSWA) are statutory fees set by the Government, inflation has been absorbed as part of the budget setting process.

7,8,9 Increase in refuse/recycling collection to reflect additional units (Dr £115k)

The refuse and recycling collection contract is based on the number of residential premises rather than bins or volumes collected. The additional costs reflect the anticipated increase in new properties in 2023/24.

10 Income on sale of recyclates not inflated in contract (Dr £37k)

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

11 Street lighting - LED programme (Cr £77k)

In July 2021, Executive agreed to roll out phase 3 of this programme funded from the Invest to Save reserve to replace all remaining street lights with low energy LED lamps. Although revenue budget savings for this phase estimated at £183k will not start to accrue until 2025/26, savings are now being generated from phase 2 of the programme which were partly completed during 2021/22.

12 Loss of pavement licensing income (Dr £50k)

Street trading income remains affected by the continuation of temporary measures originally introduced during the Covid pandemic, therefore the temporary growth in budget has been extended into 2023 with a view to being made permanent.

Growth

13 Park Infrastructure Fund (£400k)

It was agreed that the Park Infrastructure Fund has an additional £400k allocated in 2023-2024

Mitigation

14 Review or Car Parking Income (Cr £946k)

Removal of one-off contingency funded mitigation for reduced parking income levels post pandemic equating in an increase in income of £500k in 23/24 and further £500k the following year.

A further £446k increase in income target following a review of parking charges across the borough as stated in Paper approved at November ECS PDS. The paper outlined various initiatives to increase parking charges and change parking meters to online payments to increase revenue and reduce income loss and reputational damage.

15 Reduction of Income Target for Moving Contraventions (Dr £1,500k)

Since the introduction of enforcement of moving traffic contraventions in October 2021, the actual number of tickets issued has been significantly lower than anticipated. Officers believe that this has been the result of a lower volume of traffic compared to the pre-Covid survey numbers, as well as potential issues with the efficacy of the new cameras. This issue was investigated by officers and have since engaged with the contractor resulting in some improvement in camera performance. The reported Shortfall is £1.5m

16 Waste volumes reduction (Cr £800k)

Reversal of growth awarded in 22/23 budget setting to cover for the cost of increased waste collections due to changing habits of our residents following the pandemic. This trend has since reversed with collections returning to pre pandemic levels hence the removal of the growth award from 22/23.

Transformation Programme Savings

17,18 Savings from an increase to fees and charges across the Council of 3% above budgeted inflation for 2023/24. The net figure for ECS is a Cr £382k

19,20,21 Various Parking Savings (net Cr £198k)

1

There area number of estimated savings that can be achieved in Parking. They are due to an Increase in the number of of CEOs on the Apcoa contract by an additional 6. This will help to to enforce against a larger number of vehicles that contravene, estimated savings Cr £193k. The TESLA charge points in the Civic Centre MSCP Parking can generate £4k/year in savings, the DVLA clamping of untaxed vehicles £1k/ year in savings and the enforcement of Moving Traffic Contraventions, £90k/year in savings.

22 Full Year Effect of MTFS Transformation Saving (Cr £90k)

This is the full year effect of last years MTFS transformation saving for moving traffic conventions in parking, the impact of this has been mitigated by growth awarded above.

23 Variations in Insurance Cr £121k

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Government Grants £	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Below Cost of Services on CIES	Movement between Reserves	Total Controllable £
RT3100 Street Scene & Green Spaces													
RT3110 Arboriculture Management	281,430		7,500	573,580							0	Cr 49,660	812,850
RT3111 Business Support and Markets	299,170	43,980	770	170,220					Cr 532,060	0	0		Cr 17,920
RT3112-Senior Management	1,236,050		3,670	4,190						Cr 40,000	0		1,203,910
RT3113-Performance Management and Business Su	432,510		730	32,540						0	0		465,780
RT3115-Parks and Green Space	142,760	4,895,810	5,410	56,450	2,342,900			Cr 59,180	Cr 222,630	Cr 260,000	0		6,901,520
RT3116-Neighbourhood Services	417,160	12,800	24,160	113,440	6,151,000				Cr 14,970	0	0		6,703,590
RT3117-Waste Services	254,740	37,660	17,960	10,995,920	18,220,160				Cr 7,611,180	Cr 56,600	0	Cr 848,000	21,010,660
	3,063,820	4,990,250	60,200	11,946,340	26,714,060	0	0	Cr 59,180	Cr 8,380,840	Cr 356,600	0	Cr 897,660	37,080,390
RT3200-Traffic, Parking & Highways													
RT3210-Highways (Including London Permit Scheme	1,587,430	1,283,190	32,600	7,601,370					Cr 1,131,480	Cr 47,890	Cr 1,600		9,323,620
RT3211-Highways Planning										0			0
RT3212-Parking	862,140	1,260,630	2,400	508,970	2,821,780			Cr 149,990	Cr 14,587,440	91,140		Cr 7,070	Cr 9,197,440
RT3213-Traffic & Road Safety	1,602,860		15,380	49,040					Cr 342,490	Cr 1,251,390			Cr 73,400
	4,052,430	2,543,820	50,380	8,159,380	2,821,780	0	0	Cr 149,990	Cr 16,061,410	Cr 1,208,140	Cr 1,600	Cr 7,070	199,580
Transport Operations and Depot Management													
Transport Operations and Depot Management	320,720	329,360	23,930	35,760	0	0	0	Cr 79,840	0	0	0	0	629,930
	320,720	329,360	23,930	35,760	0	0	0	Cr 79,840	0	0	0	0	629,930
	7,436,970	7,863,430	134,510	20,141,480	29,535,840	0	0	Cr 289,010	Cr 24,442,250	Cr 1,564,740	Cr 1,600	Cr 904,730	37,909,900

Service area	Capital Charges/ Financing £	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges £	Total Net Budget £
RT3100 Street Scene & Green Spaces						
RT3110 Arboriculture Management	0	387,360		387,360	-466,850	733,360
RT3111 Business Support and Markets	0	270		270	-39,430	-57,080
RT3112-Senior Management	0	320		320	-860,750	343,480
RT3113-Performance Management and Business Su	0	140		140	-178,140	287,780
RT3115-Parks and Green Space	290,000	828,400	-326,980	791,420	-409,200	7,283,740
RT3116-Neighbourhood Services	39,000	9,390		48,390	491,490	7,243,470
RT3117-Waste Services	20,000	90		20,090	1,212,860	22,243,610
	349,000	1,225,970	-326,980	1,247,990	-250,020	38,078,360
RT3200-Traffic, Parking & Highways						
RT3210-Highways (Including London Permit Scheme	4,379,000	560,210	-21,580	4,917,630	2,272,020	16,513,270
RT3211-Highways Planning	10,000	0		10,000	0	10,000
RT3212-Parking	421,000	45,800	-54,610	412,190	682,830	-8,102,420
RT3213-Traffic & Road Safety	0	650		650	330,360	404,410
	4,810,000	606,660	-76,190	5,340,470	3,285,210	8,825,260
RT3300-Transport Operations and Depot Management						
RT3310-Transport Operations and Depot Management	33,000	134,270	-12,640	154,630	-698,930	85,630
	33,000	134,270	-12,640	154,630	-698,930	85,630
	5,192,000	1,966,900	-415,810	6,743,090	2,336,260	46,989,250

PPE PORTFOLIO

DRAFT REVENUE BUDGET 2023/24 - SUMMARY

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
	Public Protection and Enforcement				
371,000	Community Safety	426,340	46,380	57,660	530,380
548,000	Mortuary & Coroners Service	603,230	36,190	300,000	939,420
1,466,000	Public Protection	1,468,970	138,170	(50,000)	1,557,140
2,385,000					
	Emergency Pnanning				
161,000	Emergency Planning	146,220	8,770	0	154,990
2,546,000	TOTAL CONTROLLABLE	2,644,760	229,510	307,660	3,181,930
617,000	TOTAL NON CONTROLLABLE	6,130	370	5,320	11,820
836,000	TOTAL EXCLUDED RECHARGES	811,110	0	4,990	816,100
3,999,000	PORTFOLIO TOTAL	3,462,000	229,880	317,970	4,009,850

PPE Portfolio

SUMMARY OF BUDGET VARIATIONS 2023/24

Ref	VARIATION IN 2023/24		ORIGINAL
	£'000	£'000	BUDGET 2022/23 £'000
1 2022/23 BUDGET		3,462	
2 Increased Costs		230	
Full Year Effect of Allocation of Central Contingency			
3 National Insurance - cut in employer contribution rate	Cr	19	
4 Agency contract savings	<u>Cr</u>	<u>8</u>	Cr 27
Movements Between Portfolios/Departments			
5 VAWG Team from Children's Services		64	0
Real Changes			
6 IDOX Software Licensing		Cr 20	118
<i>Growth</i>			
7 Mortuary and Coroners Service		300	603
<i>Transformation Programme Savings</i>			
8 Share of Transformation Savings for PPE		Cr 4	Cr 5
9 Variations in Recharges		5	7
10 2023/24 DRAFT BUDGET		<u>4,010</u>	

PPE

Notes on Budget Variations in 2023/24

Ref Comments

2 Increased Costs (Dr 230k)

Inflation has been allocated to budgets for 2023/24. A rate of 6% has been applied to pay and non-pay budgets.

Full Year Effect of Allocation of Central Contingency

3 National Insurance - cut in employer contribution rate (Cr £19k)

The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.

4 Agency contract savings (Cr £8k)

The full year effect of agency worker savings expected as a result of the most recent contract award

Movements Between Portfolios/Departments

5 VAWG Team from Children's Services - (Dr £64k)

The Violence Against Women and Girls team has moved from Children's Services to Public Protection and Enforcement (Community Safety) where the MOPAC grant is also coded, increase to PPE of £64k

Real Changes

Other

6 IDOX Software Licensing £20k increase in budget due to new contract

Growth

7 The Mortuary and Coroners Service has received a total growth of £300k due to known pressures in the area this is a joint contract Croydon Council.

Transformation Programme Changes

8 Fees and charges review- £Cr 4k

Share of transformation saving of £600k for PPE, this has been added as an increase to fees and charges income.

9 Variations in Insurance (Dr £5k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges £	Below Cost of Services on CIES	Capital Charges/Financing	Movement between Reserves	Total Controllable £
RT5000-Public Protection and Enforcement														
RT5100-Emergency Planning	141,830		4,850	8,310	0					0			0	154,990
RT5210-Community Safety	544,270		5,360	274,750	103,270		Cr 367,140		0	Cr 30,130			0	530,380
RT5211-Mortuary & Coroners Serv	0		0	0	939,420				0	0			0	939,420
RT5212-Public Protection	2,115,860	43,490	32,130	161,590	504,250				Cr 440,390	Cr 859,790			0	1,557,140
	2,801,960	43,490	42,340	444,650	1,546,940	0	Cr 367,140	0	Cr 440,390	Cr 889,920	0	0	0	3,181,930
	2,801,960	43,490	42,340	444,650	1,546,940	0	Cr 367,140	0	Cr 440,390	Cr 889,920	0	0	0	3,181,930

Service area	Capital Charges/Financing £	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges £	Total Net Budget £
RT5000-Public Protection and Enforcement						
RT5100-Emergency Planning	0	30	0	30	74,810	229,830
RT5210-Community Safety	0	340	0	340	818,630	1,349,350
RT5211-Mortuary & Coroners Serv	0	0	0	0	82,060	1,021,480
RT5212-Public Protection	0	11,450	0	11,450	Cr 159,400	1,409,190
	0	11,820	0	11,820	816,100	4,009,850
	0	11,820	0	11,820	816,100	4,009,850

RENEWAL, RECREATION AND HOUSING PORTFOLIO**DRAFT REVENUE BUDGET 2023/24 - SUMMARY**

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
327,159	Culture and Regeneration	882,115	54,890	122,000	1,059,005
4,649,290	Culture	4,873,205	292,380	8,000	5,173,585
22,905	Libraries and Museums	80,430	4,830	2,000	87,260
4,999,354	Town Centre Management and Business Support	5,835,750	352,100	132,000	6,319,850
	Planning				
97,135	Building Control	89,650	52,720	Cr 9,000	133,370
Cr 127,984	Local Land Charges	Cr 125,910	10,870	Cr 3,000	Cr 118,040
1,707,852	Planning	1,493,580	82,630	Cr 688,000	888,210
1,677,003		1,457,320	146,220	Cr 700,000	903,540
	Operational Housing				
1,314,283	Housing Strategy, Advice and Enabling	1,459,900	87,000	28,930	1,575,830
Cr 1,089,278	Housing Benefits	Cr 1,539,120	Cr 46,630	0	Cr 1,585,750
Cr 174,529	Housing Improvement	Cr 29,860	Cr 1,960	Cr 2,700	Cr 34,520
6,405,859	Allocations and Accommodation	4,295,150	450,760	308,970	5,054,880
876,594	Supporting People	1,070,050	64,200	0	1,134,250
1,487,832	Housing Options and Support	2,005,850	122,080	Cr 12,230	2,115,700
8,820,761		7,261,970	675,450	322,970	8,260,390
15,497,118	TOTAL CONTROLLABLE	14,555,040	1,173,770	Cr 245,030	15,483,780
2,122,260	TOTAL NON CONTROLLABLE	Cr 883,210	Cr 27,780	370,040	Cr 540,950
5,723,688	TOTAL EXCLUDED RECHARGES	5,574,450	0	0	5,574,450
23,343,066	PORTFOLIO TOTAL	19,246,280	1,145,990	125,010	20,517,280

RENEWAL, RECREATION AND HOUSING PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2023/24

Ref	VARIATION IN 2023/24		ORIGINAL BUDGET 2022/23
	£'000	£'000	£'000
1	2022/23 BUDGET		19,246
2	Increased Costs		1,146
	Full Year Effect of Allocation of Central Contingency		
3	Adj to NI budget following reversal of 2022-23 increase	Cr 73	
4	Agency workers contract savings	Cr 14	
5	Libraries contract inflation	<u>108</u>	21
			4,239
	Real Changes		
	<i>Savings identified for 2023/24 as part of the 2022/23 Budget process</i>		
6	Increase in bad debts	250	15,059
7	250 modular homes	267	15,059
8	CIL funding opportunities	<u>Cr 680</u>	Cr 163
			Cr 320
	<i>Other Real Changes</i>		
9	Absorption of inflation for statutory planning fees	70	Cr 1,471
10	Economic Development Staffing	109	407
11	Planning Enforcement staffing	80	447
12	Local London Membership	<u>50</u>	309
	<i>Growth</i>		
13	Temporary Accommodation growth	1,339	15,059
14	Meadowship Homes 2 revenue contribution	<u>250</u>	1,589
	<i>Mitigation</i>		
15	Housing development programme	Cr 314	
16	Housing acquisition programme	<u>Cr 1,431</u>	Cr 1,745
	<i>Transformation Programme Savings</i>		
17	Library Services Contract	Cr 100	4,239
18	Review of our of Planning and Building Control Fees and Charges	Cr 100	Cr 1,471
19	Future of the Resource Centres/Community Outreach Service	Cr 25	207
20	Changes to Fees & Charges	<u>Cr 31</u>	Cr 256
21	Variations in Capital Charges		383
22	Variations in Insurances	Cr 13	
23	2023/24 DRAFT BUDGET	<u><u>20,517</u></u>	

RENEWAL, RECREATION AND HOUSING PORTFOLIO

Notes on Budget Variations in 2023/24

Ref Comments

Full Year Effect of Allocation of Central Contingency

- 3 Adj to NI budget following reversal of 2022-23 increase (Cr 73k)
The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.
- 4 Agency workers contract savings (Cr £14k)
The full year effect of agency worker savings expected as a result of the most recent contract award.
- 5 Libraries contract inflation (Dr £108k)
Full year effect of inflation allocation in 22/23 for the Libraries contract.

Real Changes

- Savings identified for 2023/24 as part of the 2022/23 Budget process*
- 6 Increase in bad debts (Dr £250k)
Expected savings included in the 2022/23 budget on the Housing Bad Debt Provision, from better credit control processes in the new Housing Rent Accounts system have been rephased as a result of increased arrears arising from inflation and increased utilities costs.
- 7 250 modular homes (Dr £267k)
Due to delays in the development of housing sites, some of the planned 2022/23 savings were partly rephased to 2023/24.
- 8 CIL funding opportunities (Cr £680k)
Income from the Borough Community Infrastructure Levy (BCIL) is expected to increase year on year following its formal adoption in June 2021 as more developments subject to the BCIL are commenced.

Other Real Changes

- 9 Absorption of inflation for statutory planning fees (Dr £70k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As planning fees are statutory, inflation has been absorbed as part of the budget setting process.
- 10 Economic Development Staffing (Dr £109k)
This is a regularisation of funding for an existing staff team that has historically been funded half from revenue and half from capital. The revenue staffing budget for the Economic Development team has been increased to cover 100% of the staffing costs as it became clear that it was no longer appropriate to charge these staff salaries to capital due to the nature of the work.
- 11 Planning Enforcement staffing (Dr £80k)

The planning enforcement team has been experiencing extremely high workloads over recent years and additional funding has been necessary for enforcement officers.
- 12 Local London Membership (Dr £50k)

The Council is piloting the benefits of being part of a subregional partnership and has joined Local London. The Council will be monitoring the benefits of being part of Local London prior to taking a decision on the longer term relationship. By being part of the sub-regional partnership the Council is able to access funding from UKSPF for example. Officers across the Council, from transport, to digital, to adult education, are engaged in the range of programmes to ensure opportunities to improve the borough's resources are taken.

Growth

13 Temporary Accommodation growth (Dr £1,339k)

The growth pressure on the temporary accommodation budgets is due to the increase in homelessness in the borough, with a projected increase of 20 households per month (before the mitigation savings identified at notes 15 and 16).

14 Meadowship Homes 2 revenue contribution (Dr £250k)

Due to increases in financing costs since the Meadowship Homes scheme was originally agreed, an ongoing revenue contribution of £250k was agreed by Executive in October 2022 to ensure the scheme's viability. This effectively reduces the savings from the scheme, which are shown at note 16.

Mitigation

15 Housing development programme (Cr £314k)

This is the estimated savings in the cost of placing homeless households in newly built homes on Bromley-owned sites compared with the current cost of placing them in nightly paid temporary accommodation.

16 Housing acquisition programme (Cr £1,431k)

Savings on temporary accommodation scheme budgets as a result of property acquisition schemes such as Meadowship Homes (1 and 2) joint venture with Orchard & Shipman and the Beehive scheme.

Transformation Programme Savings

17 Library Services Contract (Cr £100k)

Saving agreed through the Transformation Board.

18 Review of our of Planning and Building Control Fees and Charges (Cr £100k)

The planning pre-application fees and Building Control (BC) fees are reviewed from time to time and the uplift to BC fees in October 2022 and possible future uplifts to these fees is expected to generate additional income (dependant on application levels being sustained).

19 Future of the Resource Centres/Community Outreach Service (Cr £25k)

There is potential for the Council to benefit from an additional £25k of income if the resource centres are moved and collocated with other Council services and the existing Cotmandene Resource Centre building is commercially let. The Property team has estimated the value of the annual rental income at £25k. However no decision has yet been taken and research on potential locations for the resource centres to move to is underway. A public committee report has already been to RRRH PDS and another is scheduled for the Executive in February. The priority is finding the best locations for the Resource Centre service, and not the minor income potential. Therefore this income may not be achieved and if it is it may be far less than any capital injection required to make another site suitable for the service.

20 Changes to Fees & Charges (Cr £31k)

Savings from an increase to fees and charges across the Council of 3% above budgeted inflation for 2023/24.

21 Variations in Capital Charges (Dr £383k)

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

(ii) Government grants – mainly due to variations in credits for capital grants receivable in respect of 2023/24 capital programme schemes.

(iii) Finance leases – budgets have been adjusted to reflect the costs of Council's finance leases, which must be treated as capital assets for accounting purposes.

These relate to the vehicles of the Council's waste fleet, and to some of the properties the Council uses for social housing.

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

22 Variations in Insurance (Cr £13k)

Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

**RENEWAL, RECREATION AND HOUSING PORTFOLIO
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY**

Service area	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Transfer Payments £	Government Grants £	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Below Cost of Services on CIES	Movement between Reserves	Total Controllable £
Culture and Regeneration													
Culture	1,110,382	68,150	6,550	194,740	61,860	0	Cr 34,115	0	Cr 97,520	Cr 141,495		Cr 109,547	1,059,005
Libraries and Museums	144,885	311,270	0	6,690	4,500,960	0	0	0	0	0		Cr 209,780	5,173,585
Town Centre Management and Business Support	46,270	21,530	1,020	23,070	40,620	0	0	Cr 40,620	Cr 4,630	0		0	87,260
	1,301,537	400,950	7,570	224,500	4,603,440	0	Cr 34,115	Cr 40,620	Cr 102,150	Cr 141,495		100,233	6,319,850
Planning													
Building Control	837,610	0	6,450	90,230	0	0	0	0	Cr 800,920	0		0	133,370
Local Land Charges	177,610	0	110	14,450	0	0	0	0	Cr 310,210	0		0	Cr 118,040
Planning	3,518,730	3,430	18,410	277,130	18,180	0	0	0	Cr 2,902,730	19,000		Cr 63,940	888,210
	4,533,950	3,430	24,970	381,810	18,180	0	0	0	Cr 4,013,860	19,000		Cr 63,940	903,540
Operational Housing													
Housing Strategy, Advice and Enabling	1,287,360	0	540	555,970	0	0	Cr 46,420	0	0	41,300		Cr 262,920	1,575,830
Housing Benefits	0	0	0	114,220	0	82,774,420	Cr 84,474,390	0	0	0		0	Cr 1,585,750
Housing Improvement	362,600	0	4,540	4,450	0	0	0	Cr 404,410	Cr 1,700	0		0	Cr 34,520
Allocations and Accommodation	1,169,910	547,990	3,860	349,950	23,169,810	0	Cr 3,318,940	Cr 68,490	Cr 16,785,700	94,260		Cr 107,770	5,054,880
Supporting People	0	0	0	0	1,134,250	0	0	0	0	0		0	1,134,250
Housing Options and Support	1,517,710	137,660	5,290	6,180	697,160	0	Cr 21,280	0	Cr 207,630	Cr 19,390		0	2,115,700
	4,337,580	685,650	14,230	1,030,770	25,001,220	82,774,420	Cr 87,861,030	Cr 472,900	Cr 16,995,030	116,170		Cr 370,690	8,260,390
	10,173,067	1,090,030	46,770	1,637,080	29,622,840	82,774,420	Cr 87,895,145	Cr 513,520	Cr 21,111,040	Cr 6,325		Cr 334,397	15,483,780

Service area	Capital Charges/ Financing £	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges £	Total Net Budget £
Culture and Regeneration						
Culture	1,844,000	221,540	Cr 960,640	1,104,900	138,400	2,302,305
Libraries	356,000	152,510	0	508,510	59,390	5,741,485
Town Centre Management & Business Support	0	10	0	10	254,210	341,480
	2,200,000	374,060	Cr 960,640	1,613,420	452,000	8,385,270
Planning						
Building Control	0	190	0	190	193,510	327,070
Local Land Charges	0	70	0	70	181,640	63,670
Planning	0	1,330	0	1,330	850,890	1,740,430
	0	1,590	0	1,590	1,226,040	2,131,170
Operational Housing						
Housing Strategy, Advice and Enabling	0	330	0	330	1,528,120	3,104,280
Housing Benefits	0	0	0	0	1,779,440	193,690
Housing Improvement	Cr 2,339,000	2,920	0	Cr 2,336,080	265,870	Cr 2,104,730
Allocations and Accommodation	102,000	10,460	66,800	179,260	34,910	5,269,050
Supporting People	0	0	0	0	0	1,134,250
Housing Options and Support	0	530	0	530	288,070	2,404,300
	Cr 2,237,000	14,240	66,800	Cr 2,155,960	3,896,410	10,000,840
	Cr 37,000	389,890	Cr 893,840	Cr 540,950	5,574,450	20,517,280

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RCCM PORTFOLIO**DRAFT REVENUE BUDGET 2023/24 - SUMMARY**

2021/22 Actual	Service Area	2022/23 Budget	Increased costs	Other Changes	2023/24 Draft Budget
£		£	£	£	£
	Financial Services				
718,234	Audit	830,870	61,770	160,000	1,052,640
248,604	Director of Finance and Other	250,630	15,140	0	265,770
2,088,783	Exchequer - Payments & Income	2,163,390	129,810	0	2,293,200
5,352,995	Exchequer - Revenue & Benefits	6,109,500	387,510	0	6,497,010
477,275	Financial Accounting	656,900	50,950	0	707,850
1,678,349	Management Accounting & Systems	1,759,900	107,050	42,000	1,908,950
10,564,240		11,771,190	752,230	202,000	12,725,420
	Corporate Services				
167,931	Mayoral	172,610	10,360	0	182,970
1,338,617	Democratic Services	1,513,650	90,810	0	1,604,460
407,062	Electoral	1,078,860	64,730	Cr 634,000	509,590
5,817,571	Information Systems and Telephony	6,017,390	373,850	779,000	7,170,240
2,917,293	Legal Services	2,208,610	138,280	129,000	2,475,890
183,707	Management and Other (Corporate Services)	219,860	13,190	0	233,050
569,287	Procurement and Data Management	545,240	35,290	0	580,530
11,401,468		11,756,220	726,510	274,000	12,756,730
	Contact Centre, Registrars and Human Resources				
225,579	Comms	305,040	18,300	0	323,340
1,133,594	Contact Centre	1,172,230	75,300	0	1,247,530
1,899,187	HR	2,210,130	119,470	0	2,329,600
Cr 139,303	Registration of Birth Death and Marriage	Cr 119,890	Cr 7,220	Cr 9,000	Cr 136,110
3,119,057		3,567,510	205,850	(9,000)	3,764,360
	Chief Executive				
796,654	Management and Other (C.Exec)	902,860	54,170	200,000	1,157,030
796,654		902,860	54,170	200,000	1,157,030
	PEOPLE DEPT				
	Strategy and Corporate Projects				
229	Commissioning	231,990	13,120	(13,420)	231,690
317	Learning & Development	146,970	8,720	(1,410)	154,280
2,126	Strategy, Performance and Engagement	1,831,400	112,470	(88,920)	1,854,950
2,672		2,210,360	134,310	(103,750)	2,240,920
	PEOPLE DEPT				
	Total Facilities Management				
1,949,068	Facilities & Support	1,625,870	100,680	2,624,000	4,350,550
279,401	Investment and Non-Operational Property	311,350	18,080	493,860	823,290
364,318	Strategic & Operational Property	962,320	57,730	Cr 1,000,000	20,050
1,510,366	TFM Client Monitoring Team	1,694,150	111,120	111,000	1,916,270
4,103,153		4,593,690	287,610	2,228,860	7,110,160
	CENTRAL ITEMS				
1,179,126	CDC & Non Distributed Costs	1,283,960	77,040	0	1,361,000
9,474,561	Concessionary Fares	5,971,850	358,310	990,000	7,320,160
	Contribution to Insurance Fund			500,000	500,000
Cr 4,387,105	Interest on General Fund Balances	Cr 2,841,100	22,410	Cr 7,000,000	Cr 9,818,690
6,266,582		4,414,710	457,760	Cr 5,510,000	(637,530)
31,351,347	TOTAL CONTROLLABLE	39,216,540	2,618,440	Cr 2,717,890	39,117,090
1,059,000	TOTAL NON CONTROLLABLE	Cr 3,877,570	Cr 450,140	5,705,730	1,378,020
Cr 24,718,238	TOTAL EXCLUDED RECHARGES	Cr 24,004,360	0	0	Cr 24,004,360
7,692,109	PORTFOLIO TOTAL	11,334,610	2,168,300	2,987,840	16,490,750

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO**SUMMARY OF BUDGET VARIATIONS 2023/24**

Ref	VARIATION IN 2023/24		ORIGINAL
	£'000	£'000	BUDGET 2022/23 £'000
1	2022/23 BUDGET		11,335
2	Increased Costs		2,168
	Full Year Effect of Allocation of Central Contingency		
3	National Insurance - cut in employer contribution rate	Cr 100	
4	Agency contract savings	Cr 33	
5	Energy contract inflation	2,624	
	<i>Other real changes</i>		
7	Interest on balances	Cr 7,000	Cr 3,214
8	Building Maintenance	Cr 1,000	4,942
9	SARS	80	339
10	Transformation of Property Services	138	1,709
11	Fall out of cost of local elections in 2022/23	Cr 634	Cr 634
12	Cost of legal services	Cr 138	2,205
13	ISD - Microsoft Licence	66	975
14	External Audit Fees	160	257
	<i>Growth</i>		
15	Freedom passes	990	5,964
16	Impact of IT systems moving to 'cloud' (Oracle plus report to Exec Nov 22)	500	0
17	Contribution to insurance fund	500	0
18	Additional IT staffing - report to Executive	613	
19	Savings in future project costs contained within dept budgets	<u>Cr 380</u>	233 913
20	Increase in counsel costs supporting services	300	309
21	Income from investment properties	1,056	
22	Investment properties - maintenance sinking fund to prevent income reduc	<u>500</u>	1,556 Cr 9,276
	<i>Mitigation</i>		
23	Liquid Logic reduction in fees in comparison with Care first	Cr 89	106
	<i>Transformation Programme Savings</i>		
24	Fees and charges review	Cr 9	Cr 914
25	Variations in Capital Charges	4,658	3,285
26	Variations in Insurances	Cr 14	197
27	2023/24 DRAFT BUDGET	<u>16,491</u>	

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO**Notes on Budget Variations in 2023/24****Ref Comments****2 Increased costs (Dr £2,034k)**

Inflation has been allocated to budgets for 2023/24. A rate of 6% has been applied to pay and non-pay budgets.

Full Year Effect of Allocation of Central Contingency**3 National Insurance - cut in employer contribution rate (Cr £98k)**

The adjustment for the 1.25% National Insurance contributions increase included in the 2022/23 budget has been reversed, following the Government's announcement in September 2022.

4 Agency contract savings (Cr £20k)

The full year effect of agency worker savings expected as a result of the most recent contract award

5 Energy contract inflation (Dr £2,624k)

To recognise cost pressures arising from the current state of the energy market.

Movements Between Portfolios/Departments**6 Transfer from CEF to Chief Executives (Dr £200k)**

Movement of temporary funding allocated to CEF in 2022/23 back to Chief Executives Department for 2023/24.

Real Changes*Other Real Changes***7 Interest on Balances (Cr £7,000k)**

Income from external interest generated through Treasury Management is expected to increase significantly owing to a succession of increases in the Bank of England base rate, leading to the availability of much improved counter-party rates for fixed interest investments of one and two year duration.

8 Building Maintenance (Cr £1,000k)

This is the fall-out of a temporary increase in the Building Maintenance budget funded from earmarked reserves in 2022/23.

9 SARS (Dr £80k)

Additional staffing budget to support Subject Access Requests.

10 Transformation of Property Services (Dr £138k)

Budget realignment to reflect current mode of service delivery and property transformation programme.

11 Fall out of cost of local elections in 2022/23 (Cr £634k)

Fall out of the one-off budget allocation for the Local Election in 2022.

12 Cost of legal services (Cr £138k)

The fall out of temporary additional resource agreed by The Leader following report to ERC PDS on 18 November 2020.

13 ISD - Microsoft Licence (Dr £66k)

Increased budget provision to reflect current licencing costs.

14 External Audit Fees (Dr £160k)

PSAA Ltd, the audit fees setting body, has stated that external audit fees will rise across the local government sector. In recognition of this, further budgetary provision has been agreed.

Growth

- 15** Freedom Passes (Dr £990k)
An increase in the budget for concessionary fares to match the indicative settlement figure agreed at London Councils' Transport and Environment Committee on 8 December 2022.
- 16** Impact of IT systems moving to 'cloud' (Dr £500k)
On 30 November 2022, Executive approved an increase in the IT Services revenue budget of £400k to ensure Microsoft Cloud (Azure), Disaster Recovery and Cyber Security functions required are procured and available for the Council. In addition to this, £100k is being allocated towards Oracle Fusion costs.
- 17** Contribution to Insurance Fund (Dr £500k)
An additional £500k is to be contributed to the Insurance Fund in 23/24, which operates as a smoothing mechanism against potential large claims and has a target balance of £4m. This is in response to recent significant impacts on the Fund's balance.
- 18** Additional IT staffing (Dr £613k)
Approved by Executive on 6 October 2022
- 19** Savings in future project costs contained within dept budgets (Cr £380k)
Recharge of invest to save posts agreed by Executive on 6 October 2022 to relevant projects.
- 20** Increase in counsel costs supporting services (Dr £300k)
Post pandemic, the increase in referrals to social services has led to an increase in instructions to legal services to commence proceedings which will increase demand for resources and increase spend on counsel. The increase in complex adults' social care cases and in the increase in Deprivation of Liberty Safeguard (DOLS) applications has also increased demand on legal resources and corresponding increase in spend on counsel.
- 21** Income from Investment Properties (Dr £1,056k)
This is to offset loss of income from vacancy on Bromley High Street, and a reduction in the inflation allocated across the portfolio income budgets.
- 22** Investment properties - maintenance sinking fund to prevent income reductions (Dr £500k)
The creation of a sinking fund, created from the rental income, to allow for continued investment into our investment property assets to mitigate risks to future income generation potential.
- Mitigation*
- 23** Liquid Logic reduction in fees in comparison with Care first (Cr £89k)
Following the change from Care First to LiquidLogic there is a saving with the reduction in the contract costs
Transformation Programme Savings
- 24** Fees and charges review (Cr £9k)
Savings from an increase to fees and charges across the Council of 3% above budgeted inflation for 2023/24.
- 25** Variations in Capital Charges (Dr £4,658k)
This variation relates to Revenue Expenditure Funded by Capital Under Statute (REFCUS) – these are schemes in the capital programme that do not add value to the Council's fixed asset base. It is the nature of the capital programme that the projects covered will change from year to year. The amounts shown are for our current best understanding of the relevant schemes for 2023/24.
- 26** Variations in Insurance (Cr £10k)
Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

Resources, Commissioning and Contracts Management
DRAFT REVENUE BUDGET 2023/24 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimburse ments and Contributions	Customer and Client Receipts	Controllable Recharges	Below Cost of Services on CIES	Capital Charges/ Financing	Movement between Reserves	Total Controllable
	£	£	£	£	£	£	£			£				£
Financial Services														
Audit	517,690	0	450	450,900	289,390	0	0	Cr 7,530	0	Cr 198,260	0	0	0	1,052,640
Director of Finance and Other	229,510	0	1,730	39,640	0	0	0	Cr 3,510	0	0	1,600	0	0	265,770
Exchequer - Payments & Income	279,610	0	540	31,300	2,102,230	0	0	0	Cr 120,480	0	0	0	0	2,293,200
Exchequer - Revenue & Benefits	441,460	0	2,090	975,100	6,176,140	221,580	Cr 486,340	0	Cr 833,020	0	0	0	0	6,497,010
Financial Accounting	654,640	0	210	311,700	74,960	0	0	Cr 84,800	Cr 56,460	Cr 222,400	0	0	30,000	707,850
Management Accounting & Systems	1,749,040	0	2,110	140,270	100,270	0	0	0	Cr 740	Cr 82,000	0	0	0	1,908,950
	3,871,950	0	7,130	1,948,910	8,742,990	221,580	Cr 486,340	Cr 95,840	Cr 1,010,700	Cr 502,660	1,600	0	30,000	12,725,420
Corporate Services														
Mayoral	104,900	0	25,410	52,660	0	0	0	0	0	0	0	0	0	182,970
Democratic Services	374,270	0	0	1,230,190	0	0	0	0	0	0	0	0	0	1,604,460
Electoral	345,830	0	540	169,020	0	0	0	0	Cr 5,800	0	0	0	0	509,590
Information Systems and Telephony	1,663,180	0	110	1,148,740	4,879,620	0	0	0	0	Cr 593,070	0	0	71,660	7,170,240
Legal Services	2,195,840	0	1,530	671,470	0	0	Cr 17,720	Cr 75,080	Cr 216,410	0	0	Cr 83,740	0	2,475,890
Management and Other (Corporate Services)	231,360	0	640	1,050	0	0	0	0	0	0	0	0	0	233,050
Procurement and Data Management	605,440	0	920	15,420	1,690	0	0	0	Cr 42,940	0	0	0	0	580,530
	5,520,820	0	29,150	3,288,550	4,881,310	0	0	Cr 17,720	Cr 80,880	Cr 852,420	0	0	Cr 12,080	12,756,730
Contact Centre, Registrars and Human Resources														
Comms	320,890	0	160	2,290	0	0	0	0	0	0	0	0	0	323,340
Contact Centre	178,230	0	0	150,580	1,001,730	0	0	0	0	Cr 83,010	0	0	0	1,247,530
HR	2,164,220	0	520	176,680	250,740	0	0	0	Cr 262,560	0	0	0	0	2,329,600
Registration of Birth Death and Marriage	582,860	0	260	36,240	0	0	0	Cr 81,550	Cr 673,920	0	0	0	0	136,110
	3,246,200	0	940	365,790	1,252,470	0	0	Cr 81,550	Cr 936,480	Cr 83,010	0	0	0	3,764,360
Chief Executive														
Management and Other (C.Exec)	631,200	0	880	524,950	0	0	0	0	0	0	0	0	0	1,157,030
	631,200	0	880	524,950	0	0	0	0	0	0	0	0	0	1,157,030
Strategy and Corporate Projects														
Commissioning	229,350	0	0	2,340	0	0	0	0	0	0	0	0	0	231,690
Learning & Development	228,390	11,450	0	19,100	0	0	Cr 69,590	Cr 33,070	0	0	0	0	0	154,280
Strategy, Performance and Engagement	1,758,260	0	110	203,490	65,180	0	0	0	Cr 129,000	Cr 43,090	0	0	0	1,854,950
	2,214,000	11,450	110	224,930	65,180	0	Cr 69,590	Cr 33,070	Cr 129,000	Cr 43,090	0	0	0	2,240,920
Total Facilities Management														
Facilities & Support	40,340	4,099,560	0	300,590	19,800	0	0	0	Cr 57,160	Cr 52,580	0	0	0	4,350,550
Investment and Non-Operational Property	10,000	188,610	0	621,670	210	0	0	0	0	0	0	0	2,800	823,290
Strategic & Operational Property	0	193,090	0	0	0	0	0	Cr 233,130	Cr 6,140	0	0	0	66,230	20,050
TFM Client Monitoring Team	1,627,570	0	650	466,710	6,340	0	0	0	Cr 185,000	0	0	0	0	1,916,270
	1,677,910	4,481,260	650	1,388,970	26,350	0	0	Cr 233,130	Cr 63,300	Cr 237,580	0	0	69,030	7,110,160
Central Items														
CDC & Non Distributed Costs	1,361,000	0	0	0	0	0	0	0	0	0	0	0	0	1,361,000
Concessionary Fares	0	0	0	8,380	0	7,311,780	0	0	0	0	0	0	0	7,320,160
Contribution to Insurance Fund	0	0	0	0	0	0	0	0	0	0	0	0	500,000	500,000
Interest on General Fund Balances	0	0	0	216,870	0	0	0	0	0	Cr 10,119,630	0	0	84,070	Cr 9,818,690
	1,361,000	0	0	225,250	0	7,311,780	0	0	0	0	10,119,630	0	584,070	Cr 637,530
Total	18,523,080	4,492,710	38,860	7,967,350	14,968,300	7,533,360	Cr 555,930	Cr 461,310	Cr 2,220,360	Cr 1,718,760	Cr 10,121,230	0	671,020	39,117,090

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Rents and Other Property Based Charges	Not Directly Controllable	Net Recharges	Total Net Budget
					£	£
Financial Services						
Audit	0	440	0	440	Cr 744,470	308,610
Director of Finance and Other	0	20	0	20	Cr 252,010	13,780
Exchequer - Payments & Income	0	60	0	60	Cr 1,421,340	874,920
Exchequer - Revenue & Benefits	0	190	0	190	Cr 3,653,380	2,843,820
Financial Accounting	0	140	0	140	Cr 633,530	74,460
Management Accounting & Systems	0	550	0	550	Cr 1,712,610	196,890
	0	1,400	0	1,400	Cr 8,417,340	4,309,480
Corporate Services						
Mayoral	0	30	0	30	Cr 86,830	96,170
Democratic Services	0	480	0	480	Cr 977,880	627,060
Electoral	0	190	0	190	Cr 694,160	1,203,940
Information Systems and Telephony	300,000	490	0	300,490	Cr 7,653,490	Cr 182,760
Legal Services	0	610	0	610	Cr 2,185,500	291,000
Management and Other (Corporate Services)	0	30	0	30	Cr 167,370	65,710
Procurement and Data Management	0	300	0	300	Cr 542,640	38,190
	300,000	2,130	0	302,130	Cr 10,919,550	2,139,310
Contact Centre, Registrars and Human Resources						
Comms	0	160	0	160	Cr 203,120	120,380
Contact Centre	143,000	30	0	143,030	Cr 1,169,920	220,640
HR	0	1,250	0	1,250	Cr 1,618,630	712,220
Registration of Birth Death and Marriage	0	310	0	310	Cr 327,600	191,800
	143,000	1,750	0	144,750	Cr 2,664,070	1,245,040
Chief Executive						
Management and Other (C.Exec)	0	260	0	260	Cr 801,950	355,340
	0	260	0	260	Cr 801,950	355,340
Strategy and Corporate Projects						
Commissioning	0	120	0	120	Cr 293,030	Cr 61,220
Learning & Development	0	140	0	140	Cr 147,790	6,630
Strategy Performance and Engagement	0	580	0	580	Cr 1,834,860	20,670
	0	840	0	840	Cr 2,275,680	Cr 33,920
Total Facilities Management						
Facilities & Support	7,727,000	1,500,040	Cr 4,130	9,222,910	Cr 3,047,970	10,525,490
Investment and Non-Operational Property	Cr 7,812,880	207,480	Cr 845,710	Cr 8,451,110	Cr 1,431,450	Cr 6,196,370
Strategic & Operational Property	0	78,560	0	78,560	Cr 1,057,990	Cr 959,380
TFM Client Monitoring Team	0	78,170	0	78,170	Cr 1,633,490	360,950
	Cr 85,880	1,864,250	Cr 849,840	928,530	Cr 4,308,000	3,730,690
Central Items						
CDC & Non Distributed Costs	0	0	0	0	5,382,230	6,743,230
Concessionary Fares	0	0	0	0	0	7,320,160
Contribution to Insurance Fund	0	0	0	0	0	500,000
Interest on General Fund Balances	110	0	0	110	0	Cr 9,818,580
	110	0	0	110	5,382,230	4,744,810
Total	357,230	1,870,630	Cr 849,840	1,378,020	Cr 24,004,360	16,490,750

RISK AREAS WITHIN CHILDREN, EDUCATION AND FAMILIES PORTFOLIO FOR 2023/24 ONWARDS

Overall Demand Pressures

Although the impact of Covid on the practical aspects of delivering services to young people have now largely receded we continue to experience a range of challenges in terms of safeguarding for our most vulnerable children these are as follows.

- Continued pressures on the number of children needing to come into care due to issues of either their own emotional health or their parenting being adversely impacted by the mental health problems of their parents.
- We continue to experience pressures in identifying some specialist placements for complex needs children where their home situation is unable to be sustained due to the complexity or severity of their needs and these placements costs are at the high end.
- We are also experiencing additional pressure in relation to the cost of residential placements. The past year has seen the significant rise in the cost of all placements, but this is most pronounced in specialist residential accommodation. We have seen a 15-17% rise in costs in the past year. This is driven by both the increases in inflation and the cost of living, but is also driven by the market position of increased demand and a fixed number of specialist beds in the system.

Over the past year we have also experienced significant pressures in relation to the recruitment and retention of staff. This has led to an increased reliance on agency staffing. The cost-of-living pressures particularly in the London area are driving staff out of London. This is compounded by many out of London LA's offering increased wages.

Children's Social Care

Volume in referrals and workload

The Bromley Children Project has continued to be flexible and extend further its reach to support families who are on the cusp of universal and targeted support. The service has continued to be innovative in supporting families through a myriad of online opportunities and face to face through the cost-of-living pressures.

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

As previously highlighted, the number and complexity of referrals have increased. Many of the referrals are linked to emotional and mental health concerns.

Recruitment of permanent staff

As highlighted earlier, this continues to be a significant challenge. Currently 81% of staff are permanent. Whilst this remains higher than many other London authorities, it is below the figure we have budgeted for, and hence presents a continuing pressure on the staffing budget. Recent exit feedback from staff that have left indicate that the cost of living and working in London is proving to be factor in decisions to leave. This is particularly the case for many of our younger staff. We also know that some Authorities outside of London and across the south-east are also offering higher salaries or "golden hello" deals.

These challenges are most pronounced in our MASH, RAS and Safeguarding services.

We have a full contingent of permanent staff in our Looked After Children and Care Leaving service, fostering, SGO and CWD. It is the safeguarding front line services are the most challenging and this is line with other London Local Authorities.

We continue to seek to promote from within and encourage career progression as a major element of our staff retention approach. We are also in the process of recruiting to 20 staff from South Africa and Zimbabwe.

Keeping our caseload promise

Because of the continued rise in demand it has been difficult to maintain our caseload promise at the anticipated levels. Our caseload promise is between 12–15 children and this continues to be challenging with the high number of cases coming through the front door. In order to mitigate this we have secured funding for additional numbers of Social Workers in the MASH, RAS and Safeguarding services. Although the recruitment market remains challenging for all of the reasons outlined above, we are exploring a number of avenues (such as overseas recruitment) as well as regularly reviewing caseloads to move cases to closure/transfer as another way of reducing workloads.

Caseloads continued to be monitored closely at a weekly meeting with the DCS and Assistant Director. These meeting focus how cases can be reviewed, moved and closed to ensure all SW's retain safe levels of cases.

Placements of children in care

The DCS and Assistant Director of Children Social Care monitors all requests for children to be accommodated. Agreement on any reception into care NOW sits with the DCS.

. All children in care are regularly reviewed through the Placement Panel which continues to take place every Friday. We continue to seek and obtain financial contribution from our ICB partners and ensure that the financial split is proportionate. We review our ICB contribution yearly to ensure that ICB financially plan and contribute going forward. We have just completed this exercise and now have a provisional agreement for 2.35 million, plus an additional 500k.

Post Covid, the increasing complexity of young people coming into care is testing the suitability of placements and again we have recently been in a position where two young people reached the secure threshold and no placements were available, leaving the LA with not only the risk to bear but finding a high dependency of support workers causing the cost to be above that of a secure placement. – this current cost of such placements is around 10 – 12K per week

Bromley continues to be part of the Commissioning Alliance, along with 11 other boroughs. We are currently looking at how membership of this organisation might provide further efficiencies in our commissioning. Currently the stability of our placements is very good despite the challenging circumstances.

Our 4 step down foster carers have now been caring for 5 young people who were high profile, complex and in residential. This resource has ensured good outcomes for young people as well as significant financial savings.

We also have a cohort of foster carers who take children in an emergency during the night or at weekends (sometimes from custody), which is when children are often placed with external providers, sometimes miles away and high cost. We have now recruited a 5 foster carers to this cohort.

Our Staying Together team has continued to work across the service areas preventing children 11-18 entering care and to date this has been very successful. They have worked with 180 children and only 6 of those came into care. They are currently supporting some young people within the YOS preventing those young people not only becoming looked after but preventing them entering the judicial system. This approach has been so successful that we are currently looking to strengthen this team so that we can prevent a wider cohort of children from needing to enter care.

Unaccompanied Asylum-Seeking Children

We are now part of the mandatory National Placement System, and because of the record numbers of refugees coming into the country, this has meant that our overall numbers have increased. We are currently supporting 83 young people (79 last year) 9 under the age of 18 and the rest as care leavers. These young people continue to be vulnerable with trauma's that require specific and skilled work and with C19 has had a more profound impact and effect on their mental health.

Education

Over the past year the Adult Education service has seen a significant increase in the numbers of learner wanting to access its services and has bounced back strongly from Covid-19. In particular we have seen a number of Ukrainian refugee residents taking up English and maths courses.

Our overall population continues to increase with a particularly increase in the school age population (this was 61,343 in 2018, was 62,108 in March 2021.) Over the period since 2010 this equates to a 9.62% increase. These increases are creating pressure for universal services such as school admissions and school attendance where services are dealing with more children within the same resources. The pressure on funding for alternative provision has been mitigated by the move to a fiveyear commissioning approach, following the Review of Alternative Provision. Nevertheless, the numbers of pupils with complex behaviours that challenge continues to increase, placing a pressure on services. We aim to mitigate this with increased focus on earlier intervention and outreach. Secondary permanent exclusions have reduced significantly, however this will need to be monitored closely.

SEN/D (Special Educational Needs and Disability) pressure

The greatest pressure is in the area of SEN/D with an overspend in the DSG (Dedicated Schools Grant) High Needs Block arising from exponential increase in the need for specialist placements. These pressures are in line with other Boroughs across London and England. Between 2016 and 2022, the number of children with special educational needs requiring an EHCP (Education, Health and Care Plan) has increased by 33%, significantly higher than the overall increase in the school age population. In November there were 3,539 Bromley resident children with an EHCP. This is an increase of 216 children in the past 12 months.

In 2017, there were 422 requests for statutory assessment, the which increased to 823 by the end of 2019/20.

- During 2022, the education service has taken a number of actions to seek to manage down these demands. These have included SEND Transport Route optimisation review, to reduce costs and routes and make more effective use of resources
- Expand the Travel Training scheme to ensure more young people travel on public transport
- Review the eligibility for SEND Transport
- Review the eligibility for EHCP assessments.
- Commission 16 additional Special school places within the Borough to reduce reliance on out of borough travel arrangements.

In addition to these measures we continue to use existing resources more effectively to support placements in mainstream schools, as far as possible. Action taken includes:

- Free school bid approved for a new special school for children with ASD (Autistic Spectrum Disorder) to enable Bromley to place more children locally in Bromley schools so reducing spend in more costly places in the non-maintained and independent sector. This new school is likely to open in 2024
- Service Level Agreements developed for all Additionally Resourced Provision in mainstream schools to ensure that places are used efficiently.
- SEND Training Collaborative has developed comprehensive training offer for schools and providers, supported by the SEN Advisory teams to strengthen support for children in mainstream schools.

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

RISK AREAS WITHIN ADULT CARE AND HEALTH PORTFOLIO FOR 2023/24 ONWARDS

The budget proposals represent a realistic position for Adult Social Care which build on the success of the previous transformation programme. The new proposals seek to address further areas of potential efficiencies and to address some inequalities in current service delivery. Work on developing these has been carried out with providers of services, both statutory and voluntary and those represented by them.

The impact of covid on the Adult Social Care system remains a pressure, with a continuation of people being discharged from hospital with higher levels of acuity, requiring more care at higher cost. The impact of health paying for discharges to clear hospital beds, at higher cost, has remained a pressure and will become a risk if this funding ceases. Another remaining pressure is with those young people moving through transition into adulthood as the new Moving into Adulthood service is yet to start delivering efficiencies.

A further risk lies with the governments delay of some of the Adult Social Care reforms. Work with the provider sector has raised genuine expectations of the Council moving towards the Fair Cost of Care, but it remains unclear if the government will now make any allocation towards this. The pressure created by the Care Cap, the ability of private funders to access care at the Councils agreed rate, and the changes to financial assessment, have been delayed for two years, at the moment, which does remove a significant pressure, but by no means all.

Adult Social Care is committed to moving forward with the increased use of digital technology to make best use of available staff capacity, whilst enabling service users to remain independent. The Directorate continue to prepare for the new Assurance Process with the Care Quality Commission, who will consider as part of the assurance process if appropriate resource is available to meet statutory requirements. As the Director of Adult Social Care, I am content that the available budget for the next financial year is appropriate to do this, within the current governmental requirements, but any additional burdens introduced within the year will require additional funding.

Public Health

Covid-19 pandemic has brought increased health protection responsibilities for Public Health teams at local level. The main areas of growth are outbreak management, clinical response service and support.

In relation to other Public Health services, throughout the pandemic there has been a significant growth not only in demand (as seen in the local drug and alcohol service) but also a rise in complex cases with significant safeguarding issues. The recent experience is not new, but the pandemic has heightened the pressure and brought forth the challenge on service delivery during the pandemic.

The recurring cost pressure of annual NHS pay award uplift, which now include not only Agenda for Change but also pay awards for medical staff, remains for both the 0-19 Programme and Sexual Health Service.

For Sexual Health Service, other cost pressures arisen from more expensive cost of provisions and new clinical pathways, are now incorporated into the new London Integrated Sexual Health Tariffs and their impact will be felt in 2023/24. Potentially, this will also affect the block contract set for the new integrated sexual health service which will go live on 1 April 2023. Work is underway to consider if the provider, King's College Hospital, would be able to absorb these additional pressures with perhaps an adjustment to the activity baseline. However, due to the nature of open access, if patients do not get their service locally, they can still access services out of borough and their costs will have to be met by the Council.

Additionally, the online testing service continues to grow, partly due to online testing are now open to users who are low risk but symptomatic during the pandemic as well as the inclusion of online testing as part of the PrEP treatment pathway in London. This position has been further exacerbated by the recent outbreak of monkey pox infection, leading to an increase of 16% in online testing service in the last two quarters of 2022/23.

The cost of the online service while compensated by the less costly clinic attendances, has well exceeded the original budget. This is an area of significant growth which will require close monitoring.

The previous concerns over the contraception waiting list is now under control and as the clinics are gradually returning to normal operation, it is expected the wait will be back to the agreed level of two weeks for an appointment in the new year.

RISK AREAS WITHIN ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO FOR 2023/24 ONWARDS

Waste Services

Increasing property numbers Growth in the number of properties incurs additional expenditure, as extra collections are required, and additional waste is generated. An increase in relevant property numbers, subsequent to a full review in 2020, has resulted in a projected cost pressure of £120k relating to the domestic waste collection costs.

While the draft budget has made allowance for the expected growth in property numbers in 2022/23, growth in excess of that assumed would result in further additional costs. While officers will seek to manage within overall waste budgets, the ongoing impact will need to be continued to be kept under review.

Waste Tonnages

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

However, waste tonnages have been affected by changes to consumerism/ societal behaviour due to the global pandemic. Changes include:

- More people being based at home and therefore generating more waste from their home e.g., from cooking at home, working at home

- More online deliveries and associated packaging, with less shops being open during pandemic lockdowns
- The transition to reusable items slowing down as single use viewed as cleaner and it has become more difficult to access refillable stations or packaging free shops
- Businesses and households conducting household clear outs during the pandemic lockdowns.

During the last quarter of 2022/23 waste tonnage returned to pre COVID 2019 levels and this trend is expected to continue into 2023/24.

The average cost of waste disposal for 2021/22 has remained at around £107 per tonne. Each 1% increase in waste tonnage would increase disposal costs by £166k per annum.

National waste policies, embedded recycling services and waste minimisation campaigns will contribute to restraining increases in waste.

Green Garden Waste

Customer numbers continue to increase resulting in additional projected income of £549k. However, this is offset by projected increased collection and disposal costs of £668k. Purchase and delivery costs of green garden waste bins to new customers are projected to exceed budget by £201k. Replacement bins are only required every 3 to 4 years and therefore requirements should be contained within budget in future years when it is expected customer numbers will plateau.

Recycling Income

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

Winter Service

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

TfL Funding

There remains uncertainty with regard to TFL funding and whilst it is anticipated to cover the costs of providing road safety and improvement schemes, this will be on the basis of a slimmed down programme compared to pre COVID levels. There also remains some uncertainty moving into 2023/24 that all staff costs will be met from the current grant allocation, although this position may change in early 2023.

Parking

Parking services were most severely affected during the initial Covid-19 lockdown restrictions in 2020, with a 95% reduction in parking use at one stage and a corresponding decrease in the level of enforcement. The income budget for 2021/22 was consequently reduced by £1.2m and while Page 101 there has been a good level of recovery in recent months, use of surface and multi-storey car parks in particular remain somewhat lower than budgeted. However, enforcement activity has now returned to pre-Covid levels and income from PCN's is now projected to overachieve.

The draft budget for 2023/24 assumes that the recovery in car parking usage in recent months

would be maintained into 2023/24 with a small increased income target of £0.2m. The review of Parking and the move to 'cashless' parking is likely to mitigate some of the reduction in income with further reviews due in 2023/24.

Moving Traffic Contravention income is remains down on projected levels due in part to lower traffic numbers brought about by COVID.

Other Income

Income from other fees and charges is also affected across all services to some degree with marked reductions in income from street traders' licences and this is likely to continue as consequence of the implementation of Governments Plan B into 2023/24

Pressures from Public Demand

Apart from the identifiable financial pressures arising from such items as contract costs and price increases, as well as the longer-term impact of Covid-19, there are other pressures due to growing public expectations, social change and legislation. Increased public expectations of local services may be difficult to respond to during a continuing period of tight restraint on resources.

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

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

Carbon Emissions

The Council's commitment to a zero net carbon target by 2027 for direct emissions will require investment and has the potential to increase cost pressures. Some of this work can be covered by existing capital and revenue budgets, or through interest free loans and carbon offsetting S106 payments. However, action taken as part of the Carbon Management Programme for direct emissions should lead to cost efficiencies for the Council in the longer term, and the Carbon Neutral Initiative Fund was established in 2020/21 to provide further investment for new schemes that generate a revenue saving.

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

RISK AREAS PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO FOR 2023/24 ONWARDS

Mortuary & Coroners Service

The provision of a sustainable mortuary service at an affordable cost in the long term is problematic due to variables in demand and a very limited market with little competition. Options are currently being explored with a view to securing longer term mortuary provision with the PRU which may provide an opportunity to stabilise costs going forward.

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

The Coroner is currently advocating the establishment of a second court with additional staff. However, we believe that currently there is no compelling argument to justify the need for a second court, be it temporary or permanent and that the service operated adequately before Covid.

There may also be an argument that given that Covid has unfortunately accelerated the deaths of many people in the latter years of their life, we may indeed see a decline in death rates and subsequent need for PM's and inquests which would allow the opportunity for the Coroners Service to work through the backlog of cases.

Covid-19 Impacts

There were significant unbudgeted costs of the Council's contribution to London-wide emergency mortuary provision in 2020/21. There has been a further impact on the Council's own services in 2021/22 due to the impact of an increased number of Covid-19 deaths on the costs of the Coroner's and mortuary services, together with a reduction in income from public protection services. The Portfolio's draft budget for 2023/24 assumes that there no ongoing impacts beyond the current financial year

Housing

Significant increases in inflation, energy and prices and fuel costs are placing increased pressure on individuals and households finances and ability to cover housing costs. Whilst work to prevent homelessness has been a key focus to stem the increase in the number of homeless households needing to be placed in temporary accommodation, options re limited, particularly in light of the freeze in local housing allowance levels and increasing gap between LHA and market rents. As a result the Council is starting to see a further increase in the number of individuals and households approaching for housing support and requiring temporary accommodation.

Over recent months the Council has seen many landlords withdrawing from the market due to rising costs. This, coupled with increased demand for placements across London, has seen a reduction in the availability of accommodation able to be secured and significant increases in costs for accommodation which can be found. As such the Council is facing increased pressures through the number of placements required and increased placement costs.

Inflation and energy costs have also impacted on the level of tenants falling into rent arrears.

The Council has also seen a reduced number of lettings from housing association partners as the level of churn in the stock has decreased with more limited options for move-on of existing tenants.

Housing partners continue to report increased maintenance and repair costs due to inflation and this is also reflected within the Council's management contracts for temporary accommodation and the cost in relation to the travellers site for repairs and maintenance required to maintain health and safety standards.

Planning Services

A substantial part of Planning Services' work attracts income for the Council, mainly from planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough and there is a risk of income variation beyond the Council's immediate control. This has been complicated and exacerbated by the impact of Covid-19 which saw reductions in income from planning fees, building control and land charges in 2020/21. Although this had largely recovered in the first half of 2021/22, Building Control income was still significantly reduced. The Portfolio's draft budget for 2022/23 assumes any impacts will not remain

beyond the current financial year. While trends are regularly monitored in order that appropriate action can be taken, there remains the risk that ongoing national and local economic factors could adversely affect these budgets in 2022/23 and beyond.

There is a risk that Section 106 developer contributions are not spent in accordance with the legal agreements, for example in the right location or timescale. Regular monitoring is undertaken and reported periodically and is aligned with the requirements of the Community Infrastructure Levy Regulations 2010 to produce an annual Infrastructure Funding Statement.

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

RISK AREAS WITHIN RENEWAL & RECREATION HOUSING PORTFOLIO FOR 2023/24 ONWARDS

Regeneration

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

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

Borough CIL

The Council introduced a local Community Infrastructure Levy (CIL) which came into effect in June 2021, with income raised from developers undertaking new building projects. Proceeds from CIL are allocated in accordance with the Council's Infrastructure Development Plan statement. As the liability to pay CIL is only triggered on granting of planning permission, income generated initially is projected to be modest but is expected to increase significantly in future years.

As the level and scope of future development is subject to local and regional economic and other factors, the actual level of future income each year will not necessarily be consistent with initial forecasts and inevitably will fluctuate from year to year.

Transformation (also relates to RCCM Portfolio)

Transforming strategic property

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

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

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

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

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

RISK AREAS WITHIN PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT FOR 2023/24 ONWARDS

Corporate Services

Legal

The legal team provides legal advice and guidance and conducts cases on behalf of the Council in the Magistrates Court, County Court and High Court. Whilst there are marginal increases in caseload across all areas, the main area of concern is around statutory childcare cases. The cases are usually complex due to the nature of the harm suffered by the children, the need for expert assessments (including consultant, paediatrician, psychiatrist and psychologist), the number of parties, the volume of evidence and the length of the final hearing. In line with national trends, the Council had seen an increase in the workloads in this area of work. Following the Ofsted inspection and the implementation of the Children's Service improvements, there has been a significant increase in workloads. Historically childcare proceedings had been fairly constant at around 48 cases per annum. Members recognised this increase in work and additional resources were approved by the Executive on 20th November 2020. However, the situation continues to be a budget pressure.

Post pandemic, the increase in referrals to social services is mentioned earlier in the report and this will inevitably lead to increase in instructions to legal services to commence proceedings which will increase demand for resources and increase spend on counsel. The increase in complex adults' social care cases and in the increase in Deprivation of Liberty Safeguard (DOLS) applications has also increased demand on legal resources and corresponding increase in spend on counsel. The service also deals with complex planning enforcement cases and planning enquiries which could also result in increased expenditure on counsel.

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

Procurement

The Procurement Bill is currently passing through Parliament and is expected to be introduced some time in 2023, with a six-month implementation period. The Bill introduces several new requirements, particularly around transparency (including a significant increase in formal Notices) and changes in process. This may lead to additional capacity and resource pressures but these cannot be determined as yet. In the short term (2023/2024) it is anticipated that any pressures can be contained within the existing procurement resources but this will need to be kept under review as the impact of the Bill becomes better understood.

IT

Work has commenced for the major retender exercise for the Council's IT services contract for which the initial temporary resources were agreed. The transition to new contract and provider will be in 2023/24. Whilst working on the procurement another major program to migrate on-prem Data Centre to Cloud to provide more resilience service and it is envisage to complete in 2023/24. Third major program in IT to provide connectivity and IT services in new accommodation has also begun. The time scale for this is predicated by the accommodation program.

The Digital Transformation Programme continues to be progressed.

Electoral Services

The UK Government is making major changes to the electoral system through the Elections Act 2022 - this will affect everyone running, standing and voting in elections. Initial measures being introduced include the introduction of Voter (photo) ID at polling stations (May 2023), and the requirement for the ERO to issue (via a new Government online service) free voter identification documents to eligible residents without valid photo ID (January 2023).

Secondary legislation is currently passing through Parliament containing the detail on how the new measures will work in practice.

New Burdens funding will be provided by the UK Government to cover the initial costs to implement the changes. However, the Service may require additional resources to ensure the safe and effective implementation of the changes, but this will be kept under review.

HR & Customer Services

The key risk area was Registrar's service which was significantly impacted by COVID-19; however, the service has fully recovered since the last report and there is sufficient flexibility within our casual staff bank to manage demand.

Exchequer Services

Housing Benefit Admin Subsidy (HBAS)

The DWP have provided the provisional allocation for housing benefit admin subsidy to be received for 2023/24. The methodology uses the latest available Housing Benefit (HB) and Universal Credit (UC) caseload volumes. UC caseload volumes with a housing element have been used to apportion the HBAS funding and UC savings reductions across the LAs. The actual allocation will be confirmed prior to the start of 2023/24. The level of admin subsidy to be received in respect of Council Tax Support has not yet been announced.

Benefit Changes

UC for new working-age claimants was introduced in July 2018; they now receive UC towards their housing costs rather than HB. The removal of temporary accommodation Housing Costs from Universal Credit has lessened the financial impact for Bromley Council.

Funding has yet to be advised for 2023/24. Movement of the current working-age HB claimants to UC is due to be completed by 2025 (delayed from 2023). The rental market is reacting to the introduction of UC, making landlords less likely to rent to benefit claimants and further inflating rents.

At the October 2021 Budget, the Government amended the taper rate for UC so that for every £1 a claimant earns the benefit reduces by 65p when on HB; however, if the claimant is on UC it reduces by 55p. This change makes it more beneficial to clients who are earning and on a low income to claim UC rather than remain on HB.

In the Autumn Statement the government advised that the plans to create a new housing element of Pension Credit, replacing pensioner Housing Benefit, have been pushed back from 2025 to 2028/29.

The impact of this will be significant to the Borough as the pensioner caseload is proportionally high. This also suggests that from 2028-29 the only residents in Bromley on HB will be those in temporary or supported/exempt accommodation.

The changes will make HB overpayments far more difficult to recover as currently the vast majority is recovered by means of claw-back from ongoing entitlement. Once claims transfer over to UC the opportunity for this form of recovery will be severely reduced.

From April 2016 working age claimants in receipt of Council Tax Support (CTS) have been required to pay a minimum of 25% towards their Council Tax liability. The minimum liability of 25% necessitates collecting Council Tax from some of our most vulnerable residents and courts are becoming more reticent to grant costs and thereby add to the individual's financial burden. From April 2023 the Benefit Cap will be raised by 10.1% in Bromley from £23,000pa to £25,323 for couples (with or without children) and £16,967pa for single claimants. For those placed outside of London the amounts will be £22,020pa and £14,753pa respectively. The ongoing welfare reform programme combined with an increase in rent levels means that a growing number of households are at risk of losing their homes through rent arrears. The problem is heightened by the shortage of small properties for those attempting to downsize.

Impact of COVID-19 and the cost-of-living crisis

Prior to Covid-19 the overall caseload had been consistently reducing due to the natural migration of working age Housing Benefit claimants to Universal Credit.

However, by March 2021, the number of working age households in receipt of Council Tax Support had increased by over 12% due to the impact of Covid-19. Since March 2022 the Council Tax support caseload has reduced by 1,262 claims and is now lower than pre-pandemic levels.

Revenue collection was adversely affected by the pandemic with the initial cessation of enforcement activity and the closure of the courts. Although collections have increased and are above the 2021/22 performance, they continue to be affected by the cost-of-living crisis. This poses an on-going risk.

Total Facilities Management

Operational Property

As part of the 'Transforming Property – Creation of a £30m Disposal Programme', report to Executive on 16 September 2020, work has been undertaken to identify works required to the Council's properties that will be retained by the Council and this assessment has confirmed that additional funding is required to supplement the existing building maintenance programme.

The Draft 2023/24 Budget includes additional provision of £2m to reflect initial funding for any key building works required. The full assessment setting out the essential capital repairs and maintenance required alongside proposals to dispose of the existing civic centre site and purchase new civic accommodation was reported to Executive in November 2022.

The current estimated value of these capital schemes is £116.87m, with update reports scheduled during 2023/4 to consider the more detailed business case and costings for each of these schemes. The November executive also considered a disposal update report setting out further disposals of properties which were deemed surplus to requirements or presented low yields on investment return. This provided an estimated disposal value of £87.3m to support the capital programme delivery.

Other Rental Income

Most of the Council's leased property has periodic rent increases, the frequency of which is set in the individual property lease, with most rent reviews done five yearly. Thus, annual rental increases across all properties cannot be achieved. Whilst some reviews are based on movements in RPI, most are to market level and there is a risk that increases in the properties where there are reviews will not match the assumed inflationary increase in income.

A large element of the Council's income is received from retail units and this class of asset has suffered significantly with little or zero growth.

The challenging economic environment at present not only impacts on the ability of the periodic rent reviews to offset against inflationary pressure, but as existing leases expire, re-letting properties at similar levels may be challenging in 2023/24.

Rental income has also been impacted by the generic national downturn in retail performance and by the impact of Covid 19. Some tenants have been unable to meet their rent obligations and have sought assistance from the Council. The extent to how these trends will continue into 2023/24 and beyond remains fluid.

Energy Tariff

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

The Council's current energy supply contract expired in October 2022. The Council was able to secure a gas supply on a 3-year predominantly fixed rate basis mitigating the risk of further significant increases in energy costs during this period. However, due to the volatility of the current market, the Council has not been able to secure a fixed rate medium to long term contract for the supply of electricity.

After tendering twice through the approved framework and in the absence of any bids, the Council has negotiated an extension of the existing contract until March 2023 and will be retendering in the new year. Given the recent and sustained significant increases in energy prices, it is anticipated that the Council will be faced with a substantial increase in energy costs from March 2023.

Transformation

Transforming strategic property

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

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

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

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

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

Report No.
FSD23001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE
COUNCIL

Date: 18th January 2023
27th February 2023

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

Title: CAPITAL STRATEGY 2023/24 TO 2026/27 & Q3 CAPITAL PROGRAMME MONITORING

Contact Officer: David Dobbs, Head of Corporate Finance and Accounting
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Ward: Borough Wide

1. Reason for report

- 1.1 This report incorporates the Council's new Capital Strategy and Capital Programme for 2023/24 to 2026/27. It also summarises the current position on capital expenditure and receipts following the conclusion of the third quarter monitoring exercise.
- 1.2 The report includes details of the new schemes that will be added to the Capital Programme and information concerning the proposed asset disposals that will be used to generate capital receipts and ultimately contribute towards the funding of the Capital Programme.
- 1.3 Also included are details of the related Capital Financing implications, including proposals to refinance current housing schemes through borrowing, utilisation of revenue reserves to address the shortfall in capital resources for 2023/24 onwards and details of how these proposals will impact the Council's revenue budget.

2. RECOMMENDATIONS

2.1 The Executive is requested to:

- (a) Note the report, including a total rephasing of £565k from 2022/23 into future years, and agree a revised capital programme
- (b) Approve the Capital Strategy for 2023/24 to 2026/27 including the following amendments to the capital programme:

- (i) Adjustments identified as part of the capital monitoring process totalling a net reduction of £14,825k**
 - (ii) An increase of £74,801k in relation to new schemes which will be added to the Capital Programme**
- (c) Approve the refinancing of the Council's existing Housing Schemes through external borrowing of £49.2M via the Public Works Loan Board.**
- (d) Approve the use of up to £10M from the Council's earmarked revenue reserves to support funding of the Council's capital programme.**
- (e) Agree that all new and existing Housing Schemes should be funded by long-term borrowing**

2.2 Council is requested to:

- (a) Approve the Capital Strategy for 2023/24 to 2026/27, including**
- (i) Approve the new schemes and other changes to the programme identified within this report**
 - (ii) Approve the refinancing of the Council's existing Housing Schemes through long-term borrowing of £49.2M**
 - (iii) Approve the use of up to £10M of earmarked revenue reserves to support funding of the Council's capital programme**
 - (iv) Agree that all new and existing Housing Schemes should be funded by long-term borrowing**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
(Ambition 5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: total net increase of £74.8M over the five years 2022/23 to 2026/27, due to the additional capital bids outlined in this report
 2. Ongoing costs: As detailed above
 3. Budget head/performance centre: Capital programme
 4. Total current budget for this head: total £292.2M over the period 2022/23 to 2026/27
 5. Source of funding: Capital grants, capital receipts and earmarked revenue reserves.
-

Personnel

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: Statutory Requirement
 2. Call-in: Not applicable
-

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

Updated Capital Position

- 3.1 This report sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2022/23. It also sets out how the Capital Strategy for 2023/24 to 2026/27 was developed, including key considerations and planning assumptions. Consequently, the report seeks approval for the Strategy, including proposed new schemes and the related capital financing.
- 3.2 Appendix A summarises the proposed changes to the Capital Programme. The base position is the revised programme approved by the Executive on 30th November 2022, as amended by variations approved at subsequent meetings.
- 3.3 If all the changes proposed in this report are approved, the total Capital Programme 2022/23 to 2026/27 would increase by £74,801k, solely due to the inclusion of new capital bids. Planned capital expenditure of £565k will be re-phased from 2022/23 to 2023/24.
- 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.

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 09/02/22	64,497	39,329	12,928	775	0	117,529
Net of changes approved in Q1	58,128	11,824	1,425	5,297	0	76,675
Net of changes approved in Q2	2,866	21,104	0	0	0	23,970
S/T - approved programme prior to Q3 monitoring	125,491	72,257	14,353	6,072	0	218,174
Variations requiring approval:						
Addition to DFC for energy efficiency grant (CEF)	121					121
Variations not requiring approval:						
Change in HWBC budget (RCCM)	Cr 1,157	Cr 11,537	Cr 1,972	Cr 545	0	Cr 15,211
LTA tennis renovation fund (ECS)	231					231
Non-material adj. to DFC (CEF)	1					1
Rephasing from 22/23 into future years (ACH and RCCM)	Cr 565	565				0
S/T - amendments to programme	Cr 1,369	Cr 10,972	Cr 1,972	Cr 545	0	Cr 14,858
Proposed new schemes						
Restructuring OPR (RCCM)	Cr 3,500	15,067	10,067	17,567	0	39,201
Leisure centres (RRH)	200	950	8,650	8,650	8,650	27,100
Kelsey Park lake (ECS)		2,000				2,000
IT infrastructure/digitisation (RCCM)	0	0	2,000	3,000	1,500	6,500
S/T - proposed new schemes	Cr 3,300	18,017	20,717	29,217	10,150	74,801
Total revised capital programme	120,822	79,302	33,098	34,744	10,150	278,117
Less: Further slippage projection	Cr 50,000	20,000	20,000	10,000	0	0
Provision for uncertainty e.g. building costs and changes in estimated disposal income	0	3,000	4,000	5,000	0	12,000
Assumed new schemes (TBA)	0	0	0	5,000	15,000	20,000
Projected programme for capital financing (Appx C)	70,822	102,302	57,098	54,744	25,150	310,117

Variations requiring approval by the Executive (£121k total net increase)

New grant funding for energy efficiency in schools (£121k)

- 3.5 The government has recently announced a total of £447M additional capital funding in schools for 2022/23 to improve energy efficiency. This funding is to be added to the Devolved Formula Capital allocation and Bromley will receive £121k (schools in Bromley will receive a total of £2,425k, but the majority of this money is passported directly to academies and so will not increase Bromley's capital programme.)

Variations approved by the Executive at subsequent meetings (£14,979k total net decrease)

The Health and Well Being Centre (net decrease of £15,211k)

- 3.6 A report was presented to Executive on 30 November 2022 outlining revised plans for the Health and Well-Being Centre to be developed on the site of what was formerly the Adventure Kingdom building. This scheme, which was the subject of a preliminary report to Executive in October 2021, was to be a joint venture between the Council and the South East London Clinical Commissioning Group (now NHS Bromley ICB.) The revised plan is now for the ICB to fund 50% of the Council's professional consultancy fees incurred up to the end of FY 2021/22, and an invoice has been submitted to that effect. Going forwards, the project will sit entirely with the ICB, funded by a central government grant - but, in order to comply with the terms of that grant, the Council will formally deliver the project, for the costs of which the ICB will indemnify the Council; and the Council will sell the site to the ICB at market value.
- 3.7 The costs of the remaining consultancy work are estimated at £545k; and the costs of the construction itself are estimated at £9,398k, including VAT. These costs are set to be covered in full by the ICB; but, because of the way the Council's capital programme is presented, they must be added to the capital programme in full, on the understanding that they will be wholly financed by the grant which the ICB will receive and passport to the Council.
- 3.8 This replaces the original, larger total budget of £25,330k (less expenditure incurred to date.) This project, like the current version, was effectively cost neutral, and so this has no impact on resourcing; but it does reduce the capital programme on the cost side by a net £15,211k.

LTA parks tennis renovation fund (£231k)

- 3.9 A report was presented to Executive on 30th November 2022 detailing a grant from the Lawn Tennis Association (LTA) that officers had successfully applied for, to be used in renovating public access tennis courts in several the Council's parks. The grant fully covers the cost of the proposed repairs and so the proposal has no impact on available Council resources.

UK Shared Prosperity Fund

- 3.10 A report to Executive on 30 November 2022 set out how Bromley would benefit from the new UK Shared Prosperity Fund (UKSPF) which supersedes the EU Structural and Investment Funds (ESIF). Bromley has been allocated, in principle, £2.39M, of which it can determine £1.63M. £1.23M, for "community and place", is to be used to help fund the existing project for the library at West Wickham. The effect of this will be to reduce pressure on Council resources, which can therefore be used to fund other projects.

Scheme re-phasing

- 3.11 As part of the Q3 monitoring exercise, a total of £565k has been specifically re-phased from 2022/23 into 2023/24 to reflect revised estimates of when expenditure is likely to be incurred. This largely reflects delays that have occurred to schemes owing to the pandemic and its aftermath.

Review of the Capital Programme

- 3.12 To inform the new Capital Strategy a fundamental review of the Council's Capital Programme was undertaken during 2022. This was driven by the following considerations:
- The capital programme, reported to Executive in February 2022 created a new financial challenge with a potential shortfall in capital funding of £39.4M in the period up to 2025/26. Following changes to the capital programme reported since then, the shortfall increased to an estimated figure £44.8M as reported to Executive at its November 2022 meeting. Members were advised of the need for a fundamental Operational Property Review (OPR) to assist in addressing the funding challenges and provide improved planning to meet future liabilities.
 - The OPR identified that the maintenance liability, as identified from condition surveys, over the next 10 years amounts to £82.1M and that a further £82.3M would be required to refurbish the portfolio to a minimum standard, giving a total cost of £164.4M. The review examined ways to reduce that liability to a more financially sustainable level on an ongoing basis by:
 - Identifying and recommending properties that could be released for disposal.
 - Identifying and recommending properties that will be ringfenced for feasibility to deliver housing.
 - Identifying and make recommendations on properties that have significant maintenance liabilities or disposal values that warrant consideration of a range of options going forward, and what that might mean for service delivery.
 - Identifying and make recommendations on property opportunities for rationalisation.
 - Identifying the properties that should be retained and maintained and the associated costs of doing so
 - Whilst an initial provision of £18.5M had been included in the capital programme to cover maintenance liabilities, more detailed consideration of the significant unfunded element was part of the Operational Property Review (OPR) – the OPR also considered whether assets should be considered for disposal to avoid high initial and potential longer term maintenance costs. Additionally, it recognised that disposals that could be progressed quickly may result in potential savings in the condition survey overall costs as well as an opportunity for a capital receipt to be generated to fund high priority schemes.
 - Significant cost pressures from inflation, and supply chain issues which have impacted construction costs, and the price of labour and raw materials. Whilst these cost pressures can be partly attributed to the pandemic and therefore expected to diminish in the medium-term, the ongoing conflict in Ukraine presents a backdrop of continued uncertainty which is likely to have a broadly inflationary effect. Potential cost pressures, in some instances, are estimated to result in costs 20% to 25% higher than original estimates.
 - To fully consider long-term capital financing options, including utilising the Council's earmarked revenue reserves to support capital expenditure, long-term borrowing on the external debt market and whether existing schemes could be refinanced.
 - Individual consideration of the strategic importance of the Council's operational assets, including whether they are used in the ongoing delivery of the Council's statutory services and/or are important for other reasons, e.g. their specific location within the borough.
 - The need to robustly review existing capital schemes for continued viability and value for money. Whilst this is undertaken on an ongoing basis, it was especially necessary in light of significant slippage in the capital programme owing to the pandemic.

- The requirement, set out in the CIPFA Financial Management Code, to align the Capital Strategy with the Council’s Medium Term Financial Strategy and to enable the Section 151 Officer to report explicitly on affordability and risk.

Outcome of the Capital Programme Review

- 3.13 Following the review of the Capital Programme various proposals and schemes were reported to the Executive at its November 2022 and agreed for progression. These include:
- 3.13.1 Relocation of the Council’s main operation base to the Direct Line site (opposite Bromley South Rail Station) and disposal of the Civic Centre and surrounding campus. This was incorporated into the existing Capital Programme following November’s Executive meeting and therefore is *not* listed under new schemes in this report.
- 3.13.2 The allocation of an additional £3M to be spent on Depot Infrastructure Works taking the total budget to £6.107M. This was also reflected in existing Capital Programme following November’s Executive meeting and therefore is *not* included under new schemes in this report.
- 3.13.3 A number of property disposals (12 in total) which it is estimated will generate capital receipts totalling £66.8M. This amount will be used to fund future capital expenditure. These estimated receipts (as shown below) have been incorporated into the Capital Financing Statement shown in Appendix C. They are expected to generate income of £23.3M in 2022/23 and £43.5M in 2023/24, though there is a related loss of rental income of £3M per annum which has been included in the Council’s revenue budget for 2023/24
- 3.13.4 The updated proposals for a Health and Well-Being Centre on the site of the former Adventure Kingdom (as reported to Executive in November 2022). The capital expenditure and financing figures for this scheme have been adjusted in this report to reflect the changes made since the scheme was first included in the Capital Programme in February 2022.
- 3.13.5 In addition to the above, new capital schemes totalling £74.8M have been identified through the capital bidding process as detailed in the table below. The bulk of this expenditure relates to maintenance works proposed on individual assets as identified in the Operational Property Review (as reported to Executive in November 2022).
- 3.13.6 As indicated in the table below, the proposed OPR expenditure of £52.7M has been offset against the budgeted maintenance spend of £18.5M that was previously included in the capital programme. Additionally, OPR projected expenditure has been further increased by £5M in recognition of the urgent need for maintenance on the Churchill Theatre and Library – moreover it is understood that the condition of this asset is poor and the overall maintenance liability is likely to be much higher. Given the significant of this matter and likelihood of further capital expenditure being required on this asset, this matter will be the subject of a separate report in the near future.
- 3.13.7 Total estimated spend on the OPR at this stage is therefore £39.2M (i.e. £52.7M + £5M - £18.5M).

New Capital Expenditure: 2022/23 to 2026/27

	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
OPR Capital		17,567	17,567	17,567		52,701
OPR Risk Provision (Churchill)		5,000				5,000
Adjust for OPR already in Capital Prog	-3,500	-7,500	-7,500			-18,500
Leisure Centres (Group 2)	200	950	8,650	8,650	8,650	27,100
Kelsey Park Works		2,000				2,000
IT Infrastructure and Digitisation			2,000	3,000	1,500	6,500
	-3,300	18,017	20,717	29,217	10,150	74,801

3.13.8 All of the schemes shown in the table above will be subject further review of business case submissions to ensure continued viability of each scheme and scrutiny of any variation in costs from those already provided. Similarly, capital schemes that are identified and proposed during the year will also be subject to review to ensure that they are of a viable standard and warrant inclusion in the capital programme.

3.13.9 Aside from the OPR related expenditure the other new schemes are as follows:

- Leisure Centres - £27.1M: This concerns the requirement for the urgent refurbishment (including heating, filtration and ventilation) of West Wickham and Walnuts Leisure Centres.
- Kelsey Park Works - £2M: This relates to the dredging of the lake in Kelsey Park which will alleviate the risk of localised and downstream flooding.
- IT Infrastructure and Digitisation: £6.5M: These are estimated costs to progress the Council's digitisation agenda and to provide for new IT hardware and related equipment to mitigate obsolescence.

3.13.10 It is anticipated that other schemes will be put forward during the year and on this basis the capital financing calculations include a provision of £5M in 2025/26 and a further £10M in 2026/27 for new schemes identified outside of the annual bidding cycle. Additionally, largely owing to the pandemic, there is significant slippage in the capital programme and this has resulted in £50M of budgeted expenditure being rephased into the period 2023/24 to 2025/26.

Housing Schemes

3.14 Six sites have been identified with potential for affordable housing delivery as listed below. These schemes will progress subject to member approval including a full business case and options appraisal on the grounds that they must be able to be self-financing to repay funding requirements plus all maintenance and running costs, and also deliver revenue savings in relation to temporary accommodation costs.

- Station Road (Bromley North) Car Park
- Spa Leisure Centre Car Park & Lewis House
- Belle Grove
- Manorfields
- Cornwall Drive
- Poverest Adult Education Centre

3.14.1 Moreover, owing to the projected shortfall in capital resources it is highly likely that borrowing would be required to provide capital finance for the above schemes, many of which could be managed through a ring-fenced Housing Revenue Account which could borrow externally in its own right at a lower rate [via the PWLB] than the General Fund.

3.14.2 The Council has a several existing/approved self-financing housing schemes, which are financed through GLA grants, s106 monies and Council funding coming from internal borrowing drawn from the earmarked revenue reserves – this includes schemes managed within the capital programme and the Meadowship Homes schemes. The use of internal borrowing was a solution that recognised that in the longer-term, housing financing would likely be converted to long-term external borrowing with the housing stock moved into the HRA.

3.14.3 The review of the Capital Programme identified that the retrospective refinancing of existing housing schemes (via long-term PWLB borrowing) would replenish reserves creating a balance which could be utilised in the short-term to mitigate the projected shortfall in capital resources. Based on refinancing the amount of housing funding that has been utilised to date

and that remains committed from the Council's earmarked reserves, a total of £49.2M can be refinanced through long-term external debt, in turn creating a balance that can be utilised to address the projected shortfall in capital resources.

Capital Financing

- 3.15 Based on the new capital expenditure detailed in this report being approved, the projected underlying shortfall for 2023/24 to 2025/26 is £56.3M. This takes into account the estimated proceeds of asset disposals and other changes to the capital programme detailed in this report. The shortfall figure will be subject to fluctuation over time and will be affected by how outturn capital spending compares to budgets, the value of actual capital receipts compared to estimates, various cost pressures and subsequent decisions that are made concerning capital schemes.
- 3.16 In addition to the refinancing of £49.2M (refer paragraph 3.14.3) that will replenish reserves, further funding is required to absorb the full shortfall of £56.3M and ensure that the overall financing position is balanced. On this basis, the report recommends that a further balance of up to £10M is made available from the Council's earmarked revenue reserves. It should be noted that based on projections the Council's total of earmarked reserves is expected to decline to £114.8M by 31/3/26 – of this amount only £97M is available to support services and deal with future budget risks as well as income volatility. Moreover, once used for capital funding the earmarked reserves would no longer be available for the other purposes.
- 3.17 The recommendations contained within this report which concern refinancing the housing schemes through long-term borrowing, and also the utilisation of earmarked revenue reserves, as described above, have been incorporated into the Council's draft Revenue Budget for 2023/24. Based on the repayment of PWLB lending, income forgone from interest owing to the use of reserves, and the loss of rental income from assets earmarked for disposal an annual capital financing charge of £6.6M has been included in the 2023/24 budget.
- 3.18 The recommendations in this report recognise the need to fund the capital programme, coupled with need to safeguard adequate revenue reserves to support the Council's medium-term financial position. This also recognises the Council's restricted ability to increase reserves compared with previous years. It is therefore highly likely that borrowing will be required for any further capital expenditure that cannot be funded by capital receipts or grants unless the financial position of the Council significantly improved in the medium and longer term.

Investment Fund and Growth Fund

- 3.19 To help support the achievement of sustainable savings and income, the Council has set aside funding in the Investment Fund earmarked reserve (formerly known as the Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. To date, total funding of £84.5M has been placed in the Investment Fund earmarked reserve, with a further £20.3M of capital receipts earmarked to supplement this, and £39.2M placed in the Growth Fund earmarked reserve.
- 3.20 Appendix D provides a detailed analysis of the funds dating back to their inception in September 2011. To date, schemes totalling £126.1M have been approved (£98.3M on the Investment Fund, and £27.8M on the Growth Fund), and the uncommitted balances as at end December 2022 stand at £6.5M for the Investment Fund and £11.4M for the Growth Fund.

Post-completion reports

- 3.21 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 and the relevant budget holders have been notified directly.

- 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
- Bromley My Time Investment Fund
- Relocation of Exhibitions - Bromley Museum
- Norman Park Athletics Track

4. POLICY IMPLICATIONS

4.12 Capital Programme monitoring and review is part of the planning and review process for all services. The updated Capital Strategy is fundamental to the financial sustainability of the Council and a key part of the statutory annual budgeting cycle.

5. FINANCIAL IMPLICATIONS

- 5.12 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 Capital Programme financing position.
- 5.13 The financing projections assume approval of the revised capital programme recommended in this report, together with an allowance for new capital schemes in 2025/26 and 2026/27 and a further provision for uncertainty (e.g. inflation, costs pressures and variability in capital receipts) in 2023/24 to 2025/26. Slippage and re-phasing of capital expenditure is also included in the projections – this mainly relates to the delays in progressing schemes that were experienced during the pandemic. Consequently, the delayed capital expenditure has been phased into future years.
- 5.14 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 which are projected to be completely depleted during 2025/26.
- 5.15 The recommendations in this report recognise the need to fund the capital programme, coupled with need to safeguard adequate revenue reserves to support the Council’s medium-term financial position.
- 5.16 It is highly likely that borrowing will be required for any further capital expenditure not funded by capital receipts or grants unless the financial position of the Council significantly improved in the medium and longer term. This also recognises the limited ability of the Council to increase its reserves compared with previous years.

Non-Applicable Sections:	Personnel Implications; Impact on Vulnerable Adults and Children;
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	Legal Implications Procurement Implications.
Background Documents: (Access via Contact Officer)	Background documents and reports are available from the Head of Corporate Finance & Accounting.

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APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - November 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of meeting	Revised 2022/23	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Total	Comments / reason for variation
		£'000	£'000	£'000	£'000	£'000	£'000	
Current approved capital programme								
Programme approved by Executive 09/02/2022	Exec 09/02/22	64,497	39,329	12,928	775	0	117,529	
Operational estate maintenance programme - final year not previously included (ERC)	Exec 09/02/22				5,257		5,257	
Increase to Crystal Palace Subway scheme (RRH)	Exec 09/02/22	456					456	
Croydon Road Recreation Ground bandstand restoration (ECS)	Exec 30/03/22	236					236	
North Block solar PV installation (ECS)	Exec 30/03/22	100					100	
Next steps for Crystal Palace park regeneration (RRH)	Exec 29/06/22	0	4,500				4,500	
Basic Needs (CEF)	Exec 06/10/22	4,170	4,308				8,478	
SCA grant (CEF)	Exec 06/10/22	383					383	
SALIX grant (CEF)	Exec 06/10/22	466					466	
DFG (ACH)	Exec 06/10/22	2,443					2,443	
Addition to depots project to cover increased costs (ECS)	Exec 30/11/22	3,000					3,000	
Addition to estimated costs of Project Smith (RCCM)	Exec 30/11/22		20,970				20,970	
Previously approved s106 funding reflected in s106 unallocated budget (CEF)		Cr 2,538					Cr 2,538	
Previously approved s106 funding reflected in Basic Need budget (CEF)		2,538					2,538	
net underspend from 21/22 rephased into current year	Exec 29/06/22	54,356					54,356	
net rephasing between 22/23 and future years - Q1	Exec 29/06/22	Cr 4,482	3,016	1,425	40		0	
net rephasing between 22/23 and future years - Q2	Exec 30/11/22	Cr 134	134	0	0		0	
Approved programme prior to Q3 monitoring		125,491	72,257	14,353	6,072	0	218,174	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive								
Addition to Devolved Formula Capital for energy efficiency grant (CEF)		121					121	
		121	0	0	0	0	121	
(ii) Variations not requiring approval								
Change in budget for Health and Well-Being Centre (RCCM)	Exec 30/11/22	Cr 1,157	Cr 11,537	Cr 1,972	Cr 545		Cr 15,211	
LTA parks tennis renovation fund (ECS)	Exec 30/11/22	231					231	
Non-material adjustment to DFC (CEF)		1					1	
Net rephasing between 22/23 and future years - Q3		Cr 565	565				0	
		Cr 1,490	Cr 10,972	Cr 1,972	Cr 545	0	Cr 14,979	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		Cr 1,369	Cr 10,972	Cr 1,972	Cr 545	0	Cr 14,858	
Add: Proposed new schemes								
Net impact of restructuring of OPR (RCCM)		Cr 3,500	15,067	10,067	17,567	0	39,201	
Leisure centres - group 2 (RRH)		200	950	8,650	8,650	8,650	27,100	
Kelsey Park lake (ECS)			2,000				2,000	
IT infrastructure and digitisation (RCCM)		0	0	2,000	3,000	1,500	6,500	
Sub-total - new schemes		Cr 3,300	18,017	20,717	29,217	10,150	74,801	
TOTAL REVISED CAPITAL PROGRAMME		120,822	79,302	33,098	34,744	10,150	278,117	
Less: Further slippage projection (memorandum - already reported)		Cr 50,000	20,000	20,000	10,000	0	0	
Add: Provision for uncertainty e.g. building costs and changes in estimated disposal income			3,000	4,000	5,000	0	12,000	
Add: Estimate for further new schemes		0	0	0	5,000	15,000	20,000	
TOTAL TO BE FINANCED		70,822	102,302	57,098	54,744	25,150	310,117	

CAPITAL PROGRAMME MONITORING - November 2022 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2022/23	2023/24	2024/25	2025/26	TOTAL	Comments/reason for variation
	£'000	£'000	£'000	£'000	£'000	
Rephasing of schemes						
PCT learning disability reprovion programme - Walpole Road	Cr 160	160			0	UPDATE Q3 - The Department of Health capital was transferred to LBB for uses associated with the reprovion of NHS Learning Disability (LD) Campus clients and the closure of the Bassetts site including the day centre there. The budget has remained unspent due to the impacts of the pandemic and wanting to progress building enhancements in consultation with the recently appointed Astley day care provider. Commissioners and the Housing, Planning & Regeneration team have been in consultation regarding the LD day centre at Astley. The Council's property refurbishment proposals include significant works there to bring the fabric of the building up to standard. It is also intended that this capital will be used to fund building enhancements to improve the future operation of the Astley day centre. It is logical for the building refurbishment works to be undertaken at the same time as the building enhancement works to ensure best use of resources and therefore spend timescales will largely be dependent upon the rollout of the Council's refurbishment programme. Estimated timescales are that the spend would occur during 23/24 following recent (November 22) Executive agreement to property repairs. It is also intended that approximately £94k of the £594k capital sum will be used to enhance the short breaks service at 118 Widmore Road so that the building can better accommodate dual usage as a bed based short breaks service with day activities. All budget should now be rephased into 23/24.
Mental Health Grant	Cr 82	82			0	2223 Q3 UPDATE - This funding is made available to support reform of adult social care services and has been identified for MH housing support. Plans underway with rephasing into 2023/24.
Supporting Independence - Extra Care Housing	Cr 13	13			0	2223 Q3 UPDATE - 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 linking into wider social Care reforms and Transformation savings - budget to be rephased into 23/24 to enable delivery of transformation plans.
Transforming Social care	Cr 10	10			0	2223 Q3 UPDATE - This funding will be used to purchase technology to support the wider social care reforms and Transformation savings - budget to be rephased into 23/24 to enable delivery of transformation plans.
Financial Systems Replacement	Cr 300	300			0	£300k rephased from 22/23 into 23/24 (in addition to Q2 rephasing) - 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 (Enterprise Resource Planning) system, officers awarded a contract through the G-Cloud framework in March 2021 to Namos Solutions to implement the system. The main ERP element went live in April 2022, just 3 weeks later than originally planned, and the Enterprise Performance Management (EPM) element which replaces EBM and FBM was completed in August 2022 with the Financials element rolled out to Finance staff in September.
TOTAL REPHASING ADJUSTMENTS	Cr 565	565	0	0	0	

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - Q3 (EXEC 18/01/23) - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2020-21		2021-22		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Estimate £'000	Actual £'000	Estimate £'000	Actual £'000	Estimate £'000						
Summary financing statement											
Capital grants	11,122	8,394	13,622	9,591	27,116	6,007	1,226	0	0	0	0
Other external contributions	10,314	5,192	4,308	2,960	2,866	2,200	2,200	2,200	2,200	2,200	2,200
Usable capital receipts	1,365	1,103	3,034	3,542	13,942	68,598	37,922	42,498	17,639	3,540	3,540
Internal borrowing	0	0	0	2,440	13,955	0	0	0	0	0	0
Revenue contributions	8,266	5,056	12,679	753	12,943	100	100	100	0	0	0
Borrowing (external)	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	31,067	19,745	33,643	19,286	70,822	76,905	41,448	44,798	19,839	5,740	5,740
Financing required					70,822	102,302	57,098	54,744	25,150		
Financing shortfall (total: £56.305m)					0	25,397	15,650	9,946	5,311		
Usable capital receipts											
Balance brought forward	24,439	24,439	25,263	25,263	28,979	43,762	21,274	5,459 Cr	29,236 Cr	39,386 Cr	34,020
New usable receipts	3,995	1,927	6,750	10,073	28,725	62,010	22,107	8,298	7,489	8,906	0
	28,434	26,366	32,013	35,336	57,704	105,772	43,381	13,757 Cr	21,747 Cr	30,480 Cr	34,020
Capital financing	Cr 1,365	Cr 1,103	Cr 3,034	Cr 3,542	Cr 13,942	Cr 68,598	Cr 37,922	Cr 42,498	Cr 17,639	Cr 3,540	Cr 3,540
Repayment of internal borrowing	0	0	0	0	0	Cr 15,900	0	Cr 495	0	0	0
Balance carried forward	27,069	25,263	28,979	31,794	43,762	21,274	5,459 Cr	29,236 Cr	39,386 Cr	34,020 Cr	37,560
Internal Borrowing											
Balance brought forward	0	0	0	0	0	Cr 13,955	1,945	1,945	2,440	2,440	2,440
Capital financing	0	0	0	0	Cr 13,955	0	0	0	0	0	0
Repaid from new capital receipts	0	0	0	0	0	15,900	0	495	0	0	0
Balance carried forward	0	0	0	0	Cr 13,955	1,945	1,945	2,440	2,440	2,440	2,440
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	47,069	45,263	48,979	51,794	63,762	41,274	25,459 Cr	9,236 Cr	19,386 Cr	14,020 Cr	17,560
Anticipated Capital Financing Requirement (CFR)											
Non housing	Cr 1,000	25,700	14,900	25,700	29,800	20,000					
Housing	0	0	10,000	0	0	10,000					
Total CFR	Cr 1,000	25,700	24,900	25,700	29,800	30,000					
Movement in CFR	Cr 10,600	16,100	Cr 800	0	4,900	200					

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.

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,

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
		<u>84,517</u>
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
		<u>20,316</u>
Total Funding Approved:		<u>104,833</u>
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 01/12/17 (54 Bridge Street, Peterborough)	Cr	3,930
	Cr	<u>82,869</u>
Other Schemes		
Approved by Executive 20th November 2013 (Queens' 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
Approved by Executive 10/02/21 - property acquisition scheme	Cr	6,000
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	<u>15,430</u>
Uncommitted Balance on Investment Fund		6,534

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

Growth Fund:	£'000
Funding:	
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 20th June 2017 (Provisional final accounts 2016/17)	3,311
Approved by Executive 21st May 2018	2,319
Total funding approved	39,154
Schemes Approved and Committed	
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 Employme	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 250
	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
Approved by Executive on 9th February 2021 - Operational Maintenance Programme Manager	Cr 65
Approved by Executive on 6th October 2022 - Local Plan review process	Cr 600
Total further spending approvals	Cr 20,993
Schemes approved, but not yet committed	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
Uncommitted Balance on Growth Fund	11,371

APPENDIX F - FEASIBILITY WORKS

Location	Estimated Feasibility / Viability Cost (£'000)	Description	2223 Q3 status
West Wickham Leisure Centre		HRA/Regen opportunity	Awaiting condition reports
Feasability of re-purposing of High Street assets	100	Works to value Council's stake in 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	

Report No.
FSD22091

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 18 January 2023

Decision Type: Non-Urgent Executive Key

Title: COUNCIL TAX SUPPORT SCHEME 2023/24

Contact Officer: Jayne Carpenter, Revenues and Benefit Manager
Tel: 020 8461 7996 E-mail: Jayne.Carpenter@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

- 1.1 To advise Members of the result of the public consultation exercise and seek approval for the scheme to be put forward to Full Council.
-

2. **RECOMMENDATION(S)**

Members are asked to:

- 2.1 consider the revised Equality Impact Assessment at Appendix 1
- 2.2 consider the responses to the public consultation exercise at Appendix 2 & 3
- 2.3 consider that the Council Tax Support scheme from 2023/24 restricts the calculation of entitlement for working-age claimants to 70% of the households' Council Tax liability
- 2.4 consider introducing a band "D" eligibility restriction from 2023/24
- 2.5 Subject to the outcome of 2.1 to 2.4 above, recommend to the Council that the Council Tax Support scheme from 2023/24 increases the Discretionary Hardship Fund to £225k per annum.

Impact on Vulnerable Adults and Children

1. Summary of Impact: 8525 working age households, 3400 with children and 1448 working-age disabled claimants.
-

Transformation Policy

1. Policy Status: New Policy
 2. Making Bromley Even Better Priority
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Estimated annual cost of a scheme with a 30% liability and band "D" liability restriction is £13.5m
 2. Ongoing costs: Recurring cost
 3. Budget head/performance centre: Benefits and Admin
 4. Total current budget for this head: £3.52m
 5. Source of funding: Council Tax, Business rates. Fees and charges and Government grant funding (not separately identified in the grant notification)
-

Personnel

1. Number of staff (current and additional): 6 plus Liberata staff
 2. If from existing staff resources, number of staff hours: if adopted the additional work will be carried out by the contractor which has been taken into account in the costing provided.
-

Legal

1. Legal Requirement: Statutory Requirement
The Council Tax Reduction\Support Scheme Regulations 2012
The Council Tax Reduction Schemes (Amendment)(England) Regulations 2017
 2. Call-in: Not applicable
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Property

1. Summary of Property Implications: Not applicable
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not applicable
-

Customer Impact

1. Estimated number of users or customers (current and projected): 13,650 (the current number of households in receipt of Council Tax Support at 30 November 2022).
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
 2. Summary of Ward Councillors comments: Not applicable
-

3. COMMENTARY

3.1 Background

The national scheme for providing assistance with Council Tax ceased to exist in 2013 and was replaced by a locally designed scheme for those claimants of working age. Assistance for those of pension age is still based on national rules and regulations.

Since the introduction of Council Tax Support (CTS) in 2013, Bromley has undertaken an annual consultation exercise in which it has sought resident's views as to the scheme to be operated in the following financial year. Prior to the consultation exercise a decision is required as to the scheme that the Authority is recommending for the coming year.

In previous years the scheme was revised by changing the minimum Council Tax contribution required by those claiming CTS, however the current minimum contribution of 25% has remained in place since 2016/17.

CTS is means tested and the only changes made to the scheme since 2016/17 relate to the amounts used to calculate the applicable amounts (basic needs allowance) which is governed by the DWP benefits uprating and the amounts deducted in respect on non-dependants (other adults living in the properties) in line with the national scheme applied to pension age claims.

At the meeting held on the 28 July 2022, the Executive, Resources and Contracts PDS considered all the options available from 2023/24 and supported the Portfolio Holder's recommendation that a public consultation exercise should be undertaken.

Members are asked to note the content of the revised Equality Impact Assessment when considering the recommendations contained in this report. The revised Equality Impact Assessment based on the scheme limiting the maximum support available to 70% and restricting entitlement to band "D" Council Tax liability can be found at Appendix 1.

It should be noted that the scheme needs to be adopted at Full Council by 11 March prior to the financial year it relates to, and that there is no longer a requirement to undertake an annual public consultation if no changes or revisions are proposed.

Consultation

At the meeting held on 28 July 2022, the Executive, Resources and Contracts PDS considered the options available from 2023/24 and supported the Portfolio Holder's recommendation that a public consultation exercise should be undertaken with the Council Tax Support scheme from 2023/24 being based on a working-age maximum liability of 70% with entitlement being restricted to band "D" Council Tax liability (option 6).

The consultation exercise ran for 8 weeks commencing on the 20 September and closing on the 15 November 2022.

The on-line survey was available on the Bromley website for the whole period. In addition to the survey:

- A paper questionnaire was issued to 4000 households (with a covering letter) comprising a mixture both Council Tax Support recipients and non-recipients. This represents double the number of households compared to previous years.

- A leaflet was enclosed with all the Council Tax bills and Housing Benefit\Council Tax Support entitlement letters issued during the period advising of the consultation and the link on our website (31,420 were sent)
- An email was sent to all partner\stakeholder organisation advising that the consultation was taking place
- An email was sent to all MyBromley account holders (over 100,000 registered users) advising that the consultation was taking place and directing them to the website.
- A social media campaign undertaken

The GLA response to the public consultation is attached as Appendix 2.

In total 540 responses were received, of which 502 were from verified responders. 207 (38%) were made via the website and 295 (55%) completed questionnaires. There were also 38 unverified responses.

To summarise the main finds were:

- 92% of the verified respondents agreed that there should be a hardship fund, with 81% agreeing that the fund should be increased to £225k
- 54% of the verified respondents agreed that the level of assistance should be reduced
- 52% of the verified respondents agreed that assistance should be restricted to band “D”

Responses to the questions contained in the consultation exercise are attached as Appendix 3.

The overall response is a significant improvement in comparison to the 154 responses received last year.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

At the 30 November 2022 there were 1448 disabled working age claimants and 3400 working-age households with children affected by the Council Tax Support scheme policy. This excludes pensioner claimants whose entitlement continues to be based on 100% of their Council Tax liability.

The split by Council Tax band is shown below:

Council Tax Band	A	B	C	D	E	F	G	H	Total
Total Number of working-age disabled claims	68	372	550	341	92	20	5	0	1448
Number of working-age claims with children	48	281	1522	1144	305	79	19	2	3400

The impact on vulnerable adults and children is mitigated by income disregards which include:

- disability benefits are completely disregarded as household income
- child benefit and child maintenance are completely disregarded
- allowances are made for child care costs

There is also a Discretionary hardship fund available for those who face exceptional circumstances/hardship. The Discretionary Hardship fund was increased to £200,000 p.a. in recognition of the pandemic.

It is being recommended that the Council Tax Discretionary Hardship fund is increased to £225k per annum from 1 April 2023 to mitigate and assist those face with exceptional circumstances.

Summary of the Equality Impact Assessment (EIA)

The EIA recognises that the requirement of working age households to contribute a minimum of 30% towards their Council Tax liability and the band “D” entitlement restriction disproportionately impacts upon several of the protected characteristic groups. Lone parents (who are predominately women) and the disabled are both over represented in the Council Tax Reduction\Support caseload. Mitigation of the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for these client groups e.g. the disregard of certain income types for the disabled and childcare cost. Further mitigation is supplied by the Discretionary Hardship fund, from which additional assistance can be granted to those facing exceptional circumstances.

The Equality Impact Assessment can be found at Appendix 1

There currently 117 disabled working-age households and 405 households with children directly affected by entitlement being restricted to band “D”.

5. FINANCIAL IMPLICATIONS

- 5.1 The table below shows the projected expenditure of the scheme based on working-age households having their entitlement based on 70% of the Council Tax liability and with a band “D” restriction applied: -

Minimum Working Age CTS liability at 30% and band “D” restriction

	£'000
LBB estimated annual CTS expenditure costs (79.14%)	10,760
GLA estimated costs (20.86%)	2,752
Total estimated annual cost of CTS	13,512

- 5.2 The sums included in the above table are based on the Council Tax levels for 2022/23 and the number of households in receipt of CTS at the 7 May 2022 and represent an estimated saving of £366k.

- 5.3 In addition to the amounts contained in the above table, the report recommends that the Hardship Fund be increased to £225k per annum.

- 5.4 The above proposal reflects the changes to 2023/24 scheme but makes no allowances for the 2023/24 Council Tax levels or the annual welfare benefit increases from April 2023.

Government Announced Additional Council Tax Support

- 5.5 The Government have announced further funding of £365,066 in 2023/24 to be used to provide a £25 reduction for Council Tax Support claimants (working age and elderly making part contribution totals about 10,500 households) which would provide total support of £262,500 leaving a balance of around £102,566 for a discretionary scheme yet to be determined. Further details are awaited.

6. TRANSFORMATION/POLICY IMPLICATIONS

- 6.1 One of the “Making Bromley Even Better” ambitions is to manage our resources well, providing value for money, efficient and effective services for Bromley’s residents. To achieve this, we need to ensure that any scheme adopted represents value for money whilst assisting vulnerable residents.
- 6.2 From 2023/24 the scheme will only be revised to incorporate any changes required by legislative change and/or as result of the annual uprating of welfare benefits. Public consultation will only be undertaken when a fundamental change to the scheme is proposed in future years.

7. LEGAL IMPLICATIONS

Under section 13A (2) of the Local Government Finance Act 1992 each local authority to make its own scheme for those it considered to be in financial need.

Schedule 1A of the 1992 Act and Regulations made pursuant to it sets out the procedural steps required to make a revised scheme. For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. Where changes are made there is a statutory obligation to publish a draft scheme and to consult with such persons as we deem to have an interest. This will include both individuals who receive benefit and those who do not. Any new scheme must be adopted by 11 March in the financial year preceding that in which it is to apply (previously 31 January and amended the Council Tax Reduction Schemes (Amendment)(England) Regulations 2017).

Members must have regard to the consultation exercise, but they are not obliged to follow the majority view. However, introducing new proposals or disregarding consultation views which point to strong preference without clear reasoning will create risk of challenge. Members also have to consider the impact of the scheme and any changes on individuals with protected characteristics in line with the public sector duty and Equality Impact assessment which identifies appropriate mitigation measures which is appended to this report.

8. CUSTOMER IMPACT

- 8.1 The Council Tax Support scheme current impacts on 8525 working-age households.

Non-Applicable Headings:	Personnel, Procurement, Property, Carbon Reduction/ Social Value and Ward Councillors views
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Background Documents: (Access via Contact Officer)	FSD22060 – Council Tax Support/Reduction scheme 2023/24
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Equality Impact Assessment for Council Tax

Support

London Borough of Bromley

Part 1: Description of policy change and its relevance to equality

Category of trigger for Impact Assessment: Re-adoption of existing policy

Background

Council Tax Benefit (CTB) was abolished on the 01 April 2013. The Local Government Act replaced CTB for working age claimants with a scheme to be designed by the local authority – Council Tax Support (CTS). Funding was no longer demand led, but based on an estimate of Borough caseloads, with an initial overall budget 10% lower than that of CTB. Residents meeting the state pension credit age being eligible for a separate national scheme to "leave them no worse off than they are now".

Reason for review

Bromley adopted a 2 year scheme in January 2013 for the financial years 2013/14 and 2014/15. The scheme was based on a minimum liability of 8.5% for 2013/14 and 19% for 2014/15. This scheme was retained for 2015/16 before revision to a 25% minimum contribution for 2016/17. It remained at this level for 2017/18, 2018/19, 2019/20, 2020/21, 2021/22, 2022/23 and from 2023/24 it is proposed that the minimum contribution increases to 30% and limited to the maximum liability of a Band D property.

CTS is a local scheme to assist those who are on a low income to meet their Council Tax liability. Individuals apply for CTS and if their income is below a certain level, which takes account of their circumstances, they are eligible for a reduction on their Council Tax bill.

The "generosity" of the scheme has a direct impact on the Authority's finances. Therefore, the cost of the scheme will influence service provision in other areas, reserves and/or the Council Tax level.

Consultation on the scheme for 2023/24

Views on the proposed scheme will be sought from the Greater London Authority and a sample of Bromley households. Those households include current CTS claimants as well as those meeting their Council Tax liability from their own means.

Part 2: Collection of Evidence — what do we know?

Description of data used

In order to assess the impact of this policy change, Bromley has used information from a variety of different sources including:

- Data collected from records from the Council Tax and Housing Benefit systems;
- Census 2011 data;
- Bromley's Budget Strategy & other financial information about the service
- Office for National Statistics (NOMIS)
- Bromley Joint Strategic Needs Assessment 2017

Financial Information and Impact

The impact of this proposed scheme will affect all working-age claimants from the 1/4/23. For the financial year 2023/24 it is proposed that the maximum amount of assistance available to working-age claimants under the CTS scheme will be 70%. Calculations have been supplied based on a minimum liability of 30% using the current years (22/23) Council Tax levels.

Table 1 - Financial Impact of Introduction of Local Scheme

	2022/23 Liability	2022/23 Maximum assistance Pensionable Age	2022/23 Maximum assistance under proposed CTS (30%) + Band D restriction	2022/23 Minimum weekly amount to pay (30%) + Band D restriction
Band A - Full Charge	£1,157.82	£1,157.82	£810.47	£6.66
Band A - with 25% discount	£868.37	£868.37	£607.86	£5.00
Band B - Full Charge	£ 1,350.78	£1,350.78	£945.55	£7.77

Band B - with 25% discount	£1013.09	£1013.09	£709.16	£5.83
Band C -Full Charge	£ 1543.76	£1,1543.76	£1,127.68	£8.88
Band C - with 25% discount	£1,157.82	£1157.82	£845.76	£6.66
Band D - Full Charge	£ 1736.72	£1,736.72	£1,215.70	£9.99
Band D - with 25% discount	£1,302.54	£1,302.54	£911.78	£7.49
Band E - Full Charge	£ 2,122.66	£2,122.66	£1,215.70	£17.39
Band E - with 25% discount	£1,592.00	£1,592.00	£911.78	£13.05
Band F- Full Charge	£2,508.59	£2,508.59	£1,215.70	£24.80
Band F - with 25% discount	£1,881.44	£1,881.44	£911.78	£18.60
Band G - Full Charge	£2894.54	£2,894.54	£1,215.70	£32.20
Band G - with 25% discount	£2,170.91	£2,170.91	£911.78	£24.15
Band H - Full Charge	£3,473.44	£3,473.44	£1,215.70	£43.30
Band H - with 25% discount	£2,605.08	£2,605.08	£911.78	£32.47

Breakdown of current claimants

In order to understand how the proposed changes will impact on different protected groups Bromley has examined data, where available, based on the benefit caseload on 30 October 2022. Data is available on the following: age, gender and disability which are noted in Table 2. There is very limited data available on the ethnic breakdown of current claimants as the appropriate section is seldom completed on the application form.

Table 2 - Breakdown of Current claimants Council Tax Support

Type	Total	Female	Male	Disabled	Disabled female	Disabled male	DLA/PIP Income
Working age - Passported (equalisation definition)							
Single no child dependant	2162	1148	978	725	392	333	1460
Single with child dependant	777	753	24	103	99	4	474
Couple no child dependant	208	N/A	N/A	58	N/A	N/A	177
Couple with child dependant	160	N/A	N/A	33	N/A	N/A	134
Working age - Non Passported							
Single no child dependant	2244	1278	966	344	194	150	685
Single with child dependant	2315	2211	104	101	95	6	538
Couple no child dependant	511	N/A	N/A	79	N/A	N/A	228
Couple with child dependant	148	N/A	N/A	5	N/A	N/A	45
Total Working age	8525	5881	2644	1448	855	593	3741
Pensioner- Passported	3222	2128	1094	1044	719	325	635
Pensioner- Non Passported	1903	1069	834	405	241	164	313
Total Pensioner	5125	3197	1928	1449	960	489	948
Overall Total	13650	9078	4572	2897	1815	1082	4689

The table below provides some additional evidence by protected characteristic that has been used to complete this EIA.

Protected Characteristic	Evidence																																																												
Age	<p>Please see table 2 for detailed breakdown</p> <p>8525 (62.45%) of current claimants are under Pension Credit age and will be affected by the Authority's Council Tax Support policy. <i>Data based on October 2021 caseload. Caseload numbers may fluctuate on a daily basis.</i></p> <p>The data demonstrates that 3092 (36.27%) of current working-age claimants are single parent families with child dependents</p>																																																												
Disability	<p style="text-align: center;">Bromley's population</p> <p>The following table shows the number and percentage of residents aged 16-64 who were deemed economic inactive during the period June 2021 to June 2022. You will note that the percentage of economic inactivity in Bromley is lower; however, a higher proportion is a result of long-term sickness.</p> <p style="text-align: center;">Economic inactivity (June2021- June2022)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Bromley (level)</th> <th style="text-align: center;">Bromley (%)</th> <th style="text-align: center;">London (%)</th> <th style="text-align: center;">Great Britain (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5" style="text-align: center;">All people</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">26,500</td> <td style="text-align: center;">12.6</td> <td style="text-align: center;">20.3</td> <td style="text-align: center;">21.4</td> </tr> <tr> <td style="text-align: right;">Student</td> <td style="text-align: center;">6,800</td> <td style="text-align: center;">25.6</td> <td style="text-align: center;">34.2</td> <td style="text-align: center;">27.1</td> </tr> <tr> <td style="text-align: right;">looking after family/home</td> <td style="text-align: center;">#</td> <td style="text-align: center;">#</td> <td style="text-align: center;">23.6</td> <td style="text-align: center;">19.7</td> </tr> <tr> <td style="text-align: right;">temporary sick</td> <td style="text-align: center;">!</td> <td style="text-align: center;">!</td> <td style="text-align: center;">1.7</td> <td style="text-align: center;">2.2</td> </tr> <tr> <td style="text-align: right;">long-term sick</td> <td style="text-align: center;">#</td> <td style="text-align: center;">#</td> <td style="text-align: center;">19.8</td> <td style="text-align: center;">25.4</td> </tr> <tr> <td style="text-align: right;">discouraged</td> <td style="text-align: center;">!</td> <td style="text-align: center;">!</td> <td style="text-align: center;">#</td> <td style="text-align: center;">0.2</td> </tr> <tr> <td style="text-align: right;">retired</td> <td style="text-align: center;">6,900</td> <td style="text-align: center;">25.9</td> <td style="text-align: center;">6.7</td> <td style="text-align: center;">13.7</td> </tr> <tr> <td style="text-align: right;">other</td> <td style="text-align: center;">#</td> <td style="text-align: center;">#</td> <td style="text-align: center;">13.8</td> <td style="text-align: center;">11.6</td> </tr> <tr> <td style="text-align: right;">wants a job</td> <td style="text-align: center;">#</td> <td style="text-align: center;">#</td> <td style="text-align: center;">18.8</td> <td style="text-align: center;">18.5</td> </tr> <tr> <td style="text-align: right;">does not want a job</td> <td style="text-align: center;">21,700</td> <td style="text-align: center;">81.6</td> <td style="text-align: center;">81.2</td> <td style="text-align: center;">81.5</td> </tr> </tbody> </table> <p>Source: ONS annual population survey # Sample size too small for reliable estimate ! Estimate is not available since sample size is disclosive</p> <p>Notes: numbers are for those aged 16-64. % is a proportion of those economically inactive, except total, which is a proportion of those aged 16 -- 64</p> <p style="text-align: center;">Breakdown of current working age claimants</p> <p>Please see table 2 for detailed breakdown of information on our current claimants</p> <ul style="list-style-type: none"> • 1448 (16.99%) of current claimants below pension credit age have declared a disability • 3741 (43.88%) are receiving DLA/PIP 		Bromley (level)	Bromley (%)	London (%)	Great Britain (%)	All people					Total	26,500	12.6	20.3	21.4	Student	6,800	25.6	34.2	27.1	looking after family/home	#	#	23.6	19.7	temporary sick	!	!	1.7	2.2	long-term sick	#	#	19.8	25.4	discouraged	!	!	#	0.2	retired	6,900	25.9	6.7	13.7	other	#	#	13.8	11.6	wants a job	#	#	18.8	18.5	does not want a job	21,700	81.6	81.2	81.5
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Working Age Caseload by Band

Row Labels	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Couple no children	14	74	259	226	101	31	14	0	719
Couple with children	6	9	112	127	42	9	3	0	308
Single no children	252	1356	1627	886	217	54	14	0	4406
Single with children	42	272	1410	1017	263	70	16	2	3092
Grand Total	314	1711	3408	2256	623	164	47	2	8525

Working Age Disability by Band

DLA/PIP on Claim								
	Band							Total
	A	B	C	D	E	F	G	Total
Couple no children Total	6	39	147	143	57	10	3	405
Couple with children Total	2	5	62	84	20	3	3	179
Single no children Total	106	697	803	428	89	17	5	2145
Single with children Total	26	53	451	367	89	20	6	1012
Total	140	794	1463	1022	255	50	17	3741

Disabled Indicator on claim								
	Band							Total
	A	B	C	D	E	F	G	Total
Couple no children Total	3	16	50	45	18	3	2	137
Couple with children Total	1	2	13	17	5	0	0	38
Single no children Total	60	344	398	205	49	10	3	1069
Single with children Total	4	10	89	74	20	7	0	204
Total	68	372	550	341	92	20	5	1448

Sex	<p style="text-align: center;">Bromley population</p> <p>According to nomis official labour market stats Bromley's population (2020) is 51.83% female and 48.14% male</p> <p style="text-align: center;">Breakdown of current claimants</p> <p>Please see table 2 for detailed breakdown of information on our current claimants</p> <p style="text-align: center;">68.99% of current claimants under pensionable age are female (includes those classed as in a couple)</p> <p>Indicates that women are over- represented amongst our CTS claimants</p>
Gender reassignment	The Council does not anticipate this policy will have a particular equality impact on this protected group.
Pregnancy & Maternity	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Race	<p style="text-align: center;">Bromley population - Current claimants</p> <p>As advised earlier, there is very limited data available on the ethnic breakdown of the current claimants as only a few complete the non-mandatory section of the form.</p> <p style="text-align: center;">Borough wide information</p> <p>The 2017 GLA population projection estimates show that 19% of its population is made up of black and minority (BME) groups. This percentage does not include Gypsy Travellers, Bromley has a large settled Gypsy Traveller community living in “brick and mortar” concentrated chiefly in the Crays.</p>
Religion & Belief	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Civil Partnerships & Marriage	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Sexual Orientation	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.

Part 3 - Analyse of evidence and description of the impact

Characteristic	Actual or likely impacts (negative/positive/no impact) and justification	Actions to be taken to mitigate potential negative impacts (include name of lead and estimated date of completion)
Age	<p>Neutral impact for pension age claimants as the Government has stipulated this group must have their claims assessed as they are now.</p> <p>Given the large number of CTS claimants that are single parent families with dependent children increases in the minimum contribution would have a negative impact on levels of child poverty. It is not possible to evaluate the scale of this impact.</p>	<p>It is proposed a hardship fund be retained for those faced with exceptional circumstances. It is further planned to retain all aspects of the current CTS scheme that provides assistance by way of disregards of income and increased allowances.</p> <p>The Council will monitor the impact on this Client group through monitoring of communications, complaints, appeals, request for discretionary awards</p> <p>Responsible Officer(s) Welfare Reform Manager & Revenues & Benefits Manager — Monitoring to be ongoing</p>
Disability	<p>Any increased level of 'contribution' will have a negative impact on current and future disabled CTS claimants as working age claimants would have to pay more towards their council tax bill.</p>	<p>The proposed Council Tax Support scheme allows for the complete disregard of certain income types such as Disability Living Allowance/PIP and the award of Disability premiums in the benefit calculation. These will be retained to mitigate the impact on those who are disabled. The planned continuation of the hardship scheme for those faced with exceptional circumstances will further alleviate any impact on the disabled.</p> <p>Responsible Officer(s) Welfare Reform Manager & Revenues & Benefits Manager — Monitoring to be ongoing</p>

<p>Sex</p>	<p>Females are disproportionately represented amongst current CTS claimants.</p> <p>Any reduction in the level of assistance given would have a negative impact on current and future working age CTS claimants (regardless of gender) as claimants would have to contribute more towards their council tax bill then they have had previously.</p> <p>Although any change in the scheme would be applied universally (i.e. men and women would face the same reduction in CTS) our evidence makes clear that a greater proportion of current CTS claimants are women and therefore as a protected group women would feel the impact of any change in greater numbers.</p>	<p>Monitoring of the impact on women who claim Council Tax Support will continue. In order to mitigate impact it is proposed that the scheme retains the income disregards and allowances that are predominately received by females for example allowances in respect of child care costs. The planned continuation of the hardship scheme will provide a further safeguard for those faced with exceptional circumstances.</p> <p>Responsible Officer(s) Revenues & Benefits Manager — Monitoring to be ongoing</p>
<p>Gender reassignment</p>	<p>No specific impact identified other than all claimants will have to contribute more towards their council tax bill</p>	
<p>Pregnancy & Maternity</p>	<p>No specific impact identified other than all claimants will have to contribute more towards their council tax bill</p>	
<p>Race</p>	<p>Any reduction in the level of assistance provided would have a negative impact on current and future CTS claimants (regardless of race) as some claimants will have to contribute more towards their council tax bill then they have had previously.</p> <p>There is very limited evidence available to quantify if there will be a differential impact on the different ethnicities.</p>	<p>In order to mitigate any adverse impact is proposed that a hardship fund is retained for those faced with exceptional circumstances.</p> <p>Responsible Officer(s) Revenues & Benefits Manager — Monitoring to be ongoing.</p>

	There is evidence to indicate that BME communities are more likely to be unemployed or in lower paid employment and, therefore, possibly more reliant on CTS. However, there is insufficient evidence on current claimants to demonstrate this is in fact the case in Bromley.	
Religion & Belief	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	
Civil Partnerships & Marriage	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	
Sexual Orientation	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	

Part 5 — Completion and authorisation

Officer completing assessment	Jayne Carpenter, Revenues & Benefits Manager
EIA completed	7/12/22
Officer responsible for monitoring impact	Jayne Carpenter
Date EIA is scheduled to be reviewed	November 2023

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Kamal Chunchie Way
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E16 1ZE
Web: www.london.gov.uk
Email: GLABudget@london.gov.uk

Our ref: BromleyCTS2324

Your ref:

Date: 15 November 2022

Jayne Carpenter
Revenues and Benefits Manager
Chief Executive's Department
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Dear Jayne

LONDON BOROUGH OF BROMLEY: COUNCIL TAX SUPPORT SCHEME FOR 2023-24

Thank you for your email and letter dated 30 September informing the GLA about the Council's formal consultation on its proposed local council tax support (CTS) scheme for 2023-24. This letter sets out the GLA's formal response to the consultation.

Introduction

The GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 are a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding, the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and

- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Proposed Options for 2023-24 Scheme

The London Borough of Bromley is proposing to increase the minimum contribution paid by working age recipients from 25% to 30% from 1 April 2023. It is also proposed that a Band D restriction will apply for working-age residents. This means that residents in Bands E-H will have their maximum award calculated as if they were occupying a Band D property.

It is also noted from the consultation documents that the council proposes to increase the Council Tax Support discretionary hardship fund to £225,000, to directly help those who most need assistance with paying their Council Tax.

The council is also proposing to continue to uprate benefit levels in line with those entered in Housing Benefit calculations and seeking to align aspects of the scheme to changes recently made to the Housing Benefit rules.

Financial Implications of the Proposed 2022-23 Scheme

The GLA recognises that local authorities face difficult choices on CTS schemes, as overall funding from central government has not been increased/revised to take into account additional claimant numbers since 2013-14 and funding for CTS is no longer identifiable within the settlement.

The consultation documents identify that the proposed increase in minimum contribution paid by working age CTS claimants, and the Band D restriction, would save an estimated £366,000 per annum. We also note the proposed £25,000 increase in the council's council tax hardship fund to £225,000 which will be applied to mitigate the impact of the proposed changes.

GLA Overall Response to Proposals

The GLA recognises that the design of the final scheme is ultimately a matter for the council to determine. The GLA therefore does not raise any specific objections to the broad approach proposed by the council. If it decides to proceed with its proposals we would, however, encourage the council to monitor the impact of the changes on vulnerable low income households given the current cost of living crisis including for example on families with children living in larger properties in Bands E to H. We do recognise, and welcome, however, the Council's intention to increase its discretionary hardship fund to assist in the transition.

Technical Reforms to Council Tax

The GLA considers that in formulating its council tax support scheme each billing authority should consider the impact of the additional revenue it may be possible to raise through powers introduced in the Local Government Finance Act 2012 and the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

The GLA understands that Bromley no longer provides any discounts for properties undergoing major repairs (former class A), unoccupied and substantially unfurnished (former class C) or second homes. The Council also decided to increase the empty homes premium up to the maximum thresholds currently allowed by the 2018 Act.

We would encourage the Council to inform us as soon as possible if any changes are proposed to its discount and premium policies, in order to assist us in assessing the potential impact on the Mayor's funding and tax base for 2023-24 and future years.

Providing Information on Schemes

Whilst we recognise that the detailed rules on council tax support schemes are inevitably complex, the GLA would encourage all boroughs to make every effort to set out information on their schemes as clearly as possible. Information that may help potential claimants could include an online calculator, to identify whether potential claimants are likely to be entitled to support, as well as 'Frequently Asked Questions' and a summary document outlining concise details of the scheme. In addition, for existing claimants, we would encourage boroughs to consider how the process for reporting changes in circumstances can be made as straightforward as possible.

We would encourage the Council to take a proactive approach to informing those council tax support claimants facing difficulties paying council tax bills about the help available, particularly in light of the current cost of living difficulties Londoners are faced with.

Setting the Council Tax Base for 2023-24 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2023-24 taking into account the potential impact of the discounts the Council may introduce in respect of council tax support and any potential changes the Council may implement regarding the changes to the treatment of second and empty homes.

The Council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by any changes to council tax support, taking into account the experience over the last ten years of the council tax support arrangements.

The GLA would encourage the council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval, in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2023-24. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.

Estimated Collection Fund Surplus or Deficit for 2022-23

By 23 January 2023, the council is required to notify the GLA of its forecast collection fund surplus or deficit for 2022-23, which will reflect the cumulative impact of the localisation of council tax support since it was introduced in 2013-14. The GLA would encourage the council to provide it with this information as soon as it is calculated on 15 January in line with the requirements of the 1992 regulation.

I would like to thank you again for consulting the GLA on your proposed council tax support scheme for 2023-24.

Yours sincerely



Martin Mitchell
GLA Group Finance

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London Borough of Bromley
Council Tax Reduction – Consultation Report

22nd December 2022

1. Details of Recommendations

The council is asked to agree the following:

- 1.1 To note the proposed Council Tax Reduction Scheme for Bromley residents is to come into effect from 1st April 2023.
- 1.2 To note the outcome of the consultation exercise undertaken with regard to the proposed scheme.
- 1.3 To note the findings on equalities and other impacts arising from the proposed Scheme.
- 1.4 To approve the local Council Tax Reduction Scheme for Bromley at Full Council 27th February 2023. A consultation exercise was undertaken to seek resident's views as to whether to grant Council Tax Reduction for working-age claimants at a maximum of 70% of Council Tax liability, also whether the maximum council tax band to be used in the calculations should be restricted to Band D.

2. Report Summary

The Welfare Reform Act 2012 abolished the previous system of Council Tax Benefit with effect from 31st March 2013. Its replacement, Localised Support for Council Tax, was introduced from 1st April 2013 through Council Tax Reduction.

Bromley formally approved a scheme limiting increases to 8.5% of Council Tax liability for 2013/14, rising to 19% in 2014/15 and 25% for 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22.

This report is to approve the new scheme, this will be required to be formally approved at full council on 27th February 2023 for the next financial year commencing 1st April 2023.

The proposal is to amend the scheme rules from the financial year 2023/24 onwards, to restrict the grant of a Council Tax Reduction under the scheme to a maximum of 70% of Council Tax liability and to restrict the highest band used for the purposes of the calculation of the award to a maximum of Band D.

This reports sets out:

The background to the design of a local scheme of Council Tax Reduction for 2023/24 for the London Borough of Bromley and details of the interaction with legislation and guidance supplied by the Department for Levelling Up, Housing and Communities (DLUHC).

Details the proposed scheme of Council Tax Reduction for Bromley, recognising that the matter is one which will need to be approved by full Council.

Details of the consultation exercise undertaken on the proposed Council Tax Reduction Scheme during a period from 20 September 2022 until 15 November 2022.

The financial implications of the proposed scheme for Council Tax Reduction for the residents of Bromley and risks associated with the design of a local scheme.

3. Reason for Decision and Options Considered

The Welfare Reform Act 2012 abolished the existing system of Council Tax Benefit with effect from 31st March 2013. Its replacement, Localised Support for Council Tax was introduced from 1st April 2013 and was contained within the Local Government Finance Act which received Royal Assent on 31st October 2012

There are a number of key differences between the two schemes of assistance with Council tax liabilities. These include the fact that responsibility has changed from the Department of Work and Pensions (DWP) to the DLUHC.

In addition the funding regime changed from being demand-led Annual Managed Expenditure (AME).

While Bromley was able to design its own scheme to support working age applicants, the Government desire to protect those of state pension credit age resulted in centrally provided legislation covering those in this group.

These Prescribed Regulations introduced a Statutory Scheme, similar to the previous Council Tax Benefit scheme, for those of pensionable age and also maintains previous provisions with regard to limiting entitlement to those classed as Persons from Abroad and deals with minor administrative issues. These provisions are replicated for 2023/24 subject to any legislative amendments that may be imposed by Central Government.

Once a local Council Tax Reduction scheme has been made by the Council, it cannot be revised for at least one financial year. A Billing Authority must however *consider* whether to revise or replace its scheme with another one on an annual basis.

Any revision to a scheme must be made by the Council by the 11th March 2023 immediately preceding the financial year in which it is to take effect and will require consultation arrangements to be applied. Additionally, consideration must be given to providing transitional protection where the support is to be reduced or removed.

3. Key Implications

The proposed Council Tax Reduction scheme for Bromley for 2023/24 has been established with due regard to the Council's statutory obligations, consultation responses and in order to attempt to distribute the reduced funding available amongst those claimants most in need of financial assistance, while still achieving the necessary financial savings to meet the funding deficit.

Bromley again proposes to follow the DLUHC Prescribed Scheme for those who have reached pensionable age, ensuring that they are protected from the effects of the funding reduction and continue to receive assistance with their Council Tax liability as now.

It is intended that the working age scheme will continue to be based on the rules introduced for 2013/14. This largely mirrored the previous Council Tax Benefit scheme with the exception of protecting the level of support relevant classes of individual's receive. This adjustment was required in order to pass on the reduction in funding received.

The outline principles for the Bromley working age Council Tax Reduction (CTR) scheme for 2023/24 are:

- All working age customers will have to make some payment towards their council tax as the maximum help under the Council Tax Reduction scheme available for residents of London Borough of Bromley will be limited to 70% of the charge.
- The scheme will be reviewed annually.
- Non-dependant deductions will be aligned with any increase supplied by DLUHC in the Prescribed Requirement Regulations updates and will be in line with the pensioner claims.
- Applicable amounts will be up-rated or frozen in line with Housing Benefits for working age claimants.
- Maximum band for calculating CTR will be a band D.

The scheme will also be adapted to meet any further legislative requirements imposed by DLUHC and consideration will be given as to how to determine income from benefits established under the Welfare Reform Act 2012.

Other requirements

A number of other scheme principles introduced in 2013/14 will be carried forward to 2023/24;

- New customers will be required to complete an application form for all new claims from 1 April 2023, existing awards under the 2022/23 scheme will continue in payment, where entitlement remains.
- The scheme allows for a review period. The period will be agreed and failure by the customer to provide details requested may mean their entitlement to CTR is ended.

- Any award or adjustment will be confirmed in the council tax bill but the bill itself will not be formal notification and a separate notification of entitlement will be supplied.
- Where awarded the notification letter will also:
 - a) inform the applicant that there is a duty to notify the authority of the relevant change in circumstances
 - b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - c) set out the circumstances in which a change of circumstances might affect entitlement
- Any “overpayments” of CTR will be reclaimed by recovery through the council tax billing process
- Where an applicant is aggrieved about a decision regarding entitlement they may appeal under Section 16 of the Local Government Finance Act 1992.
- A person may only appeal to the Valuation Tribunal where:
 - a) They are notified in writing by the authority that it believes the grievance is not well founded, but they are still aggrieved;
 - b) They are notified in writing that steps have been taken to deal with the grievance, but they are still aggrieved; or
 - c) The period of two months, beginning with the date of service of their notice being ended, has elapsed and they have not received notification under paragraph a) or b) above.

Level of Entitlement

Bromley made a decision, for the 2022/23 scheme, to pass on a maximum of 25% of the cost (resulting in a maximum entitlement, for working age claimants, of 75% of their liability).

The proposal for 2023/24 is to reduce this level of support and limit working age recipients to 70% of their council tax liability.

Also to restrict the highest band used in the calculation of CTR to a maximum of Band D.

4. Financial Details

Financial Impact On The Budget (Mandatory)

Costs of 2023/24 Scheme

Specific central government grant levels for Council Tax Reduction now form part of the overall Revenue Support Grant and are not therefore distinguishable.

5. Equalities, Human Rights and Community Cohesion

Equality Impact Assessment

The Council has to give due regard to its Equalities Duties, in particular with respect to general duties arising pursuant to the Equality Act 2010, section 149. Having due regard to the need to advance equality involves, in particular, to the need to remove or minimize disadvantages suffered by persons who share a relevant characteristic that are connected to that characteristic.

The Council's tax system is programmed to identify all Council Tax Reduction accounts. The Council keeps under review the impact of the revised Council Tax Reduction Scheme and has found no evidence to indicate that any equalities protected groups have been disproportionately affected by the operation of the scheme.

Specific regard has also been paid to the guidance provided by DLUHC which will also provide mitigation to minimise disadvantage to those most likely to experience disadvantage.

The previous Equalities Analysis has been updated to reflect the options proposed in the consultation exercise. This can be found as enclosure 1 to the Executive Report entitled "Council Tax Support/Reduction scheme 2023/24". For information, the document is on the Council's website via the URL link below:

www.bromley.gov.uk/CouncilTaxSupport

Incentivising Work

It is again intended that Bromley will incentivise work by continuing the disregards of weekly income currently offered which are dependent upon the applicant's status:

- Lone parent £25 per week
- Disabled individual or carer £20 per week
- Single person £5 per week and Couple £10 per week

Where the applicant pays child care costs in order to achieve employment an additional weekly disregard of up to £175 (for 1 child) or £300 (for 2 or more children) from earnings will apply subject to the circumstances of the applicant and age of the child.

Where the applicant works in excess of 30 hours per week a further disregard of at least £17.10 will apply.

Customers who have been out of work, and receiving an appropriate benefit for 26 weeks, will receive an Extended Payment of Council Tax Reduction, at the same rate as they received when out of work, for the first 4 weeks of their new employment.

Child Poverty

It is intended that Child Benefit and Guardian's Allowance will be disregarded as income types during the means tested assessment of Council Tax Reduction.

Access to relevant dependants allowances and family premiums within the applicable amount calculation will continue where applicants have responsibility for children and have been continuously in receipt of CTR since prior to 1st April 2016.

Armed Forces

Income derived from war widow's/widower's pensions, war disablement pensions or Guaranteed Income Payments from the Armed Forces/Reserve Forces Compensation Fund will be fully disregarded during the means tested assessment of Council Tax Reduction, whether for working or pensionable age applicants.

Disabled Applicants

Income derived from Disability Living Allowance or its replacement (Personal Independence Payments) and Attendance Allowance will be fully disregarded but receipt of such benefits will allow access to premiums within the applicable amount calculation.

There will be no non-dependant deduction taken as a result of the claimant or partner receiving Disability Living Allowance (care component), Attendance Allowance, the daily living component of PIP or where the claimant or partner is registered blind.

6. Consultation

A public consultation exercise was undertaken for the 2023/24 Council Tax Reduction Scheme during a period from 20 September 2022 until 15 November 2022.

The survey was available through a variety of channels:

- A link was available on the Bromley website
- A paper copy was issued to 4,000 households comprising of a mix of CTR recipients and non CTR recipients (2000 households not in receipt of CTR, 1334 recipients of working age and 666 recipients of pensionable age in line with current caseload ratio)
- A paper flyer enclosed with all Council Tax Bills and Housing Benefits letters issued during this period advising of the link on the website. This was issued to 31,420 residents.

In total there were 540 responses received. Of these 502 were from verified responders, 207 (38%) being via the website and the majority 295 (55%) received by post. There were also another 38 (7%) unverified forms received via the website where it was impossible to ascertain if the person completing the survey was actually a Bromley resident.

Supplementary questions were asked, for monitoring purposes, to determine whether respondents were currently in receipt of Council Tax Reduction or were completing the consultation on behalf of a representative body.

Of those who chose to respond to these questions, 64% stated that they were not currently in receipt of CTR.

The consultation exercise was based on 6 simple questions to residents of the Borough, 4 of which required specific responses with the remaining 2 being less direct and allowing a degree of free text response.

Of those that were specific, they sought responses in respect of:

- Q1: a. Do you agree that there should be a hardship fund?
b. Do you agree with increasing the hardship fund to £225,000?**
- Q2: a. Do you agree with setting assistance level at 70%?
b. If NO do you think Council Tax Support claimants should; Pay more Council Tax and receive less support?
c. Pay less Council Tax and receive more support?
d. Continue with current support of 75%**
- Q3: Please confirm whether you:
a. Agree with limiting assistance to the maximum of a Band D liability
b. If NO do you think Council Tax Support claimants should; Pay more council tax and receive less support
c. Pay less council tax and receive more support**
- Q4: If you think that the Council should increase the level of Council Tax Support for working-age people, how do you think this should be funded?
a. Increase Council Tax
b. Cut Services
c. Spend Council Reserves
d. All of the above**

Standard Equality and Diversity questions were also asked but it was made clear that providing this information was voluntary.

To summarise the main finds were:

- **92% of the verified respondents agreed that there should be a hardship fund, with 81% agreeing that the fund should be increased to £225k**
- **54% of the verified respondents agreed that the level of assistance should be reduced**
- **52% of the verified respondents agreed that the level of assistance should be restricted to band “D”**

7. Detailed Outcomes.

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

Question 1.

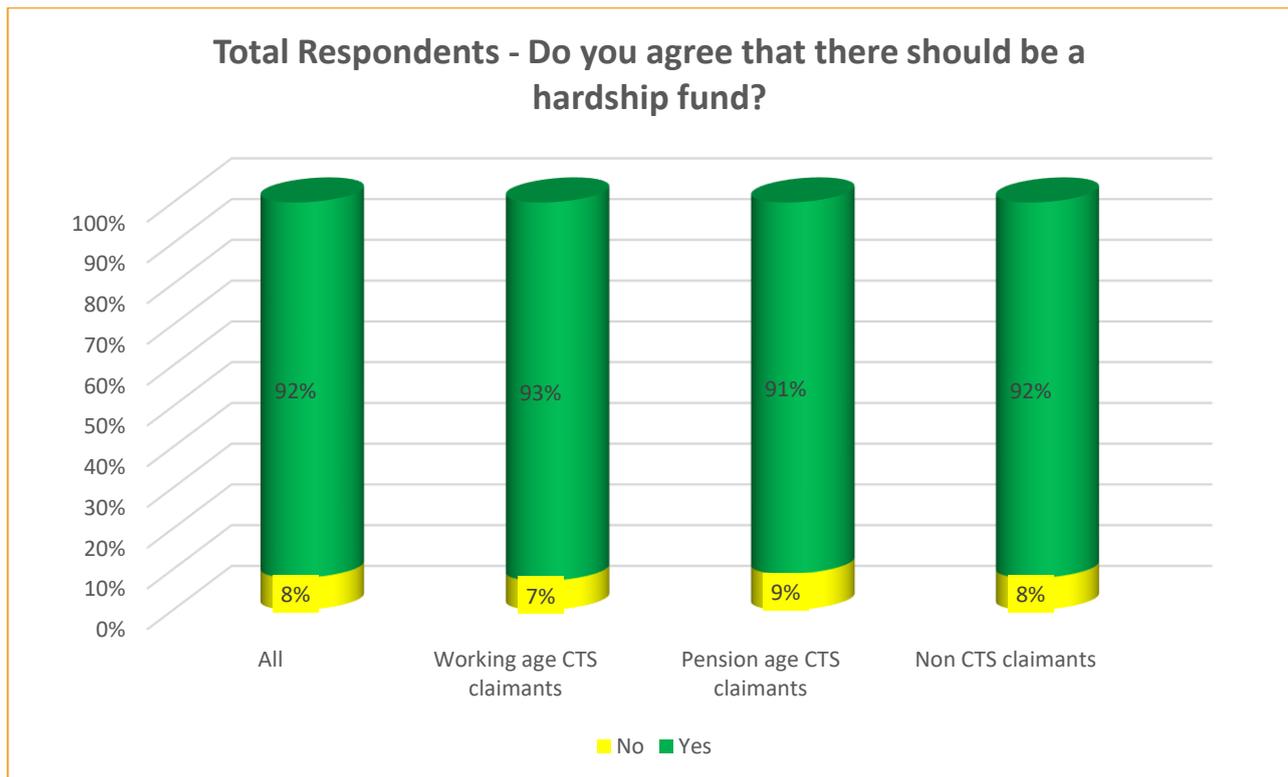
Q1 The Council has a hardship fund of £200,000, all of which will be fully utilised in 2022/23 to protect the most vulnerable. This is used to provide extra help to residents who are experiencing exceptional financial hardship and are unable to contribute to their Council Tax.

It is proposed that this fund will be increased to £225,000 from 2023/24.

	Yes	No
a. Do you agree that there should be a hardship fund?	<input type="checkbox"/>	<input type="checkbox"/>
b. Do you agree with increasing the hardship fund to £225,000?	<input type="checkbox"/>	<input type="checkbox"/>

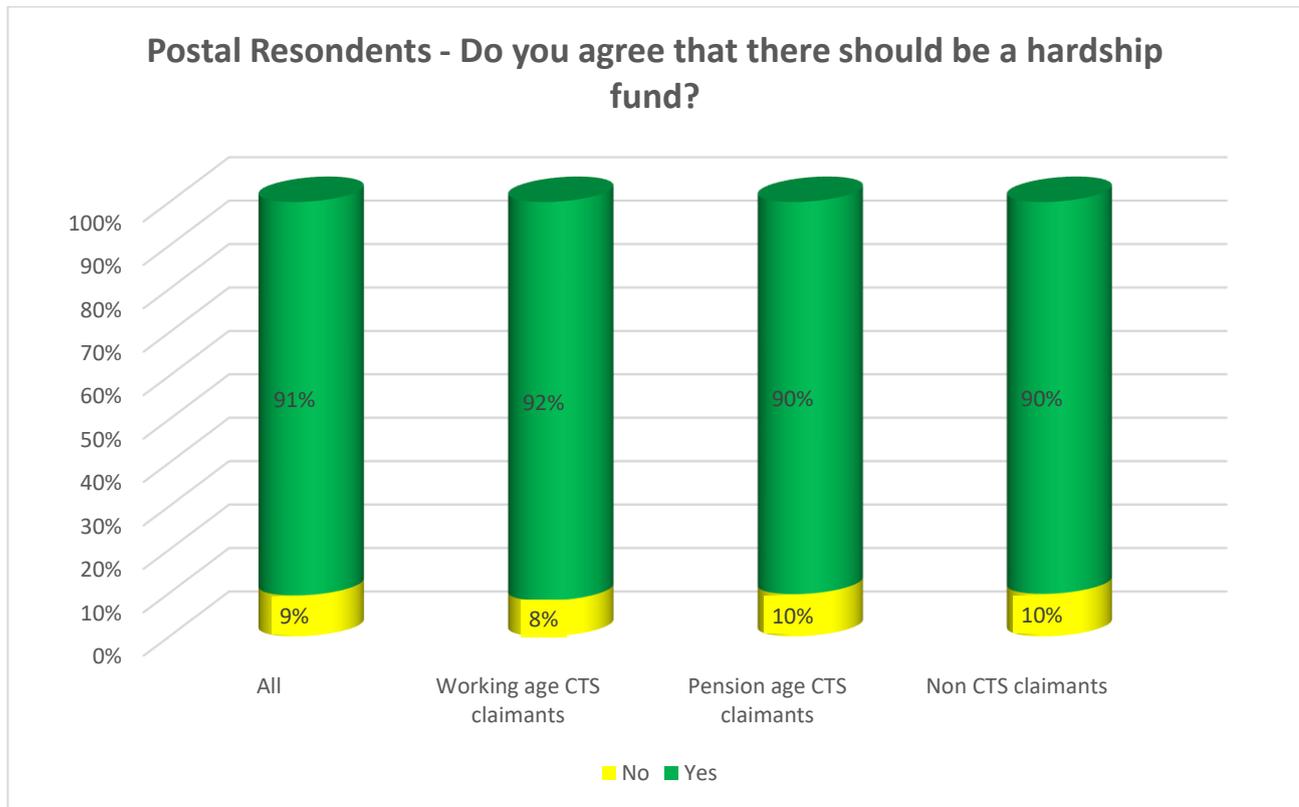
Overall response – part a.

The overall response to part (a) of this question was that, yes, the Council should have a hardship fund with 92% agreeing with this statement.

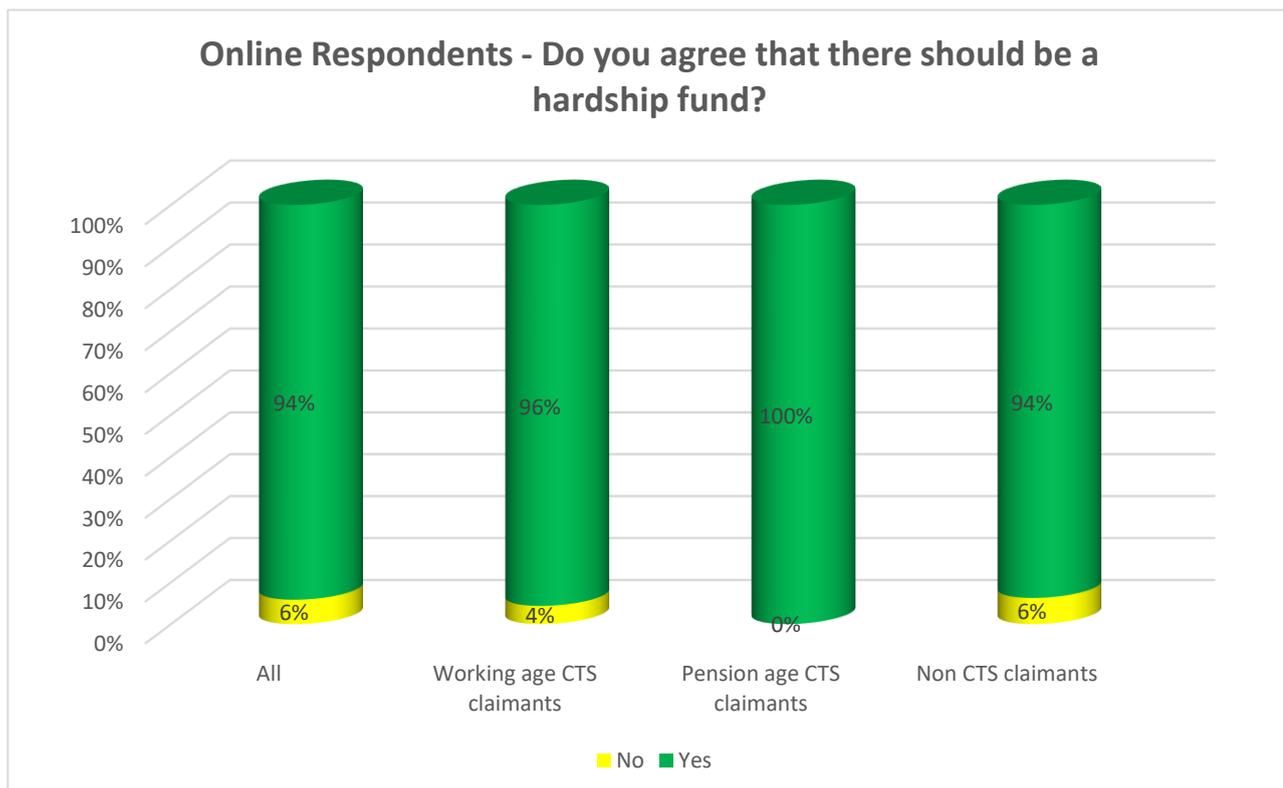


Analysis of Respondents by Survey Type.

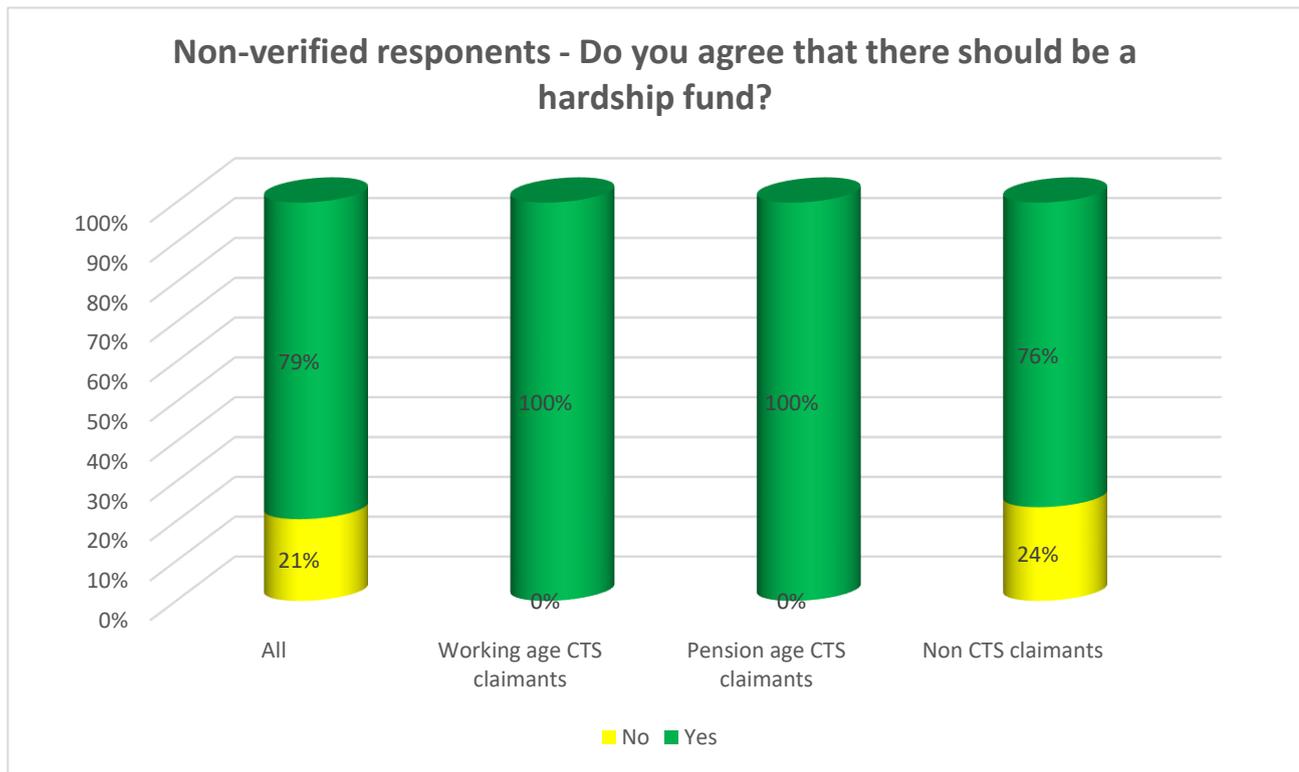
Of the postal responses received, overall 91% were in favour of there being a hardship fund. The result was irrespective of whether they were in receipt of Council Tax Reduction or not.



Of the online respondents 94% overall agreed that there should be a hardship fund, regardless of whether they were in receipt of Council tax reduction or not.



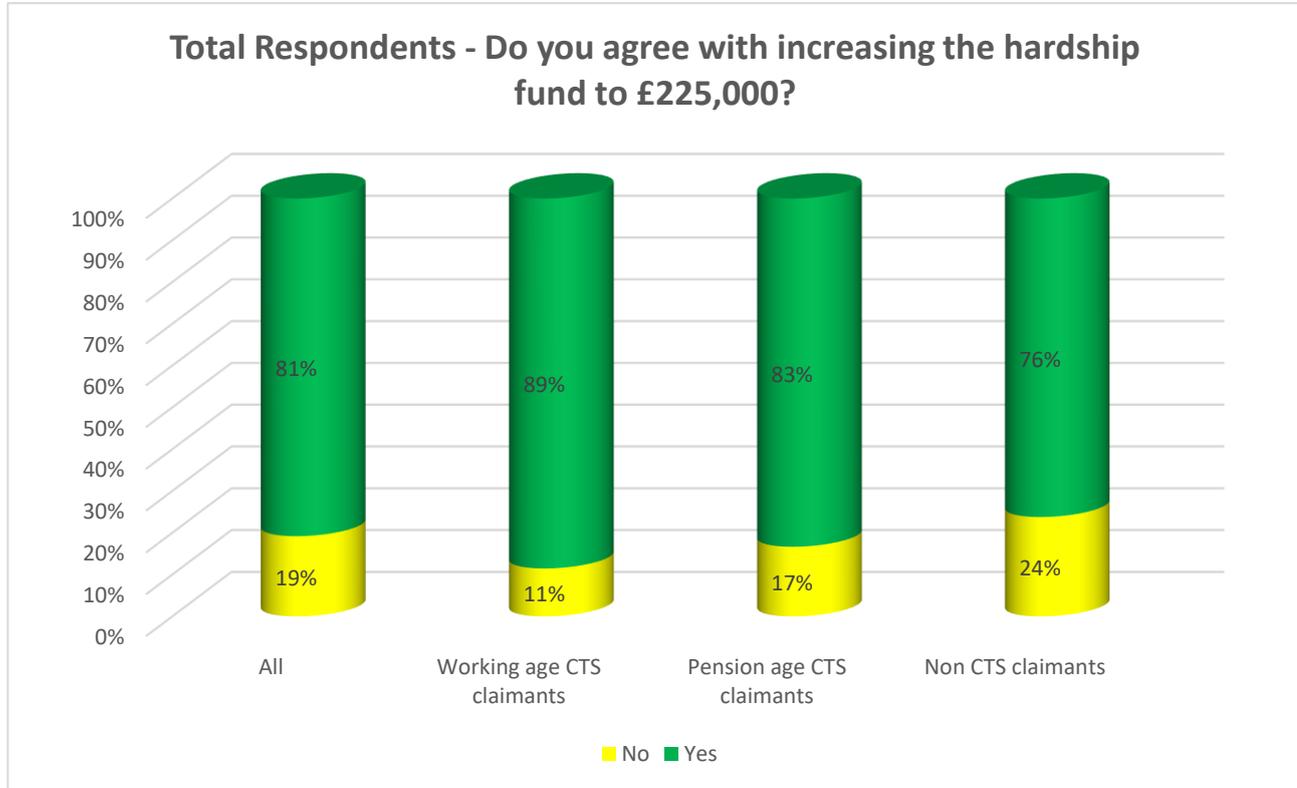
For the non-verified results, overall 79% agreed that there should be a hardship fund, once again regardless of being in receipt of council tax reduction.



Question 1 Part B

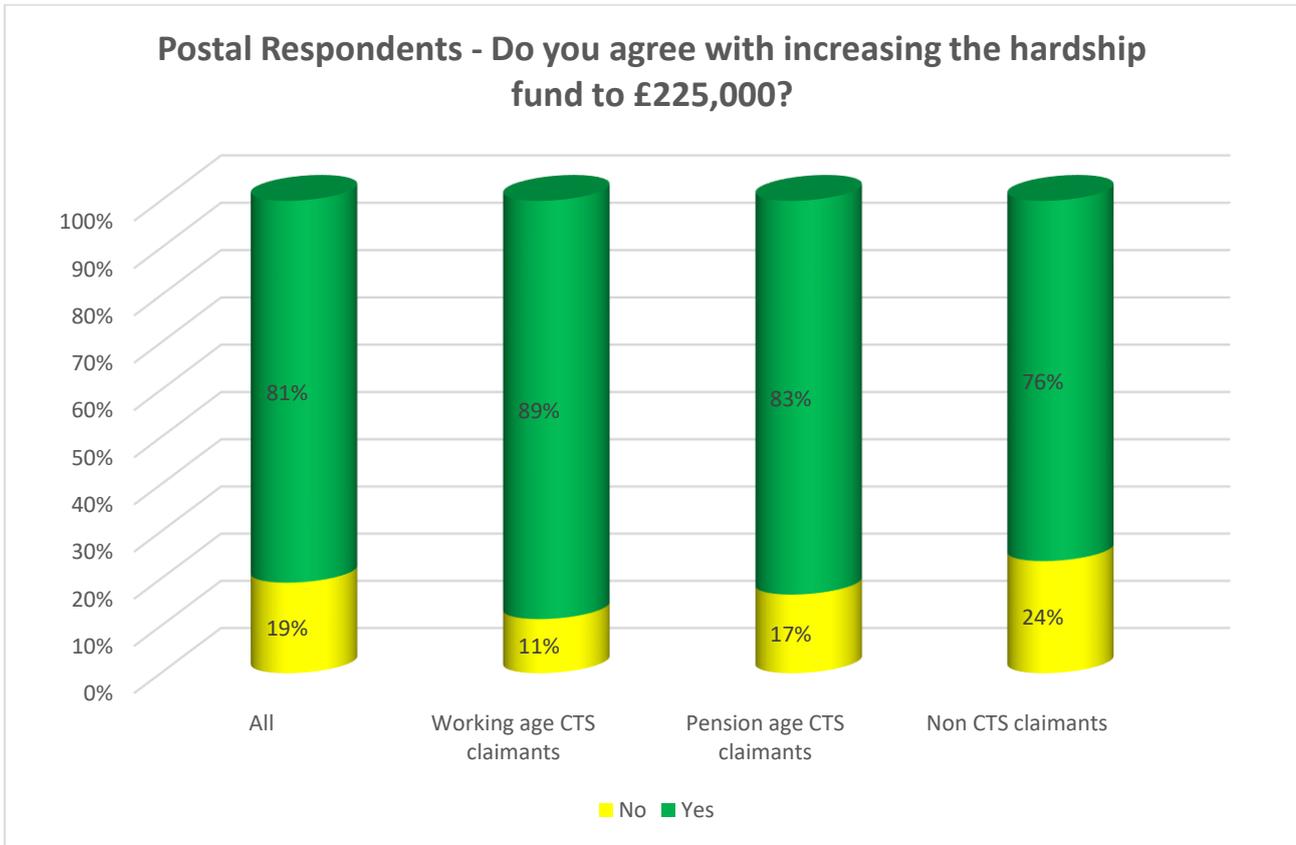
b. Do you agree with increasing the hardship fund to £225,000?

The overall response to part B of question 1 is that 81% agreed with increasing the hardship fund to £225,000 regardless of being in receipt of Council Tax Reduction.

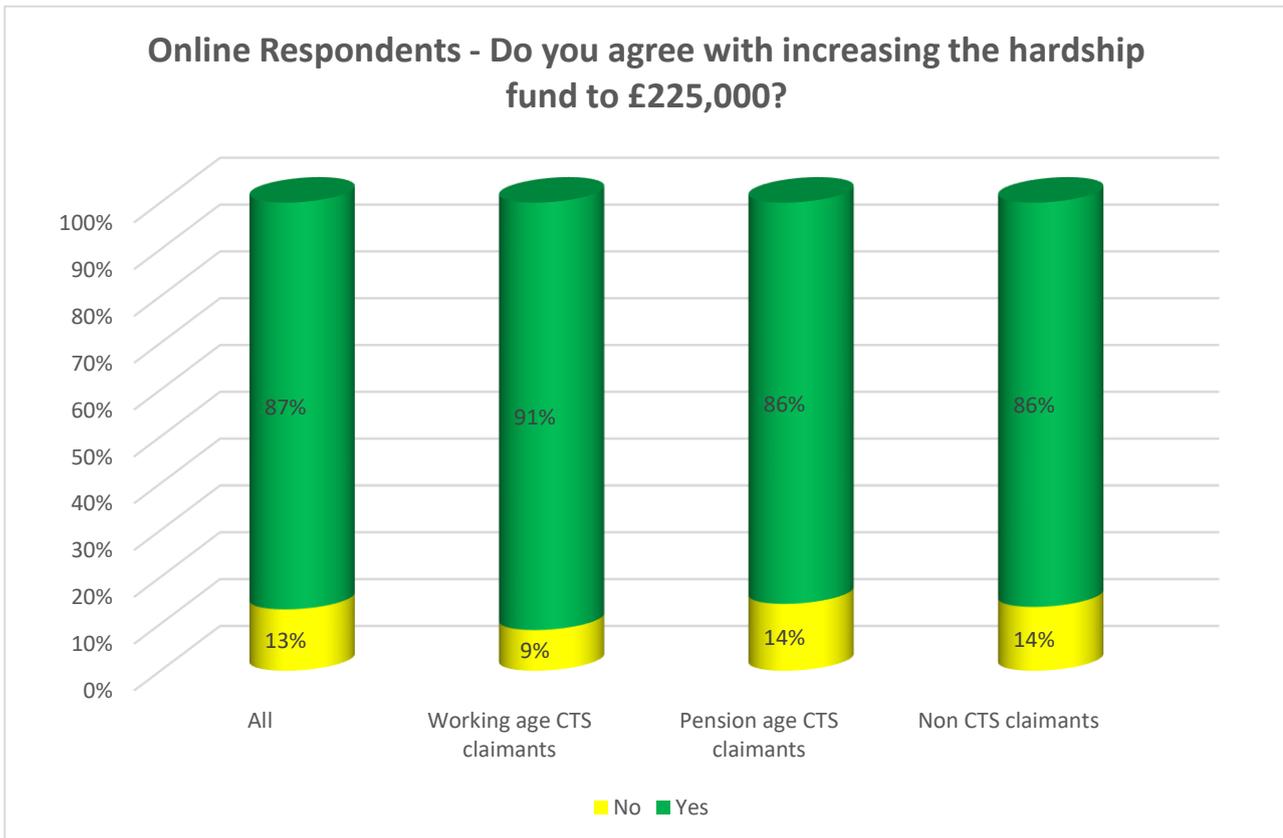


Analysis of Respondents by Survey Type.

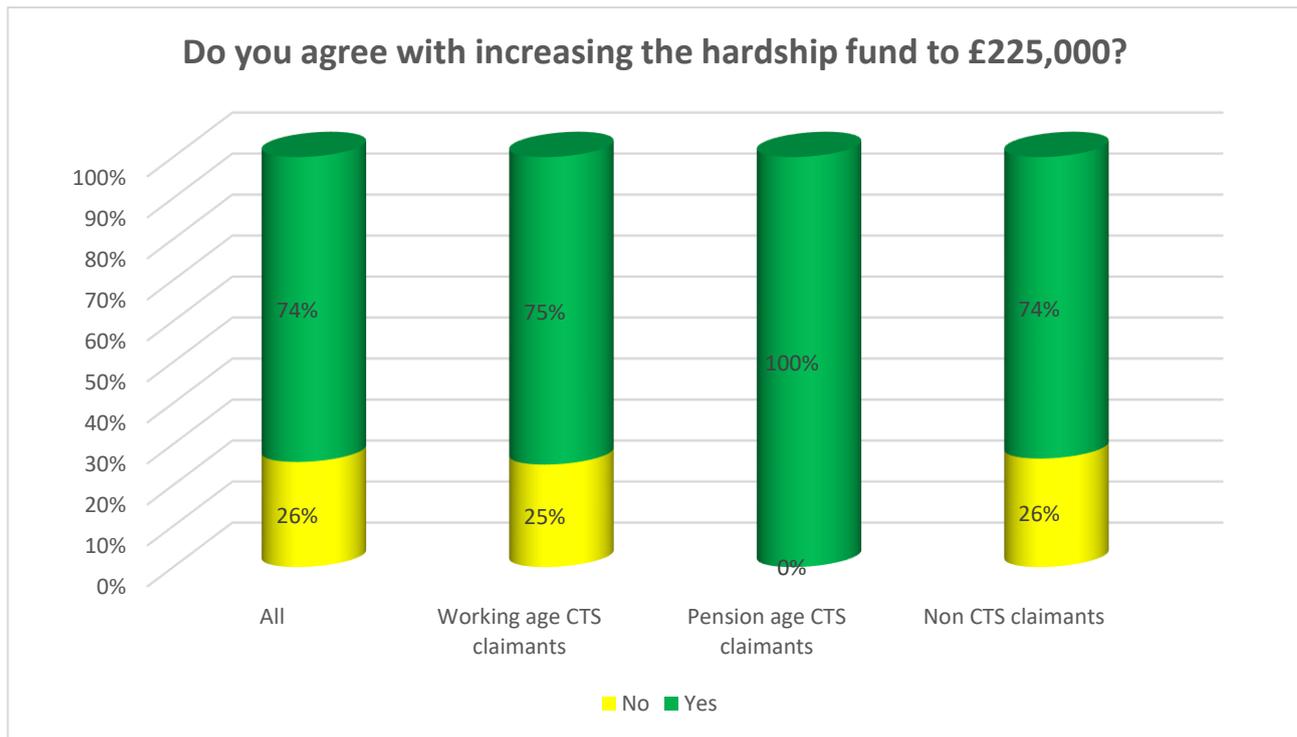
Of the postal respondents for part B of question 1, overall 81% agreed with increasing the hardship fund to £225,000.



For the online respondents, overall 87% of the answers showed that they would agree to increasing the hardship fund to £225,000 as shown below.



For the non-verified respondents, 74% agreed that the hardship fund should be increased, as shown below.



Question 2

- Q2 The Council is recommending from 2023/24 setting the minimum Council Tax liability for working age claimants at 30%. This means the maximum level of support offered by the Council would be 70% of the household's Council Tax liability after any discounts or exemptions have been applied.

This would require working age claimants to pay a minimum of 30% of their liability. Based on 2022/23 Council Tax levels, the minimum contribution before means testing is set out in the table below which, for comparative purposes only, shows what the financial impact would be if minimum contribution was 30%

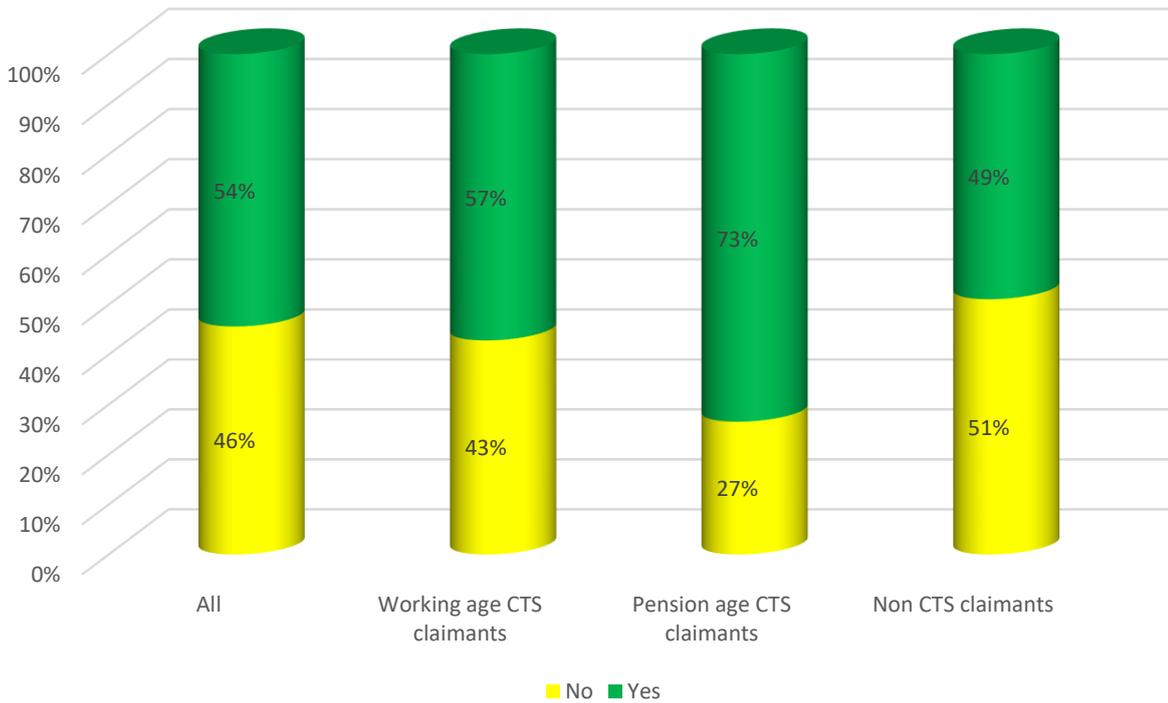
Band	Full Annual Charge	Maximum eligibility at 75% (current scheme)	Maximum eligibility at 70% (proposed scheme)	Annual minimum contribution	Annual Minimum contribution Increase	Weekly Minimum contribution increase
A	1157.82	£868.37	£810.47	£347.35	£57.89	£1.11
B	1350.78	£1,013.09	£945.55	£405.23	£67.54	£1.30
C	1543.76	£1,157.82	£1,080.63	£463.13	£77.19	£1.48
D	1736.72	£1,302.54	£1,215.70	£521.02	£86.84	£1.67
E	2122.66	£1,592.00	£1,485.86	£636.80	£106.13	£2.04
F	2508.59	£1,881.44	£1,756.01	£752.58	£125.43	£2.41
G	2894.54	£2,170.91	£2,026.18	£868.36	£144.73	£2.78
H	3473.44	£2,605.08	£2,431.41	£1,042.03	£173.67	£3.34

	Yes	No
Please confirm whether you:		
a. Agree with setting assistance level at 70%?	<input type="checkbox"/>	<input type="checkbox"/>
b. If <i>NO</i> do you think Council Tax Support claimants should; <i>Pay more Council Tax</i> and receive less support?		
c. <i>Pay less Council Tax</i> and receive more support?	<input type="checkbox"/>	<input type="checkbox"/>
d. <i>Continue at 75%</i>	<input type="checkbox"/>	<input type="checkbox"/>

Overall response.

Of those who responded, the *overall* outcome to question 2 part a, was that they agreed with setting the assistance level at 70% with 54% confirming this to be their preference. The majority of people that answered agreed with setting the assistance level to 70% regardless of being in receipt of Council Tax Support or not.

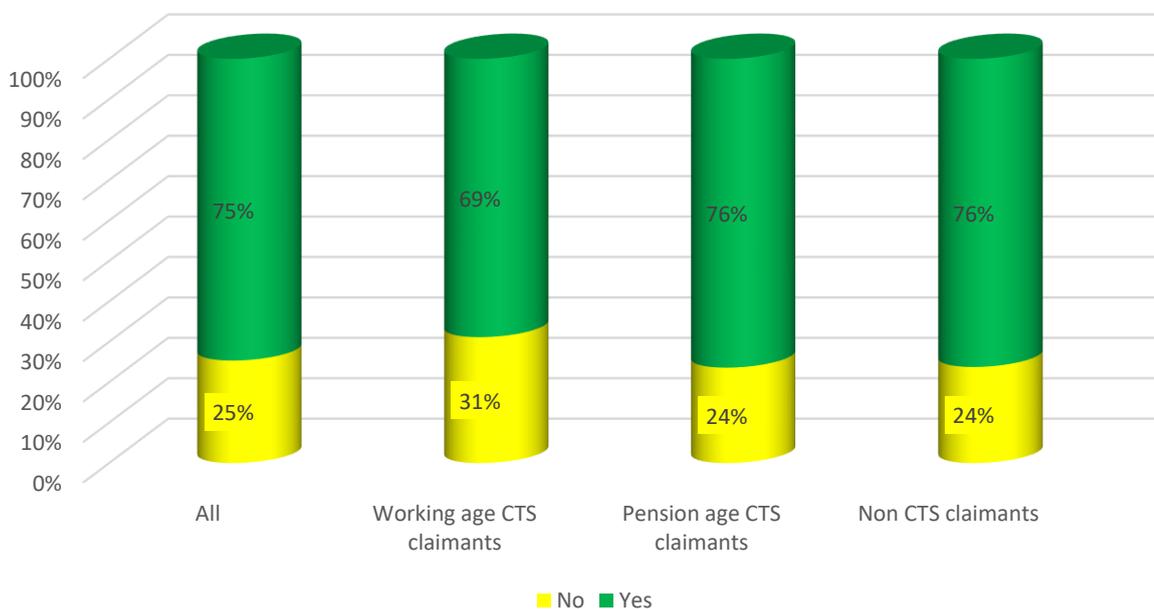
Total respondents - Do you agree with setting assistance level at 70%?



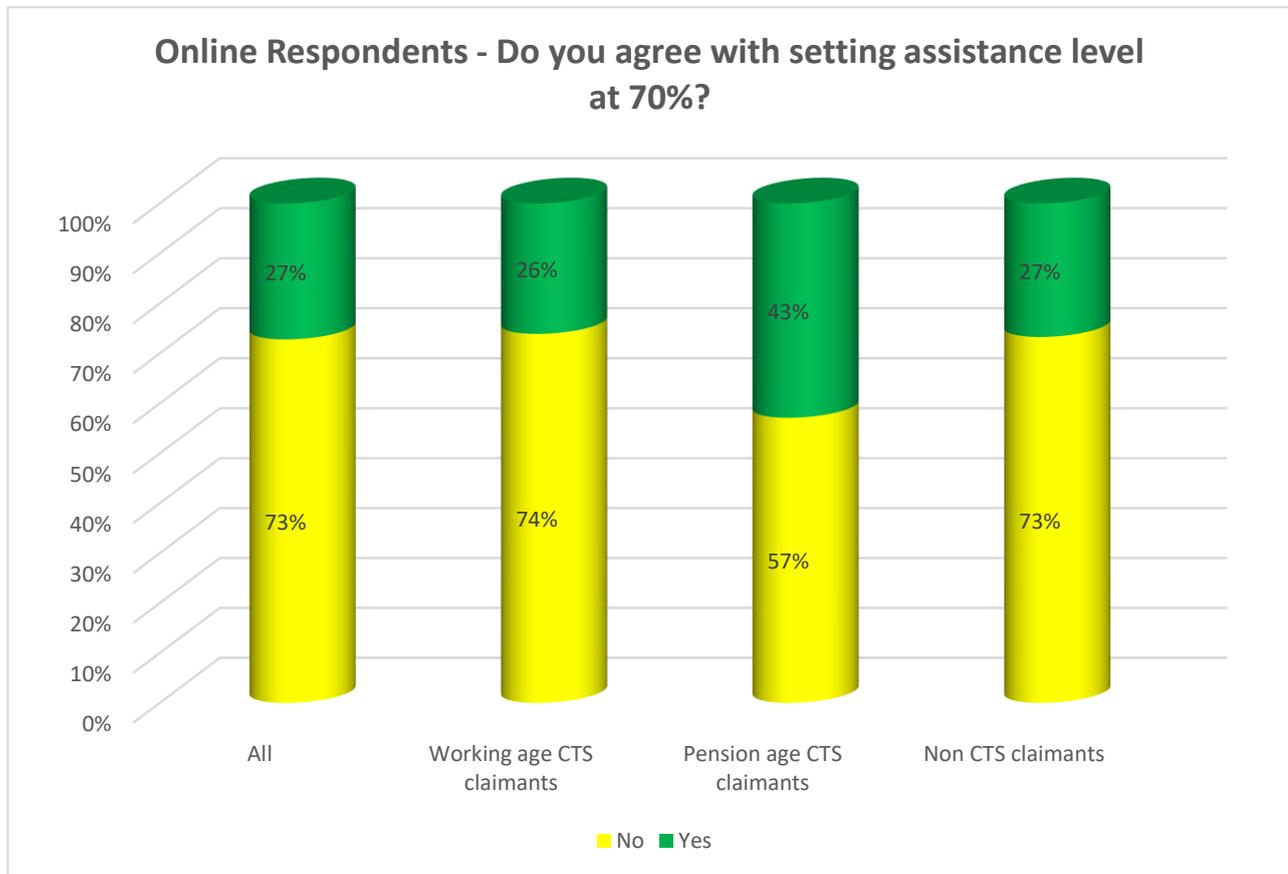
Analysis of Respondents by Survey Type.

Of the postal responses received, overall 75% were in favour of setting the level of assistance to 70%. Again the result was irrespective of whether they were in receipt of Council Tax Reduction or not.

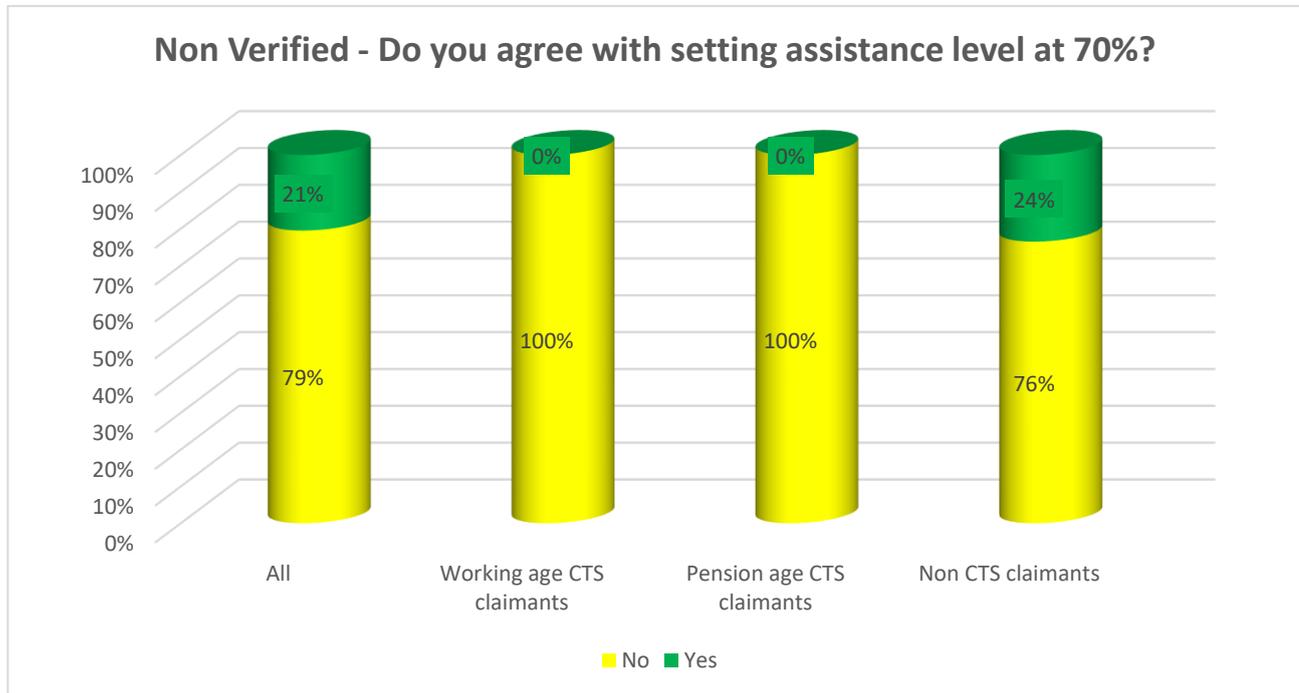
Postal Respondents - Do you agree with setting assistance level at 70%?



For on-line responses received, overall 73% were in favour of retaining the level of support at a maximum of 75%. However for Council Tax Support pension age there were only 57% for retaining the level of support.



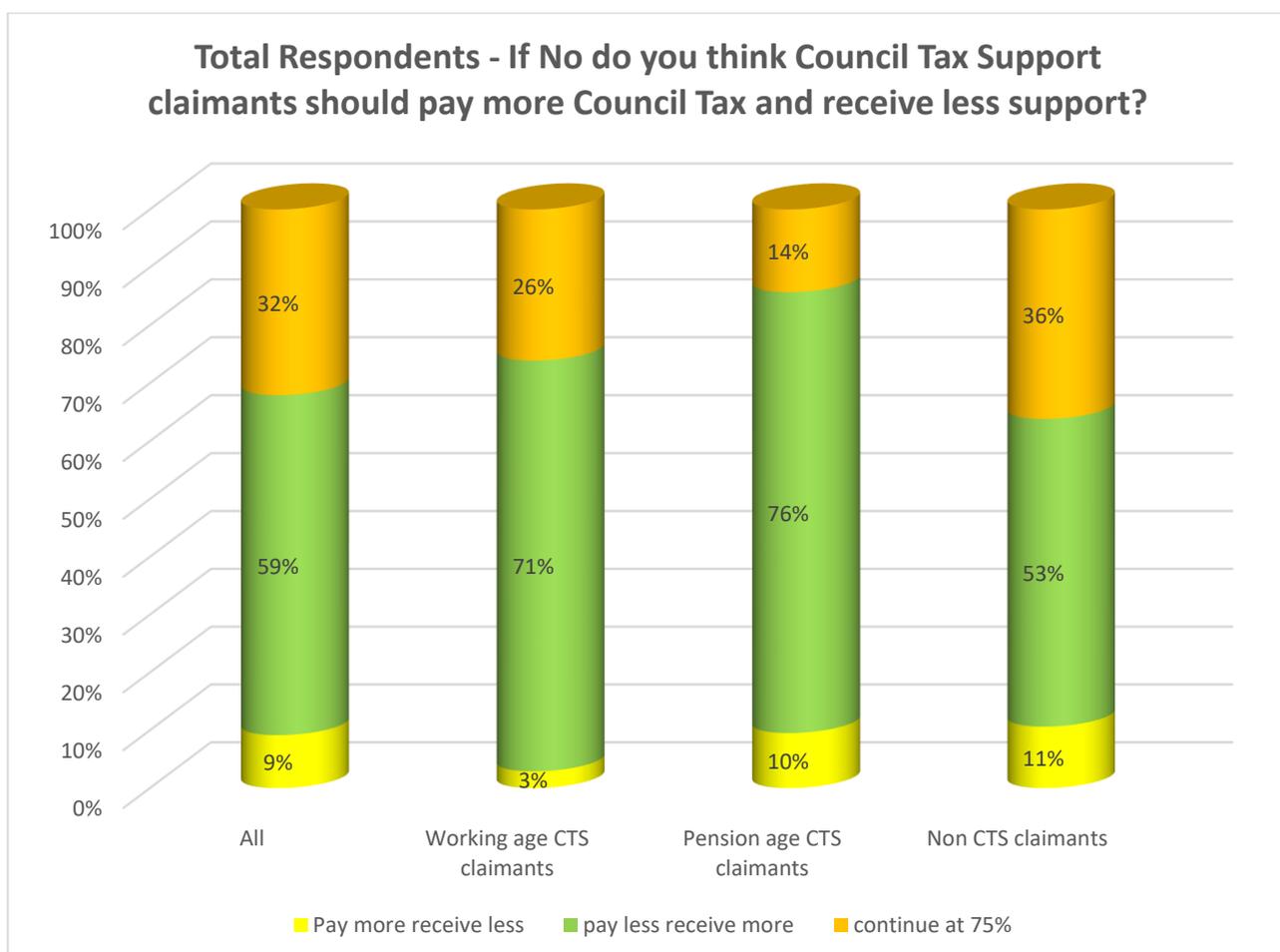
For the Non-verified results, only 21% agreed with setting the assistance level to 70%. The only respondents to agree to set the level of assistance to 70% were the respondents not in receipt of Council Tax Support.



Question 2- b,c and d

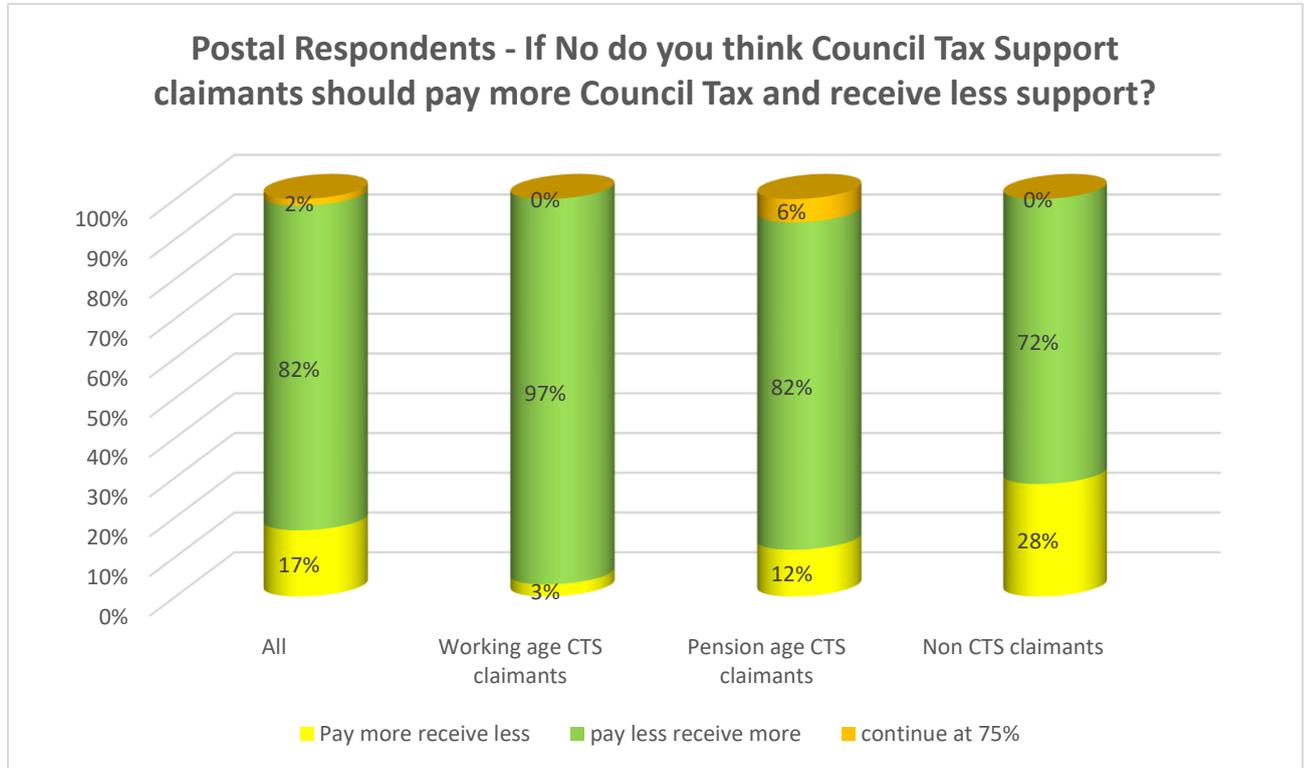
	Yes	No
Please confirm whether you:		
a. Agree with setting assistance level at 70%?	<input type="checkbox"/>	<input type="checkbox"/>
b. If NO do you think Council Tax Support claimants should; <i>Pay more Council Tax</i> and receive less support?		
c. <i>Pay less Council Tax</i> and receive more support?	<input type="checkbox"/>	<input type="checkbox"/>
d. <i>Continue at 75%</i>	<input type="checkbox"/>	<input type="checkbox"/>

Of those that answered parts b c and d of part 2 the most positive response was to pay less Council Tax and receive more support, at 59%, with continuing at 75% being the second most common result after this at 32%. The remaining 9% were in favour of paying more Council Tax and receiving less support.

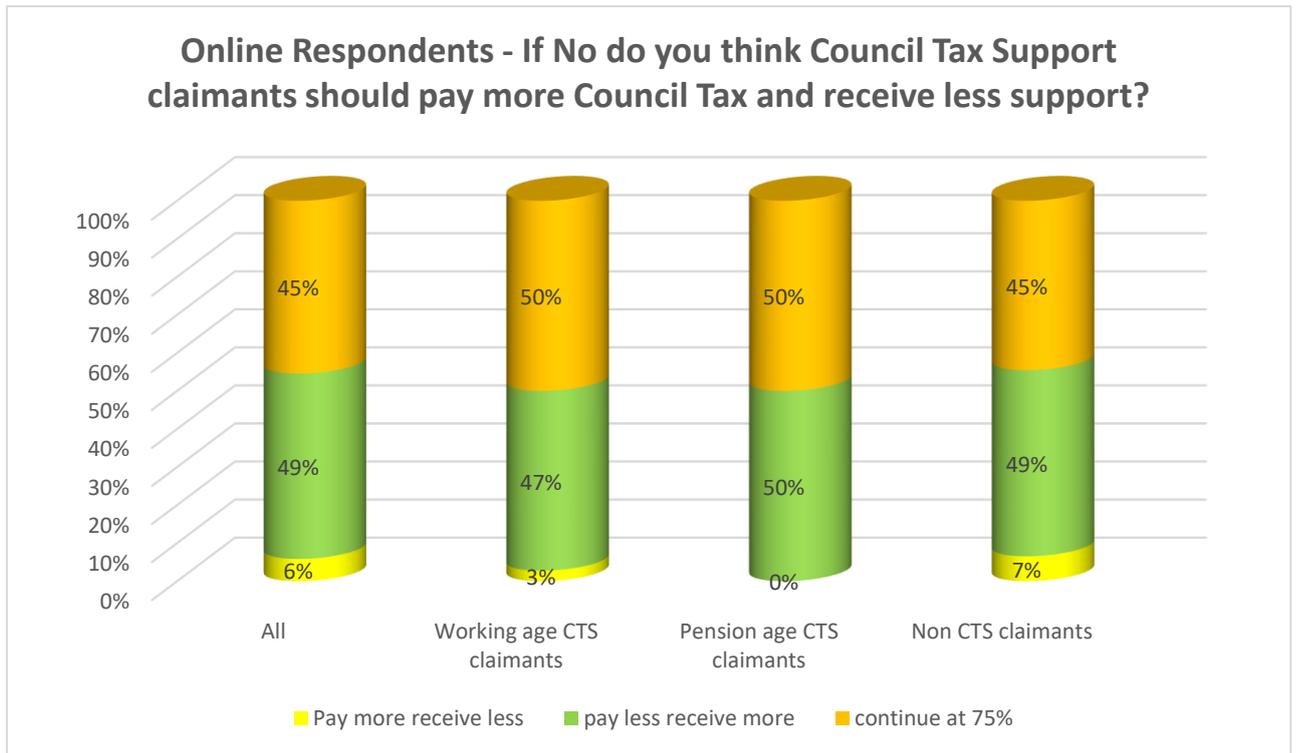


Analysis of Respondents by Survey Type.

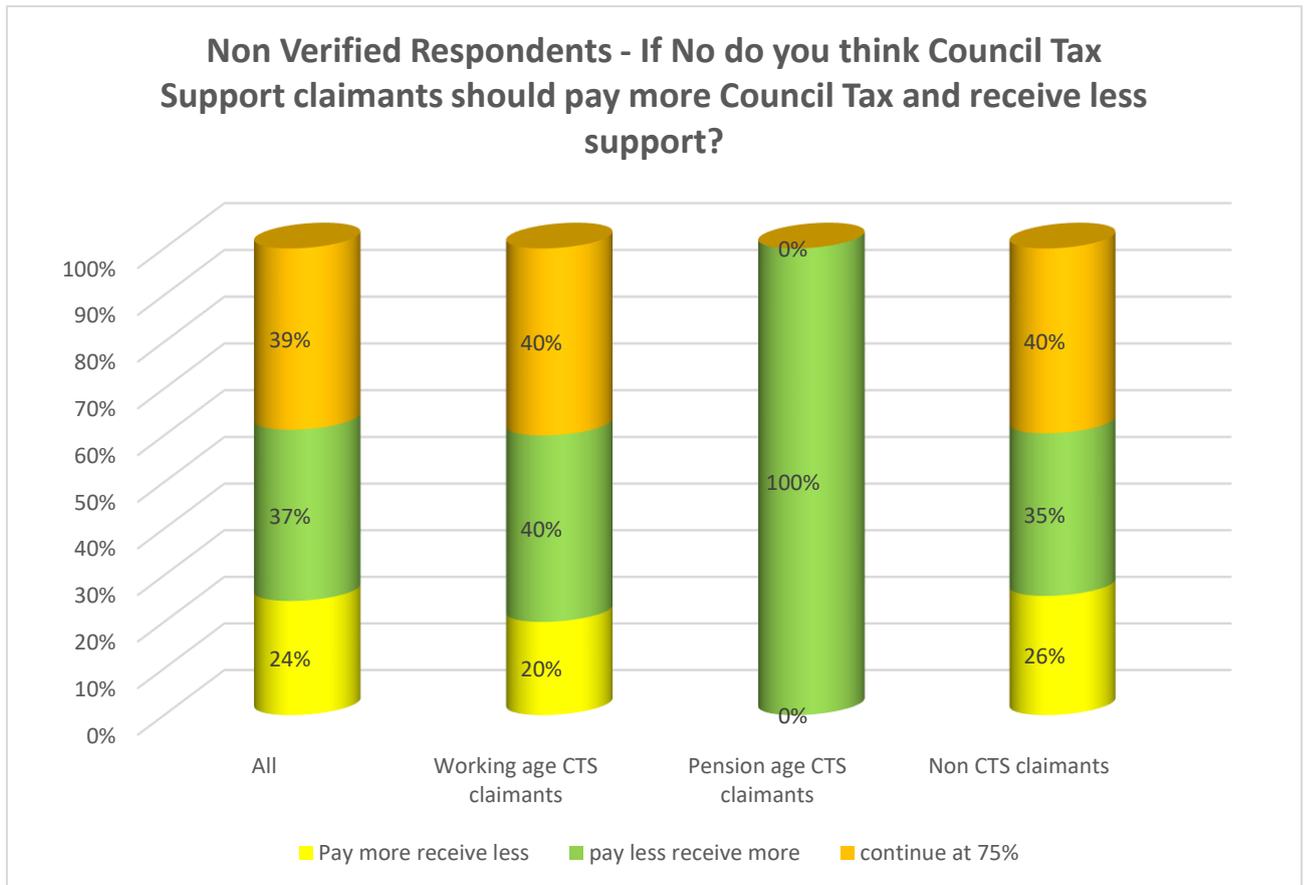
For the postal respondents, the majority stated that they would prefer the option of pay less receive more at 82%, with pay more receive less following at 17%. For the working age people claiming CTS there was an overwhelming majority of people showing that they would like to pay less and receive more with 97% of the respondents selecting this option.



For the online respondents, there was a more even divide in the results with the overall result being the same of pay less receive more getting the 49% majority. This is closely followed at 45% by continue at 75% level support.



Lastly for the non-verified results, the results were more evenly spread between the three options, with continue at 75% level of support at 39% of the results followed by pay less receive more at 37% of the results followed by pay more receive less at 24% of the answers.



Question 3

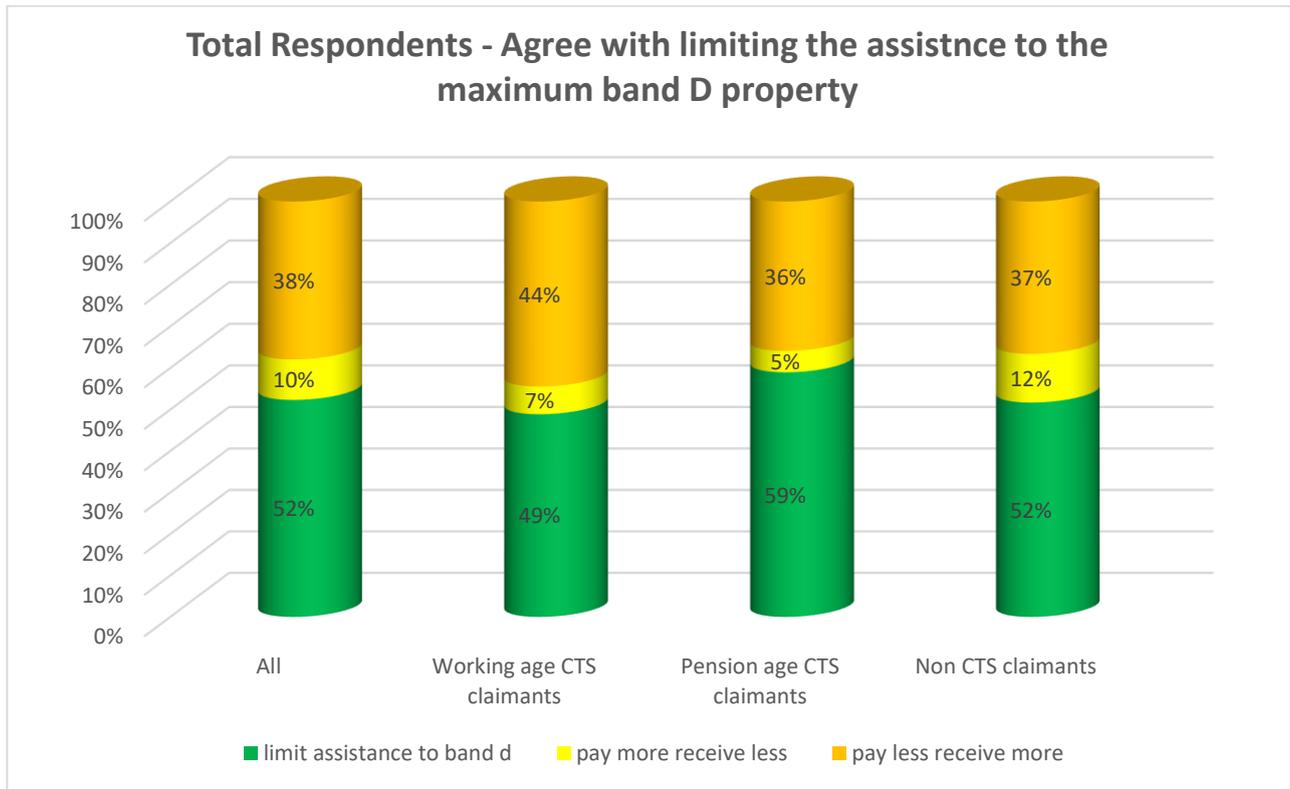
Q3 The Council, in addition to setting the minimum contribution at 30%, are also seeking your view as to whether the maximum band to be used when calculating entitlement should be restricted to Band D for working-age residents. This would mean that residents in Bands E-H will have their maximum award calculated as if they were occupying a Band D property.

The financial implication of a Band D restriction, based on 2022/23 Council Tax levels, is shown in the table below:

Band	Full Annual Charge	Maximum eligibility at 75% (current scheme)	Maximum eligibility at 70% (proposed scheme)	Maximum eligibility with Band D restriction	Annual minimum contribution	Annual minimum contribution Increase	Weekly minimum contribution increase
A	1157.82	£868.37	£810.47	£810.47	£347.35	£57.89	£1.11
B	1350.78	£1,013.09	£945.55	£945.55	£405.23	£67.54	£1.30
C	1543.76	£1,157.82	£1,080.63	£1,080.63	£463.13	£77.19	£1.48
D	1736.72	£1,302.54	£1,215.70	£1,215.70	£521.02	£86.84	£1.67
E	2122.66	£1,592.00	£1,485.86	£1,215.70	£906.96	£376.29	£7.24
F	2508.59	£1,881.44	£1,756.01	£1,215.70	£1,292.89	£665.74	£12.80
G	2894.54	£2,170.91	£2,026.18	£1,215.70	£1,678.84	£955.20	£18.37
H	3473.44	£2,605.08	£2,431.41	£1,215.70	£2,257.74	£1,389.38	£26.72

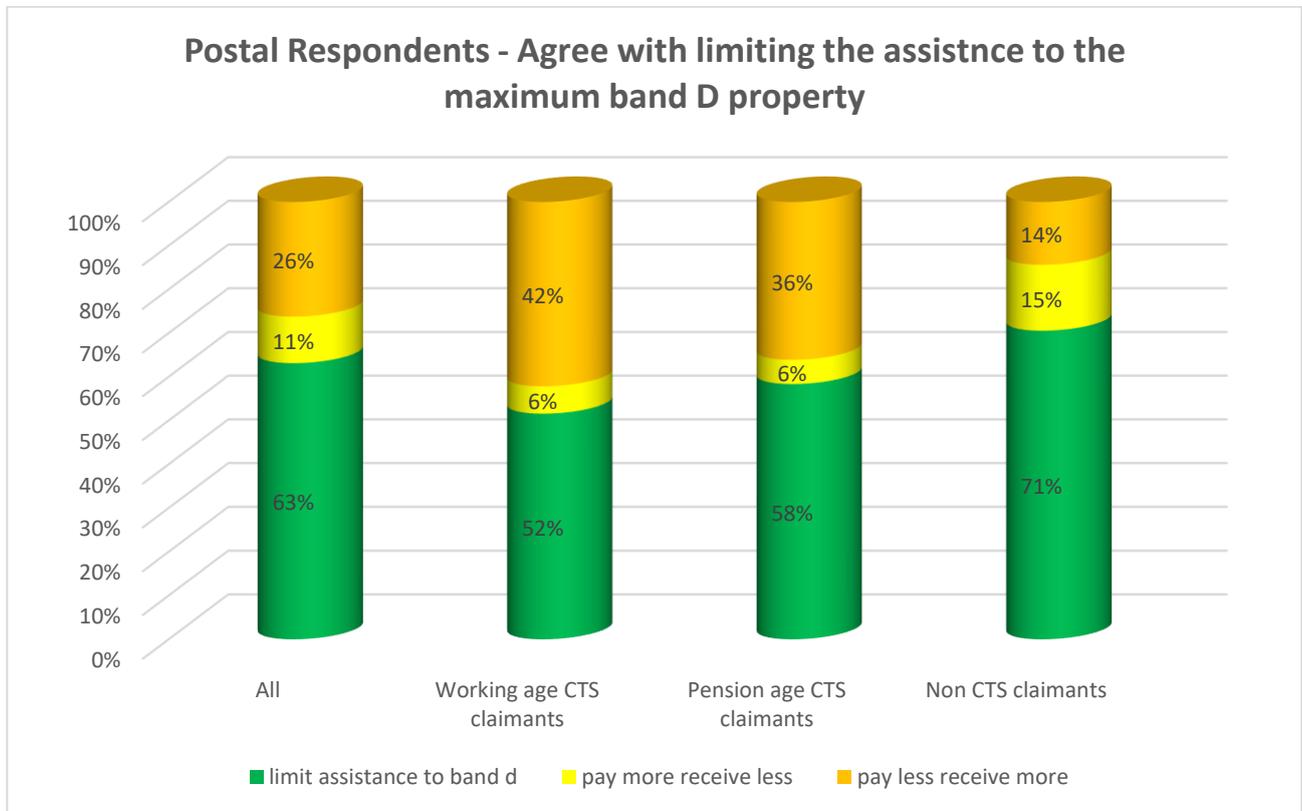
	Yes	No
Please confirm whether you:		
a. Agree with limiting assistance to the maximum of a Band D liability	<input type="checkbox"/>	<input type="checkbox"/>
b. If <i>NO</i> do you think Council Tax Support claimants should; <i>Pay more Council Tax</i> and receive less support	<input type="checkbox"/>	<input type="checkbox"/>
c. <i>Pay less Council Tax</i> and receive more support	<input type="checkbox"/>	<input type="checkbox"/>

The overall response for question 3 shows that the majority of people – 52% agree that the assistance should be limited to a maximum band D property with pay less receive more being at 38% of the results.

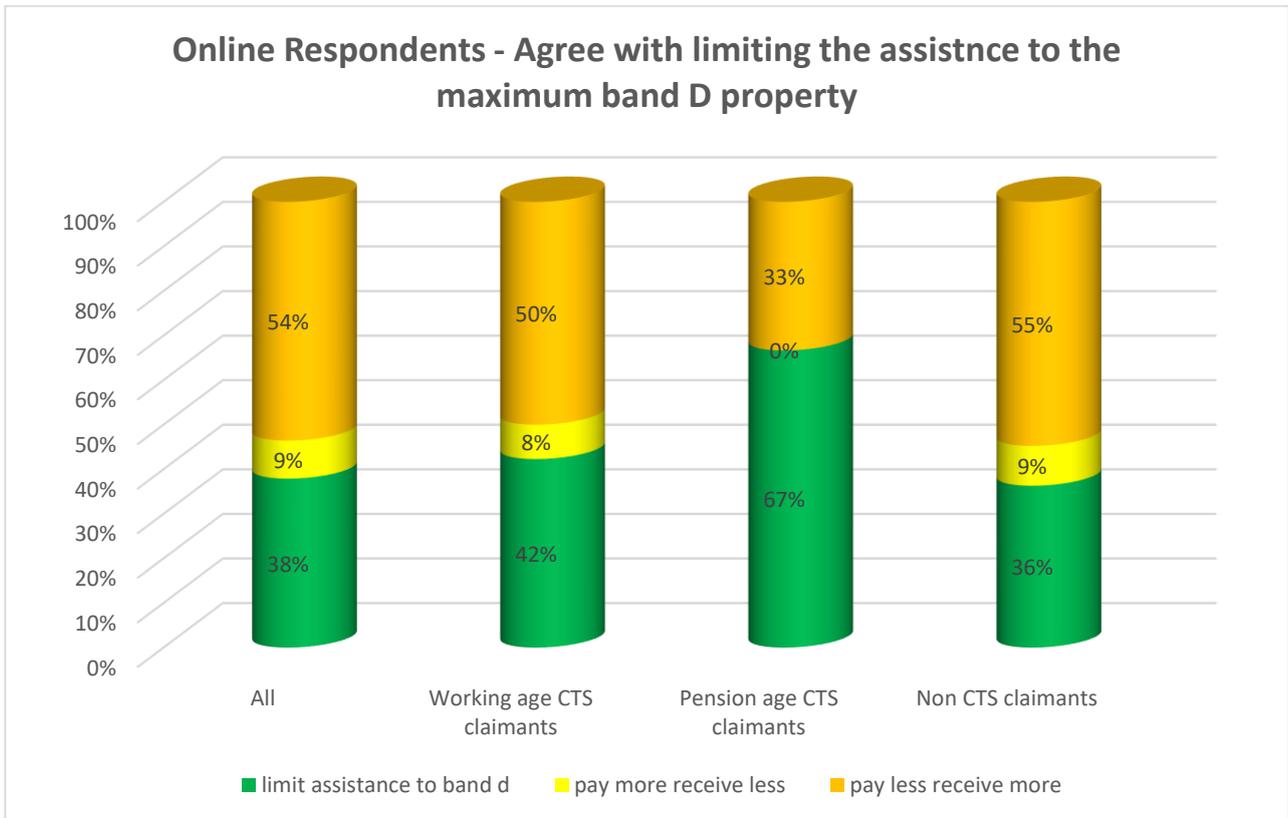


Analysis of Respondents by Survey Type.

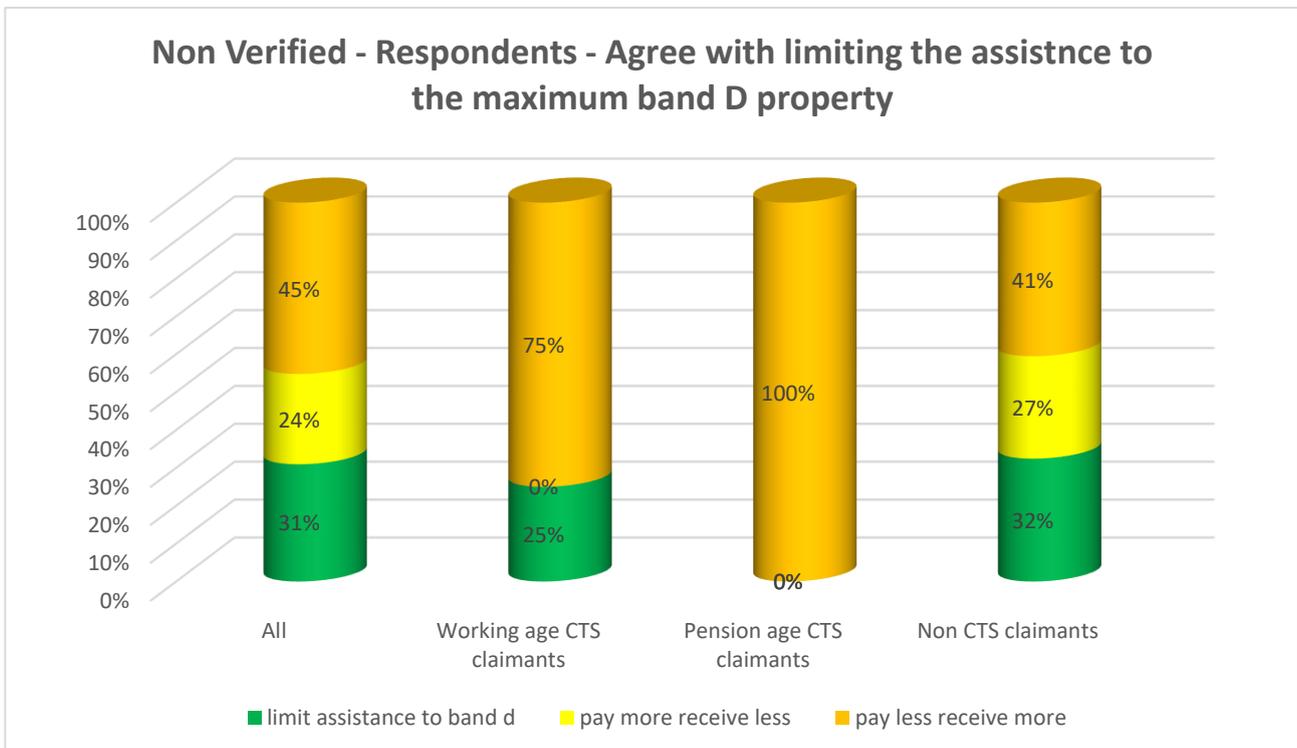
Of those who completed the postal survey, most people agreed that the assistance should be limited to band D with 63% of the answers. The majority is for limiting support to band D regardless of being in receipt of Council Tax Support or not.



Of those who completed the on-line survey 54% confirmed that they felt that they should be expected to pay less and receive more, followed by 38% stating that they feel assistance should be limited to Band D properties.



Lastly, for the non-verified results, they were more evenly distributed with 45% opting for pay less receive more, followed by 31% opting for limited to band D properties.



Question 4.

Q4 If you think that the Council should increase the level of Council Tax Support for working-age people, how do you think this should be funded?

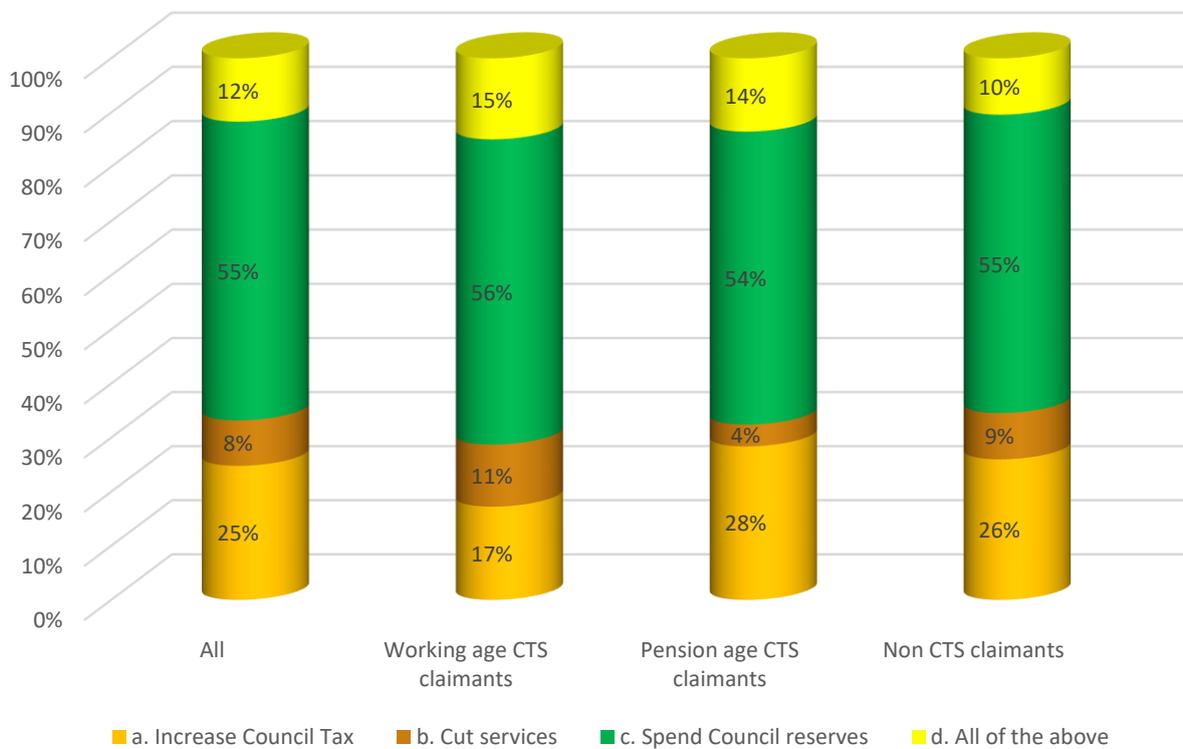
Please choose any of these that apply:

- a. Increase Council Tax
- b. Cut services
- c. Spend Council reserves
- d. All of the above

Overall response

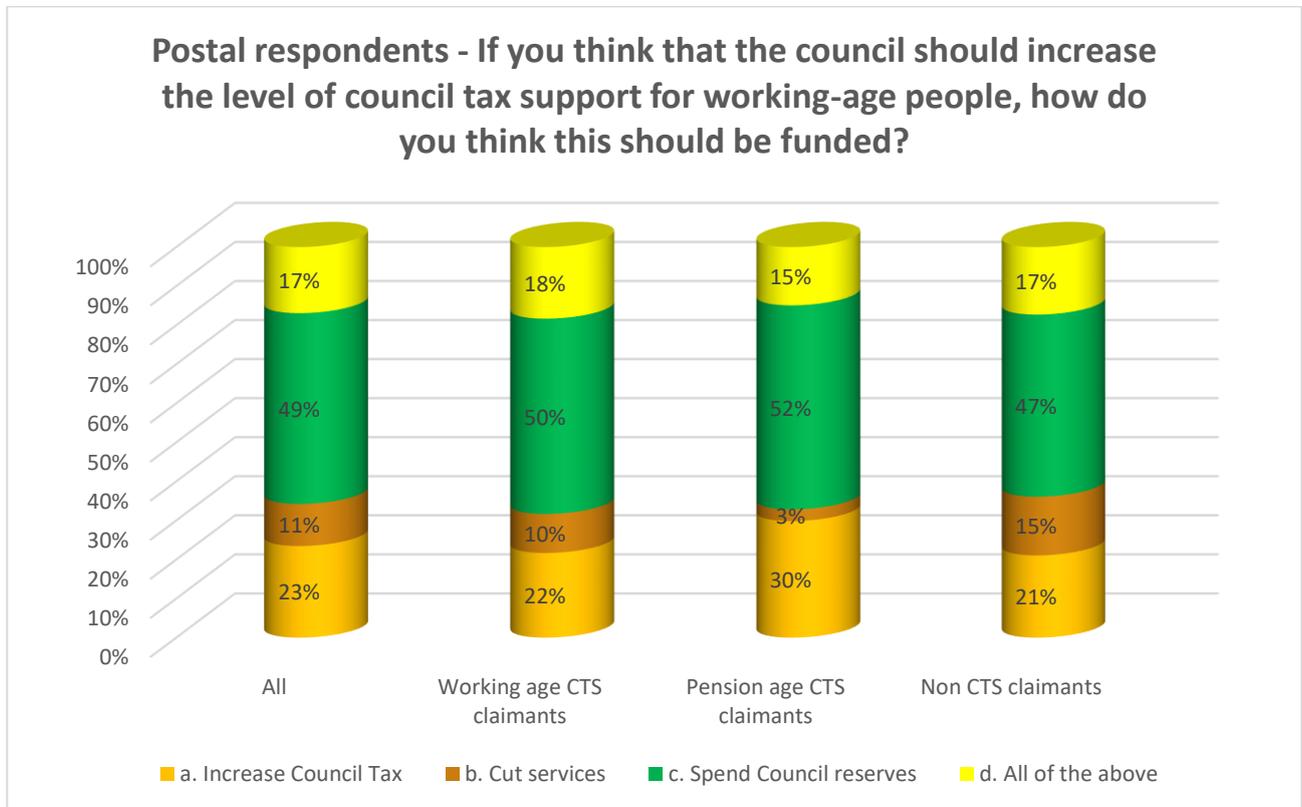
The overall response to this question was that the Council should spend the reserves to fund the increase in Council Tax Support, with the result getting 55% of the overall answers. This figure remains fairly consistent whether in receipt of Council Tax Support or not.

Total respondents - If you think that the council should increase the level of council tax support for working-age people, how do you think this should be funded?

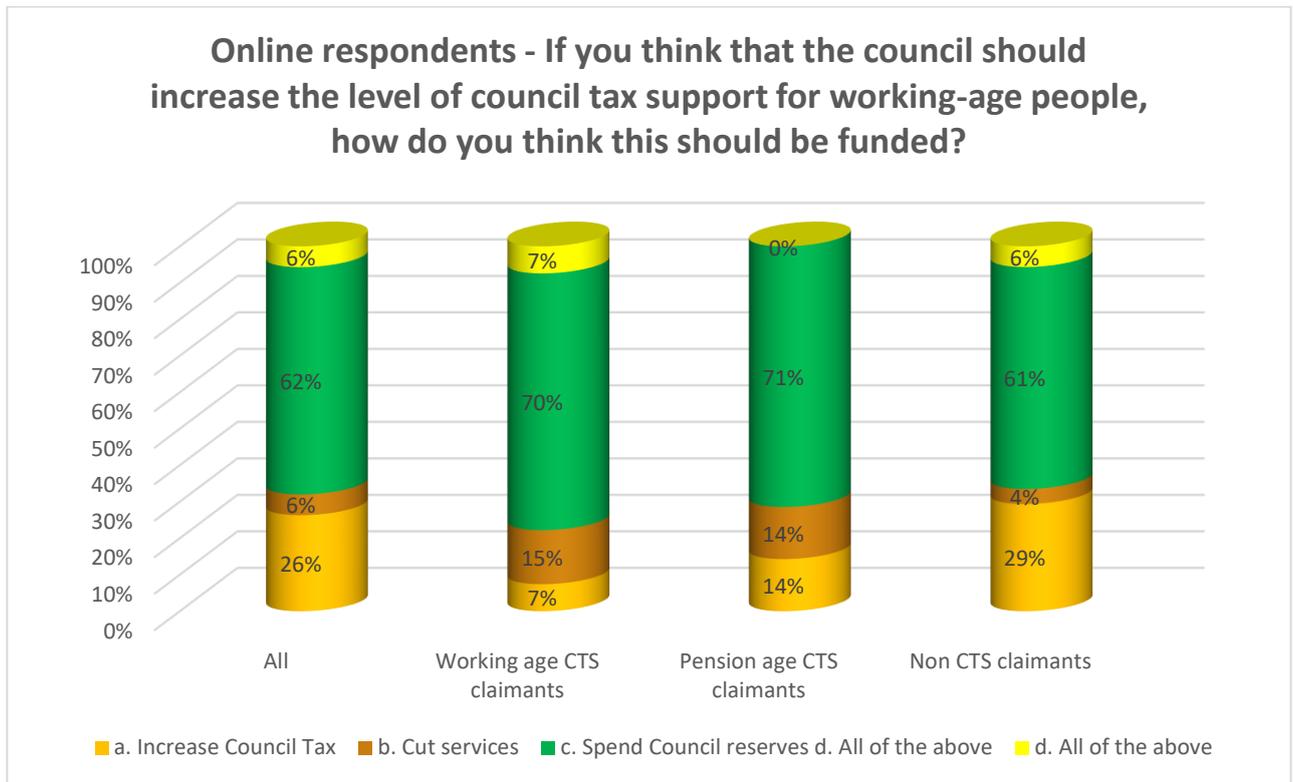


Analysis of Respondents by Survey Type.

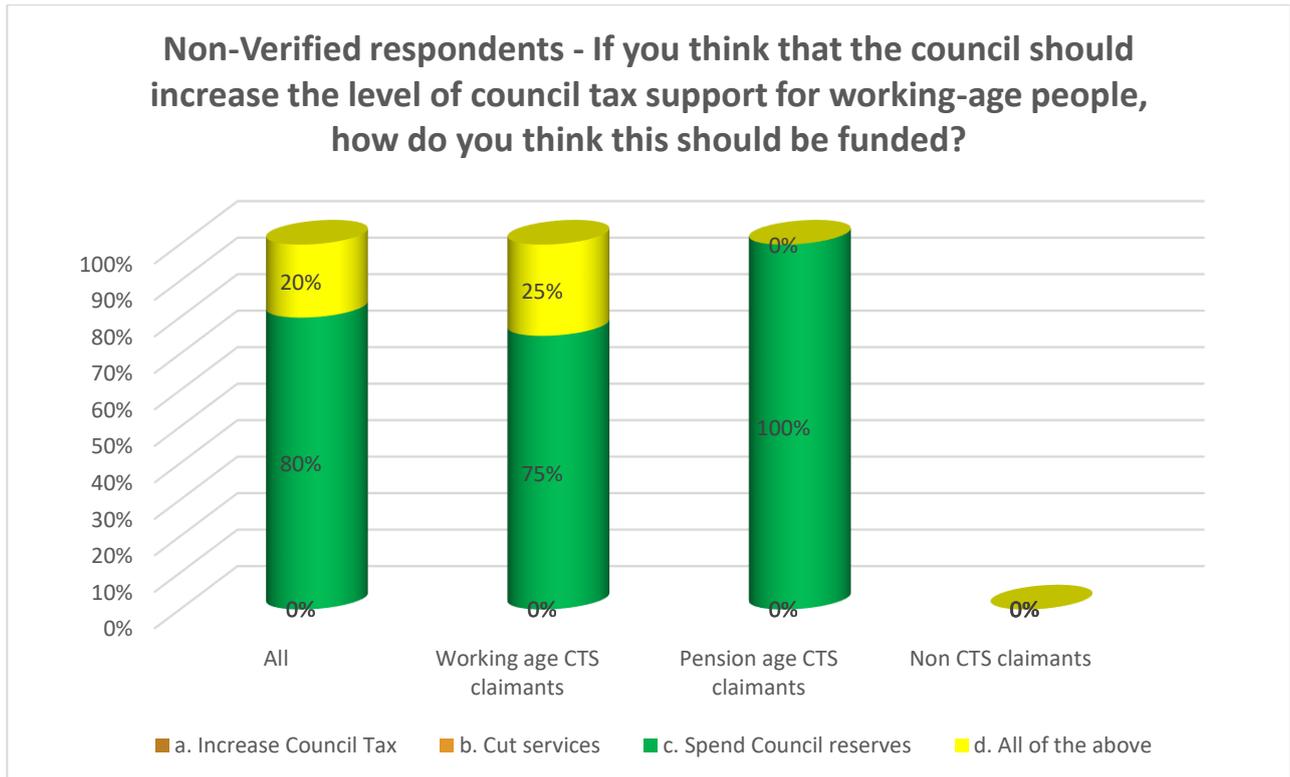
Of those who completed the postal survey 49% of the people that answered stated that they felt that the Council should spend the reserves. Nearly a quarter of the results were for increasing Council Tax.



Of those who completed the on-line survey 62% confirmed that they felt the council should spend the reserves, this was the most common result regardless of age of whether in receipt of Council Tax Support.



Of the non-verified results, spend the council reserves had 80% of the votes as shown below.



Question 5 provided the respondents with the opportunity to raise anything else which they believed should alter in respect of the CTR scheme.

Q5 Are there any other changes you would like to see to the Council Tax Support scheme 2023/24 or any further comments you would like to make regarding the scheme?

Please write your answer here:

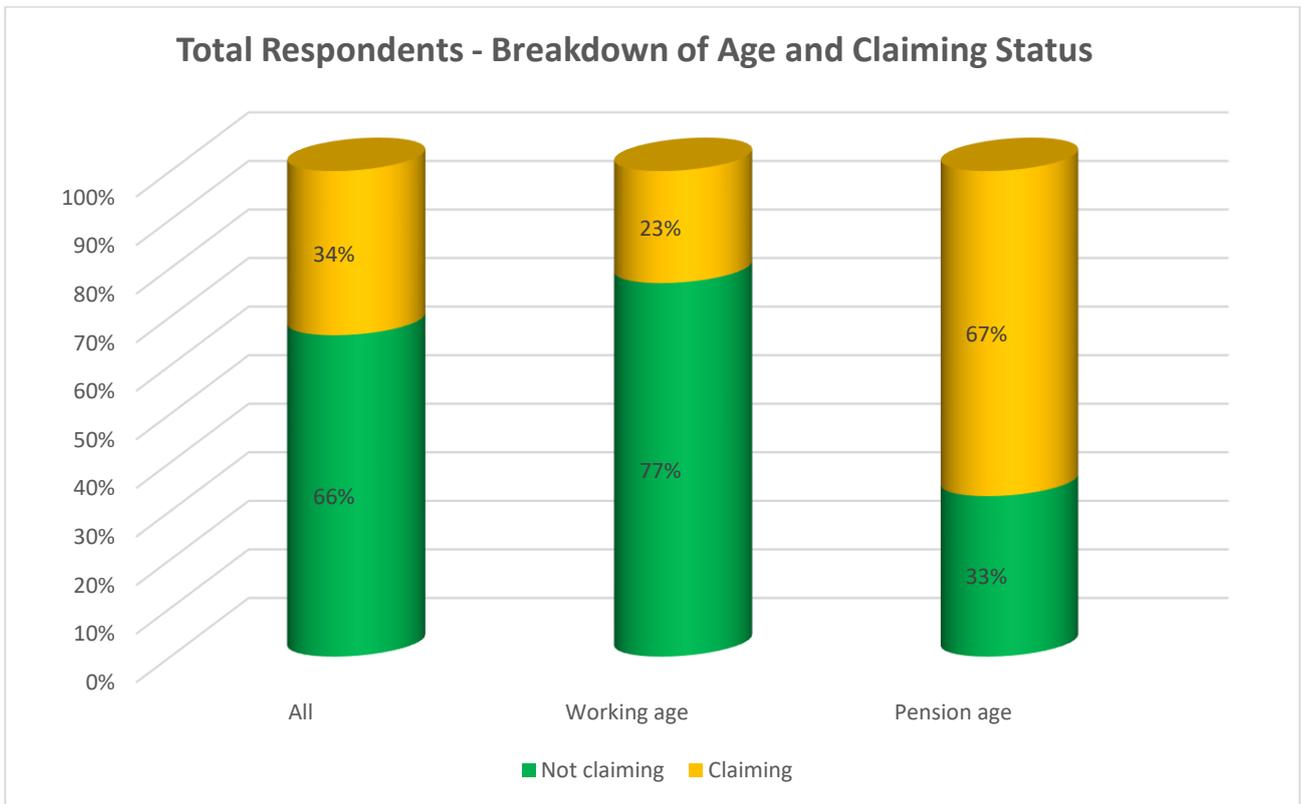
Where respondents did suggest changes, responses here fell into a number of broad categories with many suggesting the following:

- They felt that given the cost of living crisis more support should be awarded
- Reduce the amount the council spends on support to invest for the future
- Assist the vulnerable more

Details of all the narrative responses, to this question and others, have been included at Appendix 1.

Q6	Please choose any of these that apply:	Yes	No
	a. Are you currently in receipt of Council Tax Support?	<input type="checkbox"/>	<input type="checkbox"/>
	If you answered yes to (6a) please tick one of the following:		
	b. Are you a pensioner?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Are you of working age?	<input type="checkbox"/>	<input type="checkbox"/>

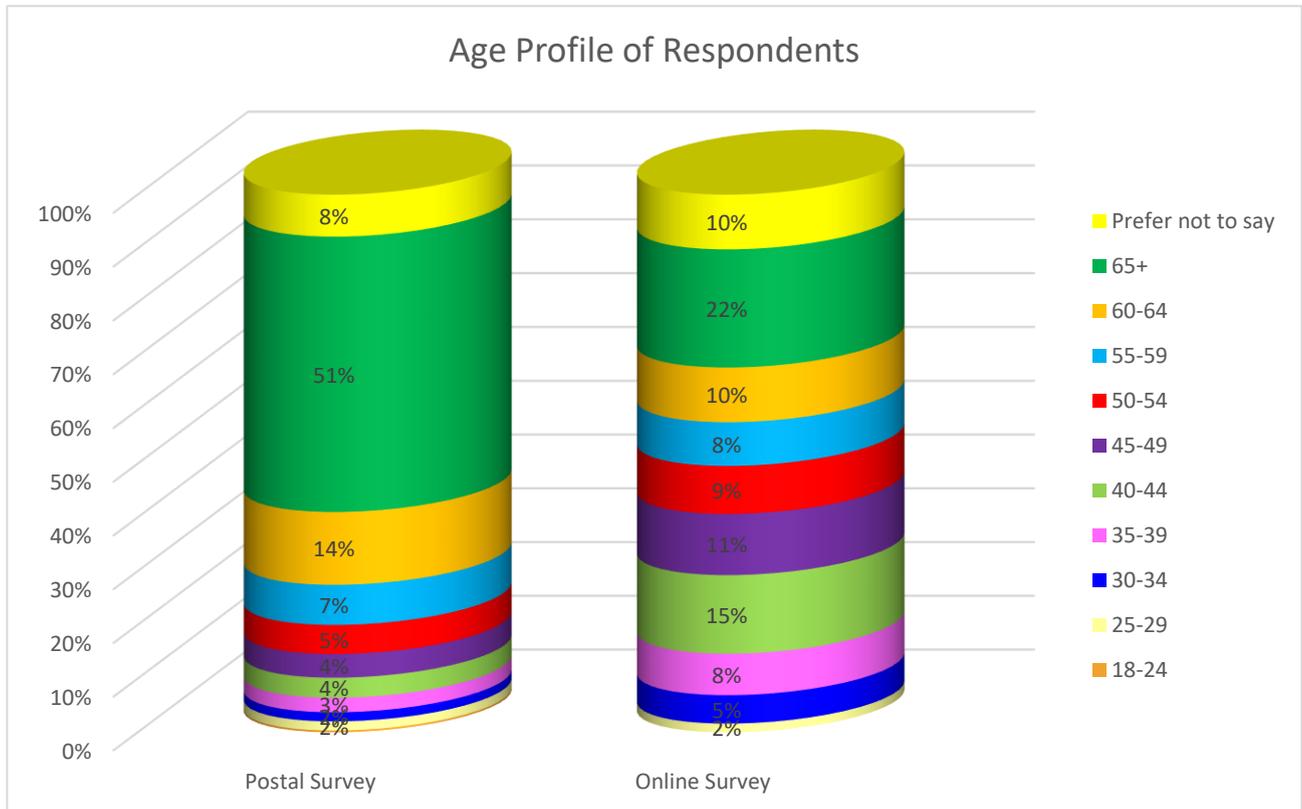
The overall breakdown of respondent's show that most of the people that have completed the survey are not claiming CTS with the result being 66% not claiming and 34 % claiming.



Equality and Diversity.

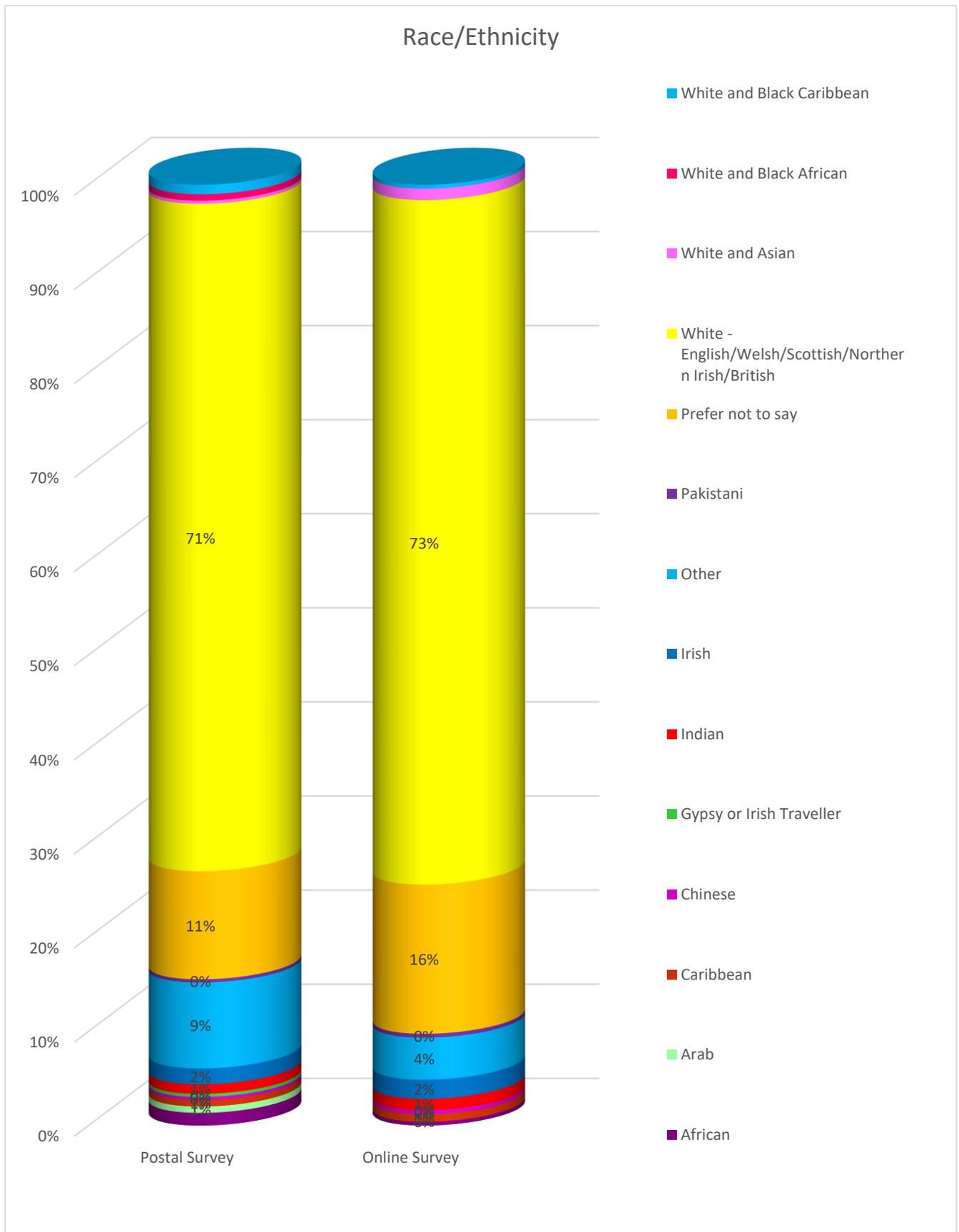
Standard questions relating to Equality and Diversity were included on the survey but it was made clear that answering these was not compulsory.

Overall 541 people (including those unverified) confirmed their age with the highest volumes of respondents being from those aged over 65 years of age – 151 in the postal survey and 54 on the online survey.



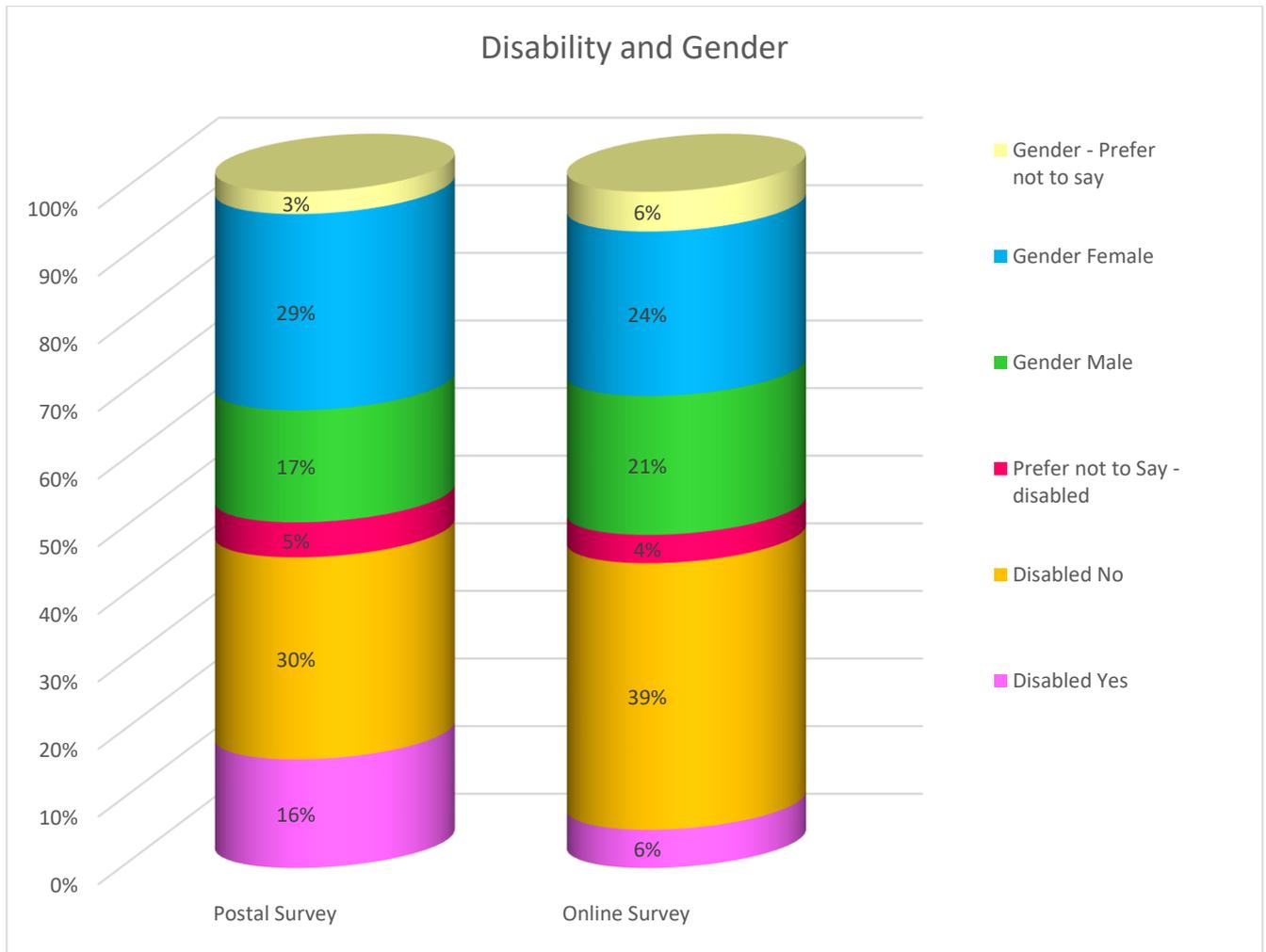
Ethnic Background.

542 respondents (including unverified people) confirmed their ethnic background with the majority of respondents, 71%, stating that they were from a white background.



Disability and Gender.

546 respondents were happy to confirm whether they were disabled or not. 264 confirmed their gender of which 59% were female and 34% were male respondents. The analysis is shown below.



8. Responses from the Greater London Authority

To Be Provided under separate Cover

9. Timetable for Implementation

The new scheme will commence on 1st April 2023 and will continue unless changed after future consultation.

10. Appendix 1 – Narrative responses.

While narrative responses have been reproduced here for completeness, those respondents who simply stated “yes”, “no” or “don’t know” have been removed as these have been included in the analysis undertaken of the results above.

Q5 Are there any other changes you would like to see to the Council Tax Support scheme from 2023/24 or any further comments you would like to make regarding the scheme?

Comments from verified responders

100% council tax support for those on UC and sick benefits
Unfair to base people in higher bands payments capped as though they were in band D. should be based on the actual band you are in,

Is the new fund sufficient? How has the number of people who may qualify been assessed
This questionnaire is either divisive or incompetent its difficult to know which. The covering letter is similarly try finding the faults in paragraphs 2 and 7 either way this presents LBB very poorly.
Why does the council need a hardship fund does the government not support this already?

I would like to see more affordable clubs for kids, park paths with more lighting and play areas for children.

People receiving the support shall only qualify if they dont take drugs and provide samples to prove it.

The minimum contribution should be 50% or higher.

I still want to keep the current level of maximum eligibility at 75%

If my wife is named on our council tax bill. We contribute equally to the payment. My opinion is not necessarily hers. A questionnaire should be sent for her opinion as an equal. No explanation is given for choosing band D the 30% discount is sufficient as the maximum

There are slight changes to our circumstances both my wife and I have contracted covid twice over the last few years, also I have been given an IBS diagnosis and my wife has post cancer treatment
Lymphedema swelling of the left arm
More access service for Deaf people

I am a stage 4 cancer patient & carer for my disabled brother. Money doesn't grow on trees. Neither of us can work but now I'm unable and need as much support as possible financial council tax is very high at the moment everyone should be eligible for support based on income or no on not a select group of people also those receiving support their households should be thoroughly checked especially are receiving support they are not entitled to by lying on their applications increase the fund so as to ensure no one needs other support such as foodbanks.

Relief from hardship should not be the responsibility of the voluntary sector there has to be an incentive to work, if most things are paid for you then these is none We need more support and help from housing, we cant keep paying the amount of money and it going up

As a full-time wheelchair user, I used to be exempt from any council tax payments the current/proposed charges just mean that my benefit payments which I completely rely on are in effect being cut as DWP benefits do not rise comparatively.

Maintain or reduce level of cts, do not increase rather than have a hardship fund, increase council tax support to 100% for vulnerable residents (disabled/leaving care)
I'm 76 November iv a mobility problem cannot climb unsteady on my feet

I think the local council should employ their own staff to maintain small repairs to roads, rather than paying over the top contractors. I believe this would save money and could be other services to be considered
A much fairer system should be a per head contribution (poll tax) unbelievable how people that have work all their lives still end up paying for the work shy. The council tax is probably one of the unfairest taxes ever imposed. How can it be morally right that 2 retired people have to pay the same as a household of 5 working people? (for example)
I myself is disabled with cost of living going, no matter what everybody going to suffer whatever the charge
Use resources more wisely & increase work on things like pot holes.

Provide support for working people as detailed here
Only make available to people of working age who temporarily are deemed by DWP as unfit for work no changes to above but please have police doing job paid to do i.e Foot patrols sort out speeding in Chislehurst petts wood
This is the first time i have heard of this fund, my daughter who live with me as my carer, and only gets Â£70 a week, also as not heard of the fund, as I paid the council tax in full every year and should be paid to carers and disabled people
A hardship fund is fine as long as properly managed, and people pay something. Too many people are awarded benefits that are not deserved, and they live life without any financial responsibility for themselves with a sense of entitlement with other people's hard earned money. Services must never be reduced or council tax increased just to subsidise those who choose not to work/ abuse benefit system, and how much of our council tax funds are being used to support 'refugees' which we can't afford

cant work on sick

70% is too much should be around 60-65% living in a band higher than band D does not mean the council tax is affordable may pensioners, disabled etc.

How about reducing some services - road sweeping, main bin collections, library's (out dotted) ask those that can pay more to do so. Raise the level of council tax by 100% for those business (shop cafes and & restaurants) to make good the advantage they get by setting there own taxation levels (low) Yes, I feel that too much monies are paid out for Christmas lights and additional Christmas extravagant in Bromley. Therefore not being a 'Humbug' people now rely on foodbanks ect due to the cost of living & energy prices. The scheme needs to be more realistic regarding payment to monthly council tax which will put decent people in debt
Bromley is an borough properties in bands E,F,G & H should be paying a much higher tax

SNR Staff paid far too much reduce cut anyone one Principal officer PO4 or above by at least 10%.

Don't pay councilor's - just pay expenses

Make staff pay a premium for using Glades car park

Higher business Rates

No overtime payments

Reduce light & heating bills in council offices

If I got enough pension I would willing pay as it is my husband. I get between us with top up of Â£30 credit pension under Â£260 per week now if you could manage on that please let me know

I should like to see more support for all services but especially mental health and the environment simplify it

Notify wither you need to reapply or is the automatically renewed

As a council tax payee I would like to know this the council (Bromley) moves sure that those who benefit are those who really need it.

Wider publicity about the availability of the council tax support scheme. I am a volunteer with Age UK and I help vulnerable people claim disability benefits.

I THINK THE OLDER RATE SCHEME WAS FAIRER THE GIGGER THE PROPERTY THE MORE RATES YOU PAID. I WOULD ALSO LIKE TO SEE THE RECYCLING INCREASED.

I feel if you receive benefits for low income, you already struggle or live and to be expected to pay CT is an extra worry & struggle for those who have low incomes

Cut wastage within the council

more council tax bands beyond H assistance should not be restricted to maximum band D

Greater clarity on elgibility

more service should be provided to the residence keeping parks clean to enjoy. improving high streets upkeep

We should decrease the level of finding in council tax support scheme and use the money to invest in future generations

Council Tax will increase so it will be a double whammy if you raise to 30%. benefits are being targeted by the gov and will not rise with inflation. It is your duty as a council to support your constituents not target the poorest and most vulnerable

surely climate should get the same level of support reflected for what they pay - if subsidised make it up to 100% then they should get the full service

The council should be working with refuse collectors to ensure those receiving benefit as/or support recycle appropriate amounts for the number of residents in a property to help control council spending on landfill.

It appears to me the pensioners should not be excluded from this initiative pensioners in owner occupied accommodation should not be given benefits that others don't have it is a bias that desists society (Please note i am a pensioner)

should not raise council tax for anyone in a cost of living crisis

Issue parking fines for people who take disabled bays without displaying a badge

I do not know if the council is making sufficient investments for the 'rainy day' if not this is the right time to invest for the future. Investing in social housing is one sure way to reduce the councils costs

Please continue with the 25% reduction for single person household

I think it is important to maintain or improve services to residents not reduce them. Thus I would be in favour of increasing council tax & reducing support if necessary to pay for filling potholes provision of library weekly refuse collection etc

YES. WHY DONT YOU OPENLY PUBLISH THE FACT THAT HARDSHIPS CURRENTLY ANTICIPATED ARE A RESULT OF THE CONSERVATIVE PARTY CUTS TO LOCAL GOVERNMENT THIS PAST TWELVE YEARS?

REPRESENTING:

MIDDLE ENGLAND GROUP FED UP BEING GOVERNED BY INCOMPETENTS AND CHANCERS CURRENTLY RESIDING IN DOWING STREET.

Maybe a increase of council tax after a increase of income for the contributors

Not sure I understand correctly but properties E & H for people on the support scheme will be charged as band D Which means they pay 1/3 less - not sure I agree with that if they can afford to have a band it property. maybe I did not understand the proposal

Get people to pay only for services they use and receive

I get no help at all except council tax I don't even know what's available. I worked all my life from age 14 and I never asked anyone for anything I just worked for it

The council should stop assisting working people living on their own e.g reduce their council tax.

that no funds are given outside of the bromley area and that what the council tax reserve funds support are reduced

Claimants of council tax support may live in a band E/F/G/H but not have much income. They may have lived in the same home for some years not be cash poor. So, I don't feel the support should be limited up to D band level at all

Ensure that the council are 100% certain that they are paying the support to the person actually living in the property rather than the owner/legal tenant

be less worry about things. Help people with more housing and promise people also vulnerable by developing services

People/Families in extreme poverty should be exempt from paying council tax. Council tax rates could be raised in the band G and H bands to pay for this. This government is looking after the rich please can Bromley council look after the poor

Given the economic turmoil caused by the imposition of an incompetent prime minister and deranged chancellor these changes seem to be 'small beer' at present however any support provided to the economically disadvantaged is to be welcome

I like that we can reduce the council tax for the whole band

I would like to see care leavers exempted from paying council tax

make the calculation of entitlement easier for claimants to understand

Save money by bringing services in house, introduce better traffic calming measures and penalise offenders. Don't pay other councils to house our needy. Don't waste millions on poor property investments.

Council tax needs a full blown reform. It's totally outdated and clearly not providing council with funding it needs

No more increases! After last year and all the other costs we are facing, we can't possibly afford it again. You're literally pricing people out of their own homes.

The threshold should increase, so those on lower incomes who are not currently eligible should become eligible.

I think the system could do with a shake up with regards to what is seen as essential funding and services. Make support for the disabled and elderly who are reliant on benefits a priority, along with the poorest families before any borough events or decorations etc. We all desperately need help, not to have our bills increase when most of us can't heat our homes or keep our life saving equipment running.

It is unfair and unreasonable to expect people on very low incomes and in receipt of benefits to increase their contribution towards Council tax when their income is falling in real terms.

Bromley is a wealthy council and Borough.

I am not at all clear why support for council tax should be provided in addition to all the other social security benefits available.

Cash first initiatives for the hardship fund should be available as well as clear information on how to obtain support when needed.

Free school breakfasts for all primary and secondary children. Free local bus travel for all on minimum wage

I gave up work to be a full time carer to my daughter with mental health problems. All my income support goes on bills and my carers allowance goes on food, petrol and non direct debit bills. If I got less support on the council tax support it would put me into severe financial hardship to the point I'd have to choose bills over food.

Review again in 2 yrs. Financial crisis is likely to deepen before it improves.

Struggling a lot due to cost of living, please need help to recover

Good, honest, people are finding themselves in a perilous financial situation through absolutely no fault of their own. It's essential that the council assists them through this (hopefully) limited, short term, financial squeeze.

Some people do not need large homes - eg. A single person in a band E property with excess bedrooms. However, I have 3 children in a band E property and no excess bedrooms. 2 children with disabilities, they cannot share a room.

I think that council tax support for those in band E properties and above, should be calculated at the same rate (E,F ect) , if there are children or elderly living in the home. I.e. The bedrooms are occupied on a permanent basis. Also it should be calculated at the correct rate if there are people in receipt of PIP, DLA.

I could apply to the proposed hardship fund for help with the 5% increase however, I believe a lot of time and paper could be saved if the council could eliminate those in properties at band E and above, who are single occupiers.

You've presented this as a focus on savings for the Council, but have provided no information about how these changes will affect people (eg what would be the impact on those who are being

supported under the current arrangements?). Without this information people should not be supporting proposals to cut support from those in need.
Stop giving contracts to shitty companies that charge a lot and don't do their job.

Stop wasting our money.

Households where a child has a cancer diagnosis should be included. It should not only be means tested. Thankfully there are not many households with children with cancer but we absolutely need the financial support. As a Mother of a child with cancer I had to quit my full time wage to look after my child, children with cancer become incredibly unwell and need a parent at their side constantly. For working all my life I only receive Â£69 per week carers allowance in return for having to give up my full time wage to put my child's survival first. Even with a DLA payment for the child, that is a HUGE reduction in our household income and we still have a mortgage and council tax to pay. Because my Husband works full time we are not entitled to any other financial help and will be left to go bankrupt as far as govt help is concerned. Childhood cancer cannot be faked, yet benefit scroungers get everything paid for them. Childhood cancer is a devastating time where one parent always has to give up work to care for their child and there should be more financial support for this situation. Many are shocked to find there is not. You are probably reading this thinking there is other help we are entitled to. We are not. We are forgotten about with all these thresholds.. Our mortgage threshold doesn't change, we still have the same bills coming out but only one wage coming in and a barely worth it token of Â£69 carers allowance. Where is the safety net for children with cancer? Surely help with council tax should be included when a child in the household has cancer and the parent is receiving carers allowance.

Increase council tax, not just to fund this, but also properly fund the contacts for other council services such as parks, street cleaning and waste collection.

Increasing council tax costs on a group already identified to be in need during a time of rapid inflation seems cruel. I am in favour of closing any budget gap but given Bromley Council tax is very low, I think this could reasonably be closed by an increase in general council rates, which would be less regressive.

Support for people in band E-G not only A-D where council tax is already much lower in comparison.

Instead of making cuts to services, support etc every year demand more money from the government, where our taxes and national insurance is going.

I'm not convinced that all claimants are legitimate and would like to see an increase in the resources for investigation.

Ensure that council tax goes to areas of need - Pennington is the area of Bromley that seems to be forgotten about.

I think using the reserves would be a last resort

You should make it as easy as possible to claim and should be reviewing council tax and rent enforcement policies alongside this. You should also be actively seeking out people who do not pay by dd, or who have received hardship grants previously to ensure that they receive support.

At this current economic situation there should be as much support provided to those in society and in the Borough who cannot afford to meet the full Charge of Council Tax. This is not a situation which will exist for more than 2 years or so. The vulnerable and marginalised should always be supported by those who can afford it. This makes for a fair and equitable society and not one skewed in favour of the most advantageous.

Making cuts in in-house expenditures and limiting salary increases especially to CEO and top management

Hello, I didn't even know this scheme existed. I think people should prioritise their own money instead of expecting others to bail them out all of the time. I work hard and save to ensure that I can

cover my expenditure. I think Bromley are doing the right thing by removing some of the handouts but still supporting where genuine support is needed. There will come a time when I stop working as all I seem to be doing is going to work to pay for others, it isn't fair or a situation that can be sustained. People need to be encouraged to work and gain promotions so they can afford things. Good for Bromley for tackling what is going to be seen as a negative for all those on this hand out scheme. Lobby government for increased funding to support local council budgets and those in need of council tax support through increased taxation of high earners and corporations including multinationals and large international digital companies

Support should be funded from current reserves as it's at its highest level this year. At times of massive inflation such as this, councils should resist urge to add to this.

If an increase is necessary, wealthier people - or residents in more expensive bands - should be expected to foot the bill first

I do not think that support should be limited to Band D as the higher Bands are generally not fair & the system is way out of date.

As LBB have funds invested overseas I find it abhorrent that you are even considering raising council tax for vulnerable Bromley residents. You should be spending from your investments rather than greedily watch the bank balance grow. The poor are not here to fund overseas investments. You should invest in the people you're meant to serve not lining the pockets of investments. Make it easier to contact them, especially for people with disabilities and or no internet. Have a freephone number as well

I think the most vulnerable residents in Bromley deserve more support with their council tax. Think the scheme should be 50% reduction not 70% of the full tax due. The people who claim are highly likely to be high users of all the services provided by the council, and whilst I appreciate they may be financially stretched 70% is a very high percentage for others to make up the difference. While the financial numbers look fairly small with the proposed changes, for the people who receive council tax support, any increase in costs hurts and puts them in an even weaker position.

Could we get some kind of discount on transport when we need to work in central London.

I think that people's contributions should be means tested - if I can't afford my bills I need to rethink and change my outgoings e.g. I moved to a smaller home to manage my mortgage and outgoings.

I also think that support, unless in exceptional circumstances, should be time limited.

Get rid of a lot of management dead wood and invented jobs they give themselves

You make no mention of cutting out waste to improve services and focus solely on increasing resident payments or cutting services. What is the council doing to ensure we the taxpayer get the best value for our money that is currently spent?

Make every department justify its budget on a zero basis NOT incremental - challenge increases and look at automation and digitization of services payback - I could add - but I normally charge for advice. Help those in genuine need regardless of council tax band

Whilst I understand we are all going through the current economic crisis, it is important that we do not make cuts to important services that would impact communities.

We need to support fellow citizens who are facing hard times in difficult circumstances when many people can afford to pay extra.

It would be useful, in combination with this survey, if you published a link explaining the policy as it currently exists and why it exists in that manner.

The terminology is quite confusing so explain it clearly and think of someone who doesn't know what you are talking about and how it applies and try to make it clear to such a person.
Rigorous application of the criteria please for this help

None of the above. Bromley council are NOT transparent with their accounts. Too many meetings are held or sections of meetings held in private. This survey give NO other alternatives. Eg: get rid of the Mayor's car! Councillors use more public transportation. (Freedom pass is free travel!) Bromley Council is NOT a modern council. It is NOT imaginative. It does not engage or interact well with its residents. Many of those effected by this 'consultation' will never see or be aware of it as they may not have IT skills, equipment, and awareness to respond. The questions are loaded. Siloed. Even the executive has commented in the past on how bad the council is at effective communication. Seems no lessons learnt here! Stop this now. Look at the big picture! Be accountable and effective. Open and Honest. There are many recent examples where the council has been weak.
Reducing the level of support by even the small percentage proposed will be challenging for those in receipt of support in light of everything else that is going up in cost. This is not the time to reduce the council tax support.

I think the people eligible to relief often need an advocate to help complete forms and apply for assistance. Larger families need larger properties and have difficulty paying everything. Limited funds will mean problems will be seen and Foodbank use will increase if proposed changes go through . Should be 80% support these people can hardly afford to eat now, cut the salaries of top management would be better

In view of the rapidly rising cost of living nationally I believe Bromley Borough should dip into its considerable contingency funds to bridge the funding gap. As a volunteer with Bromley Foodbank it is clear that many residents are already in huge difficulty in affording food for their families. Bromley Borough could assist, for instance, by paying the rental charge on our warehouse? But this is unlikely! So why should we support you trying to collect more cash from hard-pressed residents?!

I am concerned that the very people that need to participate in this survey may not see it. Could the Council therefore email these people so that they can have their say on the proposed changes?

As we are in a cost of living crisis with these proposed changes people who are maybe already struggling could then be getting into debt.

As this Council has invested vast sums already it is mystifying that there now could be a potential budget gap? Has there been a mismanagement of funds/
Save money by applying savings caps to all ages. It is ridiculous that rich pensioners should be getting free bus fares and reduced council tax. Stop cutting services for children. Start investing in the future.

Several of these are also fraudulently claiming benefits.

We are in a critical time, spend our reserve now please, that is what it is for, Otherwise, people will suffer and it will be a disaster, people will lose their homes, and poverty will increase. If we use the reserve now it will get us through this CRISIS for now.

toughen up on those who do not work and could

the council should not cut council tax benefit for people on low incomes. The council should raise any extra money by implementing the empty homes premium on properties that are empty for longer than 2 years. For more details see <http://getcommonholddone.co.uk/empty-property/2021/06/04/fire-at-18-year-old-empty-property-shows-that-bromley-council-is-too-soft-on-empty-property-owners/>

The council should publish an equality act impact assessment before taking any formal decision on this issue.

Demand more money from central government.

Charge second home owners much more.

People are struggling to live and heat their homes. Any increase at the moment is unacceptable. I know these are hard times for everyone, but I cannot comprehend why you think increasing charges for the poorest residents, most in need of support, is the right option? Surely it is those of us on higher incomes who should be putting a bit more into the pot at this time? I think this is a ridiculous questionnaire, what a time to ask people in the community to get less help from the council however small it maybe!!

I would strongly continue with the 75% between bands B-D but those with larger properties will and can access funds to pay for the additional council tax as a responsible council. Failing that, go to Liz Trust and ask her for more funding from the government you represent.

Don't expect the community to pay any more due to the financial crises this government has put in place as her mini budget. If needs must then use the slush fund you have to help those people that just can't afford their council tax but don't remove money that they really need. Final note, I hope that Bromley council is a compassionate and removes this survey and continues the support required. It is an outrageous request and is completely wrong at this present time. Let's hope the press don't get wind of this proposal?

People don't have this money to pay right now not enough to afford for food income not increasing for people council need support all people I think people should pay 30%, I don't think I services should be cut or the rest of the residents support those who are on benefits by increasing council tax. Cost of living is already squeezing everyone else out of extra pennies which will impact businesses and footfall at shopping places Typical Tory response to a Tory created problem. Froze council tax this year to try and save some seats.

Cuts from central Govt. Call a national and local election. Provide council tax support for those who work part time! Even at 75% CTS support it is too much for many low income households to afford. With the council's intention to increase council tax for years 22/23 the financial burden placed on low income households will increase. Couple this with the horrendous cost of living crisis there will be many, many households that are unable to pay and would find themselves chased by bailiffs, which is simply devastating both financially (including credit reports) and mentally, particularly for those households who are considered vulnerable. pay less council tax without any cut

Restricting to band D when calculating entitlement to Council tax support is unfair, the jump in minimum weekly contributions for bands E - H is too great.

Strong communication is needed to ensure that all residents know the support available to them with their council tax payments if they are indeed financially vulnerable (particularly those that lack access to the internet).

This is a bad time for everyone especially the less well off. The council should use its savings until there is some respite or target the higher council tax bands

There is plenty of money in reserve, use it

Look at possible ways of allowing those receiving Council Tax support to work on a voluntary basis in return for paying less Council Tax.

This is a wealthy borough, with resources to support those in poverty, especially during these hard times. If it were possible, I would be happy to pay an extraordinary hardship levy to support those who don't have the capacity to cope during these extraordinary times of inflation in everything everywhere

If the council had not wasted large amounts of money on unwise property investment, there would be plenty of money to support the most vulnerable.

The additional revenue to the Council from this proposal is miniscule in the scale of Council spending.

It would be far better to stop bragging about Bromley having the lowest council tax in London and collect more from all, except Support Scheme claimants, to properly fund council services.

The eligible bands should be increased

Cutting services is entirely wrong headed

If council tax has to go up, it should only increase for the more expensive bands as they are more able to help share the burden

More support for those that need it most during this cost of living crisis

Bromley has large reserves and they should spend them on their residents instead of hoarding them (and should also direct spending to poorer areas of the borough as a priority)

Bromley has areas of extreme wealth, maybe tax them more to help pay for those that are most in need

Higher tax on second/ multiple properties

Support for the most vulnerable and those most impacted but cost of living crisis need to be supported more right now. Not have support schemes or public services cut.

Support those who need it. Charge those who can afford to pay more.

Tell your Westminster friends to stop cutting local government funding.

Why not go back to all working adults contributing?

I wonder how the equity issue of sharing this consultation has been addressed to ensure appropriate feedback. I have only seen it advertised online

Restricting the support to band d levels is sensible and is consistent with the governments first energy assistance in the summer of 2022

Be useful for people without partners

My son been on camhs waiting list for 3 years with still no help they are useless i call every day and i receive no reply. His anxiety is so bad he has also been a school refuser for 3 years. I get no support for him from local services and because hes listed as a camhs patient we cant get any other support.

No can i get luch funding uniform funding or pupil premium wwn though i myself am disabled and on benefits, all because there are no specialist schools in this borough that have a space 2 schools that is all for the biggest borough London. We have falled through the cracks and there is nothing anyone is doing to help us.

Im just disgusted to say i live in the Bromley borough with a special needs child.

We should not have to subsidise and support Sadiq Khan's & other boroughs' reckless spending and vanity projects.

There are lots of people in Bromley, myself included, who would rather pay more Council Tax to support the less fortunate in our Borough. Perhaps you could introduce a voluntary scheme for those wishing to preserve vital services for those in need such as elderly care, youth services, etc. This would help make Bromley a better place for everyone.

I would like to see more people paying their way. The answer shouldn't always be to make hard working people pay more to support those that don't work.

I was surprised to find that one of the key documents linked with 'Apply for council tax support' amounted to 238 pages of complex language and explanation. I was, therefore, grateful to be sent more accessible information.

In the council's impact statement there is already reference to 68.34% of applicants being women and the need to monitor this. However and if my arithmetic is correct, of 3598 single parents with children 3439 are women. It is recognised that women with child care responsibilities are often paid less; hence any reduction in financial help at a time when the cost of living is rising will be felt by this group in particular.

Limiting the assistance to the council tax paid by Band D residents ignores the fact that poverty and family breakdown is not only experienced by Bromley residents in properties of lower value. Whilst it may be easy to suggest that people should move, account should be taken of the cost of doing so and the loss of local support, schooling etc

If a sanction/ deduction of earnings is placed on a individual this should be subject to appeal. Residents in bands E to H should pay significantly more council tax.

Bromley council should look into how much service charge housing associations charge as every year I have to have my service charge revised because they charge for services not provided. Therefore anyone one on housing benefit is overcharged and therefore the LBB is paying for services not provided.

Bromley must continue to support all vulnerable people in the borough.

Are there more assets that Bromley could sell in order to support those in need of support? Sell them If Bromley council didn't have to pay for immigrants and asylum seekers there would be millions for available for British people. Do not provide services for immigrants or asylum seekers, and if its a legal requirement that the council is required to provide these services - campaign to end such a legal requirement, by pointing out to council tax support payers how much money is tipped down the drain on these services.

Comments from unverified responders

In the current cost of living crisis, it is essential that our vulnerable clients (at Bromley, Lewisham and Greenwich Mind) are aware of their full entitlement to possible benefits. I would therefore ask that consideration be given to promoting the various exemptions that may be available to vulnerable people, such as the 'severe mental impairment' exemption and possible eligibility for 'severe disability premium' when it still applies. Also, that vulnerable clients with 'non dependents' living in their household do not have deductions applied when they are exempt (due to receiving a qualifying benefit, such as PIP). In addition to this, I would ask that the Council Tax Discretionary Payment Scheme is promoted to vulnerable clients.

There is still a very unfortunate and unfair state for those living on so called fleecehold estates. Where residents are charged full amount of council tax and have to pay additional uncapped fees for the upkeep of publicly accessible streets that council refuses to adopt. Due to the inflation it's only going to get worse. It's unclear why the residents should be charged full amount of the tax if they don't get any maintenance services from the council on the estate. If the council refuses adopt those estates, they should reduce the tax.

The fact that there are reserves means that there should be no need to decrease or change the amount of council tax support. People in the private rental sector very often have no choice but to rent properties in higher council tax bands. Penalising such tenants for something they cannot control is beyond unfair.

Make them pay more, everyone is feeling the increase and those not eligible are not seeing reductions!

Get rid of it

Carers of disabled children/adults need more help

I believe the current proposals to reduce assistance to those on low incomes amount to an increase in council tax on only the lowest earners in the borough. Raising funds to continue to deliver council services should be done in an equitable manner, not by targeting those who are already most at risk from the cost of living crisis.

Choice 1/ Build some housing and bring down the cost of rents - then you won't be paying out so much in housing benefits and also people can afford to get a job. Choice 2/ Don't. = terminal

decadent decline.

If people are living on their own in a big house then claiming hardship they should sell the house and downside.

Try to look for the waste - its really not hard as an outsider and you are not really efficient - the debt level flatters you

You have hundreds of millions of pounds in reserves. This is the time to use of of this,

Changes seem reasonable and proportionate. It is, however, questionable whether people living in houses in Bands E or above should receive any council tax support for more than say 6 months as clearly they have a very valuable asset which should be considered.

There are residents in the borough that I know who are claiming 25% reduction in council tax claiming they are single residents when they are cohabiting. The council fraud department should track them down and ensure they pay the full council tax.

Increase the highest 2 levels of council tax to make a larger contribution rather than taking the money from the poorest in our community.

I agree that there should be a certain level of support to help who is most in need, however I believe that a 75%-70% is excessive, especially if it means that people paying 100% the amount for council tax bills, will face an increase. This will be hard for people on low income and not benefitting from such supports.

Times are tough for everyone. We all need to contribute.

I think more support for families need to be given. Working or not.

I don't believe enough consideration has been given to vulnerable residents with complex needs. Bromley is the only borough in the whole of London proposing such a drastic change due its deficit budget. There is a cost of living crisis and you want to target those who are on low income and is not able to already manage. There needs to be more push to central government for support and you may want to re visit your contract with liberata and see how much this is costing you to administer. There is a lot of outsourcing and systems that's costing the council a lot of

money. Discretionary support is in itself self explanatory- "discretionary". It is ultimately up to the decision maker whether this will be awarded or not. So it's no real good of this amount being increased as it gives no guarantee to those who would be entitled to apply to be turned down as it's "discretionary". Review your budgets and look at other means you can close the deficit gap with. There is lack of support in the borough as it is.

I feel residents living in a street of uniform housing who have afforded to hugely extend their properties should have their council tax banding increased. These people are wealthy but are cleverly escaping the correct banding.

Reducing support for the poorest people during inflation and cost of living and energy crises is deeply unfair. The council should use it's reserves for this the purpose of making people's lives better.

Band E-H are likely to be owned by older people who have in most cases have throughout their lives already benefited hugely from rising property values. if council tax must increase, start the increase in council tax for larger land owners and those with higher value properties- those with capital and sizeable assets such as these have the broadest shoulders and should pay more. Landowners sitting on undeveloped assets should be taxed even more (even if they have friends in the council). People with non-domicile status but who also own property in the UK should not be in receipt of any council tax deductions. Wealthy pensioners should not be able to claim council tax benefit. The council no doubt uses many third party contracts and / or consultancy firms. I would expect the council to attempt to renegotiate better terms to save money before they focus policy making efforts to take more money from poorer people and those with children in school age.

Make better provisions for private renters who are in universal credit as they spend a large proportion of their money on housing costs. Council tenants have more disposable income than private renters and are losing out on a weekly basis

The status quo is not acceptable because of the councils challenging financial position

Bromley council should get a share share of the London Boroughs reallocation process. We pay a substantial amount of money to the London Assembly and are net losers when it come to their spending prioritises.

Further investigation should be required if the department has no information regarding the claimant. Further support offered for liability orders should be flexible to over turn if

circumstantial evidence van be provided.

Report No.
ES20240

London Borough of Bromley

PART 1 – IN PUBLIC

Decision Maker: EXECUTIVE

Date: 18th January 2023

Decision Type: Non-Urgent Key

Title: **PROCUREMENT STRATEGY - PROCUREMENT OF LEASE CARS AND LIGHT COMMERCIAL VEHICLES**

Contact Officer: Paul Chilton, Transport Operations Manager
Tel: 020 8313 4849 E-mail: paul.chilton@bromley.gov.uk

Chief Officer: Colin Brand, Director of Environment & Public Protection

Ward: All

1. REASON FOR REPORT

- 1.1 To consider the ongoing procurement of vehicles provided under the staff lease car scheme and those cars and light commercial vehicles allocated for departmental use when the current framework operated by Crown Commercial Service (Ref: RM6096) ends on 15th May 2023.
- 1.2 Consultation with the Director of HR & Customer Services and individual fleet user departments has confirmed that the Council has an ongoing requirement for the acquisition of motor vehicles to support the provision of services.

2. RECOMMENDATION(S)

- 2.1 **The Portfolio Holder is recommended to agree;**
- 2.2 **to utilise the forthcoming framework operated by the Crown Commercial Service, to lease any required cars and light commercial vehicles from 16th May 2023 until 11th January 2027 and to agree to the continued use of the framework for any extension period that may be applied by Crown Commercial Service.**
- 2.3 **to delegate authority to the Director of Environment & Public Protection to approve the use of the Vehicle Lease, Fleet Management & Salary Sacrifice call-off framework (Ref; RM6268) with successful suppliers, upon its award by the Crown Commercial Service, in January 2023.**

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £3.1M
 2. Ongoing costs: Recurring Cost: N/A
 3. Budget head/performance centre: Various departmental budgets across the Council
 4. Total current budget for this head: £847K
 5. Source of funding: Revenue Budget 2023/24
-

Personnel

1. Number of staff (current and additional): 1.56
 2. If from existing staff resources, number of staff hours: 56
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: 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? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Management of the Council's vehicle fleet is the responsibility of the Transport Operations section within Environment & Public Protection. The section supports individual user departments with all aspects of vehicle provision and maintenance. In addition, the section provides day-to-day administration of the staff lease car scheme on behalf of the Human Resources.
- 3.2 Upon the renewal of the Vehicle Leasing framework by the Crown Commercial Service in May 2023, the project aims to ensure the continuation of an effective procurement solution for provision of various Council vehicles.
- 3.3 The project will set out to ensure compliance with the Council's Corporate Procurement Rules and Financial Regulations, with the support of all relevant officers of the Council.
- 3.4 The use of the framework (CCS Ref: RM6268) will continue to provide a robust and reliable means of acquiring cars and light commercial vehicles to support both the staff lease car scheme and a group of fleet vehicles allocated to departments.

Summary of Business Case

- 3.5 The Council requires motor vehicles for two main elements of the organisation. Firstly, there are a small number of cars and commercial vehicles used in various departments to support the delivery of services.
- 3.6 Secondly, the Council operates a staff lease car scheme for those who are eligible as part of their contract of employment. The scheme operates on the basis that the Council contributes towards the cost of the vehicle and the staff member if they desire, may provide additional funding themselves for a higher category vehicle. The staff member also pays for insurance provided by the Council.

3.7 Staff Lease Cars

- 3.8 For the staff lease car scheme, the Director of HR & Customer Services has been consulted and has confirmed the continuation of the scheme and the obligation to provide eligible staff with motor vehicles, as an established policy for recruitment and retention of staff.
- 3.9 Currently 86% of the 158 vehicles in the lease car scheme are linked to hard-to-remit /retain posts, mainly within Social Care services.
- 3.10 Under the scheme, the staff member may select any make or model of vehicle and the agreement that they hold with the Council requires them to contribute to the cost, over and above a maximum level that the Council pays towards the vehicle.
- 3.11 In order to maintain the car leasing scheme for its 158 users, it is proposed that the Council uses the Crown Commercial Service framework from May 2023, upon expiry of the current framework.

Allocated Commercial Vehicles

- 3.12 For the allocated car/commercial fleet, user departments have been consulted over their future requirements and their comments have been considered in drawing up this proposal and considering the options that exist for vehicle acquisition.

- 3.13 For allocated vehicles, individual specifications are created in conjunction with end users to ensure that the right vehicle is selected for the intended purpose and that environmental considerations, fuel type, legalities and maintenance support is acceptable.
- 3.14 Where possible before specifications are finalised, users are given the opportunity to evaluate suitable loaned demonstration vehicles obtained from vehicle manufacturers and local dealerships.
- 3.15 The option of alternatively powered vehicles (e.g. electric) is now a priority where operating cycles and cost benefits allow.
- 3.16 Before final selection, where it is considered practical to use an alternatively powered vehicle, the whole life operating costs and environmental benefits are closely examined.
- 3.17 The inclusion of manufacturer's satellite navigation and GPS tracking options are considered in conjunction with users, to assist with journey efficiency, vehicle management and control.
- 3.18 Unless particularly specified and with prior approval from the appropriate Chief Officer, all fleet vehicles will be delivered in the corporate white finish and will carry the Bromley logo, fleet numbers and service identification if required, together with any markings for legal or safety reasons.
- 3.19 The Transport Operations Manager has a legal obligation to maintain a safe and roadworthy vehicle fleet therefore in addition to any servicing requirements that form part of the leasing agreement, the allocated commercial vehicles will be inspected at a 26 week intervals. Defects and breakdowns that arise through normal use of the vehicle are dealt with on a reactive basis and referred to the lease company or their nominated repair agent.
- 3.20 Accidental damage and glass replacement is the responsibility of the Council whilst the vehicles are in service and separate arrangements are in place for such repairs.

3.21 **Service Profile / Data Analysis**

Current Departmental Allocation of Leased Departmental Service Vehicles (Appendix 1)

The numbers in service are shown in the following table.

Department	Current No. of Leased Vehicles	Users
Place	8	Pool Cars, Highways, Environment, Planning
People	4	Carelink, Housing Needs
Chief Executives	2	Mayoral
Total	14	

The distribution of the Staff Lease Cars within departments is shown below;

Department	No. of Vehicles	Types
People	135	Various passenger cars
Place	14	Various passenger cars
Chief Executives	7	Various passenger cars
Total	156	

4. MARKET CONSIDERATIONS

- 4.1 The availability of vehicle call-off frameworks has developed over many years within the Crown Commercial Service and this arrangement has worked successfully for the Council since 2012, over several framework periods with the following benefits;
- a) A proven procurement solution widely used for leased vehicle requirements across Government including the NHS and MOD, which therefore creates advantages in respect of discounts and volume pricing, which other public sector organisations can benefit from by using the framework.
 - b) Currently, up to 16 different lease companies available through the framework with instant quotations being obtained through an on-line portal. Orders are then placed directly with the lease company providing the lowest cost.
 - c) Flexibility in respect of the lease term from 1 – 4 years and estimated mileage options.
 - d) Fleet management support, roadside assistance and vehicle maintenance included in the lease agreement.
 - e) Access to all vehicle makes and models with additional scope for special fittings and adaptations required for certain commercial vehicles.
 - f) Support for the transition to low emission vehicles.
 - g) With the motor industry experiencing supply chain issues over the past two years which continue to impact new vehicle lead times, the leasing companies allow extensions on a month-by-month basis at reduced cost, where replacement vehicles may be delayed.

5. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 5.1 When orders are placed, the option of using local dealerships is always explored and if possible are nominated, where there is a relationship between the lease company and the dealership to supply their vehicles.

- 5.2 For the allocated departmental service vehicles, routine safety inspections are undertaken by local providers under a separate arrangement and servicing through the lease companies is through main dealerships, many of which are borough based.
- 5.3 All vehicle acquisitions made through this framework are first considered for alternative fuels in support of the Council's aim to reduce carbon. This is driven by tax advantages for the staff lease car users and for the commercial fleet, supporting the transition to electric and other modes of power. Fuel type options can be selected within the CCS portal when requesting quotations.

6. STAKEHOLDER ENGAGEMENT

- 6.1 For the allocated car/commercial vehicle fleet, user departments have been consulted to gauge their vehicle requirements over the term of the framework.
- 6.2 For the staff lease cars, the Director of HR & Customer Services has been consulted on the future of the lease car scheme and has confirmed an ongoing requirement for the acquisition of cars.

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

7.1 Estimated Value of Proposed Action:

The annual leasing budget for both fleet groups in 2022/23 is show below;

Staff Leased Cars	£808,000
Allocated Service Vehicles	£39,000
Total	£847,000

7.2 Other Associated Costs: N/A

7.3 Proposed Contract Period:

- 7.4 The Crown Commercial Service commenced a compliant tender process during September 2022 and published the Prior Information Notice on 29th November 2021 and the estimated time for the framework award is January 2023.
- 7.5 The Transport Operations Manager will remain engaged with CCS throughout the tendering period and will monitor progress through to tender award in January 2023, with the intention to utilise the new framework from May 2023, when the current authorisation expires.
- 7.6 When the award has been finalised by the Crown Commercial Service, authorisation to utilise the framework will be requested in an Award Report to the Director of Environment & Public Protection and this is likely to be in February 2023.

7.7 Project Governance

The following key roles are required for the delivery of this project:

Name	Title	Role	Reporting To
Paul Chilton	Transport Operations Manager	Project Lead	Assistant Director, EPP Highways
Paul Kelsey	Senior Transport Officer	Contract Manager (LBB Service Fleet)	Transport Operations Manager
Colin White	Fleet Co-ordinator	Contract Manager (Lease Cars Scheme)	Transport Operations Manager
Maddy Hayes	Head of Procurement	Procurement Advisor	Assistant Director, Governance & Contracts

8. IMPACT ASSESSMENTS

- 8.1 The use of motor vehicles within the Council links with local motor trade suppliers in various ways, supporting supply, maintenance, repairs and upkeep.
- 8.2 In keeping with current policies concerning carbon reduction, new vehicles are moving towards alternative fuels with electric traction being the most popular choice.

9. POLICY CONSIDERATIONS

- 9.1 The purpose of the car leasing scheme is to support the recruitment and retention of a quality workforce.
- 9.2 Under relevant staff terms and conditions of employment the Council has a contractual obligation to provide a leases car to eligible employees who opt to join the scheme.
- 9.3 The table below sets out the total number of leased cars in the staff lease car scheme across each department together with categories of staff eligible for the scheme.

Depart	Group 1	Group 2	Group 3	Group 4 (Protected)	Group 4 (Un-protected)	Total Cars
	Chief Officer Man Grades 1 & 2	Man Grades 3 & 4	Grades BR14 Man Grades 5&6 Head Teachers in post before 1/9/94	Officers in current post since 26/1/95 BR12 & BR13 ECU at 26/1/95 claiming than 4,500 miles or more miles	Officers appointed after 26/1/95 BR12 & BR13 ECU after 26/1/95 claiming 8,500 miles or more special category workers	
Chief Exec	1	5	1	0	0	7
People	1	6	33	0	95	135
Place	1	2	9	2	0	14
TOTAL	3	13	43	2	95	156

- 9.4 Approval was given by Finance and Service Committee in December 1986 for the introduction of a car leasing scheme for Chief Officers and officers graded PO4 and above as part of a recruitment and retention initiative.
- 9.5 In October 1987 the scheme was extended to officers graded PO2/PO3 and to officers on an essential user car allowance whose annual business mileage was 4,500 business miles or over.
- 9.6 The scheme was extended from January 1990 to include certain posts within Social Services where difficulties in recruiting and retaining staff were being experienced.

10. IT AND GDPR CONSIDERATIONS

- 10.1 The Crown Commercial Service operates a web-based portal which is only available to authorised public sector users. Access to the system is controlled by a specific log-in and is password protected.
- 10.2 Before finalising the framework access, each lease company will be contacted to obtain a copy of their data protection and privacy policy in respect of the latest GDPR legislation. The Council's Head of Information Management has been consulted.
- 10.3 Within the Transport Operations section, leading fleet management systems are utilised to control the fleets, with secure access by authorised staff.

11. STRATEGIC PROPERTY

- 11.1 N/A

12. PROCUREMENT RULES

- 12.1 This report seeks to make use of the upcoming arrangement from CCS, Vehicle Lease, Fleet Management & Salary Sacrifice (RM6268) which is due to be awarded in January 2023.

- 12.2 Further, this report seeks to delegate the award of individual call off contracts to the Director of Environment & Public Protection as required. The estimated value of spend via the framework is £2.96m over 3 years and 8 months.
- 12.3 Finally, this report seeks to gain Approval for the continued use of the current framework (Vehicle Lease, Fleet Management & Flexible Rental Solutions RM6096), should CCS choose to extend it. The value of this action is as yet unknown and may not be required.
- 12.5 The Council's requirements for authorising an award of contract are covered in CPR 16. For a contract of this value, the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 12.6 Following the decision, the relevant transparency notices will be published on Find A Tender Service and Contracts Finder.
- 12.7 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

13. FINANCIAL CONSIDERATIONS

- 13.1 The estimated current annual gross cost for both fleet groups :

	£'000
Staff Leased Cars	808
Allocated Fleet Vehicles	39
Total	847

- 13.2 Should the new framework be in place for the same term of 3 years, 8 months the total gross spend under this contract would be approximately £3.1m.
- 13.3 However, it should be noted that the actual spend for staff leased cars constantly varies as it depends on the level of staff vacancies for those posts that include a leased car within the post conditions, in any particular year. It is also dependent on whether the actual member of staff opts to take up a leased car or requests a cash alternative. Where an employee does opt for a leased car, the cost of that car will also depend on the choice of car made by the employee.
- 13.4 It is also important to note that the actual net cost to the Council of staff leased cars is lower than the gross cost shown in 13.1. The figure above relates to the estimated total contract value of orders placed in one year. however, there is an employee contribution towards the cost of the lease via a monthly deduction from salary. Again, the value of these contributions varies depending on the class of vehicle chosen, but currently the annual value is in the region of £325k. This reduces the estimated net cost to the Council of staff leased cars to approximately £483k a year. This is the cost met from departmental service budgets across the Council.

14. PERSONNEL CONSIDERATIONS

- 14.1 No direct staff operational implications arising from the commissioning and award of the contract.
- 14.2 The use of the framework fully supports the requirements of the Councils Staff Lease Car Scheme. As stated elsewhere in this report, for staff with a contractual entitlement to a lease car, any change to the scheme is generally fraught with legal and employee relations concerns. An employer cannot unilaterally vary or remove a contractual term without the agreement of the individual concerned unless this is expressly provided for in the contract of employment. In the absence of an individual agreement, if the employer still wants to proceed with the variation or change it is required in law to 'dismiss and re-engage' the individual employee(s) concerned on a new contract of employment. The process of 'dismissal and re-engagement' requires a strong business case for the change and is generally full of legal risks.
- 14.3 As stated in several parts of the report, the staff lease scheme is a vital part of the Council's recruitment and retention strategy for hard to recruit posts and in particular qualified social worker recruitment and retention. It is one of main push factors the Council and its competitors including neighbouring authorities rely on in the competitive local and national labour markets for qualified social workers. The Recruitment and Retention Board which is jointly chaired by the Director of Human Resources and Customer Services and the Deputy Chief Executive & Executive Director of Education, Care and Health Services strongly recommends the retention of the scheme.
- 14.4 The current contractual lease car scheme, which is only offered to a small number of roles within the Council for recruitment and retention purposes, is separate from the salary sacrifice lease car scheme.

15. LEGAL CONSIDERATIONS

- 15.1 The Council has both an implied and a specific powers under sections 112 and 111 of the Local Government Act.1972 to employ staff ; support its functions general and to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions . This would include the provision of vehicles for staff and commercial vehicles through the upcoming arrangement from Crown Commercial Service, Vehicle Lease, Fleet Management & Salary Sacrifice (RM6268) framework as set out in this report
- 15.2 The commissioning of leased vehicles is a public supplies contract within the meaning of the Public Contracts Regulations 2015 (Regulations) and as such, due to the value exceeding the relevant threshold, must be procured in full compliance with the Regulations. The Regulations do however authorise compliance where the Council uses Regulation 33 to award the contract through a Framework Agreement set up by another public authority (here via Crown Commercial Service, Vehicle Lease, Fleet Management & Salary Sacrifice (RM6268) framework) provided it has been competitively tendered in compliance with the Regulation and the Council is named as a body who can access the Framework .
- 15.3 Any contract awarded will need to be in accordance with the Framework call-off procedure and using the call-off terms and conditions under the Framework. Officers should ensure all requirements and any permitted changes are included in the call-off documents. Officers have confirmed that the Framework when in operation will be available to the Council.
- 15.4 The recommendation to this report is consistent with the Council's Contract Procurement Rules (CPR's and Guidance) which for purchases over £1m gives authority to the Executive to agree

the proceeding to procurement strategy, with the agreement the Portfolio Holder, Chief Officer, Assistant Director of Contracts and Governance Director of Corporate Services ,Director of Finance and Delegated Authority Budget holder. This report further seeks authority to delegate the contract award to the Chief Officer. Finally, this report seeks to gain Approval for the continued use of the current framework (Vehicle Lease, Fleet Management & Flexible Rental Solutions RM6096), should CCS choose to extend it.

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Agenda Item 9

Report No.
HPR2022/032

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **EXECUTIVE**
For decision scrutiny by the Executive, Resources and Contracts Policy, Development and Scrutiny Committee

Date: 18 January 2023

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

Title: **HOMES FOR UKRAINE**

Contact Officer: Tracey Wilson, Head of Compliance & Strategy
Tel: 020 8313 4515 E-mail: Tracey.Wilson@bromley.gov.uk

Chief Officer: Sara Bowrey, Director, Housing, Planning & Regeneration

Ward: All Wards

1. Reason for decision/report and options

- 1.1 This report provides an update on the Homes for Ukraine response by the Council and approach going forward.
- 1.2 An update on the Homes for Ukraine scheme will be provided to Executive quarterly, this report is the second of the update reports.

2. **RECOMMENDATION(S)**

The Executive, Resources and Contracts Policy, Development and Scrutiny Committee are asked to:

- 2.1 Note the content of this report which details the work undertaken to date to support households arriving in Bromley under the Homes for Ukraine scheme.

The Executive is requested to:

- 2.2 Review and note the contents of this report in relation to the current activities under the Homes for Ukraine scheme

Impact on Vulnerable Adults and Children

1. Summary of Impact: Summary of Impact: The support will assist families with community integration, education, and employment opportunities
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priorities:
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Estimated Cost: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £net zero
 5. Source of funding: Department for Levelling Up, Housing and Communities/DfE
-

Personnel

1. Number of staff (current and additional): 10.5 FTE
 2. If from existing staff resources, number of staff hours: 0
-

Legal

1. Legal Requirement: Statutory
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Property

1. Summary of Property Implications: N/A
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A
-

Customer Impact

1. Estimated number of users or customers (current and projected): 820
-

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 Homes for Ukraine Scheme was launched on 14 March 2022 by the Secretary of State for Levelling Up, Housing & Communities.
- 3.2 The number of people who can access this scheme is uncapped and is dependent on the capacity of the sponsors who come forward.
- 3.3 On the 14 December 2022, the Government announced that over 100,000 Ukrainian guests are now safe in the United Kingdom. 37,500 more have valid visas and may choose to travel to the United Kingdom.
- 3.4 The Government has also announced that the £350 'thank you' payments, will be extended from 12 months to a maximum duration of two years. The UK Government will also increase the minimum 'thank you' payments for hosts from £350 per month to £500 per month, once a guest has been here in the UK for 12 months. This additional financial support is aimed at helping existing hosts to continue with their sponsorship, as well as new hosts who come forward to offer a home to a Ukrainian individual or family.
- 3.5 Guests will be able to live and work in the UK for up to 3 years and access benefits, healthcare, employment, and other support.
- 3.6 There is also the Ukraine Family Scheme, the main differences between the two schemes are that the households entering the UK on a Ukraine Family scheme visa will not be entitled to the £200 interim payment and the sponsor household (family member) will not be able to access the monthly 'thank you' payment.
- 3.7 Bromley has a reasonable-sized Ukrainian Community already, with approximately 560 households residing in Bromley. It is assumed that many of these households will have housed family members from Ukraine, which may not be sustainable in the longer term due to overcrowding, leading to homelessness approaches to the Council.

Summary of Business Case

- 3.8 A dedicated team is in place to coordinate the work ensuring all statutory requirements are fulfilled to hosts and sponsors. There is a strong focus on utilising volunteers wherever possible.
- 3.9 In order to meet the funding conditions a number of checks are required to be undertaken and inputted into Foundry the Government Portal for accessing Homes for Ukraine cases, these checks are;
 1. Residential Address Exists
 2. Accommodation Visited and Suitable
 3. DBS initiated
 4. Safeguarding Checks Completed
 5. Group Arrived in Accommodation

The Local Authority is expected to carry out Home Visits to every sponsor address prior to arrival of the Guest household (where practicable) to ensure it is suitable to accommodate the guest household. The accommodation should;

- be kept clean and in a reasonable state;
- have adequate kitchen and bathroom space;
- have access to drinking water;

- have a working smoke detector on each floor of the property and other fire safety precautions suitable for the building e.g. fire doors or escape routes as appropriate
- have a working carbon monoxide detector in any room containing a solid fuel burning appliance (e.g. a coal fire, wood burning stove);
- have sufficient heating to keep the property at a comfortable temperature;
- have safe gas appliances and fittings and flues; you should consider whether a Gas Safety check is needed;
- have safe and working electrics, which a qualified electrician can help with if you are unsure;
- be reasonably free from damp or mould;
- have doors and windows at entry level that lock properly;
- be easy and safe to move around in, without excessively steep staircases that may cause harm.

3.10 A basic DBS (disclosure and barring service) check must be requested for every sponsor household member over the age of 16 and if the guest household contains a child or a vulnerable adult, then an enhanced DBS check should be requested. In addition to the above Welfare Checks, checks are carried out with Social Care colleagues to ensure that sponsor households are not vulnerable, this also includes checking with Early Intervention.

3.11 Sponsors are required to:

- Meet the eligibility and suitability requirements to be approved as a sponsor.
- Provide suitable accommodation for a minimum of 6 months. Accommodation needs to be free from serious health and safety hazards ensuring the property is safe for guests and in a suitable condition
- Check their mortgage lenders website for further guidance.
- Notify their insurers that they will be hosting guests from Ukraine, prior to their arrival.
- Homeowners in the UK who want to temporarily house people from Ukraine who have been displaced from the conflict in Ukraine as non-paying guests with them in their primary residence do not need to inform their insurer and their cover will remain the same. Sponsors should be aware of any existing terms that might apply to non-paying guests within their insurance policy and contact their insurer if they wish to discuss their cover or other changes in circumstances.
- Stay in regular contact with their guests prior to their arrival to help organise and coordinate their arrival in the UK, meet them on arrival, and provide their guests with instructions on how to reach their accommodation if they are unable to meet them.
- Support and help guests to adapt to life in the UK, initially checking if they have enough food and supplies, along with checking if they have access to a mobile phone and internet to stay in touch with family members.
- Sponsors should help direct their guests to public services for example, registering with a GP or NHS dentist.

3.12 Guests receive the following from the Council at their Welcome Visit:

- Information pack in Ukrainian (available in Russian if required) - containing Welcome Letter, ESOL information, Safeguarding Flyer, NHS information, pre-paid card acceptance form, guide to living in the UK
- Pre-Paid Card per guest household with £200 per individual. The pre-paid cards gives the most flexibility and independence as guests can withdraw money from any cashpoint without the need for a bank account and they are also able to use it in any shop to purchase items
- Essential Toiletries Pack per household - shampoo, conditioner, toothbrush(es), toothpaste, shower gel, deodorant, wipes, tissues and sanitary towels
- Essential furniture/bedding - if required such as; bed, mattress, cot, wardrobe, hanging rail, chest of drawers, stair gates, bedding

- Carbon Monoxide detectors available if required
- Smoke Detectors available if required

Travel Assistance – one-off payment to existing pre-paid card for £89.50 per adult and £15 for all Ukrainian Guest children over the age of 10 years to cover the administrative fee at the Post Office for the Zip Card

Service Profile / Data Analysis

- 3.13 There are currently 607 guests (318 families) that have arrived under the Homes for Ukraine scheme to date, and it is assumed that many, in addition have also arrived to live with existing family members.
- 3.14 The Council has been receiving £10,500 quarterly in arrears for every guest, providing the above checks have been undertaken and are satisfactory. The Government announced on the 14 December that the council tariff will reduce to £5,900 per person for arrivals entering the UK from 1 January 2023. This funding is provided to enable the Council to provide support to families to settle in. Funding is going direct to those with visas under the Homes for Ukraine scheme and to fund staffing and other costs, outlined in the financials.
- 3.15 Latest projections indicate approximately 300 children arriving under Homes for Homes for Ukraine. The service has also seen significant numbers of children arriving under the family placement scheme, for whom grant funding is not received.
- 3.16 The table below shows the number of households who have approached for homelessness advice and how many households have gone into temporary accommodation.

	Homes for Ukraine Scheme	Ukraine Family Scheme
Homeless Approaches	41	36
Households in Temporary Accommodation	14	11
Households in Private Rented Sector Accommodation	5	1

- 3.17 300 children arriving through the Homes for Ukraine is anticipated to attract £2.1m Education grant, based on an assumption of the age breakdown. On this basis, each additional 100 children arriving would attract c£720k of Education grant.
- 3.18 Education receive a separate grant to support the additional school placement costs:
 Early years (2-4) £3,000
 Primary (5-11) - £6,580
 Secondary (11-18) £8,755
- 3.19 Cautious decisions are continuing to be made in terms of spend and there has been a strong focus on utilising volunteers wherever possible.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The support will assist families with community integration, education, and employment opportunities
- 4.2 Weekly Ukraine Support Hub in place, providing support from range of internal and external organisations for example: Housing, DWP, Education, Social Care, Public Health, Bromley Y, HR Recruitment etc. This has proved to be really helpful for guests and sponsors alike, with each hub attended by at least 50 people, some of whom return weekly
- 4.3 Fortnightly meet up sessions take place at Bromley Central Library to provide guests and sponsors with a space to meet other people from their local community and make connections, this has been very well received and approximately 40 people attend each meet up session.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 Department for Levelling Up, Housing & Communities has set out the guidance, outlining the role of Councils.

6. FINANCIAL IMPLICATIONS

- 6.1 In the previous report to the Executive, it was agreed that a level of funding up to £1,171k, mainly for staffing, be approved. This covered the main grant element and the Education element.
- 6.2 Since that report further costs have been identified and officers are quantifying these and these will be brought back to the Executive in due course. These include costs for temporary accommodation due to sponsor/guest breakdown, social worker costs and other sundry costs across a range of Council services. To cover this eventuality, delegated authority was sought and agreed when the last report came to the Executive in June.
- 6.3 All costs relating to this scheme will be covered off by the grants so will be cost neutral in the short term. As mentioned in the main body of the report the grant for each new guest will reduce from £10,500 to £5,900 from the 1st January 2023. Despite this reduction it is expected that the total grant will still cover the costs incurred by the Council.
- 6.4 Officers are currently in discussion with DLUHC regarding the ability to carry over and unspent grant into the following financial year.
- 6.5 Government have also announced that the 'thank you' payment will increase to £500 per month once a guest has been in the UK for 12 months. The 'thank you' payments are cost neutral and are in effect and 'in and out' for the Council as they are paid to the sponsor and the Council reimbursed by the Government.

7. PERSONNEL IMPLICATIONS

- 7.1 No outsourcing or TUPE required
- 7.2 One agency member of staff (formerly Bromley Council Officer)

8. LEGAL IMPLICATIONS

- 8.1 This Committee and the Executive are requested to note and comment on the information contained within this report as to the progress of the Homes for Ukraine scheme. Members will

be aware this is a Government sponsored scheme and the Council operates under the Guidance issued and within the conditions attached to the payment of the Government grant.

8.2 The Council's Constitution, at Part 4 – Rules of Procedure, provides the terms of reference for the Executive, Resources and Contracts Policy Development and Scrutiny Committee as it relates to the Executive and the Resources, Commissioning and Contract Management Portfolio. Under these terms of reference, this Committee is responsible for receiving reports and making recommendations on performance monitoring of services falling within the remit of this portfolio.

9. PROCUREMENT IMPLICATIONS

9.1 Not applicable

10. PROPERTY IMPLICATIONS

10.1 Not applicable

11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

11.1 The Homes for Ukraine scheme will add social value and benefit the local economy as many of the guests arriving are skilled professionals looking for work.

11.2 Four guests from the Homes for Ukraine scheme have been employed by Bromley Council and are working in both the Homes for Ukraine team and the wider Housing Team.

11.3 The support being offered by the Council is incredibly important as a preventative measure to support both sponsors and guests to avoid potential problems and relationship breakdown leading to homelessness

11.4 By virtue of sponsors offering a home and also the meet up sessions enabled by the Council, this helps to meet the Tackling Loneliness Strategy.

12 CUSTOMER IMPACT

Homes for Ukraine is a sponsorship scheme that allows people and organisations in the UK to offer Ukrainians fleeing the war a home.

13 WARD COUNCILLOR VIEWS

Not applicable

Non-Applicable Headings:	9, 10
Background Documents: (Access via Contact Officer)	Not Applicable

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of the Local Government Act 1972.

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