



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Philippa Gibbs
philippa.gibbs@bromley.gov.uk

DIRECT LINE: 020 8461 7638

FAX: 020 8290 0608

DATE: 15 March 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 29 MARCH 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 MEETINGS HELD ON 18 JANUARY 2023 AND 8 FEBRUARY 2023 (Pages 3 - 24)

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 Wednesday 15 March 2023.

Questions specifically relating to reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on Thursday 23 March 2023.**

5 BUDGET MONITORING 2022/23 (Pages 25 - 68)

6 BASIC NEED CAPITAL PROGRAMME UPDATE (Pages 69 - 92)

- 7 **MARKET SUSTAINABILITY PLAN** (Pages 93 - 108)
- 8 **OPERATIONAL BUILDING REPAIR AND MAINTENANCE BUDGET 2023/24**
(Pages 109 - 116)
- 9 **OPERATIONAL PROPERTY REFURBISHMENT PROGRAMME - PROCUREMENT AND AWARD OF CONSTRUCTION CONSULTANCY SERVICES** (Pages 117 - 124)
- 10 **HOUSING INFORMATION SYSTEMS** (Pages 125 - 132)
- 11 **BROMLEY HOUSEHOLD SUPPORT FUND** (Pages 133 - 142)
- 12 **AFFORDABLE HOUSING - POLICY AND STRATEGY DOCUMENTS** (Pages 143 - 150)
- 13 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 14 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
15 EXEMPT MINUTES OF THE MEETING HELD ON 8 FEBRUARY 2023 (Pages 151 - 154)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
16 BUDGET MONITORING 2022/23 PART 2 APPENDIX (Pages 155 - 156)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
17 OPERATIONAL PROPERTY REFURBISHMENT PROGRAMME - PROCUREMENT AND AWARD OF CONSTRUCTION CONSULTANCY SERVICES (PART 2) (Pages 157 - 162)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

.....

EXECUTIVE

Minutes of the meeting held on 18 January 2023 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Kate Lymer (Vice-Chairman),
Nicholas Bennett J.P., Aisha Cuthbert, Angela Page and
Diane Smith

Also Present:

Councillor Simon Fawthrop and Councillor Simon Jeal

125 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Yvonne Bear and Councillor Christopher Marlow.

126 DECLARATIONS OF INTEREST

In relation to Minute 133 (Item 9), Councillor Bennett noted that his household was hosting two Ukrainian guests.

127 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2022

The minutes of the meeting held on 30 November 2022 (excluding exempt information), were agreed and signed as a correct record.

128 QUESTIONS

No questions were received.

129 DRAFT BUDGET 2023/24 AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY Report FSD23003

The report sought 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".

A key part of the financial strategy was to highlight the budget issues that would need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme and the impact on the revenue budget was reported elsewhere on agenda.

PDS Committees views would 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.

The report provided details of the Provisional Local Government Finance Settlement 2023/24 which was published on 19th December 2022 and represented 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, had been delayed until at least 2025/26 – more realistically unlikely to be implemented until 2026/27.

There were still outstanding issues and areas of uncertainty remaining, including, for example grant conditions, which could impact on the final revenue budget. Further updates would be included in the 2023/24 Council Tax report to the next meeting of the Executive.

In Councillor Marlow's absence, The Leader announced that the proposed staff pay award for 2023/24 would be 5.75%. This was to be supplemented by an additional 2.00% for 2022/23 making a total of 7.75% all in. There would also be an increase in the merit payment scheme to £400k pa to reward outstanding performance in service.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2022 and the Committee made recommendations to the Executive in respect of the London Boroughs Grant Committee and recommended that any identified savings should be taken in year.

The Executive considered and discussed the recommendations from the Executive, Resources and Contracts PDS Committee but felt further discussion was needed. The Leader offered to write to the Chairman of London Councils outlining any concerns held by Members. The Executive agreed that the position should be reviewed next year after further consideration.

RESOLVED: That

- 1. The initial draft 2023/24 Budget detailed in Appendix 7 be agreed.**
- 2. The initial draft 2023/24 Budget for each portfolio be referred to the relevant PDS Committees for consideration.**
- 3. The financial projections for 2024/25 to 2026/27 be noted.**
- 4. It be noted that there are still areas of financial uncertainty which will impact on the final 2023/24 Budget.**

5. **The proposed increase in rent levels for London Affordable Rents and Social (Formula) Rents by 7% from April 2023 as set out in Section 12.2 of the report be agreed.**
 6. **The proposed contribution of £246,470 in 2023/24 to the London Boroughs Grant Committee (see section 22 of the report) be agreed.**
 7. **The setting of the schools' budget, mainly met through Dedicated Schools Grant, be delegated to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 23 of the report).**
 8. **Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive.**
 9. **The outcome of the Provisional Local Government Financial Settlement 2023/24 as detailed in the report be noted.**
 10. **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 be noted.**
 11. **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.**
 12. **Where possible any identified savings should be taken in year.**
- 130 CAPITAL STRATEGY 2023/24 TO 2026/27 & Q3 CAPITAL PROGRAMME MONITORING**
Report FSD23001

The report incorporated the Council's new Capital Strategy and Capital Programme for 2023/24 to 2026/27. It also summarised the current position on capital expenditure and receipts following the conclusion of the third quarter monitoring exercise.

The report included details of the new schemes that would be added to the Capital Programme and information concerning the proposed asset disposals that would be used to generate capital receipts and ultimately contribute towards the funding of the Capital Programme.

Also included were 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 would impact the Council's revenue budget.

The report had been scrutinised by the Executive, Resources and Contracts

PDS Committee on 16th January 2022 and the Committee had supported the recommendations.

RESOLVED: That

1. **The report, including a total rephrasing of £565k from 2022/23 into future years, be noted and a revised capital programme be agreed.**
2. **The Capital Strategy for 2023/24 to 2026/27 be agreed 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**
3. **The refinancing of the Council's existing Housing Schemes through external borrowing of £49.2M via the Public Works Loan Board be approved.**
4. **The use of up to £10M from the Council's earmarked revenue reserves to support funding of the Council's capital programme be approved.**
5. **It be agreed that all new and existing Housing Schemes should be funded by long-term borrowing.**

**131 COUNCIL TAX REDUCTION\SUPPORT SCHEME 2023/24
Report FSD22091**

The report advised Members of the result of the public consultation exercise and sought approval for the scheme to be put forward to Full Council.

The Executive recognised that there was significant pressure on some households' income at present, and were reassured that the generous increase in size to the Council's Hardship fund, would ensure that sufficient support remained set in place for those in genuine need.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2022 and the Committee had supported the recommendations.

RESOLVED: That

1. **The revised Equality Impact Assessment at Appendix 1 of the report be noted.**
2. **The responses to the public consultation exercise at Appendix 2 & 3 of the report be noted.**

3. **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.**
4. **The introduction a band "D" eligibility restriction from 2023/24 be approved.**
5. **Council be recommended to agree that the Council Tax Support scheme from 2023/24 increases the Discretionary Hardship Fund to £225k per annum.**

**132 PROCUREMENT STRATEGY - PROCUREMENT OF LEASE
CARS AND LIGHT COMMERCIAL VEHICLES
Report ES20240**

The report considered 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) ended on 15th May 2023.

Consultation with the Director of HR & Customer Services and individual fleet user departments had confirmed that the Council had an ongoing requirement for the acquisition of motor vehicles to support the provision of services.

The Assistant Director for Highways confirmed that the financial information shown in para 12.2 of the report was incorrect, and that the spend under this contract was estimated to be £3.1m (as set out in paragraph 13.2 of the report). The Assistant Director also confirmed that it was a decision for the Executive.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2022 and the Committee had supported the recommendations.

RESOLVED: That

1. **The forthcoming framework operated by the Crown Commercial Service be utilised to lease any required cars and light commercial vehicles from 16th May 2023 until 11th January 2027 and the continued use of the framework for any extension period that may be applied by Crown Commercial Service be agreed.**
2. **Authority be delegated 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.**

**133 HOMES FOR UKRAINE
Report HPR2022/032**

This report provided an update on the Homes for Ukraine response by the Council and approach going forward.

An update on the Homes for Ukraine scheme would be provided to Executive quarterly, this report was the second of the update reports.

The Leader thanked the Head of Housing Compliance and Strategy and her Team for their amazing work supporting the guests from Ukraine who had been welcomed across the Borough, in tandem with the community oversight and personal assistance of Cllr Kira Gabbert.

The Leader also paid tribute to every Bromley host who had welcomed and supported families from Ukraine.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2022 and the Committee had supported the recommendations.

RESOLVED: That the contents of the report be reviewed and noted in relation to the current activities under the Homes for Ukraine scheme.

**134 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.

**135 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**

**136 EXEMPT MINUTES OF THE MEETING HELD ON 30
NOVEMBER 2022**

The exempt (not for publication) minutes of the meeting held on 30 November 2022, were agreed and signed as a correct record.

**137 CAPITAL STRATEGY 2023/24 TO 2026/27 & Q3 CAPITAL
PROGRAMME MONITORING - APPENDIX E**

The Executive noted the Part 2 Appendix.

Chairman

The Meeting ended at 7.51 pm

This page is left intentionally blank

EXECUTIVE

Minutes of the meeting held on 8 February 2023 starting at 7.00 pm

Present:

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

Also Present:

Councillor Simon Fawthrop and Councillor Simon Jeal

138 APOLOGIES FOR ABSENCE

There were no apologies for absence.

139 DECLARATIONS OF INTEREST

Councillor Bennett declared that he was a member of the Lee Valley Regional Park Authority.

Councillor Fawthrop declared that his wife was an employee of the Council.

140 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JANUARY 2023 (TO FOLLOW)

The minutes of the meeting held on 18 January 2023 would be confirmed at the next meeting.

141 QUESTIONS

Six questions for oral reply were received. These are attached at Appendix A.

142 BIGGIN HILL AIRPORT NOISE ACTION PLAN REVIEW Report CSD23024

At the meeting of the Executive Committee on 19 October 2022, an update was brought to the Executive on the Biggin Hill Airport Noise Action Plan review. At the time of the report, one of the key commitments of the Noise Action Plan, the new approach to Runway 03, was yet to be approved by the Civil Aviation Authority (CAA). As this commitment was deemed to be one of the most important for residents, the committee asked for a further report to be brought to the Executive Committee in January 2023, once the CAA had made its decision on this issue.

The CAA had now issued its decision refusing the new approach to R03. The report recommended moving forwards with the revision of the NAP with a view to making improvements without the benefit of the new approach to R03 for the next five years.

The Executive noted that the report had been considered by the Executive, Resources and Contracts PDS Committee. The Chairman of that Committee reported that at the meeting there had been consensus that a revision to the NAP was required and any revised NAP needed to work for both Biggin Hill Airport Ltd (BHAL) and residents. Many of the points raised at the PDS Committee had concerned resident engagement and the recommendations proposed by Members were aimed at balancing protecting residents and delivering a suitable commercial deal for BHAL.

The Portfolio Holder for Resources, Commissioning and Contracts Management then made a detailed statement which can be reviewed at Appendix B to these minutes.

The Leader emphasised that any revised NAP would be subject to scrutiny by the Executive, Resources and Contracts PDS Committee. The Leader also expressed confidence that the interests of the residents directly affected by Biggin Hill Airport would be well represented by local ward councillors.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 2 February 2023 and the Committee had requested that the Executive note the comments made.

RESOLVED: That

- 1. It be noted that the CAA has made a decision not to approve the new Instrument Approach Procedure for Runway 03.**
- 2. It be agreed that BHAL in association with the Council need to work on the revision of the NAP and produce a new NAP for the following five years.**
- 3. Officers be authorised to work with BHAL to produce a revised NAP, in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management taking into account the fact that the new Instrument Approach Procedure for Runway 03 will not be delivered in the short to medium term future.**
- 4. It be noted the officers' suggestions of possible improvements set out in this report to be discussed with BHAL along with other suggestions from residents and other parties in the next few months.**
- 5. It be noted that sufficient time will need to be allowed to discuss and agree feasible improvements and codify them in a clear and agreed legal document.**

- 6. It be noted that an update on progress of the commercial aspects of the NAP revision will be reported in six months, with a long stop date of end of the year to complete the legal agreement.**

**143 2023/24 COUNCIL TAX
 Report FSD23012**

A key part of the financial strategy was to highlight the budget issues that would need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. Details of the capital programme and the funding strategy were reported to the previous meeting of the Executive.

The Provisional Local Government Finance Settlement 2023/24, which covered 2023/24 only with limited indication of funding for 2025/26, provided the fourth year (following 10 years of austerity) of real increases in funding. The settlement included continuation of the ASC precept, repurposed social care funding, additional adult social care funding and other changes.

Although the settlement was to be welcomed there remained uncertainty around the level of Government funding for 2024/25 and beyond, particularly as the Government would need to address the significant increase in public debt due to the pandemic. The longer-term Spending Review together with the awaited Fair Funding Review and Devolution of Business Rates (or any revised funding proposals) was not expected until 2026/27.

The report identified the final issues affecting the 2023/24 revenue budget and sought recommendations to the Council on the level of the Bromley element of the 2023/24 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept would be reported to the Council meeting on 27th February 2023. The report also sought final approval of the 'schools budget'. The approach reflected in this report was for the Council to not only achieve a legal and financially balanced budget in 2023/24 but to have measures in place to deal with the medium-term financial position (2024/25 to 2026/27).

With the Government reductions in funding since austerity measures began, although there have been some recent improvements in funding, the burden of financing increasing service demands falls primarily on the level of council tax and share of business rate income. The financial forecast assumed that the level of core grant funding would remain unchanged, in real terms, from 2025/26.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 2 February 2023 and the Committee had supported the recommendations.

RESOLVED: That

2.1 Council be recommended to:

- a) Note the Final Local Government Settlement 2023/24, announced by DLUHC on 6th February, which included additional Services Grant funding of £61.5k and that these monies be set aside within the 2023/24 Central Contingency.
- b) Approve the schools budget of £98.674m which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;
- c) Approve the draft revenue budgets (as detailed in the revised Appendix 2) for 2023/24
- d) Agree that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 18th January 2023;
- e) Approve a revised Central Contingency sum to reflect the allocation of the pay award, movement of levies and final local government settlement, resulting in a sum of £17,536k (see Section 6 and the revised Appendix 3);
- f) Approve the following provisions for levies for inclusion in the budget for 2023/24:

	£'000
London Pensions Fund Authority *	460
London Boroughs Grant Committee	246
Environment Agency (flood defense etc.)	266
Lee Valley Regional Park	353
Total	1,325

* This amount is provisional and subject to revision.

The increase of £23k in the 2023/24 levy amounts is offset by a £23k decrease in the 2023/24 Central Contingency as a provision towards meeting inflation cost pressures.

- g) Note the latest position on the GLA precept, as above, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 12);
- h) Sets a 2% increase in Adult Social Care Precept with a 2.99% increase in Bromley's General Council Tax, compared with 2022/23 (1% Adult Social Care Precept) and notes that, based upon their consultation exercise, the GLA are currently assuming a 9.7% increase in the GLA precept;
- i) Approve the revised draft 2023/24 revenue budgets to reflect the changes detailed above;

- j) Approve the approach to reserves outlined by the Director of Finance (see Appendix 4);
- k) Note that the Executive agrees that the Director of Finance be authorised to report any further changes directly to Council on 27th February 2023.

2.2 Council Tax 2023/24 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

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

	2022/23 £	2023/24 £	Increase £	Increase % (note #)
Bromley (general)	1,178.15	1,218.25	40.10	2.99
Bromley (ASC precept)	162.98	189.80	26.82	2.00
Bromley (total)	1,341.13	1,408.05	66.92	4.99
GLA *	395.59	434.14	38.55	9.7
Total	1,736.72	1,842.19	105.47	6.07

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

(#) in line with the 2023/24 Council Tax Referendum Principles, the % increase applied is based on an authority's "relevant basic amount of Council Tax" (£1,408.05 for Bromley) – see paragraph 6 below. Any further changes arising from these Principles will be reported directly to Council on 27th February 2023.

2.3 Council be recommended to formally resolve as follows:

1. It be noted that the Council Tax Base for 2023/24 is 134,093 'Band D' equivalent properties.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2023/2024 is £188,810k.
3. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
 - (a) £617,863k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £429,053k being the aggregate of the amounts which the Council estimates or the items set out in Section 31A(3) of the Act.

- (c) £188,810k being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
- (d) £1,408.05 being the amount at 3(c) above, divided by (1) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
4. To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set).
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

Valuation Bands	London Borough of Bromley £	Greater London Authority £	Aggregate of Council Tax Requirements £
A	938.70	289.43	1,228.13
B	1,095.15	337.66	1,432.81
C	1,251.60	385.90	1,637.50
D	1,408.05	434.14	1,842.19
E	1,720.95	530.62	2,251.57
F	2,033.85	627.09	2,660.94
G	2,346.75	723.57	3,070.32
H	2,816.10	868.28	3,684.38

6. That the Council hereby determines that its relevant basic amount of council tax for the financial year 2023/24, which reflects a 4.99% increase (Adult Social Care Precept increase of 2%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24 sets out the principles which the Secretary of State has determined will apply to local authorities in England from 2023/24. Any further changes arising from these Principles will be reported directly to Council on 27th February 2023. The Council is required to determine whether its relevant basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

**144 EMPTY HOMES PREMIUM
 Report FSD23015**

The report set out a proposal that the Empty Homes Premium be increased from April 2023 to the maximum permitted under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 2 February 2023 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The responses to the public consultation exercise at Appendix 1 be considered.**
- 2. The Equality Impact Assessment at Appendix 2 be considered.**
- 3. The Empty Homes Premium from 1 April 2023 be increased to 100% for properties empty longer than 2 years, increasing to 200% where the property has been empty for 5 years and 300% when the property has been empty for over 10 years.**

**145 PROCUREMENT OF CONSULTANCY SERVICES FOR THE
 CRYSTAL PALACE PARK REGENERATION PLAN
 Report HPR2023/007**

The report provided Members with an update on the delivery of the Crystal Palace Park Regeneration Plan, including the recommendation to procure consultancy services for the capital schemes. The report was marked as Urgent as the project would be utilising grant funding which had timescales attached for delivery. Call in would therefore not apply.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 23 January 2023 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The contents of the report be noted, namely information regarding the procurement of the multi-disciplinary consultancy services for the next stages of the Regeneration Plan at Crystal Palace Park.**
- 2. The procurement of the multi-disciplinary consultancy services to replace AECOM be approved noting that the Regeneration Plan is**

already on the Capital Programme, with funding secured for the works required under the shadow s106 agreement.

**146 WEST WICKHAM LIBRARY AND HOUSING PROJECT AWARD
REPORT
Report HPR2023/009**

The report recommended Executive and Full Council approval for the award of the main construction contract for the West Wickham Library and Housing Project. The details of the compliant, open tender process had been outlined within the Part 2 report. The report was also requesting approval of a supplementary capital estimate. The report was marked as Urgent to ensure the validity of the tenders received, as the tender closed on the 6th December 2022.

RESOLVED: That

- 1. A supplementary capital estimate for this scheme of £3,959k be approved, to cover construction price inflation since November 2021, when the project was originally added to the Capital Programme, and an increased contingency allowance;**
- 2. The revised financing of the scheme be approved as set out in paragraph 8.7 of the report;**
- 3. The further recommendations in the Part 2 report in relation to the award of the works contract be noted;**
- 4. The rent levels of the affordable housing at Social (Formula) Rent levels to utilise the GLA Building Homes for Londoners Grant be approved; and**
- 5. Approve that any increased GLA Grant be added to this scheme, as agreed under contract with the GLA.**

**147 CHANGING PLACES FUND
Report HPR32023/011**

In March 2022, the Council was awarded £220k grant funding from the Department of Levelling Up, Housing and Communities to deliver four Changing Places facilities at agreed locations across the borough. The use of funds and associated procurement approach was agreed, with pre-decision scrutiny, by the Portfolio Holder for Renewal, Recreation and Housing in October 2022.

Officers were seeking formal approval to accept and spend the grant monies in line with parameters of the funding application, together with approval for contract award for the associated works.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 23 January 2023 and the Committee had supported the recommendations.

RESOLVED: That

1. **The allocation and spend of the Changing Places Fund grant monies which total £220k be approved, in line with the interventions set out in the funding application and within this report, to enable the delivery of four Changing Places facilities across the borough before 31 March 2024.**
2. **The award of contract, via exemption to competitive tender, to Rise Adapt for the delivery of two modular Changing Places units (situated at Crystal Palace Park and High Elms Country Park) be approved at an estimated value of £145,500. Award of contract will be subject to confirmation of management and maintenance agreements as set out in 3.19 – 3.20.**
3. **The distribution of funds to Princess Royal University Hospital (PRUH) and MyTime Active to deliver Changing Places Toilets at the PRUH and The Pavilion Leisure Centre be approved.**
4. **Authority be delegated to the Director of Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation and Housing, to agree any changes to the delivery of Changing Places programme within the boundaries of the grant funding available and legal contract with DLUHC.**

**148 FUTURE OF COMMUNITY RESOURCE CENTRES
Report HPR2023/010**

Due to a number of factors, mainly problems with the current buildings, the future of the outreach service currently provided by two community resource centre facilities at Cotmandene (CCRC) and Mottingham (MCLS) had been under review. A number of alternative locations had been explored for relocation with the views of users and non-users captured.

The report asked the Executive to agree to the relocation of the service into two Libraries within the borough under the expected management of Greenwich Leisure Limited.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 23 January 2023 and the Committee had supported the recommendations and made an additional recommendation:

- 2.2 (ii) To note the need for the Mottingham Resource Centre to be situated in close proximity to the existing location on the Mottingham estate (an*

area of social and economic deprivation) and continue to search for an alternative site during the 6/12 months trial in case the library site does not prove suitable. Furthermore, that Officers consider the implications and feasibility of extending the time available at St. Edward's Church, during the trial period, from one day to two days per week, if required, to provide increased local availability of facilities and resources to the elderly, disabled and vulnerable who reside on the Mottingham estate.

RESOLVED: That

- 1. The permanent relocation of the outreach services at Cotmandene Resource Centre to St Paul's Cray Library, including the transfer of management services to GLL by way of a Change Control Note to GLL's overarching contract and the secondment and/or TUPE of staff depending on the consultation outcome be agreed.**
- 2. The temporary relocation of the outreach services at Mottingham Learning Shop to Mottingham Library, with one day a week session at St Edward's Church, be agreed subject to a twelve month trial, to be reviewed after 6 months. These services are to be transferred to the management of GLL rather than the Council by way of a Change Control Note to GLL's overarching contract and will include the secondment and/or TUPE of staff.**
- 3. The need for the Mottingham Resource Centre to be situated in close proximity to the existing location on the Mottingham estate (an area of social and economic deprivation) and continue to search for an alternative site during the 6/12 months trial in case the library site does not prove suitable be noted. Furthermore, that Officers consider the implications and feasibility of extending the time available at St. Edward's Church, during the trial period, from one day to two days per week, if required, to provide increased local availability of facilities and resources to the elderly, disabled and vulnerable who reside on the Mottingham estate.**
- 4. Any further decisions on the transfer to GLL be delegated to the Director of Corporate Services and Governance in consultation with the Portfolio Holder for Renewal, Recreation and Housing.**
- 5. The disposal of the Cotmandene building for sale or rent be agreed subject to a further report from Property.**
- 6. It be noted that the expected capital cost of the move is £594k, which is within the OPR allowances for the two library sites, and that the budget is approved as part of the OPR process with a requirement for this project to report to the OPR board until completion.**

**149 REPLACEMENT OF PLANNING AND BUILDING CONTROL
CASE MANAGEMENT IT SYSTEMS
Report HPR2023/012**

The report sought approval to draw down funds from the Council's Technology Fund for one off costs associated with the IT software replacement project for Planning & Building Control.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 23 January 2023 and the Committee had supported the recommendations.

RESOLVED: That funds totalling £402,307 be drawn down from the Council's Technology Fund.

**150 LOCAL LONDON SUBREGIONAL PARTNERSHIP
Report HPR2023/008**

The report sought authority to join the London sub-regional partnership.

In response to a question, the Leader received assurances that London Borough of Bromley could leave the Partnership with 12 months' notice with any liabilities around issues such as redundancy being limited as these liabilities would only be in respect to core staff. It was highlighted that most staff were from externally funded programmes.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 23 January 2023 and the Committee had supported the recommendations.

RESOLVED: That

- 1. Approval be given to joining Local London and signing the Inter Authority Agreement (IAA) for the Local London Sub-Regional Partnership (appendix 1) so as to establish joint arrangements with the Local London Authorities including the formation of a Joint Committee with its terms of reference as set out in the IAA;**
- 2. Approval be given to the annual membership fee, currently £50K per annum, for the duration of Bromley's membership, noting interdependencies with UK Shared Prosperity 3-year period (3.7) and Local London's current strategy period 2022-2025 (3.5);**
- 3. Authority be delegated to the Portfolio Holder for Renewal and Recreation to determine continuing membership annually, on review of value added;**
- 4. Authority be delegated to the Portfolio Holder for Renewal and Recreation to be the Council's Member at the Local London Joint**

Committee and make decisions where there are no direct implications for LBB finances (3.14) and to appoint the Leader to be the Reserve Member; and,

- 5. The benefits of joining Local London, as set out in paragraphs 3.8-3.13 of the report be noted.**

151 PERMISSION TO CALL-OFF NEW CONTRACT FOR THE INTEGRATED COMMUNITY EQUIPMENT SERVICE IN BROMLEY, VIA THE LONDON CONSORTIUM MEMBERSHIP Report ACH23-005

The Part 1 Contract Award report outlined the current arrangements for the provision of Bromley's Integrated Community Equipment Service (ICES), commissioned through the London Community Equipment Consortium (London Consortium), and set out the results of the tender exercise for the provision of the new service.

The current contract for ICES was due to end on 31st March 2023 and both 1+1 extension options had been utilised. Executive previously approved (ECHS19049) re-procuring the service through continued membership of the London Consortium and for Bromley Council to participate in the joint re-tendering exercise, which was activated in April 2022.

Approval to call-off the new contract was being sought to support the conclusion of the Consortium-led Tender Exercise and the new Framework Agreement, in order for the new service to commence on 1st April 2023, and for Bromley to continue to support and meet the needs of Bromley residents.

The Contract Award Part 1 made recommendations for the new ICES provision in Bromley and should be read in conjunction with the Contract Part 2 Award Report.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 24 January 2023 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The London Consortium award of the Framework Agreement to the successful bidder for the new ICES be supported. The new provider will operate as the single supplier to a framework agreement to provide an Integrated Community Equipment Service on behalf of the London Community Equipment Consortium. The new contract is scheduled to commence on 1st April 2023;**
- 2. Call-off the new contract for the provision of ICES, with an initial period of 5 years, with one plus one-year extension periods be approved;**

3. **Recommendation 3, as detailed in Part 2 be approved;**
4. **Authorisation to extend the contract for up to two years 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.**
5. **The annual Consortium membership fee (value detailed in Part 2) be approved.**

152 JCDECAUX CONTRACT EXTENSION

The report set out the details of the Council's current contract with JCDecaux to install digital information screens in the borough, subject to Planning Approval.

A proposal was presented to activate the contract's clause to extend the contract with JCDecaux by a further five years and seek a Variation Change Control to reflect the location and volume of digital information screens being proposed by JCDecaux, which the Executive was then asked to approve.

Financially sensitive information relating to the existing contract and proposed contract extension was set out in the corresponding Part 2 Report.

The report had been scrutinised by the Environment and Community Services PDS Committee at its meeting on 25 January 2023 and the Committee had supported the recommendations.

RESOLVED: That

1. **An extension to the existing concession contract with JCDecaux by five years to 2032 through the extension clause set out in the original contract, with revised contract values set out in the corresponding Part 2 report be agreed in principle.**
2. **A Variation Change Control for a Change Notice to the existing concession reflect the location and volume of digital information screen locations being proposed in the borough, subject to each location receiving Planning Approval be agreed in principle.**

153 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.

154 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**

155 PROCUREMENT OF CONSULTANCY SERVICES FOR THE CRYSTAL PALACE PARK REGENERATION PLAN PART 2 APPENDICES

The Executive noted the Part 2 appendices.

156 INTEGRATED COMMUNITY EQUIPMENT STORE - AWARD REPORT (PART 2)

The Executive considered the report and approved the recommendations.

157 JCDECAUX CONTRACT EXTENSION-PART 2

The Executive considered the report and supported the recommendations.

158 WEST WICKHAM LIBRARY AND HOUSING PROJECT AWARD REPORT-PART 2

The Executive noted the information outlined in the Part 2 appendices.

Chairman

The Meeting ended at 8.10 pm

Report No.
FSD23025

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Thursday 29 March 2023

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2022/23

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

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the first budget monitoring position for 2022/23 based on expenditure and activity levels up to the end of December 2022. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.

2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £9,683k is forecast based on information as at December 2022.
- (c) consider the comments from Chief Officers detailed in Appendix 2;
- (d) note a projected increase to the General Fund balance of £65k as detailed in section 3.3;
- (e) note the full year cost pressures of £13.069m as detailed in section 3.4;
- (f) agree to the release of funding from the 2022/23 central contingency as detailed in paragraphs 3.2.2 to 3.2.5;
- (g) agree to the release of £500k from the CEF Health Reserve Fund for expenditure in the CEF department as detailed in para. 3.8;

- (h) agree to set aside £400k for Homes for Ukraine staffing costs for 2023/24 as detailed in para. 3.9;**
- (i) agree to the release of £2m from the Health reserve for the ICB as detailed in para. 3.10;**
- (j) agree to set aside a one off sum of £630k as an earmarked reserve for EHCP's/High Needs costs for 2023/24 and 2024/25 to be met from the 2022/23 central contingency as detailed in para. 3.11;**
- (k) agree to set aside £635k as an earmarked reserve for Legal costs as detailed in para. 3.12 and in Part Two (Appendix 7) of the report;**
- (l) Executive to agree that any unspent Homes for Ukraine funding be set aside as an earmarked reserve to meet ongoing spend commitments, where funding is not available, relating to Homes for Ukraine as detailed in para. 3.13**
- (m) identify any issues that should be referred to individual Portfolio Holders for further action.**

2.2 Council are requested to:

- (n) agree to the release of £2m from the Health reserve for the ICB as detailed in para. 3.10.**

Impact on Vulnerable Adults and Children

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

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £231.146m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
-

Personnel

1. Number of staff (current and additional): 2,181 fte posts (per 2022/23 Budget) which includes 483 for budgets delegated to schools
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

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

Procurement

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included a target that each service department will spend within its own budget. Current projections show an overall net overspend of £9,683k within portfolio budgets and a £10,253k credit variation on investment income, central items and prior year adjustments.

3.1.2 A summary of the 2022/23 budget and the projected outturn is shown in the table below:

	2022/23 Original Budget £'000	2022/23 Latest Budget £'000	2022/23 Projected Outturn £'000	2022/23 Variation £'000
Portfolio				
Adult Care & Health	79,216	79,184	79,127 Cr	57
Children, Education & Families (inc. Schools Budget)	49,594	51,611	60,544	8,933
Environment & Community	34,294	35,838	35,289 Cr	549
Public Protection & Enforcement	2,645	2,688	2,896	208
Renewal, Recreation & Housing	14,502	15,619	16,424	805
Resources, Commissioning & Contracts Management	43,791	46,206	46,549	343
Total Controllable Budgets	224,042	231,146	240,829	9,683
Capital Charges and Insurance	11,506	11,506	11,506	0
Non General Fund Recharges	Cr 1,408	Cr 1,562	Cr 1,562	0
Total Portfolio Budgets	234,140	241,090	250,773	9,683
Income from Investment Properties	Cr 9,276	Cr 8,776	Cr 8,591	185
Interest on General Fund Balances	Cr 2,841	Cr 2,841	Cr 6,841	Cr 4,000
Total Investment Income	Cr 12,117	Cr 11,617	Cr 15,432	Cr 3,815
Contingency Provision	18,208	8,318	1,372 Cr	6,946
Other Central Items	Cr 8,901	Cr 5,600	Cr 5,052	548
General Government Grants & Retained Business Rates	Cr 48,395	Cr 48,395	Cr 48,395	0
Collection Fund Surplus	Cr 4,100	Cr 4,100	Cr 4,100	0
Total Central Items	Cr 43,188	Cr 49,777	Cr 56,175	Cr 6,398
Total Variation on Services and Central Items	178,835	179,696	179,166 Cr	530
Prior Year Adjustments	0	0	0	0
Total Variation	178,835	179,696	179,166 Cr	530

3.1.3 A detailed breakdown of the latest approved budgets and projected outturn for each Portfolio, together with an analysis of variations, is shown in Appendix 3.

3.1.4 Chief Officer comments are included in Appendix 2.

3.2 Central Contingency Sum

3.2.1 Details of the allocations from and variations in the 2022/23 Central Contingency are included in Appendix 4.

3.2.2 Homelessness Prevention Grant - £883k

The Central Contingency included a sum of £424k for Homeless Prevention Initiatives which was previously merged with the Flexible Homelessness Support Grant and Homelessness

Reduction Grant to form the Homelessness Prevention Grant. In addition, in December 2022, the Department for Levelling Up, Housing and Communities announced an exceptional winter top-up to support local authorities to help prevent vulnerable households from becoming homeless and to manage local homelessness pressures. It is requested that the total of £883k is drawn down into Housing budgets to help offset increased temporary accommodation pressures.

3.2.3 SEND Transport - £1,000k

An amount of £1m of growth for 2022/23 was set aside in the contingency. Now that the financial year is coming to an end and that the first part of the SEN Transport review has taken place, the funding is being requested to be drawn down. Overall the service have met the targets set for 2022/23 and this amount completes the overall growth allocation given to the service for the current financial year. It is recommended to the Executive that this be drawn down from the contingency.

3.2.4 Additional Winter Pressures Grant - £2,314k

This funding is one of a number of additional one off funds made to local authorities and Integrated Care Boards in support of winter pressures and hospital discharge over the winter period. This fund is made up of two payments made to the Council and Integrated Care Board that are required to be pooled as part of the local Better Care Fund. The spending of the grant has to be approved by the Health and Wellbeing Board, which it did on 8th December 2022

The use of this additional funding will be limited to projects that enable more people to be discharged to an appropriate setting, including from mental health inpatient settings, with adequate and timely social care support as required. Discharge funds can also be used to support projects that enable the freeing up the maximum number of hospital beds and reducing bed days lost, and to boost general adult social care workforce capacity through recruitment and retention activity, where that will help to reduce delayed discharges from hospital. The grant cannot be used for prevention activities such as admissions avoidance.

3.2.5 Business rates surplus levy- £323k

This is one-off income from the Council's share of the accumulated surplus held in DLUHC's business rates levy account. £100m was returned nationally and Bromley's share was £323k.

3.3 General Fund Balances

3.3.1 The level of general reserves is currently projected to increase by £65k to £20,065k at 31st March 2023 as detailed below:

	2022/23 Projected Outturn £'000
General Fund Balance as at 1st April 2022	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	Cr 530
	Cr 20,530
Adjustment to Balances:	
Carry Forwards (funded from underspends in 2021/22)	465
General Fund Balance as at 31st March 2023	Cr 20,065

3.4 Impact on Future Years

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

	2022/23 Budget £'000	2023/24 Impact £'000
Adult Care & Health Portfolio		
Assessment & Care Management - Care Placements	28,981	2,764
Learning Disabilities - Care Placements & Care Management	42,270	1,192
Mental Health - Care Placements	6,550	4
		<u>3,960</u>
Environment and Community Portfolio		
Waste Services	20,463 Cr	800
Parking	Cr 8,962	1,000
		<u>200</u>
Renewal, Recreation & Housing		
Supporting people	1,070 Cr	94
Housing Needs - Temporary accommodation	5,990	324
		<u>230</u>
Children, Education & Families Portfolio		
SEN Transport	6,480	871
Children's Social Care	43,352	7,808
		<u>8,679</u>
TOTAL		<u><u>13,069</u></u>

3.4.2 The full year impact of the current years spend, including any mitigation required, will need to be considered as part of the 2023/24 budget which will be reported to a future meeting of the Executive. Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

3.4.3 Further details are included in Appendix 5.

Investment Income

3.5 Income from Investment Properties

3.5.1 The impact of Covid and changing consumer habits has resulted in pressure on high street retail trading in recent years, with one significant tenant – Arcadia – going into administration resulting in a loss of rent this year of £685k. The Council are currently in negotiations with a potential retail tenant to replace Arcadia. However to mitigate the in-year impact, an allocation of £500k from contingency has been applied to the budget, resulting in a net shortfall forecast of £185k.

3.5.2 Generally, rental income remains under pressure following the impact of COVID on businesses and their ability to pay rents. However, the Council has set aside provision for bad debts against outstanding amounts as at 31 March 2022 to mitigate the financial impact of businesses that may fail over the course of the year.

3.6 Interest on Balances

- 3.6.1 The budget for 2022/23 was set at £2,841k (2021/22: £3,591k). This reflected an expected reduction in balances available for investment as a result of the utilisation of capital receipts and grants/contributions as well as earmarked revenue reserves. The loss of income from the reduction in balances will be partly offset by anticipated further increases in the Bank of England base rate which will drive improved counterparty rates. New core fixed-interest investments taken out during the third quarter of 2022/23 were at an average rate of 4.81%.
- 3.6.2 Reports to previous meetings have 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. Changes to lending limits and eligibility criteria, as well as the introduction of pooled funds and housing associations have alleviated this to some extent.
- 3.6.3 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. and officers continue to look for alternative investment opportunities, both within the current strategy and outside, for consideration as part of the ongoing review of the strategy.
- 3.6.4 Owing to base rate increases in May, June, August, September, November, December 2022 and February 2023, counterparty rates have continued to improve and are currently in excess of 4.5%. On this basis, the current projection indicates that outturn will exceed budget by £4m.

3.7 The Schools Budget

- 3.7.1 Expenditure on schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring-fenced and can only be applied to meet expenditure property included in the Schools Budget. Any overspend or underspend must be carried forward to the following year's Schools Budget.
- 3.7.2 The DSG projected to overspend by £4,877k. This will be added to the £7,142k carried forward from 2021/22. There has also been a prior year adjustment to the Early Years element of the DSG which reduced in year funding by £178k causing an additional pressure. This gives an estimated DSG deficit balance to be carry forward of £12,197k into the new financial year. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. Officers are working on a deficit recovery plan ahead of this being required by the DfE.

3.8 Health contributions held in reserve - £500k

- 3.8.1 In discussion with the CCG concerning additional costs and pressures emerging in the Children, Education and Families Portfolio in the 2022/23 financial year, the CCG agreed to a one off contribution of £500k to support additional placement costs with a health element. The funding was paid in 2021/22 but relates to expenditure to be incurred in 2022/23. This funding relates to health costs within Children Social Care placements for children looked after. It is recommended to the Executive that this funding be taken from the reserve to offset expenditure incurred in 2022/23.

3.9 Use of Homes for Ukraine Grant in 2023/24 - £400k

- 3.9.1 The request to use Homes for Ukraine Grant in 2023/24 is a request that a number of current posts remain in place to enable the Homes for Ukraine service to continue post April 2023. The proposal is for 9fte equivalent to continue in post. This is a reduction from 14.8fte in the current financial year. Funding will come from Homes for Ukraine grant that will be carried forward into the new financial year. The Executive are asked to approve this request.

3.10 Release of funding to the ICB from the Health Reserve - £2m

3.10.1 The integrated health and care programme fund is a joint reserve, held under a section 75 agreement with the NHS to support the joint work on integration of health and social care. This programme is led through the One Bromley Local Care Partnership, which includes as members the South East London Integrated Care Board (Bromley) and the London Borough of Bromley. The programme continues to deliver many joint health and care programmes of work, including the pro-active care pathway delivered by a multi-disciplinary health and care team and the joint work around hospital discharge. Drawdown of £2m from the fund is requested to continue the support and development of these schemes, including the continued funding of the local Bromley delivery team and invest in further joint areas of work. Schemes funded will include joint work on children's placements and the establishment of children's hubs in the community, in both areas working closely with the Borough children and families team.

3.11 Request for funding for education costs to be put into a reserve to meet demand in EHCP's/High Needs - £630k over two years

3.11.1 Like many LAs, Bromley has been significantly impacted by sustained increases in the volume and complexity of special educational needs and disabilities (SEND). These systemic issues have been recognised by Government in its SEND and AP Improvement Plan, published on 2 March 2023, however Government accepts that its reforms will take several years to take effect.

3.12.2 In order to respond to these pressures, the Council has invested in its services for SEND, however to date this has not been sufficient to keep pace with the rate of increases in Education, Health and Care Plans (EHCPs), which have increased at approximately 15% over the last 3 years. This has been exacerbated by challenges in recruiting to key posts, leading to vacancies in the LA and partner agencies. Consequently, LA services and the statutory functions provided by partners have been significantly impacted, leading to a significant drop in performance against timeliness indicators for the 2022 calendar year.

3.11.3 The Children, Education and Families Department has recognised the significant pressures and set out a transformation plan to address the systemic challenges and restructure the SEN Service to meet current and anticipated levels of need. It is proposed to increase the capacity of the Educational Psychology Service through a 12-month contract with a specialist assessment provider. Additionally, it is proposed to establish a new post to oversee SEN complaints and increase the capacity of the Appeals and Mediation Team. A specialist EHC Plan writing agency would be brought in to enable Plans to be produced more rapidly, following the receipt of professional advice. The LA is also working with its key partners in the SEL ICB to increase the capacity of services responsible for producing the advice according to statutory timeframes.

3.11.4 The funding is split out in the table below:-

	<u>2023/24</u>	<u>2024/25</u>	<u>Total</u>
External EHC Plan Writing agency	50	50	100
Complaints and Appeals Officer	55	55	110
Ed Psych statutory advice	420	0	420
	<u>525</u>	<u>105</u>	<u>630</u>

3.12 Request for funding for additional Legal costs - £635k

3.12.1 Executive are requested to set aside £635k in a reserve to cover potential legal costs arising in the next financial year. Details are contained in Part 2 (Appendix 7) of the report.

3.13 Homes for Ukraine Grant – funding remaining

The government has provided support under the Homes for Ukraine scheme towards the Councils costs. Given the nature of the one off funding and the timing of the grant there is expected to be a significant balance remaining at year end where part of the funding has not been utilised. It is difficult to gauge the actual amount that will remain at this stage. However similar to COVID funding arrangements it will be proposed to a future meeting of the Executive that the unspent funding is utilised to meet ongoing Homes for Ukraine costs in 2023/24 and where possible future years.

3.14 Investment Fund and Growth Fund

3.14.1 Full details of the current position on the Investment Fund and the Growth Fund were included in the Capital Programme Monitoring Q3 2022/23 as reported to Executive at its meeting on 18th January. The uncommitted balances stand at £6.5m for the Investment Fund and £11.4m for the Growth Fund.

3.15 Financial Context

3.15.1 As reported, as part of the Council's financial strategy for 2023/24, a prudent approach had been adopted in considering the central contingency sum to reflect any inherent risks, the potential impact of new burdens, population increases or actions taken by other public bodies which could affect the Council. The approach has also been one of 'front loading' savings to ensure difficult decisions are taken early in the budgetary cycle. This has enabled a longer term approach to generate further income from the additional resources available as well as to mitigate against significant risks and provide a more sustainable financial position in the longer term. A proportion of the central contingency sum has been utilised towards meeting higher inflation costs and providing one off funding as identified in this report.

3.15.2 The 2023/24 Council Tax report to Executive on 8th February 2023 identified the latest financial projections and a future year budget gap of £29.6m per annum by 2026/27. The Council's Central Contingency Sum has been reduced significantly in 2023/24 and inflation pressures remain which reduces the flexibility to meet overspends from the Council's overall budget and increases the risk of needing to drawdown from reserves to meet overspends. The report highlighted many financial challenges continuing to face the Council. It is therefore essential that spend can be contained, where possible, to avoid additional cost pressures impacting on 2023/24 and future years. The full year impact of overspends could ultimately increase the reported 'budget gap' for future years requiring further action to achieve a statutory balanced budget. Where overspends are identified, Directors should seek to take any action to address the overspend including mitigation options as well as alternative savings, thus reducing the overall overspend and, where possible, containing costs within overall budgets.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The 2022/23 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers and users of our services.

5. POLICY IMPLICATIONS

5.1 The "Making Bromley even Better" objective of being an Excellent Council refers to the Council's intention to ensure good strategic financial management and robust discipline to deliver within our budgets.

5.2 The “2022/23 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2022/23 to minimise the risk of compounding financial pressures in future years.

6. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Provisional Final Accounts 2020/21 – Executive 29 th June 2022; 2022/23 Council Tax – Executive 9 th February 2022; Draft 2022/23 Budget and Update on Council’s Financial Strategy 2022/23 to 2025/26 – Executive 12 th January 2022; Treasury Management Annual Investment Strategy 2022/23 and Quarter 3 performance– Council 28 th February 2022; Financial Management Budget Monitoring files across all portfolios.

GENERAL FUND - PROVISIONAL OUTTURN FOR 2022/23

Portfolio	2022/23	Budget	2022/23		2022/23	Variation	
	Original	Variations	Latest	Approved Budget	Projected	Variation	previously reported
	£'000	allocated in	£'000	£'000	£'000	£'000	Exec
		year #					
Adult Care & Health	79,216	Cr 32		79,184	79,127	Cr 57	Cr 53
Children, Education & Families (incl. Schools' Budget)	49,594	2,017		51,611	60,544	8,933	8,305
Environment & Community	34,294	1,544		35,838	35,289	Cr 549	Cr 122
Public Protection & Enforcement	2,645	43		2,688	2,896	208	96
Renewal, Recreation & Housing	14,502	1,117		15,619	16,424	805	762
Resources, Commissioning & Contracts Management	43,791	2,415		46,206	46,549	343	580
Total Controllable Budgets	224,042	7,104		231,146	240,829	9,683	9,568
Capital, Insurance & Pensions Costs (see note 2)	11,506	0		11,506	11,506	0	0
Non General Fund Recharges	Cr 1,408	Cr 154	Cr	1,562	Cr 1,562	0	0
Total Portfolios (see note 1)	234,140	6,950		241,090	250,773	9,683	9,568
Central Items:							
Income from Investment Properties	Cr 9,276	500	Cr	8,776	Cr 8,591	185	185
Interest on General Fund Balances	Cr 2,841	0	Cr	2,841	Cr 6,841	Cr 4,000	Cr 3,000
Total Investment Income	Cr 12,117	500	Cr	11,617	Cr 15,432	Cr 3,815	Cr 2,815
Contingency Provision (see Appendix 4)	18,208	Cr 9,890		8,318	1,372	Cr 6,946	Cr 5,740
Other central items							
Reversal of net Capital Charges (see note 2)	Cr 9,878	0	Cr	9,878	Cr 9,878	0	0
Utilisation/Set Aside of Prior Year Collection Fund Surplus	0	0		0	0	0	0
New Homes Bonus Support for Revenue	253	0		253	253	0	0
Contribution to social care staffing reserve	0	1,700		1,700	1,700	0	0
Contribution to IT procurement reserve	0	336		336	336	0	0
Contribution to Legal Reserve	0	635		635	635	0	0
Contribution to Education Reserve	0	630		630	630	0	0
Levies	1,272	0		1,272	1,272	0	0
Total other central items	Cr 8,353	3,301	Cr	5,052	Cr 5,052	0	0
Prior Year Adjustments							
None	0	0		0	0	0	0
	0	0		0	0	0	0
	0	0		0	0	0	0
Total Prior Year Adjustments	0	0		0	0	0	0
Total all central items	Cr 2,262	Cr 6,089	Cr	8,351	Cr 19,112	Cr 10,761	Cr 8,555
Bromley's Requirement before balances	231,878	861		232,739	231,661	Cr 1,078	1,013
Carry Forwards from 2021/22 (see note 3)	0	Cr 465	Cr	465	0	465	465
Adjustment to Balances	0	0		0	65	65	Cr 1,478
	231,878	396		232,274	231,726	Cr 548	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 42,828	0	Cr	42,828	Cr 42,828	0	0
Business Rate Surplus Levy	0	Cr 323	Cr	323	Cr 323	0	0
New Homes Bonus	Cr 253	0	Cr	253	Cr 253	0	0
New Homes Bonus Topslice	0	Cr 73	Cr	73	Cr 73	0	0
One off 2022/23 Services Grant	Cr 2,652	0	Cr	2,652	Cr 2,652	0	0
Council Tax Support - Collection Fund surplus	Cr 2,662	0	Cr	2,662	Cr 2,662	0	0
Funding COVID cost pressures from Earmarked Reserve	Cr 548	0	Cr	548	0	548	0
Collection Fund Surplus	Cr 4,100	0	Cr	4,100	Cr 4,100	0	0
Bromley's Requirement	178,835	0		178,835	178,835	0	0
GLA Precept	52,751	0		52,751	52,751	0	0
Council Tax Requirement	231,586	0		231,586	231,586	0	0

Budget Variations allocated to portfolios in year consists of:

- | | | |
|---|--------------|------------------|
| 1) Carry forwards from 2021/22 | £'000 | |
| 2) Allocations from the central contingency provision | 465 | (see note 3) |
| | <u>6,485</u> | (see Appendix 4) |
| | <u>6,950</u> | |

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2022/23	Budget	2022/23	2022/23	Variation	Variation
	Original Budget	Variations	Latest	Projected	Variation	previously reported
	£'000	allocated in	Approved Budget	Outturn	£'000	Exec
		year #	£'000	£'000	£'000	£'000
People Department	144,600	1,911	146,511	155,239	8,728	8,283
Place Department	68,466	3,937	72,403	72,887	484	756
Chief Executive's Department	21,074	1,102	22,176	22,647	471	529
	<u>234,140</u>	<u>6,950</u>	<u>241,090</u>	<u>250,773</u>	<u>9,683</u>	<u>9,568</u>

2) **Reversal of net Capital Charges**

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

3) Carry Forwards from 2021/22

Carry forwards from 2021/22 into 2022/23 totalling £465k were approved by Council and the Executive. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2021/22" report.

Comments from the Executive Director of Environment and Community Services

None

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

None

Comments from the Director of Adult Social Care

The service has continued to maintain performance on the discharge of patients from hospital although we continue to see a demand for higher costs of placements both due to the acuity of patients and in response to the completed cost of care exercise. Whilst we have seen an increase in numbers of people being discharged compared to pre-pandemic, more importantly the needs of individuals needing support has remained high.

The plans put in place to respond to the impact of Winter, have delivered well and have been able to flex to respond to pressure points in the system.

As reported elsewhere in the meeting, we are reaching conclusion on the work to develop the Market Sustainability Plan, This will be discussed with providers over the coming weeks in order that they can fully understand the proposals and the impact on the fees Bromley will be paying in the coming year. Work has begun on the delivery plans for the further transformation savings, in order to assist the Council with balancing its books for next year and onwards.

I am pleased with the current reported budget position as this reflects the robust and challenging response from all services to manage a challenging financial position. The increase in underspend allows some one off spend within the financial year to address specific pressure points in the adult social care system and will be reflected in the next budget report. I would like to express my thanks to all managers within the service for their work to deliver this whilst maintaining good services to the Bromley population.

Comments from the Director of Housing, Planning and Regeneration

£1,116k of growth was included in the housing budget for 2022/23 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. A total of £1,785k savings was also included to mitigate these pressures.

Whilst approaches remain high, the ongoing supply of acquired properties and prevention work has continued to slow the rate of growth in nightly paid accommodation placements. However the number of approaches are starting to rise alongside increased pressure on nightly paid accommodation rates across London and the South East. This results in a £747k overspend on temporary accommodation, with a £413k overspend on housing overall. As has been reported work is ongoing to increase the supply of affordable housing to continue to mitigate and reduce the current pressures relating to temporary accommodation particularly in relation to the increased ability to secure leased accommodation within temporary accommodation subsidy rates however this is becoming increasingly challenging due to the current inflation rises in relation to accommodation costs.

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however, trends are regularly monitored in order that appropriate action can be taken. Action has successfully been taken to negate the risk of Government Designation for Special Measures due to Planning performance for the current year. However, this is based on the actions identified being implemented to reduce the risk of Government Designation in future years.

There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate if the Council is found to have acted unreasonably. For major appeals, which can arise unpredictably, there is often a need for specialist external consultant's advice which creates additional costs.

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

- i) Increased homelessness and the associated costs particularly relating to the increased demand for placements across London
- ii) Increased rent arrears arising from inflation and increased costs of utilities and so forth
- iii) Reduced vacant housing association properties coming forward for letting
- iv) Increased maintenance and repairs costs in relation to the travellers site required to maintain health and safety standards
- v) Fluctuations in planning applications and need to ensure application processing is sufficiently resourced
- vi) Increases being seen in construction and maintenance costs

Finally, the ongoing impacts of the Covid-19 pandemic on budgets are now becoming apparent. Significant losses in income, in particular from commercial rents, are expected as town centres have been severely affected during lockdown restrictions. The impact of increased utility and maintenance costs is also impacting on tenants of commercial properties and their ability to maintain rental payments.

Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has an overspend of £8,933,000 for the year.

The Education Division has an overspend of £134k.

Initial analysis indicates that there are a number of causal factors resulting in the forecast overspend position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities - The national increase in EHCPs is widely acknowledged as unsustainable and the rate of increase is accelerating across the country. In Bromley, despite gatekeeping measures, the increase in EHCPs has now reached 17%, (higher than the projected increase of 14% used to produce Growth funding assumptions).

The complexity of children and young people's needs continues to be at a higher level than prior to the Covid pandemic. These high levels of demand have continued for the past 2 years. A number of the Covid-related cases have acute social, emotional and mental health needs, which require specialist provision which is typically costly independent provision outside of Bromley. Transport is often required and although officers seek to minimise costs, transport is often required to meet children's needs.

Transport provider pressures arising from the Covid-19 pandemic - The number of children requiring transport has increased by circa 17%, but this only accounts for part of the increase in costs. The reduced availability of drivers has resulted in more expensive providers having to be used from the call off framework.

Immediate management action was taken on the notification of the forecast budget overspend position. A specialist external transport adviser has undertaken a review of SEN transport arrangements, including benchmarking analysis and a full review of processes and eligibility criteria to identify potential savings. This has enabled significant mitigation proposals to be identified as part of the MTFS process, which would offset the forecast pressures on SEN Transport. In addition, work has been undertaken by our AD Strategic Performance resulting in predictive work for the next few years. This work has been incorporated into subsequent budget challenge discussions.

There is a current projected overspend in DSG of £4,877k together with a DSG adjustment of £178k. This will be added to the £7,142k carried forward from 2021/22. This gives us an estimated DSG deficit balance of £12,197k into the new financial year.

We have recently met with representatives from the DfE to set out our deficit recovery plan which they have approved.

The impact of additional legal duties from the SEND Reforms, has led to unsustainable financial pressures on High Needs costs within the DSG. An increase in Government funding (>£5m in 2021/22) is not sufficient to meet the increased costs. We are aware that Bromley is one of the last London Boroughs to incur a deficit in the DSG, with some local authorities having deficits in excess of £20m. The legal framework is heavily weighted in favour of parental preference, which is often for independent day and residential provision. We continue to assess all cases carefully and with a view to carefully balancing the education needs of young people and ensuring the best value for money from specialist education placements. Where it is appropriate to do so we continue to defend our decisions at Tribunal.

In the 2022 calendar year, 634 new EHCPs were issued, up from 274 in 2018 and 476 in 2021. We have sought to commission additional local specialist provision, including a new special free school due to open in 2023, but the needs and tribunal challenges are such that we have no choice but to continue placing children in more costly provision to ensure we are not in default of our legal statutory duties.

A review of High Needs Funding Bands has commenced, with oversight from the SEND Governance Board and CEF PDS. This will consider how the funding bands can be simplified and to identify where any savings can be made. We continue to work on increases to local specialist provision, including the special free school and increases in Additionally Resourced Provisions, which are specialist classes within mainstream schools.

In Children's Social Care the overspend is £8,799k.

The ongoing impact of C19 on Children Services continues especially in respect of contacts into our MASH – these continue to remain consistently around 1,100 contacts per month with little sign of a reduction. This compares to around 600 in April 2020 and it is the complexity of need from the families and children that have an added dimension.

There continues to be a high level of demand for support particularly in CWD which has meant a rise in demand for our short break provision. In response we have sought to increase the number of nights available for the number of families requiring this. Whilst These continued pressures have meant an increase in our looked after population in CWD despite the innovative and expensive care packages put in to support with health provision short breaks. The resilience for some families is now being significantly tested following two years of Covid challenges. This is primarily seen in families for children with profound and complex health and challenging sometimes aggressive behaviour.

The risks in the Children, Education & Families Portfolio are:-

Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time

Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. The cost of such placements is high and then with the delay to final hearing families are being retained in these placements beyond the assessment.

Increased complexity of children (SEND).

Shortage of local school places (particularly for Specialist schools).

Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant.

Adult Care and Health Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Division Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
PEOPLE DEPARTMENT								
Adult Social Care								
25,374	Assessment and Care Management	24,473	23,365	23,539	174	1	Cr 50	2,764
117	Direct Services	86	85	85	0		0	0
1,779	Quality Assurance & Safeguarding	1,930	2,503	2,264	Cr 239	2	Cr 92	0
39,170	Learning Disabilities	42,009	42,248	42,305	57	3	68	1,192
8,380	Mental Health	8,198	8,483	8,458	Cr 25	4	21	4
885	Placement and Brokerage	914	910	910	0		0	0
Cr 312	Better Care Fund - Protection of Social Care	0	0	0	0		0	0
Cr 920	CCG Support for Social Care	0	0	0	0		0	0
Cr 1,650	COVID grant to support impact of COVID on service areas	0	0	0	0		0	0
72,823		77,610	77,594	77,561	Cr 33		Cr 53	3,960
Integrated Commissioning Service								
1,222	Integrated Commissioning Service	1,336	1,326	1,302	Cr 24	5	0	0
1,101	Information & Early Intervention							
	- Net Expenditure	1,205	1,205	1,205	0		0	0
Cr 1,101	- Recharge to Better Care Fund	Cr 1,205	Cr 1,205	Cr 1,205	0		0	0
Better Care Fund								
24,175	- Expenditure	25,117	25,602	25,602	0	6	0	0
Cr 24,201	- Income	Cr 25,137	Cr 25,622	Cr 25,622	0		0	0
Improved Better Care Fund								
10,050	- Expenditure	7,503	10,327	10,327	0	7	0	0
Cr 10,050	- Income	Cr 7,503	Cr 10,327	Cr 10,327	0		0	0
1,196		1,316	1,306	1,282	Cr 24		0	0
Public Health								
15,197	Public Health	15,475	18,124	18,124	0		0	0
Cr 15,325	Public Health - Grant Income	Cr 15,185	Cr 17,840	Cr 17,840	0		0	0
Cr 128		290	284	284	0		0	0
73,891	TOTAL CONTROLLABLE ADULT CARE & HEALTH	79,216	79,184	79,127	Cr 57		Cr 53	3,960
2,602	TOTAL NON CONTROLLABLE	434	525	525	0		0	0
5,249	TOTAL EXCLUDED RECHARGES	5,063	5,063	5,063	0		0	0
81,742	TOTAL ADULT CARE & HEALTH PORTFOLIO	84,713	84,772	84,715	Cr 57		Cr 53	3,960

Reconciliation of Latest Approved Budget

£'000

2022/23 Original Budget

84,713

Carry forwards requests

Improved Better Care Fund

- expenditure

2,597

- income

Cr 2,597

Better Care Fund

- expenditure

83

- income

Cr 83

Public Health Grant

- expenditure

1,964

- income

Cr 1,964

Winter Resilience Funding

- expenditure

400

- income

Cr 400

Shared Lives Transformation Posts

100

Other:

Better Care Fund

- expenditure

402

- income

Cr 402

Improved Better Care Fund

- expenditure

227

- income

Cr 227

Public Health Grant

- expenditure

427

- income

Cr 427

ICB funding:

- Hospital Discharges

3,308

- expenditure

- income	Cr	3,308
- LD/Autism		
- expenditure		247
- income	Cr	247
- Discharge Transformation Funds		
- expenditure		361
- income	Cr	361
- Winter Pressures Funding		
- expenditure		612
- income	Cr	612
King's funding for SPA		
- expenditure		500
- income	Cr	500
Market Sustainability and Fair Cost of Care Fund		
- expenditure		804
- income	Cr	804
Charging Reform Implementation Support Grant		
- expenditure		104
- income	Cr	104
Supplementary Substance Misuse Treatment & Recovery Grant		
- expenditure		264
- income	Cr	264
Additional Winter Pressures Funding		
- expenditure		2,314
- income	Cr	2,314
Repairs and Maintenance		91
Provision for agency workers contract savings	Cr	72
Adj to NI budget following reversal of 2022-23 increase in November	Cr	60
Latest Approved Budget for 2022/23		<u>84,772</u>

1. Assessment and Care Management - Dr £144k

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

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 +	
- Placements	661
- Placements (discharge packages)	1,838
- Domiciliary Care / Direct Payments	606
- Domiciliary Care (discharge packages)	1,984
- CCG funding for discharge packages	Cr 3,308
- Additional CCG Funding (Winter Funds)	Cr 365
- Discharge Fund	Cr 960
	<u>456</u>
Services for 18-64	
- Placements	644
- Domiciliary Care / Direct Payments	169
	<u>813</u>
Other	
- Staffing	65
- Extra Care Housing	Cr 274
- Day Care	Cr 159
- Adult Transport	Cr 257
- D2A	Cr 470
	<u>1,095</u>
	<u><u>174</u></u>

The 2022/23 budget includes funding for the full year effect of the September 2021 overspend as reported to Members in the September Budget Monitoring report.

Services for 65+ - Dr £456k

Numbers in residential and nursing care (excluding those on the hospital discharge pathway) are below budget, currently by 28 placements. There is however an overspend of £503k on this budget mainly due to additional 1:1 packages needed for some service users and placements having to be made to some homes that are above the council's guide rates.

The number of emergency and temporary placements has fallen from 25 to 15, and an overall overspend of £233k is projected for the year, a reduction on the last projected overspend which was £369k.

There is a underspend projected on respite care of £75k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £606k. Domiciliary care is projected to overspend by £469k and direct payments to overspend by £137k.

Discharges from hospital continue to follow a revised pathway in unison with health. Based on current levels of activity, the cost of the short term care home placements following discharge is estimated at £1,838k, and domiciliary care packages at £1,984k. South East London Integrated Care Board (ICB) have provided £3,308k of one-off funding for hospital discharge packages in 2022/23 following the cessation of central funding from NHS England which will offset a large percentage of these costs. Further funding from SELICB has recently been agreed from Winter Funds of £365k.

The Government also recently announced additional funding for the discharge of patients from acute beds to improve patient care and systems flow. Of the amount allocated to Bromley, £960k is currently projected to be utilised further offsetting the costs.

As part of the 2022/23 budget setting, savings of £229k were included in the division and at this stage £191k has been achieved, with the balance expected to be achieved by the year end.

Services for 18-64+ - Dr £813k

Placements for the 18-64 age group are projected to overspend by £653k an increase of £389k since at time. Service user numbers, which are currently 3 above budgeted levels, reduced by 2 from the last reported position, however this reduction is offset by several new higher cost placements, resulting in the increased overspend.

There is a minor underspend projected on respite care of £9k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £169k. Domiciliary care is currently projected to underspend by £43k and direct payments projected to overspend by £212k.

Staffing - £65k

Analysis of the staffing budget for Assessment & Care Management shows a projected £65k overspend on non-externally funded posts.

Extra Care Housing - Cr £274k

The hours being delivered in the Extra Care Housing units have continued to remain at the minimum level all year, resulting in a projected underspend. The level of voids has also reduced in recent months, leading to a reduction in the void payments the council is having to make to the housing provider, leading to an increase in the projected underspend.

Day Care Services - Cr £159k

Day care services for older people at centres continue to remain at the lower levels seen post covid. Conversely there has been a greater take up of the Respite at Home service.

Transport - Cr £257k

The reduced use of Day Care services has impacted on the service provided by the external transport providers as most trips relate to attendance at day centres, therefore at this stage of the year a projected underspend of £257k is expected on the budget.

Discharge to Assess - Cr £470k

The budget for packages under the D2A service is currently not being utilised due to the other funding streams the council is receiving for these services as mentioned above. An underspend is therefore reported here based on the budget for discharge packages within this service.

2. Quality Assurance & Safeguarding - Cr £239k

Community Deprivation of Liberty Safeguards (CDoLS) - Cr £439k

There has been minor spend on the CDoLS budget so far this year, resulting in an underspend to date of £439k.

Deprivation of Liberty Safeguards (DoLS) - Dr £200k

The DoLS budget is currently projected to overspend by £200k. Since face to face assessments have returned post Covid (previously remote assessments were being undertaken), the expenditure on those not undertaken by the inhouse staff has increased.

3. Learning Disabilities - Dr £57k

The 2022/23 Learning Disabilities (LD) budget includes funding for anticipated 2022/23 demand-related pressures (£974k) and the full year effect (FYE) of the 2021/22 overspend (£1,991k) but also reductions relating to planned savings (£377k).

The actual FYE of the 21/22 overspends at year end was considerably higher than the growth figure included in the budget, which was based on the September 2021 budget monitoring position; however this has been partly offset by an increase in the number of full cost contributions as well as underspends on Domiciliary Care and Direct Payments budget.

An overall net overspend of £57k is currently anticipated, a small reduction from the £68k reported for the second quarter. The main reasons for this are the underachievement of planned savings (£338k), the majority of which relates to increasing uptake in Shared Lives, and a projected overspend of £206k on care packages. As has been previously reported, the Shared Lives project was delayed due to extenuating circumstances, however additional staff have now been recruited, funded from the carry forward previously agreed, and additional carers are currently being assessed. The resulting overspend is partly being offset by projected underspends on day and respite services (£250k), staffing (£134k) and transport (£103k).

Given the stage in the financial year a significant element of projected spend is still based on assumptions, for example future services for young people transitioning to adult social care services and increased client needs during the year. As a result, this position is likely to change as the year progresses.

4. Mental Health - Cr £25k

The 2022/23 budget includes funding for the full year effect of the September 2021 overspend as reported to Members as part of the September Budget Monitoring report.

Placements for 65+ age group are projected to overspend by £252k this year based on current service user numbers of 45, an increase of 3 since last time. This is an increase in the overspend of £20k. Health funding increased by £57k this quarter and this is shown below as part of the 2022/23 budget savings.

The overall position on the domiciliary care and direct payments budgets is a projected underspend of £16k, a reduction of £31k since last time, moving from an overspend to an underspend. Domiciliary care is currently projected to overspend by £68k and direct payments to underspend by £84k.

Placements for the 18-64 age group are projected to now underspend by £222k, an increase in the underspend last reported. Current service user numbers remains the same at 105. Health funding increased by £90k this quarter and this is shown as part of the 2022/23 budget savings below.

The overall position on the domiciliary care and direct payments budgets is a projected underspend of £39k, a slight reduction of last reported figure of £55k, with Domiciliary care currently projected to underspend by £75k and direct payments to overspend by £36k.

Savings of £306k were included in the 2022/23 budget for Mental Health, £258k of this has been achieved to date, and the projections assume the remainder will be achieved by the end of the year.

5. Integrated Commissioning Service - Cr £24k

An underspend of £24k is currently projected for Integrated Commissioning on staffing budgets due to vacancies and miscellaneous supplies and services.

6. Better Care Fund (BCF) - Nil variation

Other than variations on the protection of social care element, any underspends on Better Care Fund budgets will be carried forward for spending in future years under the pooled budget arrangement with South East London ICB.

The final 2022/23 allocation was published in May at a 5.66% increase above 2021/22 levels, which equates to a £402k increase above the 4% assumed in the budget. This has been allocated for hospital discharge care packages.

7. Improved Better Care Fund (IBCF) - Nil Variation

The total amount of funding available in 2022/23 is:

	£'000
2021/22 IBCF allocation - recurrent	4,636
2021/22 IBCF allocation - non-recurrent (extended for 5th year)	1,677
2021/22 Winter Pressures Grant	1,190
Carry forward from previous years	2,597
	<u>10,050</u>

The non-recurrent IBCF funding of £1,677k has been extended for a sixth year and, for the third year running, this will fund 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.

£1,400k of the carry forward from previous years has been allocated to help mitigate growth pressures in the 2022/23 budget, with a further £400k assumed for the 2023/24 budget.

For the first time in recent years, the IBCF allocation had an inflationary increase for 2022/23 of 3% which equates to £227k. This has been allocated to help offset cost pressures in the portfolio, and is assumed in the figures above.

Waiver of Financial Regulations

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

Since the last report to the Executive, 31 waivers for Adult placements have been agreed for between £50k and £100k and 11 for more than £100k.

Virements Approved to date under Director's Delegated Powers

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

Children, Education and Families Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
	Education Division							
-461	Adult Education Centres	Cr 438	Cr 432	Cr 352	80	1	28	0
694	Schools and Early Years Commissioning & QA	747	747	807	60	2	Cr 50	0
2,612	SEN and Inclusion	2,365	2,366	2,653	287	3	19	0
99	Strategic Place Planning	43	43	43	0		0	0
49	Workforce Development & Governor Services	Cr 24	Cr 24	Cr 23	1		1	0
6,975	Access & Inclusion	6,781	7,795	7,801	6	4	1,182	871
0	Management Action - draw down from reserves	0	0	0	0		Cr 1,000	0
-1,446	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	6	0	0
25	Other Strategic Functions	318	293	Cr 7	Cr 300	5	0	0
-10	Central School Costs	Cr 36	Cr 36	Cr 36	0		0	0
8,537		8,263	9,259	9,393	134		180	871
	Children's Social Care							
1,774	Bromley Youth Support Programme	1,732	1,783	1,759	Cr 24	7	68	0
676	Early Intervention and Family Support	1,342	1,370	1,487	117		116	0
8,150	CLA and Care Leavers	8,280	8,280	10,033	1,753		1,525	2,395
17,854	Fostering, Adoption and Resources	18,720	19,030	22,378	3,348		3,203	5,413
3,552	0-25 Children Service (Disability Services)	3,716	3,603	5,472	1,869		1,783	0
4,358	Referral and Assessment Service	4,092	4,680	5,506	826		670	0
3,908	Safeguarding and Care Planning East	3,012	3,549	3,854	305		525	0
2,779	Safeguarding and Care Planning West	2,389	2,573	2,672	99	Cr 102	0	
Cr 980	Safeguarding and Quality Improvement	Cr 1,952	Cr 2,516	Cr 2,010	506	337	0	
42,071		41,331	42,352	51,151	8,799		8,125	7,808
50,608	TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES	49,594	51,611	60,544	8,933		8,305	8,679
	Total Non-Controllable	1,594	1,590	1,590	0		0	0
	Total Excluded Recharges	8,761	8,602	8,602	0		0	0
50,608	TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO	59,949	61,803	70,736	8,933		8,305	8,679
	Memorandum Item							
	Sold Services							
	Education Psychology Service (RSG Funded)	Cr 94	Cr 94	574	668	8	695	0
	Education Welfare Service (RSG Funded)	Cr 18	Cr 18	22	40		41	0
	Workforce Development (DSG/RSG Funded)	Cr 30	Cr 30	Cr 29	1		1	0
	Community Vision Nursery (RSG Funded)	64	64	65	1		Cr 114	0
	Blenheim Nursery (RSG Funded)	98	98	206	108		89	0
0	Total Sold Services	20	20	838	818		712	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2022/23

59,949

Contingency:

Additional social workers re caseloads	700
Temporary increase in CIN social workers	250
SEN Transport	1,000
Homes for Ukraine	
- expenditure	150
- income	Cr 150

Carry forwards:

Broadband at Poverest	6
Wellbeing for Education	6
Deed Settlement for Hawes Down Site	
- expenditure	12
- income	-12
Virtual School CIN Grant	
- expenditure	63
- income	-63
Virtual School PLAC Grant	
- expenditure	93
- income	-93
Tackling Troubled Families Grant	
- expenditure	334
- income	-334
EIFS waiting list and volumes	90
MOPAC Choices grant	75

Other:

Draw Down from Health Reserve	
- expenditure	314
- income	Cr 314
Tackling Troubled Families Grant	
- expenditure	490
- income	Cr 490
Homes for Ukraine - DfE Grant	
- expenditure	350
- income	Cr 350
Repairs and Maintenance	
- expenditure	Cr 4
Provision for agency workers contract savings	Cr 121
Adj to NI budget following reversal of 2022-23 increase in November Asylum Grant	Cr 84

- expenditure		129
- income	Cr	129
VAWG Services	Cr	64
Step Up to Social Work transferred to HR		
- expenditure	Cr	900
- income		900
Draw Down from Health Reserve - No 2		
- expenditure		500
- income	Cr	500

Latest Approved Budget for 2022/23

61,803

REASONS FOR VARIATIONS

1. Adult Education - Dr £80k

The Adult Education service is currently projecting to overspend by £80k. This is due to an under collection of income of £97k offset by underspends on staffing of £4k and running costs of 13k.

2. Schools and Early Years Commissioning & QA - Dr £60k

The in-house nurseries are currently having issues with staffing that has resulted in one of them temporary closing. This has resulted in a staffing underspend across the two nurseries of £297k, an under collection of income of £333k and an overspend of £73k on running costs. Once these figures are netted off, it leaves a net overspend of £108k.

Across the rest of the service there is a £49k underspend mostly related to staffing.

3. SEN and Inclusion - Dr £287k

The staffing in this area is currently forecasting an underspend of £102k. This is due to a number of posts that are currently vacant and are currently expected to be filled during the year. There is also an overspend of £13k related to running costs.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £292k and the Trading Service they offer to the Schools to be overspent by £668k due to the use of expensive agency staff and a new contract to help reduce the backlog within the service. This is a net overspend of £376k.

Please note that as from the start of the year, the SEN Transport Service has move from the SEN Division to the Access & Inclusion Division

4. Access & Inclusion - Dr £6k

The Education Welfare Service Trading Account is currently expected to under collect on its income by £39k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

In the area they are predicting to underspend on staffing by £14k and over spend on running costs / under collection of income of £9k.

SEN Transport is currently forecast to underspend by £28k. This is due to additional costs of £232k related to the cost of providing the service. This is then offset by forecasted underspends on staffing (£173k), collection of additional income of £14k and underspends on the remaining running costs (£73k).

5. Other Strategic Functions - Cr £300k

There is currently forecast to be an underspend of £300k in the running costs of this area.

6. Schools Budgets (no impact on General Fund)

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

There is a current projected overspend in the DSG of £4,877k. This will be added to the £7,142k carried forward in the reserves from 2021/22. The prior year Early Year adjustment has reduced our 2021/22 DSG allocation by £178k causing an additional pressure on the DSG. This gives us an estimated DSG reserve of £12,197k at the end of the financial year.

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

There is an underspend of £75k in the Primary Support Team area. This is due to underspends in the staffing budgets.

The Home and Hospital service currently has a pressure of £201k due to the use of agency tutors to support the higher number of students the service is supporting (£209k). There is also an overspend on other running costs of £95k and under collection of income of £66k. There is then an underspend on staff of £169k that offset the use of agency to support the students.

There is £1,778k from the High Needs Supplementary Grant that can be used to offset the increase in costs of the SEN Placement budgets. The part of the grant that is showed as spent has been allocated to the Special/AP Schools in Bromley to support them with the additional costs they currently have.

There is a pressure of £750k relating to payments made to Early years providers. Overall costs are outstripping the grant available. DfE make adjustments to the DSG in year and lower numbers have caused an issue on the funding. This has been corrected for future years and should not occur again

The Inclusion and Behaviour service has an underspend of £21k that is mostly related to staffing.

The Education Welfare Statutory Service has a net underspend of £11k. This is due to an underspend on staffing of £4k, additional income of £16k and an overspend on running costs of £9k.

The Council has incurred some additional support to schools costs of £15k this year funded from the DSG.

The SEN placement budget is projected to overspend £5,814 with the main pressure coming the Independent school placements, with additional pressure coming from matrix funding and direct payments. Some of this pressure is being offset by additional grant that we are receiving in this year.

SEN Support for clients in Further Education Colleges is currently expected to overspend by £221k this year. This is due to the cost of placing clients with Independent providers.

The SENIF budget is currently forecast to overspend by £18k on the payments it make to providers to support our SEN children.

The Complex Needs team, Darrick Wood Hearing Unit, Early Years SEN Advisory Team and other staffing budgets in SEN are all currently projected to underspend by a total of £257k. Most of the underspend relates to lower than expected staffing costs.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Primary Support Team	-75	0	0	0	-75
Home & Hospital	201	201	0	0	0
Use of Supplementary grant	-1,778	-1,778	0	0	0
Inclusion and Behaviour	-21	-21	0	0	0
Early years settings	750	0	0	750	0
Education Welfare	-11	0	0	0	-11
Additional Support for Schools	15	0	0	0	15
Other Small Balances	-2	0	0	8	-10
SEN:					
- Placements	5,814	5,814	0	0	0
- Support in FE colleges	221	221	0	0	0
- Darrick Wood Hearing Unit	-88	-88	0	0	0
- Complex Needs Team	-75	-75	0	0	0
- Early Years SEN Advisory Team	-33	-33	0	0	0
- SENIF	18	18	0	0	0
- SEN Staff	-61	-61	0	0	0
- Other Small SEN Balances	2	2	0	0	0
Total	4,877	4,200	0	758	-81

7. Children's Social Care - Dr £8,799k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £8,799k (previously £8,125k). Despite additional funding being secured in the 2022/23 budget, continued increases in the number of children being looked after together with the cost of placements has continued to put considerable strain on the budget.

Bromley Youth Support Programme - Cr £24k

The BYSP budget is projected to underspend by £24k this year. This is due to an overspend of £57k in staffing that is offset by additional income of £26k and underspends on running costs of £55k.

Early Intervention and Family Support - Dr £117k

This budget is projected to overspend by £117k this year. This is due to an under collection of income of £166k and an overspend of staffing of £75k, that is then being offset by an underspend running costs of £124k.

CLA and Care Leavers - Dr £1,753k

The service is currently expected to overspend by £1,753k. This is due to an overspend in staffing of £127k, an under collection of income of £32k and £466k underspend on running costs. There is currently forecast to be an additional overspend on placement costs in this service of £2,060k.

Fostering, Adoption and Resources - £3,348k

The budget for children's placements is currently projected to overspend by £3,616k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,682k (D £1.326k)
- Boarding Schools - Dr £54k (Dr £1k)
- Secure Placement - Dr £135k (Dr £135k)
- Fostering services (IFA's) - Dr £911k (Dr £871k)
- Fostering services (In-house, including SGO's and Kinship) - Dr £132k (Dr £4k)
- Adoption placements - Cr £79k (Cr £35k)
- Outreach Services - Dr £854k (Dr £821k)
- Transport Costs - Cr £73k (Cr 62k)

There is a one off £400k Health funding that is off-setting some of the pressures of the Children's Placements for this year. Additionally there is a projected overspend in running cost of £166k in this area, that is offset by a £4k underspend in staff and extra income of £30k

0-25 Children Service (Disability Services) - Dr £1,869k

Services for Children with Disabilities is projected to overspend by £1,869k this year. This is made up of an overspend domiciliary care / outreach services of £1,625k, staffing of £46k and other running costs of £198k.

Referral and Assessment Service - Dr £826k

The main projected variance relates to services is a projected overspend on staffing of £509k and running costs of £71k. The remaining £246k in running costs relates to No Recourse to Public Funds (NRPF) clients.

Safeguarding and Care Planning East - Dr £305k

The budget in this area is currently projected to overspend by £305k, and is due to staffing underspends of £167k and additional income of £7k. This is then offset by overspends on PLO cases overspending by £359k and running costs of £120k

Safeguarding and Care Planning West- Dr £99k

This area is overspent by £99k and is due to a staffing underspend of £6k and is offset by an overspend of running costs of £105k.

Safeguarding and Quality Improvement - Dr £506k

The projected overspend of £506k in this area mainly relates to staffing (£423k), and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care. There is additionally a £83k overspend in running costs.

8. Sold Services (net budgets)

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

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been in Children's Social Care there were 20 waivers agreed for placements of between £50k and £100k, 2 between £100k and £150k and 11 for a value of over £200k.

Virements Approved to date under Director's Delegated Powers

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

Environment & Community Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
1,082	Arboriculture Management	757	772	957	185	1	0	0
-164	Business Support and Markets	-64	-23	125	148	2	106	0
200	Senior Management	1,134	1,251	1,251	0		0	0
1,417	Performance Management and Business Support	439	207	207	0			
6,039	Parks and Green Spaces	6,073	6,182	6,267	85	3	0	0
0	Carbon Management	0	147	147	0		0	0
18,582	Waste Services	19,654	20,152	19,072	-1,080	4	-788	-800
5,789	Neighbourhood	6,223	6,572	6,572	0		0	0
32,945		34,216	35,260	34,598	-662		-682	-800
	Transport Operations and Depot							
504	Transport Operations and Depot Management	594	594	594	0		0	0
504		594	594	594	0		0	0
	Traffic, Parking and Highways							
248	Traffic & Road Safety	133	133	-46	-179	5	-87	0
-6,967	Parking	-9,462	-8,962	-8,474	488	6-13	647	1,000
6,072	Highways (including London Permit Scheme)	8,813	8,813	8,617	-196	14	0	0
-647		-516	-16	97	113		560	1,000
32,802	TOTAL CONTROLLABLE	34,294	35,838	35,289	-549		-122	200
2,630	TOTAL NON-CONTROLLABLE	6,689	6,712	6,712	0		0	0
2,449	TOTAL EXCLUDED RECHARGES	2,336	2,336	2,336	0		0	0
37,881	PORTFOLIO TOTAL	43,319	44,886	44,337	-549		-122	200

Reconciliation of Latest Approved Budget

£'000

Original Budget 2022/23

43,319

Carry Forward Requests approved from 2021/22

Central Contingency Adjustments

Contract Inflation

Waste Collection & Disposal

810

Neighbourhood

107

Parks Management & Grounds Maintenance

153

Arboricultural Services

14

1,084

Parking income

500

Other

Repairs and Maintenance

23

Provision for agency workers contract savings

-23

Adj to NI budget following reversal of 2022-23 increase in November

-17

Latest Approved Budget for 2022/23

44,886

REASONS FOR VARIATIONS

1. Arboriculture Management £185k

There is a total of £4k overspend on staffing salaries which has arisen as a result of a higher than anticipated inflationary uplift on posts funded through the earmarked reserve for the Tremendous project.

There is a projected overspend of £181k on tree maintenance which has arisen as a result of works being instructed following cyclical inspections of trees in the borough, with works necessary to manage risk in relation to health and safety and potential future insurance claims. Historically, there have been in-year overspends of between £200 – 300k.

2. Business Support & Markets Dr £148k

Street trading income remains affected by the continuation, under the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021, of pavement licences. This was a temporary measure, originally introduced during the Covid pandemic but now extended into 2023 with a view to being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged are significantly higher and are subject to periodic renewal. The estimated net impact on the Council this year remains a net loss of c£80k. January 2023 fees are down slightly on comparable years, while always subdued in January, the strong retail headwinds may mean traders are less keen to resume their full trading bookings as early in the year as normal and we may see the depressed income continue in February and March.

Market income is also still anticipated to be under budget by c£76k this year. This continues the trend over the last two years which has seen a decline in the number of market traders following the initial impact of the Covid pandemic. Skip licenses will underachieve the annual budget by £7k as currently the skip numbers are down on previous comparable years. The licenses are strongly connected to general building works and home improvements. Such projects are either reduced or postponed due to the current economic situation (cost of living and increased building supplies costs). Cleaning costs for Bromley market will overspend by £2k.

There is a projected overspend on staff salaries of £23k, an agency supervisor is still in position until a permanent officer will be recruited. A £40k underspend declared on the staff advertising and the assembly and disassembly of markets, as number of stalls is reduced.

3. Parks and Green Spaces, Dr 85k

A total of £38k has been spent on countryside stewardship, with this due to be reimbursed by the Rural Payments Agency. £24k was incurred as a result of the safety measures taken following the urgent removal of floodlights in Crystal Palace Park by the Greater London Authority; this is due to be reimbursed.

An overspend of £10k has been incurred for pest control in parks. This was previously delivered as a benefit of a concessionary arrangement with a provider which was decommissioned in 2022.

An overspend of £13k relates to ecological oversight required for improvements at Scadbury Park.

4. Waste Services Cr £1,080k

In setting the budget for 2022/23, account was taken of the significant increase in waste volumes collected from residential properties that had occurred since 2020. This was explained mainly as more people working from home following Covid restrictions, as well as an increase in the amount of waste generated from more home deliveries. As 2021 progressed, it appeared that this would be a long term and permanent change in domestic habits with a corresponding long term increase in recycling processing and waste handling costs, and the 2022/23 budget therefore was increased by £800k.

However, as previously reported, it became apparent in the final quarter of 2021/22 and into the first quarter of 2022/23 that waste volumes had moderated and even declined and the increased budget provision of £800k was not required. This trend has been sustained into the second quarter of this financial year with waste officers confirming that waste volumes have continued to be at pre-Covid levels.

The recent review of property numbers from which waste is collected has identified an overall increase which will result in an increase in the LOT 2 core invoice for waste collection services. The value of this increase between October and the end of the financial year is £12k (i.e £2k per month) with a full year cost of c£24k which will need to be reflected in next year's financial forecast.

On the income side, there is a net £252k overachievement between Trade and Commercial Waste income generated (for collected and hired waste, £48k underachievement of the budget) and the overall recycling income generated by the service (£300k overachievement of the budget).

There are other underspends in the service on the ICT Software and Maintenance lines, a total of £40k.

5. Traffic & Road Safety Cr £179k

The Assistant Director for Traffic and Parking anticipates that all staffing costs this year can be fully funded and managed within the service's budget and from the LIP grant funding and no variation in this respect is being projected.

Advertising income from JD Decaux is predicted to overachieve the budget by £61k, assuming current trends continue to the end of the financial year. Similarly for Road Closure Charges (Temporary Traffic Orders), if income levels are maintained as in the previous two financial years, the budget will overachieve by £118k.

Parking, Dr £489k

	Total £'000	
Summary of variations within Parking		
Car Parks	315	
On Street	-10	
Permits	-264	
RingGo fees	-218	
Parking fees total:		-177
Enforcement PCNs issued by CEOs	-324	
Moving Traffic Contraventions (MTCs)	1,600	
Bus Lanes	220	
School keep clear markings	-30	
Enforcement total:		1,466
Parking Shared Services	-250	
Traffic committee	-50	
Central Contingency	-500	
Total variations	489	

6. Car Parks (off street and multistorey car parks) Dr £315k

In recent years there has been a marked change in the use of vehicles for trips to town centres and for commuting. This has had an impact on the use of off-street car parking spaces, resulting in a lower income to the Council.

7. On Street Car Parks Cr £10k

On street parking income is projected to overachieve the budget by £10k.

8. Permit Parking Cr £264k

A surplus is now anticipated for permit parking with strong activity in the third quarter; the projected overachievement is £264k.

9. Ringo Fees, Cr £218k

The amount that the Council receives from RingGo fees continues to be buoyant into the third quarter of the financial year, as the increased use of this payment method to pay for parking fees appears to be sustained and an overachievement of £218k is projected.

10. Car Parking Enforcement Dr £1,446k

Enforcement PCNs by CEOs, Cr £324k

Based on activity levels in the year to date, particularly in the third quarter to December, there is now a projected income overachievement of £324k from PCN's issued by enforcement officers.

Moving Traffic Contraventions (MTCs), Dr £1,600k

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 changes in traffic patterns post Covid-19 pandemic, alongside the Borough's fair approach to enforcement. The projected shortfall for the year remains unchanged from Q2 at £1,600k.

Bus Lanes, Dr £220k

As has been reported previously, compliance of the Bus Lanes continue to improve and therefore this income budget underachieved by £224k in 2021/22. It is projected to be underachieved by £220k this year.

Schools keep clear markings and Bus Stops, Cr £30k

There is a projected overachievement of £30k from this budget due to a new camera at a bus stop that had a known enforcement problem and was causing problems to the bus network.

11. Parking Shared Service Cr £250k

The position remains unchanged and there is a net projected underspend of £250k for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs as well as a reduction in the number of agency staff employed. Officers plan to recruit to some of these posts in 2023/24.

12. Traffic Committee for London fees Cr £50k

There was an underspend of £50k on this budget in 2021/22 and a similar variation continues to be anticipated this year.

13. Central Contingency Cr £500k

As previously reported, in setting the budget for 2022/23, the Executive took into account the risk of possible continuing losses and set aside a further provision of £500k in the Central Contingency budget. As agreed by the Executive in October, this amount has now been drawn down to the Parking income budget. The situation remains under constant review.

14. Highways, including London Permit Scheme Cr 196k

The payments for the Traffic signal maintenance underspends by £86k this quarter. These costs vary year by year and are determined by TfL.

Staffing incurs an underspend of £40k across the service (Street Lighting, London Permits and Highways).

Highways are overachieving on income in the areas of Defect Notices, Section 74 Notices, Fixed Penalty Notices by £70k.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Enforcement Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
371	Community Safety	427	486	500	14	1	18	0
161	Emergency Planning	146	146	156	10	2	13	0
548	Mortuary & Coroners Service	603	603	787	184	3	96	0
1,466	Public Protection	1,469	1,453	1,453	0		-31	0
2,546	TOTAL CONTROLLABLE	2,645	2,688	2,896	208		96	0
617	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
836	TOTAL EXCLUDED RECHARGES	811	816	816	0		0	0
3,999	PORTFOLIO TOTAL	3,462	3,510	3,718	208		96	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2022/23

3,462

Carry Forward Requests approved from 2021/22

Other

Provision for agency workers contract savings

-8

Adj to NI budget following reversal of 2022-23 increase in November

-8

Domestic Abuse team moved from CHN services

64

Latest Approved Budget for 2022/23

3,510

REASONS FOR VARIATIONS

1. Community Safety Dr £14k

There is a projected overspend of £18k in the costs of the Community Safety & Management Team, partially offset by a small underspend on the Nuisance & ASB Team.

2. Emergency Planning Dr £10k

This projected overspend relates to the anticipated additional cost of emergency response standby allowances for the year.

3. Mortuary & Coroners Service Dr £184k

Major renovations to the mortuary facilities at the Princess Royal University Hospital continue meaning that post-mortems will instead be conducted in Denmark Hill. With finite facilities at this alternative site, a backlog is anticipated. As bodies will remain in storage for longer, the Council will inevitably incur additional costs. Further to this, there has been higher than anticipated demand on the service and higher than expected inflationary increases to service fees.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Renewal, Recreation & Housing Budget Monitoring Summary

2021/22 Actuals £'000	Division Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	PLACE DEPARTMENT							
	Planning							
99	Building Control	90	90	303	213	1	244	0
Cr 128	Land Charges	Cr 126	Cr 126	Cr 62	64	2	0	0
1,707	Planning	1,493	1,677	1,777	100	3	0	0
1,678		1,457	1,641	2,018	377		244	0
	Culture & Regeneration							
908	Culture	830	1,031	1,046	15	4	25	0
4,649	Libraries	4,873	5,442	5,442	0		0	0
23	Economic Development	80	262	262	0		0	0
5,580		5,783	6,735	6,750	15		25	0
	Operational Housing							
1,314	Housing Strategy, Advice and Enabling	1,460	1,477	1,528	51	5	51	0
Cr 1,089	Housing Benefits	Cr 1,539	Cr 1,539	Cr 1,539	0		0	0
Cr 175	Housing Improvement	Cr 30	Cr 31	Cr 74	Cr 43	6	Cr 33	0
6,406	Allocations and Accommodation	4,295	4,291	5,184	893	7	655	324
877	Supporting People	1,070	1,044	942	Cr 102	8	Cr 118	Cr 94
1,488	Housing Options and Support	2,006	2,001	1,615	Cr 386	9	Cr 62	0
8,821		7,262	7,243	7,656	413		493	230
16,079	Total Controllable	14,502	15,619	16,424	805		762	230
2,141	TOTAL NON CONTROLLABLE	Cr 883	Cr 990	Cr 990	0		0	0
5,555	TOTAL EXCLUDED RECHARGES	5,627	5,627	5,627	0		0	0
23,775	TOTAL RR & H PORTFOLIO TOTAL	19,246	20,256	21,061	805		762	230

Reconciliation of Latest Approved Budget

£'000

Original budget 2022/23

19,246

Carry Forward Requests approved from 2021/22

Rough Sleepers Initiative Grant expenditure		228
Rough Sleepers Initiative Grant income	Cr	228
Homelessness Reduction Grant		89
Homelessness Reduction Grant	Cr	89
New Burdens Funding Grant expenditure		124
New Burdens Funding Grant income	Cr	124
Local Plan Implementation		120
New Homes Bonus - Regeneration		73

Central Contingency Adjustments

Accommodation for Ex-Offenders expenditure		70
Accommodation for Ex-Offenders income	Cr	70
Rough Sleepers Initiative Grant expenditure		455
Rough Sleepers Initiative Grant income	Cr	455
Norman Park grant		151
Libraries contract inflation		54
Resources to address Planning minor applications backlog		90
Funding of Economic Development posts		109
Local London membership subscription		50
Libraries refresh		515
Provision for agency workers contract savings	Cr	14
Homes for Ukraine expenditure		821
Homes for Ukraine grant	Cr	821
Homeless Prevention Initiatives expenditure		883
Homeless Prevention Initiatives grant	Cr	883

Other

Local Plan Review funded from Growth Fund		
- expenditure		600
- income	Cr	600
R&M Planned Maintenance adjustment	Cr	107
Adj to NI budget following reversal of 2022-23 increase in November	Cr	31

Latest Approved Budget for 2022/23

20,256

REASONS FOR VARIATIONS

1. Building Control Dr £213k

For the chargeable service, an income deficit of £193k is projected based on actual income so far this year. A review of fees and charges was carried out in Q2 to ensure the service complies with Building Account Regulations, which requires that the service operates on a full cost recovery basis (i.e. does not make a surplus or is subsidised on an ongoing basis). Revised charges were implemented on 1 October, which is helping to increase income and has reduced the forecast shortfall by £51k from Q2. A £20k overspend is forecast on the salaries budget, mainly due to use of agency staff to cover vacancies. In accordance with the Regulations, any surplus or deficit in year is charged to or funded from the Building Control Charging Account earmarked reserve, and would leave a total deficit balance of £235k to recover from income in future years

2. Land Charges Dr £64k

A £52k shortfall of land charges income compared to budget is now being forecast, due to reduced activity in Q3. There is also a £12k overspend forecast on the staffing budget, resulting in an overall overspend now being forecast of £64k.

3. Planning Dr £100k

A £187k shortfall of planning fee income compared to budget is now being forecast, as receipts in the first three quarters of this financial year have been significantly lower than last year. There are, however, underspends on the salaries budget due to vacancies, which results in a net overspend being forecast of £100k.

4. Culture Dr £15k

Following the death of HM Queen the borough's Operation London Bridge plan was enacted. This generated costs that had not been budgeted for at the start of the year in relation to the ceremonies the borough was required to deliver, the screening of the funeral, and the production of a memorial quilt which is ongoing.

5. Housing Strategy, Advice and Enabling Dr £51k

There are three posts within the service which are unfunded. Options to address this are being reviewed and some short term funding identified to ease some of the pressures on this service area.

6. Housing Improvement Cr £43k

In year vacancies during a period of recruitment are expected to result in an underspend of £43k.

7. Allocations and Accommodation Dr £893k

There is currently a forecast overspend of £1,630k in the Temporary Accommodation before projected savings from increasing the supply of affordable housing. For this round of budget monitoring the number of Households in Temporary Accommodation was 1,064. It is currently expected that this will increase to 1,109 by the end of the financial year, at an average cost of around £7,110 per household per annum. This is partly offset by the Homeless Prevention Initiatives allocation in contingency and exceptional winter top up of the Homeless Prevention Grant top totalling £883k which are being requested for draw down this cycle.

These figures exclude other schemes like More Homes Bromley, Orchard & Shipman, ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these client numbers have been included there are currently over 1,551 households in Temporary Accommodation.

Transformation savings totalling £1,286k were identified at the start of 2022-23 to provide a longer term alternative to expensive nightly paid accommodation. Included in this Meadowship Homes (£1,043k) and (Burnt Ash Lane £39k) continue to progress and schemes at Bushell Way, Anerley Town Hall car park and Beehive are now complete. Savings of £127k are expected to be achieved over the remainder of the financial year. The Full Year Effect of these savings is estimated at around £2.2m.

There is also currently a forecast overspend on salaries of £25k. This is due mainly to the cost of funding two short term posts to meet the additional work load created by the new schemes. There are some vacancies within the service which are partly offsetting this additional cost.

	£'000
Summary of overall variations within Allocations and Accommodation:	
Temporary Accommodation	747
More Homes Bromley Guarantee	248
Transformation Savings still to be delivered	Cr 127
Salaries	25
Total variation for Allocations and Accommodation	893

8. Supporting People Cr £102k

A £102k underspend is currently forecast in the Supporting People area mainly as a result of procurement exercises during 2021/22 and 2022/23 containing costs within inflation that had accumulated in the budget whilst the previous contracts had been fixed for a number of years. There has been a virement of £26k from this budget to the HOPE contract in the Housing Strategy, Advice and Enabling service area to fund in-year one off additional costs.

9. Housing Options and Support Cr £386k

There are a number of vacancies within the service and some posts are difficult to fill. Temporary posts have been created to try and address this. The current projected underspend is £63k.

There is a forecast underspend of £325k on the work carried out around Homelessness Prevention, which is been impacted on by the challenges in recruiting staff during the course of the financial year.

The Travellers budget has been realigned during the 2022-23 budget setting process and this should reduce some of the previous variances including the running costs and fee income. The Traveller Site Manager post continues to be difficult to fill and will result in an in-year underspend on salaries.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, one virement has been actioned. to implement contract upgrades for the HOPE contract. £26k has been vired from the underspend in Supporting People to the Housing Strategy and Enabling service area. This is one off virement for 2022-23 only.

Resources, Commissioning & Contracts Management Portfolio Budget Monitoring Summary

2021/22 Actuals £'000		2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
248	Director of Finance & Other	251	251	251	0		0	0
7,349	Exchequer - Revenue & Benefits	6,109	6,044	6,021	Cr 23	1	0	0
477	Exchequer - Payments & Income	2,163	2,163	2,163	0		0	0
1,678	Financial Accounting	657	657	657	0		0	0
799	Management Accounting	1,760	1,760	1,760	0		0	0
	Audit	831	865	865	0		0	0
10,551	Total Financial Services Division	11,771	11,740	11,717	Cr 23		0	0
	CORPORATE SERVICES DIVISION							
5,818	Information Systems & Telephony	6,017	6,750	6,750	0		0	0
	Legal Services & Democracy							
407	Electoral	1,079	1,126	1,126	0		0	0
1,339	Democratic Services	1,514	1,548	1,513	Cr 35	2	0	0
167	Mayoral	173	173	173	0		0	0
2,917	Legal Services	2,209	2,519	3,019	500	3	500	0
569	Procurement and Data Management	545	545	545	0		0	0
184	Management and Other (Corporate Services)	220	220	220	0		0	0
11,401	Total Corporate Services Division	11,757	12,881	13,346	465		500	0
	HR AND CUSTOMER SERVICES DIVISION							
1,899	Human Resources	2,210	2,210	2,210	0		0	0
317	Learning and Development	147	147	176	29	4	29	0
	Customer Services							
Cr 1,134	Contact Centre	1,172	1,172	1,172	0		0	0
Cr 139	Registration of Births, Deaths & Marriages	Cr 120	Cr 120	Cr 120	0		0	0
225	CE - Consultation & Communication	305	317	317	0		0	0
3,436	Total HR & Customer Services Division	3,714	3,726	3,755	29		29	0
	CHIEF EXECUTIVE'S DIVISION							
796	Management and Other (C. Exec)	903	903	903	0		0	0
796	Total Chief Executive's Division	903	903	903	0		0	0
	CENTRAL ITEMS							
1,179	CDC & Non Distributed Costs (Past Deficit etc.)	1,284	1,284	1,284	0		0	0
9,475	Concessionary Fares	5,972	5,972	5,972	0		0	0
36,838	TOTAL CONTROLLABLE CE DEPT	35,401	36,506	36,977	471		529	0
675	TOTAL NON CONTROLLABLE	3,242	3,239	3,239	0		0	0
Cr 17,324	TOTAL EXCLUDED RECHARGES	Cr 17,569	Cr 17,569	Cr 17,569	0		0	0
20,189	TOTAL CE DEPARTMENT	21,074	22,176	22,647	471		529	0
	CHILDREN, EDUCATION AND FAMILIES DEPARTMENT							
	Strategy and Corporate Projects							
229	Commissioning	232	230	141	Cr 89	5	Cr 54	0
2,126	Strategy, Performance and Engagement	1,831	1,831	1,772	Cr 59	6	85	0
2,355	TOTAL CONTROLLABLE CEF DEPT	2,063	2,061	1,913	Cr 148		31	0
300	TOTAL NON CONTROLLABLE	4	4	4	0		0	0
Cr 2,956	TOTAL EXCLUDED RECHARGES	Cr 2,129	Cr 2,129	Cr 2,129	0		0	0
Cr 301	TOTAL CEF DEPARTMENT	Cr 62	Cr 64	Cr 212	Cr 148		31	0
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
1,949	Admin Buildings & Facilities Support	1,628	2,940	2,960	20	7	20	0
280	Investment & Non-Operational Property	311	311	311	0		0	0
364	Strategic & Operational Property Services	962	962	962	0		0	0
1,510	TFM Client Monitoring Team	1,694	1,694	1,694	0		0	0
Cr 1,350	Other Rental Income - Other Portfolios	Cr 1,582	Cr 1,582	Cr 1,582	0		0	0
4,006	Repairs & Maintenance (All LBB)	3,314	3,314	3,314	0		0	0
6,759	TOTAL CONTROLLABLE ECS DEPT	6,327	7,639	7,659	20		20	0
84	TOTAL NON CONTROLLABLE	466	466	466	0		0	0
Cr 4,438	TOTAL EXCLUDED RECHARGES	Cr 4,308	Cr 4,308	Cr 4,308	0		0	0
Cr 1,869	Less: R&M allocated across other Portfolios	Cr 1,628	Cr 1,628	Cr 1,628	0		0	0
1,350	Less: Rent allocated across other Portfolios	1,582	1,582	1,582	0		0	0
1,886	TOTAL ECS DEPARTMENT	2,439	3,751	3,771	20		20	0

21,774	TOTAL RCCM PORTFOLIO	23,451	25,863	26,206	343	580	0
--------	----------------------	--------	--------	--------	-----	-----	---

Reconciliation of Latest Approved Budget
£'000
Original budget 2022/23
23,451
Carry Forward Requests approved from 2021/22

Local Digital Cyber Fund expenditure	100	
Local Digital Cyber Fund income	-100	
Audit Support	34	
Members IT	34	68
	<u>34</u>	

Central Contingency Adjustments

Energy contract (part year)	1,312	
Local election May 2022	47	
Legal Support – children's and adults social care	170	
Inflation	12	
IT contract procurement	653	
Resources to support GDPR compliance	80	
Additional Legal costs	140	

Other Budget Movements

Repairs and Maintenance	Cr	3
Provision for agency workers contract savings	Cr	22
Adj to NI budget following reversal of 2022-23 increase in November	Cr	45
Step Up to Social Work transferred to HR from CEF		
- expenditure		900
- income	Cr	900

Latest Approved Budget for 2022/23
25,863

REASONS FOR VARIATIONS

1. Exchequer - Revenue & Benefits Cr £23k

A £23k underspend is forecast on the staffing budget due to vacancies.

2. Democratic Services Cr £35k

A £35k underspend is forecast on the employees budget.

3. Legal Services Dr £500k

The overspend of £500k remains unchanged from Q2, with the increase in demand for use of counsel similar to the previous financial year, particularly in respect of childcare cases. The Assistant Director for Legal Services has provided the following narrative:

Legal services is a demand led service and in recent years there has been an upward trend in childcare cases issued by the local authority, and the courts are listing more hearings per case. This has therefore increased spend on counsel, however, the legal budget for counsel has not increased to accommodate for this upward cost pressure. Although the in-house team carry out advocacy to mitigate spend on counsel, they are required to focus on case work.

The court bundle lists indicate that in year 2019-20 there were circa 380 hearings. In 2020/21, there was an increase to circa 510 hearings which, whilst not unprecedented, is a significant rise on the previous year. In 2021/22, the figure was circa 420. Between April 2021 and April 2022, to counter external spend, the team has carried out circa 116 hearings in-house, and the team continues to face complex and lengthy cases (for example, an ongoing case ran for 14 days in court and on another case, the Local Authority were requested by the Judge to appoint a senior counsel). The team has also had to deal with an increasing number of DOLS (Deprivation of Liberty) cases. As an example, there have been 15 hearings on one young person's matter. The court identified an issue with cases having a large number of CMH (Case Management hearings). In May 2021, 30 LBB cases were so flagged with one case having had 17 hearings at that point and another 14.

The Planning Litigation and Licensing Legal team has also overspent on the budget for counsel's fees. These cases involve planning inquiries before an Inspector, advice concerning planning enforcement action, civil litigation including judicial and statutory review in the Administrative and Planning Court, an application to the Court of Appeal and criminal litigation including attendance at the Crown Court. Some of these cases are complex necessitating the instruction of senior Counsel to ensure the best outcome. In particular, an application for an injunction (and subsequent committal proceedings) in respect of breaches of planning control for land at the junction of Sevenoaks Road and Wheatsheaf Hill, Halstead has attracted a high profile where the service had to instruct a junior and senior counsel to represent the Council in court. It should be noted that the in-house team do not have right of audience at High Court, Court of Appeal and Crown Courts and therefore need to instruct counsel.

Due to the increased instructions to legal services on contracts, contract disputes, housing, regeneration, education capital projects and commercial property-related matters arising, the Legal commercial team has had to engage locum lawyers in order to meet the increased demand, thereby putting pressure on the staffing budget.

The Director of Corporate Services and Governance has issued a new procedure for instructing counsel for service directors to agree. This includes putting in measures to control expenditure on counsel and giving service departments more ownership of expenditure relating to their cases. The Director of Corporate Services and Governance will also oversee a review of Legal services to look at the work of the service, budget and resourcing requirements.

4. Learning & Development Dr £29k

The overspend in this area is caused by staffing variance of £17k and an under collection on income of £34k. This is being offset by an underspend of £22k on running costs

5. Commissioning Cr £54k

The underspend in this area is mainly being caused by lower than expected staffing costs

6. Strategy, Performance and Engagement Dr £85k

The overspend in this area is caused by staffing variance of £54k and an under collection on income of £80k. This is being offset by an underspend of £49k on running costs

7. Admin Buildings & Facilities Support Dr £20k

Additional temporary cleaning measures have been reinstated through to March 2023 in order to prevent the spread of Covid this winter. This is expected cost an additional £20k above budget in this financial year.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Allocation of Contingency Provision for 2022/23

Item	Original Contingency Provision	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Items Projected for Remainder of Year		
	£	£	£	£	£	£	
General							
Provision for Unallocated Inflation	3,977,000	2,732,000		0	2,732,000	(1 & 3) Cr 1,245,000	
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,825,000			200,000	200,000	Cr 1,625,000	
Provision for increase in employer national insurance-outsourced services	910,000			0	0	Cr 910,000	
General Provision for Risk/Uncertainty	3,500,000			250,000	250,000	Cr 3,250,000	
Provision for Risk/Uncertainty Relating to Volume & Cost Pressures	2,871,000			0	0	Cr 2,871,000	
Growth for Waste Services	187,000			0	0	Cr 187,000	
Universal Credit roll out - Claimant Fault Overpayment Recoveries	750,000			0	0	Cr 750,000	
Deprivation of Liberty	118,000			0	0	Cr 118,000	
Building Infrastructure Fund	2,000,000			2,000,000	2,000,000	0	
Provision for potential loss of car park income	500,000	500,000		0	500,000	(1) 0	
Property income recovery/rent variations	500,000	500,000		0	500,000	(1) 0	
Legal support - children and adults social care	170,000	170,000		0	170,000	(1) 0	
Provision of agency workers contract saving	Cr 260,000	Cr 260,000		0	Cr 260,000	(3) 0	
Planning Application backlog	0	90,000		0	90,000	(1) 90,000	
Economic Development posts	0	109,000		0	109,000	(1) 109,000	
Norman Park	0	151,000		0	151,000	(1) 151,000	
Local London Membership	0	50,000		0	50,000	(1) 50,000	
Local election	0	47,000		0	47,000	(1) 47,000	
IT contract procurement	0	989,000		0	989,000	(1) 989,000	
SARS	0	80,000		0	80,000	(1) 80,000	
Additional social workers re caseloads (£2m to a reserve)	0	2,400,000		0	2,400,000	(1) 2,400,000	
Temporary increase in CIN social workers (COVID related)	0	250,000		0	250,000	(1) 250,000	
Business Rates Surplus Levy	0		Cr 322,659	0	Cr 322,659	(4) Cr 322,659	
Additional legal costs	0	140,000		0	140,000	(5) 140,000	
Homes for Ukraine Grant allocated to Departments	0			Cr 1,078,000	Cr 1,078,000	(4) Cr 1,078,000	
Legal Reserve to support potential additional costs in 2023/24	0		635,000		635,000	(4) 635,000	
Education Reserve to fund additional costs in 2023/24 and 2024/25			630,000		630,000	(4) 630,000	
Adult Care & Health Portfolio							
Better Care Fund							
Grant Related Expenditure		402,000		0	402,000	(1) Cr 402,000	
Grant Related Income		Cr 402,000		0	Cr 402,000	Cr 402,000	
Improved Better Care Fund							
Grant Related Expenditure		227,000		0	227,000	(1) Cr 227,000	
Grant Related Income		Cr 227,000		0	Cr 227,000	Cr 227,000	
Public Health Grant							
Grant Related Expenditure		427,000		0	427,000	(1) Cr 427,000	
Grant Related Income		Cr 427,000		0	Cr 427,000	Cr 427,000	
ICS funding							
Grant Related Expenditure		4,528,000		0	4,528,000	(1) Cr 4,528,000	
Grant Related Income		Cr 4,528,000		0	Cr 4,528,000	Cr 4,528,000	
King's funding for SPA							
Grant Related Expenditure		500,000		0	500,000	(1) Cr 500,000	
Grant Related Income		Cr 500,000		0	Cr 500,000	Cr 500,000	
Market Sustainability and Fair Cost of Care Fund							
Grant Related Expenditure		804,000		0	804,000	(1) Cr 804,000	
Grant Related Income		Cr 804,000		0	Cr 804,000	Cr 804,000	
Charging Reform Implementation Support Grant							
Grant Related Expenditure		104,000		0	104,000	(1) Cr 104,000	
Grant Related Income		Cr 104,000		0	Cr 104,000	Cr 104,000	
Supplementary Substance Misuse Treatment & Recovery Grant							
Grant Related Expenditure		264,343		0	264,343	(2) Cr 264,343	
Grant Related Income		Cr 264,343		0	Cr 264,343	Cr 264,343	
Additional Winter Pressures Funding							
Grant Related Expenditure			2,314,000	0	2,314,000	(4) Cr 2,314,000	
Grant Related Income			Cr 2,314,000	0	Cr 2,314,000	Cr 2,314,000	
Children, Education and Families							
SEND Transport Growth	1,000,000		1,000,000		1,000,000	(4) 0	
Homes for Ukraine - DfE Grant							
Grant Related Expenditure		350,000		929,739	1,279,739	(2) Cr 1,279,739	
Grant Related Income		Cr 350,000		Cr 929,739	Cr 1,279,739	Cr 1,279,739	
Renewal, Recreation & Housing							
Property Valuation	100,000				0	Cr 100,000	
Planning Appeals - change in legislation	60,000				0	Cr 60,000	
Accommodation for Ex-Offenders							
Grant Related Expenditure		69,500			69,500	(1) Cr 69,500	
Grant Related Income		Cr 69,500			Cr 69,500	Cr 69,500	
New Homes Bonus - Regeneration							
Grant Related Expenditure			72,521		72,521	(3) 72,521	

APPENDIX 4

Grant Related Income		Cr 72,521			Cr 72,521		Cr 72,521
Homes for Ukraine - General Grant							
Grant Related Expenditure		821,000	1,228,000	4,083,000	6,132,000		6,132,000
Grant Related Income	Cr	821,000	Cr 1,228,000	Cr 4,083,000	Cr 6,132,000	(2)	Cr 6,132,000
Homes for Ukraine - Thank you payments							
Grant Related Expenditure		515,900			515,900		515,900
Grant Related Income	Cr	515,900			Cr 515,900	(2)	Cr 515,900
		18,208,000	7,948,000	1,942,341	1,372,000		11,262,341
Grants included within Central Contingency Sum							Cr 6,945,659
Rough Sleeping Initiative							
Grant Related Expenditure		104,000	455,000		455,000		351,000
Grant Related Income	Cr	104,000	Cr 455,000		Cr 455,000	(1)	Cr 351,000
Homeless Prevention Initiatives							
Grant Related Expenditure		424,000		883,000	883,000		459,000
Grant related Income	Cr	424,000	Cr 883,000		Cr 883,000	(4)	Cr 459,000
Tackling Troubled Families							
Grant Related Expenditure		628,000	490,000		138,000		0
Grant related Income	Cr	628,000	Cr 490,000	Cr 138,000	Cr 628,000	(3)	0
TOTAL CARRIED FORWARD		18,208,000	7,948,000	1,942,341	1,372,000		Cr 6,945,659

Allocation of Contingency Provision for 2022/23 (continued)

Item	Carried Forward from 2021/22	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	18,208,000	7,948,000	1,942,341	1,372,000	11,262,341	Cr 6,945,659
Items Carried Forward from 2021/22						
Adult Care & Health Portfolio						
Social Care Funding via the CCG under S75 Agreements						
Improved Better Care Fund						
- Expenditure	2,597,185	2,597,185			2,597,185	(2) 0
- Income	Cr 2,597,185	Cr 2,597,185			Cr 2,597,185	0
Better Care Fund 2021/22						
- Expenditure	82,975	82,975			82,975	(2) 0
- Income	Cr 82,975	Cr 82,975			Cr 82,975	0
Public Health						
- Expenditure	1,964,209	1,964,209			1,964,209	(2) 0
- Income	Cr 1,964,209	Cr 1,964,209			Cr 1,964,209	0
Winter Resilience Funding						
- Expenditure	400,000	400,000			400,000	(1) 0
- Income	Cr 400,000	Cr 400,000			Cr 400,000	0
Renewal, Recreation & Housing Portfolio						
Rough Sleepers Initiative						
- Expenditure	227,635	227,635			227,635	(2) 0
- Income	Cr 227,635	Cr 227,635			Cr 227,635	0
New Burdens Funding Grant						
- Expenditure	123,919	123,919			123,919	(2) 0
- Income	Cr 123,919	Cr 123,919			Cr 123,919	0
Homelessness Reduction Grant						
- Expenditure	89,000	89,000			89,000	(2) 0
- Income	Cr 89,000	Cr 89,000			Cr 89,000	0
Children, Education and Families Portfolio						
Virtual School CIN Grant						
- Expenditure	62,806	62,806			62,806	(2) 0
- Income	Cr 62,806	Cr 62,806			Cr 62,806	0
Virtual School PLAC Grant						
- Expenditure	92,669	92,669			92,669	(2) 0
- Income	Cr 92,669	Cr 92,669			Cr 92,669	0
Tackling Troubled Families Grant						
- Expenditure	334,051	334,051			334,051	(2) 0
- Income	Cr 334,051	Cr 334,051			Cr 334,051	0
Deed Settlement for Hawes Down Site						
- Expenditure	12,119	12,119			12,119	(2) 0
- Income	Cr 12,119	Cr 12,119			Cr 12,119	0
Resources, Commissioning and Contracts Portfolio						
Local Digital Cyber Fund						
- Expenditure	100,000	100,000			100,000	(2) 0
- Income	Cr 100,000	Cr 100,000			Cr 100,000	0
General						
Shared Lives Transformation posts	100,000	100,000			100,000	(1) 0
Members IT	34,000	34,000			34,000	(2) 0
Local Plan Implementation	120,000	120,000			120,000	(2) 0
Audit Support	34,000	34,000			34,000	(2) 0
Broadband at Poverest	6,103	6,103			6,103	(2) 0
EIFS waiting list and volumes	90,000	90,000			90,000	(2) 0
MOPAC Choices grant	75,000	75,000			75,000	(2) 0
Wellbeing for Education	5,821	5,821			5,821	(2) 0
Total Carried Forward from 2020/21	464,924	464,924	0	0	464,924	0
GRAND TOTAL	18,672,924	8,412,924	1,942,341	1,372,000	11,727,265	Cr 6,945,659

Notes:

(1) Portfolio Holder for Adult Care and Health, 22nd March 2022

Description	2022/23 Latest Approved Budget £'000	Variation To 2022/23 Budget £'000	Potential Impact in 2023/24
Housing Needs - Temporary Accommodation	5,990	893	The full year effect of Temporary Accommodation is currently estimated to be £2,459k. This will be reduced by planned transformation savings totalling £2,135k which have been identified for 2023-24 to provide a longer term alternative to expensive nightly paid accommodation. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point.
Assessment and Care Management - Care Placements	28,981	2,080	The full year impact of the current overspend is estimated at £2,764k. Of this amount £953k relates to residential and nursing home placements for 65+ and £660k for 18-64's. and £681k for Domiciliary care & direct payments for 65+ and £470k for 18-64's. This is based on service user numbers as at the end of December.
Learning Disabilities - including Care Placements, Transport and Care Management	42,270	57	The full year effect (FYE) is estimated at a net overspend of £1,192k. This figure is higher than the in-year overspend as demand-related growth pressures, for example transition and increased client needs, have only a part year impact in 2022/23 but a greater financial impact in a full year. Given the uncertainties that remain in relation to the delivery of savings and the transition cohort, the FYE is likely to change by year end.
Mental Health - Care Placements	6,550	Cr 25	A full year overspend of £4k is anticipated on Mental Health care packages, with residential, nursing and supported living placements £4k underspent and domiciliary care and direct payments £8k overspent.
Supporting People	1,070	Cr 94	The full year effect of Supporting People is currently estimated to be a credit of £94k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Children's Social Care	42,352	8,799	The overall full year effect of the Children's Social Care overspend is a net £7,808k, analysed as Residential Care, Fostering and Adoption of £5,413k and on Leaving Care costs of £2,395k.
SEN Transport	6,480	972	The current full year effect for SEN Transport - based on the current routes - is £871k. This includes the draw down of £1m
Waste Services	20,463	Cr 800	The previously approved budget increase in respect of increased waste volumes is no longer required resulting in a full year budget reduction of £800k.
Moving Traffic Contraventions	Cr 8,962	1,650	The actual number of PCN's issued in 2022/23 has remained lower than original expectations, which officers believe is due mainly to a reduction in traffic congestion meaning fewer vehicles are contravening yellow box junctions. The full year reduction in income is estimated at c£1m.

SECTION 106 RECEIPTS

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

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

31st March 2022 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Projection as at 31st March 2023 £000
<u>Revenue</u>					
233	Highway Improvement Works	120			353
30	Road Safety Schemes				30
8	Local Economy & Town Centres	-			8
70	Parking	10			80
0	Education	43			43
1,445	Healthcare Services	107			1,552
10	Community Facilities	-			10
443	Other	436			879
2,239		716	0	-	2,955
<u>Capital</u>					
5,078	Education				5,078
20	Highways				20
2,452	Housing				2,452
686	Local Economy & Town Centres				686
0	Other				-
8,236		0	0	-	8,236
10,475		716	0	0	11,191

This page is left intentionally blank

Agenda Item 6

Report No.
CEF23014

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Children, Education and Families PDS Committee on 14 March 2023

Decision Type: Non-Urgent Executive Key

Title: BASIC NEED UPDATE REPORT

Contact Officer: Robert Bollen, Head of Strategic Place Planning
Tel: 020 8313 4697 E-mail: Robert.Bollen@bromley.gov.uk

Chief Officer: Director of Education

Ward: All Wards

1. Reason for decision/report and options

- 1.1 This report provides an update on funding and the capital schemes included within the Council's Basic Need Programme.
-

2. **RECOMMENDATIONS**

- 2.1 That the Executive agrees the updated Basic Need Programme as set out in Appendix 3 subject to Full Council approval.
- 2.2 That the Executive agrees that new projects at Burnt Ash Primary School, Oaklands Primary School, The Highway Primary School and Trinity CE Primary be added to the Basic Need Programme as detailed in the scheme appraisals in Appendix 1.
- 2.3 That the Executive agrees the allocation of an additional £43k of additional S106 allocations to projects within the Basic Need Capital Programme as outline in Appendix 2.
- 2.4 That Members note the additional High Needs Provision Capital Funding allocation of £8,478k received for 2022/23 and 2023/24 for improving and expanding SEN and Alternative provision.

Impact on Vulnerable Adults and Children

1. Summary of Impact: This programme is currently benefitting local children and young people through providing an additional 1,680 temporary and 3,715 permanent schools places in both mainstream and specialist settings.
-

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority (delete as appropriate):
(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.
-

Financial

1. Cost of proposal: n/a
 2. Ongoing costs: n/a
 3. Budget head/performance centre: Educational Capital Programme
 4. Total current budget for this head: £105,124k
 5. Source of funding: DfE Basic Need Capital Grant, DfE SEND Provision Capital funding, DfE School Condition Allocations (SCA), S106 contributions
-

Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable: Executive decision.
-

Procurement

1. Summary of Procurement Implications: There are no procurement implications arising from this report. The procurement strategy for the Basic Need Capital Programme has been set out in previous reports.
-

Property

1. Summary of Property Implications:
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications:
-

Customer Impact

1. Estimated number of users or customers (current and projected):
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 This report provides a progress update on the delivery of the Council's Basic Need Capital Programme over the past year, additional capital funds received, and new schemes being added to the programme.
- 3.2 The focus of the Basic Needs Programme has now shifted from the delivery of mainstream to specialist places. The programme incorporates High Needs Provision Capital funding received from central government to increase places and improve the suitability of specialist provision.
- 3.3 Starting in Autumn Term 2022 the Council has been undertaking a strategic review of high needs funding and the specialist estate in Bromley. The estates review will be ongoing throughout 2023 and will enable the development of a programme to increase specialist places in Bromley schools.
- 3.4 The Council intends to broadly utilise its High Needs Provision Capital Allocation as follows:
- Provision of additional specialist capacity through (i) the creation of new, or expansion of existing Additionally Resourced Provisions (ARPs) and (ii) the expansion of maintained special schools (75%)
 - Improvements to existing ARPs and maintained special schools (15%)
 - Support to mainstream schools to enhance the inclusion of children with special education needs (SEN) (10%).
- 3.5 During 2022 the Council procured new consultants to support it with delivery of its education capital programme.
- 3.6 The first schemes from the specialist estates review are being added to the programme. There is not currently sufficient funding to deliver all schemes. Unfunded schemes will be brought forward into the Projects in Delivery (Funded) programme once funds are available.

Funding

- 3.7 The Council receives Basic Need Capital Grant from the DfE to support the delivery of sufficient school places, with over £80m allocated to Bromley since 2011-2022. The Council has received no additional mainstream allocation since 2021-22. The formula for allocation is based principally on projected population growth for children and young people aged 2-18.
- 3.8 In addition, the Council has now received an additional £8,478k SEN Provision Capital Funding allocation for 2022-24.
- 3.9 These allocations are provided in addition to the Basic Need Capital Grant to support local authorities to provide new specialist placements and improve SEN facilities.

Basic Need Allocation	
2011-12 allocation	£4,496,771
Autumn 2011 exceptional in-year allocation	£1,277,936
2012-13 allocation	£2,404,519
Spring 2012 exceptional in-year allocation	£1,590,436
2013-15 allocation	£9,968,079
2015-16 allocation	£20,635,153
2016-17 allocation	£21,666,911
2017-18 allocation	£8,837,573
2018-19 allocation	£6,895,846
2021-22 allocation	£2,237,466
	£80,010,690
SEND/High Needs Provision Capital Funding	
2018-19 allocation	£865,510
2019-20 allocation	£865,510
2020-21 allocation	£865,510
Additional allocation 2018-21 (May '18)	£603,844
Additional allocation 2018-21 (Dec '18)	£1,207,688
2021-22 allocation	£2,450,780
2022-23 allocation	£4,169,618
2023-24 allocation	£4,308,004
	£15,336,464
Total DfE allocation	£95,347,154
Section 106 Funding	
April 2014 draw down	£705,653
July 2017 draw down	£2,889,855
March 2021 draw down	£4,127,637
March 2022 draw down	£980,680
March 2023 draw down	£42,965
	£8,746,789

3.10 The table above provides details of all the Basic Need Capital Grant and SEND Provision Capital Funding received by the Council, along with Section 106 funds drawn down since 2011.

3.11 In addition, the Basic Need capital programme also includes capital contributions from a range of other capital funding programmes including DfE School Condition Allocations (SCA) and Section 106 contributions. These are detailed in Section 6 of this report.

3.12 Appendix 1 provides an appraisal of new schemes being added to the Basic Need Programme.

3.13 Appendix 2 provides details of new Section 106 funding being drawn down against schemes within the programme. All S106 funds currently available for education has been allocated to projects in the Basic Need Programme. This funding has either been spent or supports projects currently in delivery.

3.14 Appendix 3 provides details of the Basic Need Programme and the funding allocated for individual project. Projects are categorised as follows:

- A Completed projects, including projects that are in defects and yet to reach Final Account.
 - B Projects in Delivery (Funded) – schemes that are in the delivery phase, including projects under construction and in procurement, and have available funding allocated to them to allow delivery
 - C Projects in Development (Unfunded) – schemes that are not an immediate priority and are therefore not fully funded, but are being delivered to a ‘shovel ready’ status
- 3.15 Design development of schemes not in the delivery phase (funded or unfunded) of the programme will continue, but schemes will not be brought forward until there is sufficient need and funding is available.

Recently Completed Schemes

- 3.16 Since the last Basic Need Update Report to the Executive in March 2022, the following schemes have been completed

Bishop Justus	Works to enhance hygiene facilities and accessibility to support a child placed at the school.
Chislehurst School for Girls	Works to provide hygiene facilities and accessibility to support child placed at school.
Marian Vian Primary School (Phase 1)	This scheme provided a new drop off zone for the school and converts the former children and family centre into a nursery. The scheme is funded entirely by S106 contributions.
Stewart Fleming	Phase 2 final account discussions complete including following COVID delays.

Projects In Delivery (Funded)

- 3.17 Two new schemes proposing to open additional resources provisions (ARPs) for children with SEN at Oaklands Primary School and The Highway Primary School have been added to the Projects in Delivery (Funded) Programme. A financial appraisal for both these schemes has been included within Appendix 1. The appraisal costs are early estimates and subject to revision through the development of each project.

3.18 The following schemes are currently being delivered or progressed to the Projects in Delivery (Funded) stage:

B1	Darrick Wood School	A small access scheme improving the acoustic performance of the Secondary Deaf Base at Darrick Wood School.
B2	Farnborough Primary School	Council contribution of S106 monies towards school led scheme focussing on enhancements and re-providing specialist spaces rather than expansion.
B3	Marian Vian Primary School (Phase 2)	S106 scheme to replace dilapidated year 6 accommodation block. S106 funded. Scheme delivery reliant on further expected S106 contributions.
B4	Nightingale (PRU)	New mental health alternative provision accommodation for Council's Home Hospital Tuition Service (HHTS) and Bromley Trust Academy Blenheim (BTAB).
B5	Oaklands Primary School	Expansion of the school premises to create a new 3 class additionally resource provision (ARP).
B6	Red Hill Primary Schools	This scheme involves carrying out remodelling and limited new build construction at the school to ensure that there is sufficient accommodation to admit 4FE in KS2, creating a guaranteed place KS2 for all pupils leaving Mead Road Infant School. The scheme is currently being reviewed to reduce costs.
B7	St John's CE Primary School	S106 funded scheme. Design works and discussions ongoing with Aquinas Trust. Potential need for more school places in area in future years. Delivery of full scheme reliant on further expected S106 or trust contributions.
B8	The Highway Primary School	New additionally resourced provision (ARP) at school. Two options are being considered for either a 2 or 3 class provision.
B9	Secondary bulge classes	Allocation to support the Council meet its statutory duty for ensuring sufficient school places. Pressure is currently in NW Bromley and will continue until Harris Kent House opens.
B10	Specialist placements	Allocation to support the Council to ensure it has sufficient placements for children and young people with an EHCP through capital works
B11	Redwood Academy	Allocation/contingency to cover Council's contribution to the DfE delivered special free school including site clearance and abnormal costs.

Projects in Development (Unfunded)

3.19 During 2022/23 works has continued on the Elmstead Wood Primary School with consultation on the disposal of Dorset Road having been undertaken. A Section 77 application will shortly be distributed to the Secretary of State for Education to agree disposal. New schemes have been added to the Projects in Development (Unfunded) programme including at Burnt Ash Primary School and Trinity CE Primary School. A financial appraisal of both schemes has been included within Appendix 1. The appraisal costs are early estimates and subject to revision through the development of each project.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Basic Need Capital Programme has added 1,680 temporary and 3,715 permanent school places in mainstream and specialist settings.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 Bromley Council has an established policy for the review and strategic planning of school places and related school organisation. The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council's strategy Making Bromley Even Better 2021-31; '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.' In seeking best value in the delivery of school places this proposal will be the priority; 'To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.' The proposals contained within this report also contribute to key targets within the Children, Education and Families Portfolio Plan.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council has been granted £95.3m in 100% Basic Need Capital Grant and High Needs Provision Capital Funding for the financial years 2011-24 to meet the need for mainstream, specialist and alternative provision school places. The programme includes various transfers from other schemes to support the delivery of the Council's Basic Need Programme. Allocations have also been made to Basic Need to support other education capital schemes, resulting in a total current budget of £105.1m as shown in the table below.

External DfE Funding	£'000s
Basic Need Allocation	80,011
High Needs Provision Capital allocation	15,336
	95,347
Other funding streams	
Approved S106 allocations	8,747
Transfers from DfE Capital Maintenance Grant (SCA)	1,294
Transfer from Reconfiguration of Special Schools Scheme	113
DfE payment towards Trinity CE Primary School MUGA	301
	10,455
Total Basic Need Budget	105,802
Transfer to The Highway Capital Project	-650
Transfer to Beacon House Capital Project	-577
Transfer back from The Highway Capital Project	113
Transfer back from Beacon House Capital Project	391
Transfer from Langley Park BSF Capital Project to Basic Need	3
Transfer from Early Education for Two Year Olds Funding	42
New Basic Need Capital Programme	105,124

- 6.2 The table above sets out the Council's updated Basic Need Capital Programme including the High Needs Provision Capital Funding and the addition of £46k additional S106 funding detailed in Appendix 2.

- 6.3 For the purposes of monitoring total Basic Need related expenditure, and to ensure that any underspends are returned to Basic Need, the £650k and £577k transfers to the Highway Primary Rebuild and Beacon House Refurbishment Schemes respectively have been added back into the list of projects, and the Section 106 funding removed and shown as other funding. £113k, £391k, £3k and £42k have been passed to Basic Need from the Highway, Beacon House, Langley Park School for Boys Capital Project and Early Education for Two Year Olds respectively now that these schemes are closed.
- 6.4 To date, a total of £114,488k expenditure has been committed (completed schemes plus schemes in delivery). Funding of this is broken down as follows:-

	£'000s
Expenditure Committed	114,988
Funded by:	
Basic Need Grant	-79,906
High Needs Provision Capital	-12,710
Other (including S106 and School contributions)	-22,372
Funding in balance	0

7. LEGAL IMPLICATIONS

- 7.1 Under Section 14 Education Act 1996 the Council has a statutory duty to ensure that there are sufficient quality primary and secondary school places available to meet the need of pupils aged 5 years to 16 years. This need to ensure sufficient school places, the quality of those places and their efficient organisation is included as a priority within the Council's strategy Making Bromley Even Better 2021-31 which outlines the Council's aspirations relation to education of its children and young persons and how the Council will ensure compliance with legislative requirements and the discharge the Council's legal and statutory obligations.
- 7.2 Officers have provided this Report as an annual update on the Basic Need Programme which relates to the steps the Council is taking in line with its strategic goals. The report outlines the progress of the Programme including source and allocation of funds.
- 7.3 The Executive is asked to note the contents of the Report and the recommendations of Officers.
- 7.4 Legal are available to assist Officers and the Executive, in relation to any queries on the contents of the Report and/or the implementation of the Programme generally, as and when required.

Non-Applicable Headings:	Personnel/Procurement/Property/Carbon Reduction and Social Value Implications; Customer Impact; Ward Councillor views.
Background Documents: (Access via Contact Officer)	[Title of document and date]

NEW CAPITAL SCHEME APPRAISALS

**Burnt Ash Primary School – Additionally Resourced Provision (ARP)
Enhancement and Expansion.**

	£'000s	£'000s	£'000s	£'000s	£'000s
	2022/23	2023/24	2024/25	2025/26	Totals
Land Acquisitions	0	0	0	0	0
Contract Payments		100	945	55	1,100
Consultancy & other Fees	25	50	30	5	110
Furniture and Equipment			30		30
Contingency		10	95	5	110
Total	25	160	1,100	65	1,350

Oaklands Primary School – New Additionally Resourced Provision (ARP)

	£'000s	£'000s	£'000s	£'000s	£'000s
	2022/23	2023/24	2024/25	2025/26	Totals
Land Acquisitions	0	0	0	0	0
Temporary Works	0	50	0	0	50
Contract Payments		1,000	1,815	145	2,960
Consultancy & other Fees	50	100	57	5	212
Furniture and Equipment			75		75
Contingency		100	182	14	296
Total	50	1,250	2,129	164	3,593

The Highway Primary School – New Additionally Resourced Provision (ARP)

	£'000s	£'000s	£'000s	£'000s	£'000s
	2022/23	2023/24	2024/25	2025/26	Totals
Land Acquisitions	0	0	0	0	0
Contract Payments		50	2,040	110	2,200
Consultancy & other Fees	50	100	60	10	220
Furniture and Equipment			75		75
Contingency		5	204	11	220
Total	50	155	2,379	131	2,715

**Trinity CE Primary School – Improvements to existing Additionally Resourced
Provision (ARP)**

	£'000s	£'000s	£'000s	£'000s	£'000s
	2022/23	2023/24	2024/25	2025/26	Totals
Land Acquisitions	0	0	0	0	0
Contract Payments			671	35	706
Consultancy & other Fees	20	30	18	3	71
Furniture and Equipment					0
Contingency			67	4	71
Total	20	30	756	42	848

SECTION 106 SCHEDULE

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
	56A Foxgrove Road, Beckenham, BR3 5DB	"Education Contribution Purpose" means the provision of education facilities and/or the improvement of and/or support for existing education facilities at Stewart Fleming Primary School or for other education projects for residents of the Council's administrative area in receipt of no more than four other such contributions under the Act;	Towards the expansion of Stewart Fleming Primary School Phase 2	To support expansion from 2 to 3FE	2015-22	£10,587,000	£42,964.60

This page is left intentionally blank

APPENDIX 3 - BASIC NEED PROGRAMME 2011-23

	School	Description of Works	Type	Year (S)	Status	Project Cost	Funding Sources				Description	Budget Changes		
							Basic Need	High Needs Capital	New S106 Funding	Other		Cost July 2021	Change	Explanation
Completed Projects														
A1	Balgowan Primary School	Internal refurbishment	Bulge Class	2014	Complete	£10,000	£10,000					£10,000	£0	
A2	Balgowan Primary School	Access works at school	Access initiative	2017	Complete	£230,390	£230,390					£230,390	£0	
A3	Bickley Primary School	Kitchen works to complete 2FE expansion	Permanent Expansion	2010-11	Complete	£103,000	£103,000					£103,000	£0	
A4	Bishop Justus	All Phases of Scheme	Permanent Expansion	2016-17	Complete	£4,820,000	£3,224,105			£1,595,895	S106	£4,820,000	£0	
A5	Bishop Justus	Access Initiative	Hygiene Room	2022-23	Pre-tender	£172,075	£172,075					£362,000	£189,925	Scheme delivered within budget
A6	Blenheim Primary School	Minor works to support admission of additional pupils	Bulge Class	2014	Complete	£23,877	£23,877					£23,877	£0	
A6	Bromley Beacon Academy (Beacon House)	Refurbishment of site to provide vocational offer and extend services to KS2 and girls.	SEN Expansion	2015-16	Complete	£4,886,000	£186,000			£4,700,000	DSG	£4,886,000	£0	
A7	Bromley Beacon Academy (Orpington Site) Phases 1,2 & 3	External works and new build block	SEN Expansion	2017-19	Defects/ Final Account	£5,220,000	£3,728,600	£1,184,000		£307,400	CIF Funding	£5,220,000	£0	

A8	Bromley Beacon Academy	Expansion to provide additional 28 places	SEN Expansion	2020	Complete	£20,000		£20,000				£0	£20,000	
A9	Burnt Ash Primary School	Internal SEN unit modifications to address OfSTED recommendations	SEN	2013	Complete	£50,000	£50,000					£50,000	£0	
A10	Castlecombe Primary School	Permanent expansion of the school to 2FE in KS2 including temporary accommodation	Temporary Accommodation	2016-17	Complete	£3,564,662	£3,202,496			£362,166	DSG, CIF	£3,564,662	£0	
B2	Chislehurst School for Girls	Access Initiative	Hygiene Room and Access Improvements	2022-23	Procurement	£156,072	£156,072					£187,000	£30,928	Scheme delivered within budget
A11	Churchfields Primary School	Internal refurbishment, infill expansion, new nursery block	3 x bulge class, 1FE permanent expansion	2011-16	Complete	£1,367,000	£1,367,000					£1,367,000	£0	
A12	Clare House Primary School	Internal modifications to existing school, 3 temporary classroom units, demolition of existing school and construction of new 2FE school building.	3 x bulge class, 1FE permanent expansion	2011-2016	Complete	£6,756,736	£6,546,571			£210,165	DSG	£6,756,736	£0	
A13	Coopers School	Feasibility into options for expansion	Feasibility	2015	Complete	£5,000	£5,000					£5,000	£0	
A14	Crofton Infant School	New build class and facilities for additional 'Busy Bees' class	Additional SEN Unit Class	2014	Complete	£409,000	£384,000			£25,000	Access Initiative	£409,000	£0	

A15	Crofton Junior School	Access Works - New hygiene room, lift and ramps	Access initiative	2017	Complete	£393,188	£393,188					£393,188	£0	
A16	Darrick Wood School	Access Works - acoustic partitions and associated ICT/M&E works	SEN	2012	Complete	£45,000	£45,000					£45,000	£0	
A17	Darrick Wood Infants School	Review of space at school	Site sufficiency	2014	Complete	£3,395	£3,395					£3,395	£0	
A18	Darrick Wood Junior School	Review of space at school	Site sufficiency	2014	Complete	£3,395	£3,395					£3,395	£0	
A19	Dorset Road Infants School	Feasibility	Potential Expansion		Complete	£24,000	£24,000					£24,000	£0	
A20	Edgebury Primary School	New build to support expansion from 1 FE to 2 FE	Permanent Expansion	2016	Complete	£4,434,626	£3,622,388			£812,238	S106 & Planned Maintenance	£4,434,626	£0	
A21	Farnborough Primary School	Internal refurbishment and FF&E	2 x bulge classes	2015 & 2016	Complete	£230,685	£230,685					£230,685	£0	
A22	Glebe	New classroom block to support 2FE ASD secondary expansion	SEN Expansion	2015-16	Defects	£4,887,000	£0			£4,887,000	DSG, School, S106	£4,887,000	£0	Final Account reached. Project under budget, saving to be updated.
A23	Green Street Green	Feasibility on options to expand the school from 2FE to 3FE	Potential Expansion	2015	Complete	£58,211	£58,211					£58,211	£0	
A24	Harris Beckenham Green (Bromley Road Primary)	Internal remodelling/ refurbishment to provide accommodation for the re-organised school	Change of age range + linked to Worsley Bridge	2015-16	Defects	£1,124,988	£1,124,988					£1,124,988	£0	

A25	Harris Primary Academy Crystal Palace	Minor refurbishment and temporary toilet unit to facilitate an extra form of entry in 2011 & 2012. Internal refurbishment and external works to Permanent support permanent expansion of school	3 x bulge classes and permanent expansion	2011-2016	Complete	£1,159,488	£1,138,688			£20,800	DSG	£1,159,488	£0
A26	Harris Primary Academy Kent House	Modular accommodation to provide an additional form of entry in 2011.	Bulge Class	2011	Complete	£263,000	£263,000					£263,000	£0
A27	Harris Primary Academy Orpington	Works to SEN Unit	SEN	2010/11	Complete	£100,000	£57,000			£43,000	Primary Capital Programme	£100,000	£0
A28	Hawes Down Infants School	Internal refurbishments for single bulge class	Bulge Class	2012	Complete	£115,000	£115,000					£115,000	£0
A29	Hawes Down Junior School	Additional class to admit bulge class from infant school and SEN Unit class	Bulge Class	2015	Complete	£829,325	£763,299			£66,026	S106	£829,325	£0
A30	Hawes Down Primary School	Additional class SEN Unit class	SEN Expansion	2021	Complete	£16,000		£16,000				£0	
A30	James Dixon Primary School	Temporary reception block and relocation of contact centre	2 x Bulge Class	2014 & 2015	Complete	£851,631	£729,951			£121,680	DSG	£851,631	£0
A31	Keston CE Primary School	internal and external works to provide permanent facilities for 2012 class.	Bulge class	2012	Complete	£935,804	£935,804					£935,804	£0
A32	Langley Park School for Boys	Internal refurbishment	Bulge class	2015	Complete	£56,000	£56,000					£56,000	£0

A33	Leesons Primary School	Internal refurbishment and FF&E	3 x Bulge Class	2014-16	Complete	£30,000	£30,000					£30,000	£0
A34	Leesons Primary School	Refurbishment of area separated from former day care centre and new teaching block to support 1 to 2 FE expansion	Permanent Expansion	2017-18	Procurement	£4,426,000	£3,816,216			£609,784	S106, Early Years Capital and Seed Challenge	£4,426,000	£0
A35	Marian Vian Primary School	Internal works and FF&E For Bulge class in advance of new facilities being brought forward.	2 x Bulge Class	2015 & 2016	Complete	£154,869	£154,869					£154,869	£0
B4	Marian Vian Primary School (Phase 1)	Conversion of CFC to nursery and new drop off/pick up arrangements	Bulge classes an other improvements	2021	Procurement	£669,000	£0			£669,000	S106	£669,000	£0
A36	Mead Road Infants School	Review of space at school	Site sufficiency		Complete	£19,080	£19,080					£19,080	£0
A37	Midfield Primary School	Internal refurbishment, new classroom block and nursery	3 x bulge classes and permanent expansion	2012 -2015	Complete	£1,624,077	£1,606,277			£17,800	S106	£1,624,077	£0
A38	Mottingham Primary School	Internal refurbishment, kitchen and utilities works	KS2 bulge classes	2014 & 2015	Complete	£1,019,340	£1,019,340					£1,019,340	£0
A39	Oaklands	Bulge Class and provision of new reception block to ensure school has sufficient pupil accommodation	Sufficiency and Suitability	2016 & 2018-19	Complete	£2,524,625	£2,391,521			£133,104		£2,524,625	£0
A40	Parish CE Primary School	3 New reception classrooms, new teaching block and secondary path to support 2 to 3FE expansion	Permanent Expansion	2012 -2014	Complete	£3,509,000	£3,509,000					£3,509,000	£0

Page 85

A41	Parish Primary School	Kitchen works to support 2 to 3FE expansion			Complete	£175,000	£175,000					£175,000	£0	
A42	Pickhurst Junior School	Hygiene and Sensory Room and capital works to support creation of Resource Provision			Complete	£456,000	£70,000	£386,000				£456,000	£0	
A43	Poverest Primary School	New accommodation block and refurbishment of dining hall and CFC to form new early years block, enabling 1 to 2 FE expansion	3 x Bulge Class and Permanent Expansion	2014-20	Complete	£5,529,935	£4,631,255			£898,680	S106, Early Years Capital and School Contribution	£5,529,935	£0	
A44	Red Hill Primary School	Improvement of toilet facilities to support increase in pupil numbers	Bulge Class	2012	Complete	£82,000	£82,000					£82,000	£0	
A45	Ravensbourne School	Move Gym to provide new classroom	Bulge Class	2015-16	Complete	£950,890	£950,890					£950,890	£0	
A46	Ravenswood School	First stage of Feasibility	Feasibility	2015	Complete	£6,375	£6,375					£6,375	£0	
A47	Riverside School	New school hall and ASD specific entrance	SEN Expansion	2013-14	Complete	£1,239,506	£836,653			£402,853	S106	£1,239,506	£0	
A48	Riverside School	Opening 3rd site		2020	Complete	£175,000		£175,000				£175,000	£0	
A49	Scotts Park Primary School	Refurbishment of early years area and temporary accommodation block	4 x Bulge Class	2012-14	Complete	£498,000	£463,000			£35,000	S106	£498,000	£0	
A50	St George's CE Primary School	Conversion of existing space to form single bulge class	Bulge Class	2015	Complete	£2,660,000	£1,907,721			£752,279	S106	£2,660,000	£0	

A51	St John's CE Primary 2 Classroom refurbishment	Works during Summer 2017 to convert smaller spaces into classrooms and feasibility on expansion	Bulge Classes		Complete	£369,898	£369,898					£369,898	£0	
A52	St Mark's CE Primary School	Refurbishment of reception classrooms	Suitability	2013	Complete	£135,000	£135,000					£135,000	£0	
A53	St Marys Cray Primary School	Minor works to support admission of additional pupils and feasibility	Additional Pupils	2012	Complete	£78,705	£78,705					£78,705	£0	
A54	St Nicholas CE Primary School	Feasibility into expansion of School to 2FE Primary School	Potential Relocation and Expansion	2015 to 2016	Scheme on hold	£71,000	£71,000					£71,000	£0	
A55	St Paul's Cray CE Primary School	Mixed refurbishment and new build to allow expansion from 1 to 2 FE	Permanent Expansion	2015	Complete	£2,561,720	£2,375,608			£186,112	S106, Early Year Capital, Seed Challenge, UKPN	£2,561,720	£0	
A56	Stewart Fleming Primary School	Temporary accommodation block and internal refurbishment	2 x Bulge Class plus decant accommodation	2015	Complete	£795,000	£421,000			£374,000		£795,000	£0	
	Stewart Fleming Primary School Phases 1 & 2	Phase 1 & 2				£10,587,000	£9,648,316		£42,965	£895,719	School & S106	£10,178,000	£409,000	Covid claim settlement and legal costs
A58	Trinity CE Primary School	Temporary accommodation block and internal refurbishment, new access road and multi use games area	Bulge Class	2013-16	Complete	£1,781,772	£1,139,772			£642,000	S106, ESFA & DSG	£1,781,772	£0	
A59	Trinity CE Primary School	EDC Block Refurbish	Permanent Expansion		Award	£890,000	£640,000			£250,000	S106	£890,000	£0	

A60	Tubbenden Primary School	New unit classroom and ancillary accommodation	SEN Expansion	2017	Defects	£1,056,398	£8,000	£1,006,398		£42,000	School	£1,056,398	£0	
A61	Unicorn Primary School	Temporary Classroom and new build expansion to ensure sufficient hall space, new classroom accommodation for 'bulge' class and hygiene facilities	Bulge Class	2015	Complete	£1,438,000	£1,410,000			£28,000	DSG	£1,438,000	£0	
A62	Valley Primary School	Modular accommodation to facilitate an extra form of entry in 2011 & 2012.	Bulge Class	2011	Complete	£353,000	£353,000					£353,000	£0	
A63	Widmore Centre	Review of accommodation	Feasibility		Complete	£7,000	£7,000					£7,000	£0	
A64	Worsley Bridge Primary School	Temporary modular classrooms for additional 2 classes in 2013, refurbishment and extension	Permanent Expansion and School Re-organisation	2013-16	Complete	£4,850,718	£4,375,808			£474,910	DSG, S106	£4,850,718	£0	
A65	The Highway Primary School	Contingency to cover over-spend on project	Suitability	2010-11	Complete	£537,000	£537,000					£537,000	£0	
A66	Access Initiative	2016-2022 costs	Accessibility	2020-2022	Complete	£420,000	£420,000					£330,000	£90,000	Additional year's schemes
A67	Capitalised Staffing Costs	Education capital project management costs	n/a	2013-22	n/a	£730,000	£730,000					£634,168	£95,832	Reflects additional costs during 2022/23
Cost of Completed Schemes						£95,735,456	£73,342,482	£2,787,398	£42,965	£19,562,611			£835,685	

	School	Description of Works	Type	Year (S)	Status	Project Cost	Funding Sources				Description	Budget Changes		
							Basic Need	High Needs Capital	New S106 Funding	Other		Cost July 2021	Change	Explanation
Projects in Delivery (Funded)														
B1	Darrick Wood School	Access works - acoustic Improvement to classroom	Improvements	2023-24	School delivery	£12,955	£12,955					£0	-£12,955	New Scheme
B2	Farnborough Primary School	LBB Contribution to school scheme to make improvements, and address impact of bulge classes admitted by the school.	Bulge Classes	2022-23	School delivery	£773,391	£0			£773,391		£773,391	£0	
B3	Marian Vian Primary School (Phase 2)	New Year 6 block	Bulge classes an other improvements	2022-23	Pre-tender	£890,134				£890,134	S106.	£890,179	£45	Funding adjustment
B4	Nightingale (PRU)	New facilities for BTAB and HHTS	New accommodation	2022-24	Feasibility	£2,800,000	£1,100,000	£1,700,000				£2,800,000	£0	
B5	Oaklands Primary School	New Resource Provision class	SEN expansion	2023/24	Feasibility	£3,593,000		£3,593,000				£50,000	£3,543,000	Include permanent new ARP costs
B6	Red Hill Primary School	To allow school to admit all children leaving Mead Road Infants School	4FE in KS2 (40 extra pupils)	2022-23	Feasibility	£1,500,000	£1,400,624			£99,376	S106	£2,160,000	-£660,000	Scheme subject to affordability review
B7	St John's Primary School	Review of accommodation and possible options for expansion utilising S106	Possible expansion and Improvements	TBC	Feasibility	£1,004,047				£1,004,047	Section 106 funded	£0	£1,004,047	Progress of full scheme reliant on additional funding
B8	The Highway Primary School	New additionally resourced provision	SEN expansion	2024/25	Feasibility	£2,715,000		£2,715,000						

B9	Secondary bulge classes	Contingency to support bulge classes and expansion if required		n/a	In preparation	£3,000,000	£3,000,000					£3,000,000	£0	
B10	Specialist placements	Contingency to support additional specialist places if required		n/a	In preparation	£500,000		£500,000				£500,000	£0	
B11	Redwood Academy Contingency	Potential Abnormal costs associated with delivery of special free school						£500,000						
B12	Projects In Development	Support for development works for projects in development (unfunded)		Ongoing	Feasibility	£100,000	£100,000					£100,000	£0	
B13	Special Provision Capital Feasibilities	Feasibilities to identify priorities for future SEN investment		2021-22	Feasibility	£450,000	£0	£450,000				£450,000	£0	
B14	Access Initiative 2022-23	Accessibility and adaptations at schools		n/a	Programme	£100,000	£100,000					£100,000	£0	Annual allocation
B15	Capitalised Staffing Costs 2023-2025	Staffing cost for project management of programme		n/a	n/a	£450,000	£250,000	£200,000				£450,000	£0	
B16	Capitalised Legal and surveyor costs 2022-24	Internal legal and surveyor costs				£200,000	£200,000					£200,000	£0	
Cost of schemes in delivery						£18,088,527	£6,163,579	£9,658,000				Total complete and in delivery value	Complete + in delivery minus programme contingency	
Programme Contingency (5%)						£664,426	£400,000	£264,426						
In delivery (Funded) Schemes Total						£18,752,953	£6,563,579	£9,922,426	£0	£2,766,948				
Completed Schemes and In delivery Schemes Total						£114,488,409	£79,906,060	£12,709,824	£42,965	£22,329,559	£114,988,409	£114,323,982		
Current i) Basic Need Scheme Budget ii) SEN capital Budget								£80,010,690	£15,336,464					
Remaining i) Basic Need Scheme Budget ii) SEN capital Budget								£104,630	£2,626,640					
Changes to programme in delivery														



	School	Description of Works	Type	Year (S)	Status	Project Cost	Funding Sources				Description	Budget Changes		
							Basic Need	High Needs Capital	New S106 Funding	Other		Cost March 2016	Change	Explanation
Projects in Development (Unfunded)														
C1	Burnt Ash Primary School	Expansion of provision to 3 FE and consolidation on site	SEN Expansion and Improvements		Feasibility	£1,350,000		£1,350,000					-£1,350,000	New Scheme
C2	St John's CE Primary School	Refurbishment and new accommodation block to enable expansion 1.5 FE to 2 FE	Permanent Expansion	On hold	On hold/Planning	£4,430,300	£4,430,300					£4,430,300	£0	
C3	Trinity CE Primary School	Remaining Phases for expansion to 4FE	Permanent Expansion	On hold	Post Planning/On hold	£3,013,000	£3,013,000					£3,013,000	£0	
C4	Trinity CE Primary School	SEN Improvement & H&S Works		TBC				£848,000				£0	£848,000	New Scheme
C5	Marian Vian Primary School	Remaining phases of scheme		TBC		£2,500,000	£2,500,000					£2,500,000	£0	
C6	Scotts Park Primary School	New classroom block to complete 2 to 3 FE expansion	Permanent Expansion	TBC	On hold	£2,970,000	£2,970,000					£2,970,000	£0	
C7	St Mary Cray	Re-organisation of school and Duke Youth Centre	Re-development	TBC	On hold	£2,970,000	£2,970,000					£2,970,000	£0	
Total cost of schemes in development						£17,233,300	£15,883,300	£2,198,000	£0	£0	£0		-£502,000	

This page is left intentionally blank

Report No.
ACH23-011

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: EXECUTIVE

With pre-decision scrutiny from Adult Care & Health Policy Development and Scrutiny Committee on 15 March 2023

Date: 29 March 2023

Decision Type: Non-Urgent Executive Key

Title: ADULT SOCIAL CARE MARKET SUSTAINABILITY PLAN AND ADULT SOCIAL CARE MARKET SUSTAINABILITY AND IMPROVEMENT FUND

Contact Officer: Sean Rafferty, Assistant Director for Integrated Commissioning
E-mail: sean.rafferty@bromley.gov.uk

Chief Officer: Kim Carey, Director of Adult Services

Ward: All Wards

1. REASON FOR REPORT

- 1.1 In support of government social care reforms the Council is required to submit an Adult Social Care Market Sustainability Plan to the Department of Health and Social care. The purpose of this plan is to assess the impact the Council's current fee rates are having on the local adult social care market and how the Council is preparing for the introduction of legislative change that will give self-funding social care service users a right to ask councils to find their care and access the same rates that councils pay for the care and support from October 2025.
- 1.2 This report sets out the proposed Bromley Adult Social Care Market Sustainability Plan for agreement and seeks agreement on the spending of the Council's allocation of the government's Market Sustainability and Improvement Fund that supports the changes outlined in the plan.

2. RECOMMENDATION(S)

- 2.1 Adult Care and Health PDS is asked to note and comment on the contents of the report.
- 2.2 Executive is recommended to:
 - a) Comment on and agree the Bromley Adult Social Care Market Sustainability Plan
 - b) Agree the spending proposals for the Council's allocation of the Market Sustainability and Improvement Fund

- c) Delegate to the Director for Adult Services, in consultation with the Portfolio Holder and Director of Finance, the allocation of Market Sustainability and Improvement Funding with reference to the government guidelines and in accordance with principles outlined in the the Market Sustainability Plan

Impact on Vulnerable Adults and Children

1. Summary of Impact: To ensure the continued provision of statutory services to adults with eligible care and support needs living in Bromley.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
(2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: £2,788k
 2. Ongoing costs: n/a
 3. Budget head/performance centre: Adult Social Care
 4. Total current budget for this head: £82.1m
 5. Source of funding: ASC Market Sustainability & Improvement Fund
-

Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement, underpinned by Statutory guidance.
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

1. Estimated number of users/beneficiaries (
-

Ward Councillor Views

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

3. BACKGROUND

- 3.1 In December 2021 the government published a white paper, People at the Heart of Care, that outlined a 10-year vision for adult social care. Included in the white paper were proposals for a Fair Cost of Care and Market Sustainability policy that intended to address the practice of councils paying provider fees for care homes and domiciliary care services that do not adequately cover the cost of these services.
- 3.2 These arrangements, a result of shrinking council budgets, have created a situation whereby people who fund their own care (self-funders) can often pay higher fees for the same service than councils pay for those who are eligible for the public funding of their care. Providers have become reliant on charging self-funders additional fees that in effect subsidise their council funded service users.
- 3.3 The Fair Cost of Care policy seeks to end this cross-subsidy by giving self funders the right to access the same rates that councils pay through being able to ask councils to arrange their care. This will be made through the application of Section 18(3) of the Care Act 2014.
- 3.4 In order to mitigate the risk of destabilising providers by removing the cross-subsidy the government is looking to encourage councils to 'move towards' paying a 'fair rate' - a process that would take a number of years. The government's intention is that over time council rates and self-funder rates will converge and the cross-subsidy end. In support of 'moving towards' this levelling off of fees the government is to give councils some additional grant support.
- 3.5 The impact of this policy change for LB Bromley is significant because Bromley has a large and elderly self-funder population and a large number of care homes located in the borough. For these reasons the gap between what the Council pays for care and support services and what local care homes and domiciliary care services charge self-funders will be greater than that for other areas. It is estimated that of those Bromley residents accessing community based care and support services 59.7% are self-funders and in care homes 51.4% of placements are occupied by self-funders. The Council would need to put in place additional care assessment and brokerage and placement resources to meet a new demand for support from self-funders. Without government support the cost to LB Bromley of levelling up its fees with that of self funders could be in the region of £10m per annum.
- 3.6 The Fair Cost of Care reforms were scheduled for implementation from October 2023. However, in November 2022, and as part of the Autumn Statement, the government announced that the reforms set out in the People at the Heart of Care white paper were to be postponed. In particular the policy giving self funders the right to access the same rates that councils pay for care and support are to be postponed to October 2025. However, councils are still expected to prepare themselves and their local care and support markets for the policy change in October 2025 with some government funding to support the 'move towards fair rates.'

4. Cost of Care Exercise and Provisional Market Sustainability Plan

- 4.1 All upper tier councils began working towards a set of Cost of Care requirements and guidelines published in 2022. These guidelines were then revised in the first two months of 2023. In support of the changes two grants have been made available to Councils - a Market Sustainability and Fair Cost of Care Fund in 2022/23 and a Market Sustainability and Improvement Fund for 2023/24. To draw down these funds and to comply with the reforms councils are to complete a series of market reform preparations. In summary these are:
- a cost of care exercises for older people's (aged 65+) care homes and aged 18+ domiciliary care;

- a provisional market sustainability plan, using the cost of care exercise as a key input to identify risks in the local market in preparation of giving self funders the right to access the same rates that councils pay for care;
 - a final market sustainability plan for submission by 27 March 2023 and then to be published on the Council's website, and
 - a spend report detailing how any grant funding associated with these changes is being spent in line with the fund's purpose
- 4.2 Officers engaged with the local market and undertook a cost of care survey of the older people's care homes and domiciliary care agencies based in the borough. The providers were asked to complete a government designed questionnaire on their activities and the actual costs of providing services. The Council received a very positive response rate from local providers.
- 4.3 The survey results were used to arrive at a median cost of care for the borough for these types of provision and to make an analysis of the local market of providers. The cost of care results were shared with the Department for Health and Social Care (DHSC) and published on the Council's website.
- 38 returns (44% out of 87) were received from Domiciliary Care Providers delivering services in Bromley. Of which 37 have been included in the Bromley Fair Cost of Care Exercise following a review of the returns for completeness, identification of outliers seeking clarification from the providers and agreeing adjustments where needed to validate the data.
 - 21 returns (62% out of 34) were received from Registered Care Homes - 65+ Older People in Bromley. Of which 20 have been included in the Bromley Fair Cost of Care Exercise following a review of the returns for completeness and identified outliers to validate the data.
- 4.4 The Cost of Care Exercise was used, along with a wide range of other data and market intelligence to draft a Provisional Market Sustainability Plan and this was submitted to the DHSC with the Cost of Care Exercise results.
- 4.5 When making the Council's returns to the DHSC in October 2022 the Director of Adult Services and Director of Finance stressed that the reforms represented a new burden for LB Bromley and must be fully funded. They advised that the Council is of the opinion that given the significant inflation and other substantial new pressures facing the Council, for the changes to be more successful, the Care Cap and Cost of Care Reforms should be delayed by a further year. A similar response was made by other Council's and professional bodies and this will have influenced the government postponing the introduction of the reforms from October 2023 to October 2025.

5. The Final Market Sustainability Plan

- 5.1 The last part of the reform preparations to be made in 2022/23 is the submission of a final Market Sustainability Plan to the DHSC. Using the cost of care exercise and engagement with the market as a key input, this plan is to assess the impact current fee rates are having on the local care market and the potential future risks, particularly in the context of adult social care reform and with consideration given to self funders being given the right to access the same rates that councils pay for care and support. It is to outline mitigating actions, including the pace at which the local authority intends to 'move towards the fair cost of care' (where it is not being paid already) between 2022 to 2025, in order to ensure improved market sustainability. The Plan is to also outline how grant funds will be spent in line with the policy intentions.
- 5.2 The plan is prepared by completing a template to criteria provided by the DHSC.

5.3 The proposed Bromley Market Sustainability Plan is attached as an appendix to this report. The plan was submitted to the DHSC, still subject to the agreement of the Executive, on 27 March 2023.

5.4 Local authorities are also required to publish their final market sustainability plans with commercially sensitive information redacted on their GOV.UK website. A copy of the plan prepared in accordance with the guidance is included in the appendix to this report. In the interests of transparency no redactions are being made to the published draft of the plan.

6. Allocation of Grant Funding: Market Sustainability and Fair Cost of Care Fund 2022-2023

6.1 The Council has received £804k Market Sustainability Funds for 2022-2023. Local authorities are required to use all funding to improve the sustainability of the aged 65+ care home and aged 18+ domiciliary care markets and not just to cover existing pressures. Local authorities are expected to use at least 75% of allocated funding in 2022 to 2023 to increase fee rates paid to providers in scope, where necessary, and beyond pressures funded by the Local Government Finance Settlement 2022 to 2023. Up to 25% of allocated funding in 2022 to 2023 can be used to fund implementation activities associated with meeting the fund purpose.

6.2 The Executive gave delegated authority for the spending of this fund to the Director for Adult Social Care in consultation with the Director of Finance and the Portfolio Holder for Adult Care and Health on 19th October 2022 including agreement over how 25% of the funds would be used for implementation activities.

6.3 In support of the Bromley Market Sustainability Plan 75% (£603k) of this grant funding is to be deployed to realise more sustainable and affordable care home capacity by making an additional back dated fee payment to those care homes who reliably and consistently run with a high occupancy rate of LB Bromley funded residents (c.20% occupancy.)

7. Allocation of Grant Funding: Market Sustainability and Improvement Fund 2023-2024

7.1 The Council has been allocated £2,788k Market Sustainability and Improvement Fund for 2023-2024. The government expects that this new funding will enable local authorities to make tangible improvements to adult social care and in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector. A maintained element of the fund is expected to continue to support the progress local authorities and providers have already made in 2022/23 on fees and cost of care exercises.

7.2 Local authorities will have flexibility to use the fund to drive improvements across a range of priority areas, to best address local sustainability and improvement needs. These are:

- Increasing adult social care capacity
- Reducing waiting times
- Increasing workforce capacity and retention
- Increasing fee rates to close the cost of care gap in an area

- 7.3 A requirement of the funding is that against a set of measures at least one of these priority areas is improved and none is worsened.
- 7.4 It is proposed that the Bromley allocation, delegated to the Director for Adult Services, is spent in 2023-2024 as follows:
- a) £2,238K is allocated in support of the Market Sustainability Plan to increase fees to realise more sustainable and affordable care home capacity by making further additional fee payments to those 65+ care homes who reliably and consistently run with a high occupancy rate for LB Bromley funded residents, (c.20% or more) and other new placements made within the borough during 2023-2024. In allocating this additional fee payment care will be taken to ensure that the extra payment can be absorbed by Council uplifts in later years in the event of the Council not receiving further additional government funds in support of the cost of care reforms. Those care home providers that receive the additional funds will be advised that future fee uplifts will be affected in the event of the government not sustaining these funds being paid to the Council. The additional fee payment will be offered as part of the overall fee offer made to providers for 2023-2024. Part of these funds will be held by the Director of Adult Services to direct to other providers in line with the principles and priorities outlined in the Market Sustainability Plan.
 - b) £400k is allocated in support of the Market Sustainability Plan to support the capacity and expansion of the Council 8 Domiciliary Care Patch Providers. This will be made by way of a one off payment to providers to put in place resources that better enable these providers to take on more referrals and move towards the target of having 60-70% of service users placed with these providers.
 - c) £150k is allocated to support the preparations for the new arrangements including the purchase of new digital technology to support self-funders who may seek Council support in finding their care and support from 2025.

8. TRANSFORMATION/POLICY IMPLICATIONS

- 8.1 Implications for the Council transformation strategy will include the need to take care over potentially increasing costs for care and support and the need to use new ways of working supported by digital to respond to the changes. The Council may need to introduce new processes and policies at the point of implement the government reforms in October 2025.

9. FINANCIAL CONSIDERATIONS

- 9.1 The Council received £804k in 2022/23 relating to the fair cost of care element of the reforms through the Market Sustainability and Fair Cost of Care, the majority (75%) of which is required to be used to increase the rates paid to providers of adult domiciliary care and care homes for aged 65+ where the rates are below the fair cost of care.
- 9.2 Although the reforms have been delayed by two years, the government still expects councils to work towards to the fair rate of care, and has allocated the Council £2,788k for 2023/24 through the ASC Market Sustainability & Improvement Fund.
- 9.3 The full grant determination and guidance are still awaited; however an explanatory note was published in February which provided high level expectations as set out in paragraphs 7.1 to 7.3 above. As a

result, it is requested that authority is delegated to the Director of Adult Social Care, in consultation with the Portfolio Holder and Director of Finance, to agree the final details of how the grant will be spent; currently proposed as detailed in paragraph 7.4 above and summarised below:

	£'000
Increased rates to 65+ care homes	2,238
DomCare patch providers	400
Preparatory work including digital technology	150
	2,788

- 9.4 Although the grant will be paid by way of increasing the rates, there will need to be arrangements in place to ensure that the increase relating to the grant is not charged to full cost payers in care homes.
- 9.5 To mitigate any risk of reduction in the grant level in future years creating an increased burden on the Council, providers will be informed that future fee uplifts may be affected in such an eventuality.
- 9.6 The outcome of the fair cost of care work indicated a potential increase in costs to the Council in the region of £10m per annum in order to fully implement the fair cost of care before government funding. However, it should be noted that there are a number of unknowns within this estimate, in particular the actual number of self-funders.
- 9.7 In addition, the fair cost of care rates are based on simple median rates which does not take account of the number of placements in care homes in the way a weighted average would. As a result the current fair cost of care rate may not be sustainable for providers with a large number of self funder paying high rates.

10. LEGAL CONSIDERATIONS

- 10.1 As set out in section 5 of the Care Act 2014 (“the Act”) , local authorities have a duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable and high quality for the local population, including those who pay for their own care. The Care Act aims to bring forward wide-ranging reform of adult social care. The Market Sustainability and Fair Cost of Care Fund is intended to support local authorities to prepare their markets for reform.

Non-Applicable Sections:	SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES; IT AND GDPR CONSIDERATIONS; STRATEGIC PROPERTY CONSIDERATIONS; PERSONNEL CONSIDERATIONS, PROCUREMENT CONSIDERATIONS
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none"> • Market Sustainability and Fair Cost of Care Fund 2022-2023: DHSC Guidance 2022 • Market Sustainability and Improvement Fund 2023-2024: DHSC Guidance 2023

This page is left intentionally blank

Market Sustainability Plan – London Borough of Bromley

Note: This Plan is subject to the agreement of the Council's Executive on 29 March 2023

Section 1: Revised assessment of the current sustainability of local care markets

a) Assessment of current sustainability of the 65+ care home market

Sufficiency of supply

The London Borough of Bromley has the second largest older people population in London with 60,100 residents +65 years (POPPI2023 estimates). Adults aged 65+ are predicted to grow in line with national trends. The rate of admission into 65+ care homes will therefore increase as it has done in recent years. In 2021/22 there were 325.2* new permanent admissions for 65+ to residential/nursing homes per 100,000 population. There has been an increase in the acuity of older people supported by the Council since the pandemic.

Bromley has one of the largest care home markets in London with 41 care homes registered with CQC for those age 65+. (6 of these homes are also registered for mental health support / learning disabilities or physical disabilities so this report covers the 35 care homes that cater for those age 65+ only.) Most of the market is targeted at self-funding clients, with a large part of the market not affordable to publicly funded residents. 7 homes take the Council's guide rate, 8 homes accept local authority funded placements with top-ups, with the remaining 20 homes (60%) rarely accessible due to only accepting private clients or having a Care Quality Commission rating of Requires Improvement.

Providers without nursing are full and vacancies are at a premium with 4-6 referrals for every vacancy reported. Providers are requesting fee uplifts of up to 30% to £900 per week which has been exacerbated by the Cost of Care exercise highlighting the gap. Two residential homes who accept the guide rate currently have restricted admissions/admissions on hold due to Care Quality Commission inspection outcomes. The Council is now placing with providers above the guide rate. Out-of-borough providers have increased fees in 2022/23, raising costs further.

Availability of homes with nursing in Bromley is also resulting in rising costs with increased use of out-of-borough providers charging up to £1,300 per week.

A Bromley care home with nursing recently deregistered to a home without nursing and another closed in 2022; financial pressures influenced this movement. Whilst the net number of beds in the borough has not changed significantly over recent years, the landscape of the local market is changing with the loss of the more affordable homes and the opening of 2 large new homes targeted solely at the luxury self-funder market within the last eighteen months. A new home which has received planning consent for 107 beds will also target this luxury market.

Market diversity

There is a good mix of large and smaller providers that support a wide range of needs that include Dementia, Elderly Mentally Infirm and Physical Disability. There is however limited provision for individuals with behaviours that challenge. 63% of homes are with nursing and 37% are without nursing, which is proportionate to the nursing/non-nursing split for Bromley Council/Integrated Care Board (ICB) placements. There is a shortage of homes without nursing in the east of the borough, however there are options just over the border.

Quality

31 out of the 35 have an overall Care Quality Commission Rating of 'Good' or better. The Council only makes placements into homes rated 'Good' or above, unless a Director of Adult Social Services agreement is in place with assurance that quality is sufficient for a placement.

Three providers are rated 'requires improvement' and one is rated 'inadequate.' The Council and Integrated Care Board Quality Teams work closely with providers rated below good to implement improvements to quality.

Current fee rates and commissioning

The London Borough of Bromley uses weekly guide rates for homes. In 2020/21, 55% of homes without nursing and 83% of homes with nursing were within the Council's guide rates. 76% of EMI (Elderly Mentally Infirm) without nursing were within the guide rate. Needing to pay above the guide rates for placements in homes without nursing is reflective of reduced capacity in this market (especially in the east of the borough) and the challenges of making placements for clients with behaviours that challenge.

25% of placements in Bromley are commissioned by other Local Authorities with around two-thirds of these commissioned by other South East London boroughs. The Council's net median spend on placements without nursing is 2% lower than other South East London boroughs, but 6% higher for placements with nursing. The lower spend on placements without nursing is likely to further increase pressure to pay above the guide rate.

The average weekly placement cost in homes with nursing is currently £883 and £803 in homes without nursing – both costs are within a wide range. The Cost of Care exercise showed in Bromley, the median cost for per resident per week for homes with nursing is £1,473 and £1,356 for nursing with enhanced care. The median cost for per resident per week for homes without nursing is £1,206 and £1,128 for homes without nursing but enhanced care. The London Borough of Bromley costs are calculated to be higher than other South East London boroughs.

A 2021/22 analysis demonstrated that in comparison to other South East London boroughs, the Council's guide rates are generally higher. This aligns with the median Cost of Care costs in Bromley being higher than the other South East London boroughs. There is however a significant gap between Council's guide rates and net median spend vs the Cost of Care exercise.

The Council has a block purchasing contract for 70 nursing beds, which generally runs at full capacity. All other placements are made on a spot basis. Uplifts are negotiated each year.

In setting its budget for 2023/24 the Council has made provision for the increases in National Living Wage for contracted providers.

The implementation of the Cost of Care exercise in 2022/23 has significantly raised expectations over increased fees. Many providers are citing the exercise, alongside inflationary pressures, as reasons for increasing fees for new placements and for making requests for backdated fee increases in 2022/23. Similarly, increases in fees made for the purposes of discharge to assess using additional adult discharge funds has raised expectations from providers for fees for long term care placements. Requests for fee uplifts for 2023/24 are using the cost of care exercise and expectations on receiving shares of government grant to request large increases. The average weekly cost for residential care has increased monthly since the Cost of Care exercise and with increasing inflation.

The Cost of Care exercise and DHSC communications to providers on charging reforms has significantly increased provider expectations on receiving a large increase in fees from 2023/24. The postponement of the charging reforms has not abated these expectations. The grant provision and lack of clarity over funding from 2024/25 presents difficulties to our management of current pressures on market sustainability.

Workforce

The Bromley care home market (across all registered care homes) has a workforce of 1,614 RGNs and care workers plus an additional 838 non-care workers, the largest in South East London. Providers have reported needing to compete with other sectors offering higher pay and less challenging work. To date this

has not impacted on capacity but is resulting in homes increasing fees because of increasing agency and other employment costs. Agency staff (care workers and RGNs) make up 12% of the registered care home staff.

Some providers have proved to be effective in recruiting and retaining staff, although this is not consistent across the market. Some providers are using Home Office initiatives to recruit from overseas and this is attracting some high-quality staff. The Council supports recruitment and retention as detailed below.

b) Assessment of current sustainability of the 18+ domiciliary care market

Sufficiency of Supply

As of 8th February 2023, there were 67 registered domiciliary care providers based in the borough of which 15 agencies registered are pending their first CQC inspection.

In 2021, the London Borough of Bromley recommissioned its domiciliary care supply jointly with the Integrated Care Board creating a 'target' operating model of 8 geographical Patch providers, holding c.60-70% of packages supported with a Framework of providers holding c.30% of packages. Currently 82% of the provision is held within the new contract arrangements with 21% held by the Patch providers as the model mobilises. The contracts seek to obtain value for money through an optimum number of high volume and high-quality providers that work as partners with the Council and NHS.

There is a sufficient supply of domiciliary care provision within (and close to) the borough with the ability to call in additional providers at times of high demand. At times of peak demand there are challenges in provision to the semi-rural South of the borough.

Market Diversity

Supply through London Borough of Bromley contracts meet the diversity of needs presented by residents. The contracts intentionally provide for a wide range of needs including Standard, Elderly Mentally Infirm, End of Life, Disabilities, Discharge to Assess and Children and Young People. Both single and double handed care is provided. Providers use a strength-based approach utilising other community resources to give a more dynamic method to packages of care.

Quality

The Council's policy is to contract with providers that have a 'Good' or better Care Quality Commission rating. Providers that fall into 'Requires Improvement' are put under additional quality assurance measures and supported in their improvement. One of the Patch providers has been rated as 'Requires Improvement' by the Care Quality Commission. Another of the Patch providers has opened a new office in Borough and therefore this site is pending CQC inspection. There are however sufficient 'Good' providers in the local market – 44 out of the 67 based in Bromley.

Fee rates and Commissioning

The domiciliary care contracts use three fee rates across +18 service: Standard, Palliative and Discharge to Assess. Contract rates are increased in line with the Consumer Price Index (CPI) and National Living Wage increases each year of the contract resulting in an above inflation increase for 2023/24.

Within the contract arrangements there are the 8 Patch providers and currently 31 Framework providers. In addition, there are a group of providers carried over from an older Framework who continue to support individual residents for the purposes of continuity of care.

The average rate across providers in 2022/23 is £19.51 per contact hour including Funded Nursing Care (FNC) where applicable. This average compares to a Cost of Care exercise median rate of £27.37 - a distance of 28.72%.

Workforce

Most providers report challenges in recruiting and retaining good staff with Patch providers reporting challenges in reaching their contracted capacity. Providers have begun to access the Home Office Sponsorship Scheme with some successes. The Council is supporting its Patch providers with overseas recruitment.

Inflationary costs such as those impacting transport to service users, e.g., the expansion of Ultra Low Emission Zone (ULEZ), are a key issue for providers.

Section 2: Assessment of the impact of future market changes (including funding reform) between now and October 2025 for each of the service markets

Care Homes

It is estimated that 51.4% of care home provision is accessed by self-funders. The self-funder fees range from an average of £1,400 per week for care without nursing and £1,800 per week with nursing. For some newer homes, fees start at £2,500 per week and can rise to £4,000 per week. The rate paid by self-funders currently is higher than the estimated cost of care exercise of £1,167* without nursing and £1,403* with nursing. It is therefore assumed that more people will take up Section 18(3) of the Care Act 2014 to bring down the costs they are paying for care.

Most self-funders are directly accessing care without seeking independent advice. Based on the assessments undertaken for those who are no longer able to fund their care, there is evidence that these residents are entering the care home market too early and often unnecessarily. This could mean that with an increase in self funders accessing section 18(3) of the Care Act 2014 there is an opportunity to ensure advice is provided on other options and how their needs can be better met in the community. There may also be a small group of self-funding residents not accessing care homes due to concerns of cost and wealth depletion who may choose to enter a home where fees are more affordable.

It is therefore predicted that overall, there is unlikely to be a significant change in market demand from local residents. The key change will be self-funders approaching the Council to access the market.

If Council fees are increased and more people are coming through the London Borough of Bromley to arrange their care, less people would be contracting with care homes directly as self-funders. This could have a positive impact on attracting more affordable care homes to the borough rather than the high cost, luxury homes that dominate. This could unlock current unoccupied capacity which is unavailable due to quality and cost. There may also be a positive impact on the quality of the local market where the lower quality homes often have more Local Authority funded clients, or charge fees that do not reflect the actual cost of care being reported through this exercise. In bringing up the fees paid to these homes it would be hoped that there would be an improvement in the quality.

In the period to October 2025 the Council will be looking to reduce referrals into care homes in preference to enhanced domiciliary care and other care support provisions. Care home capacity in Bromley will increase, however this additionality will be concentrated in the luxury market not accessible to the Council. It is anticipated that inflationary pressures begun in 2021/22 will continue through to October 2025. Managing affordability, even with additional government grant, will continue to be a priority and we anticipate that the coming round of uplift negotiations for fees in 2023/24 will be difficult. Sustaining those care homes that reliably and affordably support publicly funded residents will be a priority

Key strategic risks.

- Inflationary pressures resulting in care homes increasing fees for existing and future residents
- Increased threats from providers to evict residents where fees are not significantly increased
- Continued growth of the luxury care home market without a growth in affordable provision.
- The increase in the number of residents coming through the Council to access care and support from 2025 is predicted to be significant. This will have a substantial impact on our resources in terms of managing and responding to the demand.

* as per Annex A – user-weighted average cost per week

Domiciliary Care

It is estimated that of those residents accessing community care and support services in Bromley 59.7% are self-funders, higher than the London average at 23% and South-East authorities at 33.9%. It is anticipated that more people will take up Section 18(3) of the Care Act 2014 to reduce the costs they will pay for care.

The Council anticipates that the fee uplift provisions made in its contracts with its 8 patch and 31 framework providers will sustain provision at a higher fees rate. A priority is to develop the capability and capacity of the 8 patch providers to create a group of sustainable larger volume providers that can support residents with greater need and introduce flexibilities through trusted assessor arrangements.

Key strategic risks.

- See financial risks to the Council as a consequence of the large self-funder population in the Care Home section above.
- Expectations from contracted providers over shifts in fee rates.
- Impact of the shift in fee rates and associated renegotiations on contract sustainability. The Council may need to consider recommissioning its contract arrangements.
- Inflationary pressures resulting in providers opting out of contract.

Section 3: Plans for each market to address sustainability, including fee rate issues where identified

(a) 65+ care homes market

The following actions to support care home market sustainability have been developed over the last 3+ years through co-production with providers, and jointly with NHS partners, through provider forums and other joint working:

- Care and health integrated commissioning arrangements for hospital discharge support and joint funding panels with South East London Integrated Care Board.
- Ageing Well Strategy – covering wide range of support to older residents.
- A dedicated GP practice for 65+ care homes.
- Additional investment in self-funder information, advice and guidance made in 2022/23
- Award winning multi-agency support to care homes – MJ Achievement Award 2021
- Continuous care worker recruitment campaign including support for overseas recruitment
- Digitising all care homes through the Digital First Programme (support with Data Security Protection Toolkit (DSPT), NHS mail and Proxy Access).
- Access to training and development for managers and staff.
- Introduction of the Restore 2 initiative for better management and escalation of deterioration.
- Quality Assurance reviews of providers to assure standards are maintained / enhanced.
- Regular forums for information exchange, market consultation, co-production and mutual support – co-production of the Market Position Statements for 2020 and 2023.

Further actions in the next three years include:

- Increase engagement with self-funders to better understand their priorities.
- Housing with Care Programme to recommission and expand Extra Care Housing provision and other specialist housing.
- Further digitisation of care homes through continued Digital First and Delivering Innovation in Self Care (DISC) programmes.
- Understanding the impact of Cost of Care exercise on whole local care and health market.
- Publication of the new Market Position Statement in 2023.

Committed Grant Funding in 2023/23

- 75% of the Fair Cost of Care Grant has been allocated giving an additional fee to sustainably support affordable providers with a high occupancy rate of LB supported residents.

Priorities for 2023-2024:

- Target funds where more 'sustainable and affordable capacity' may be realised
- Targeting Market Sustainability and Improvement Grant towards those care homes that have high occupancy rate of Council funded residents and for placements within Bromley
- Supporting sustainability for Extra Care Housing and looking to increase supply

(b) 18+ domiciliary care market

The following actions to support domiciliary care market sustainability have been developed over the last three or more years through co-production with providers, and jointly with NHS partners, through provider forums and other joint working:

- Care and health integrated commissioning arrangements for hospital discharge support and joint funding panels with South East London Integrated Care Board.
- Joined up care and health commissioning of domiciliary care contracts.
- Continuous care worker recruitment campaign including support for overseas recruitment.
- Training and development for managers and staff.
- Quality Assurance reviews of providers to assure standards are maintained / enhanced.
- Regular forums for information exchange, market consultation and co-production and mutual support
- Monthly newsletter to provide regular information sharing.

Further actions in the next three years include:

- Progressive increase of contracted rates in line with CPI and National Living Wage
- Roll-out of trusted assessment model for contracted domiciliary care providers.
- Expansion of Direct Payments.
- Expanding use of assisted technology to help more people to live at home.
- Understand impact of Cost of Care regulations on whole local care and health market.

Funding priorities for 2023-2024

- Investing Market Sustainability and Improvement Grant in Patch providers to increase their capacity and capability
- Continue to work with Patch providers to address 'workforce supply' issues by supporting overseas recruitment.
- Continue supporting Patch providers to reach their contracted capacity as per the new domiciliary care contract arrangements.

Report No.
HPR2023/021

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **EXECUTIVE**

Date: **29 March 2023**

Decision Type: Non-Urgent Executive Key

Title: **OPERATIONAL BUILDING REPAIR AND MAINTENANCE
BUDGET 2023/24**

Contact Officer: Keith Poles, Head of Facilities Management
Tel: 020 8313 4580 E-mail: keith.poles@bromley.gov.uk

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

Ward: (All Wards);

1. Reason for report

- 1.1 Members of the Executive considered the Council's draft 2023/24 Budget at their meeting on 8 February 2023. This report sets out indicative budget allocations reflected in the Draft 2023/24 Budget report for operational building maintenance against the two sources of funding: the repairs and maintenance budget, and the Building Investment Fund.

2. **RECOMMENDATION(S)**

Members of the Executive are asked:

- 2.1 Noting the 2023/24 Budget report approved by Executive on 8 February 2023, to approve the following expenditure for operational building maintenance for 2023/24:
- Repairs and maintenance - £2.513m.
- 2.2 To note provision of £2m in 2023/24 for the Building Investment Fund (BIF), as included in the 2023/24 Budget report, noting that this will be the last year of such provision.
- 2.3 To note that combined these sums provide a total maintenance budget of £4.513m.
- 2.4 To delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the programmes and budget allocations where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The maintenance of the estate is essential to enable the provision of services for children and vulnerable adults, such as those delivered from Children & Family Centres, day centres and other Council owned assets.
-

Corporate Policy

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

Financial

1. Cost of proposal: £4.513m annual revenue costs;
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Repairs and Maintenance Budget
 4. Total current budget for this head: £4.513m
 5. Source of funding: 2023/24 Revenue Budget; Building Investment Fund; Capital Programme
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: The Operational Building Maintenance budget should be spent in accordance with the Council's Contract Procedure Rules.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
-

Ward Councillor Views

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

3. COMMENTARY

3.1 As part of the transformation of the service, the Council has undertaken an initial review of the maintenance requirements within the operational estate and this report outlines the proposed allocations within the repairs and maintenance budget for 2023/24.

Building Maintenance Budget for 2023/24

3.2 The maintenance budget is required to ensure that Council fulfils its statutory and legal obligations for the periods before and during the OPR implementation together with the ongoing obligations on those properties not included within the OPR.

3.3 The annual repairs and maintenance budget, excluding any specific adjustments for the 2023/24 financial year, is £2.513m. This budget is broken down into the following budget heads:

- Reactive Maintenance
- Cyclical Maintenance
- Asbestos Management
- Water Treatment Works
- Fire Risk Assessments
- Planned Programme

3.4 As part of the Transforming Property programme, a review of the condition of the operational estate has commenced. Although not yet complete, an initial assessment has indicated that additional funding is required to supplement the existing building maintenance programme, primarily for the urgent or essential renewal of assets or building fabric where these are beyond economic repair. Therefore, the Draft 2023/24 Budget reported to the Executive on 8 February 2023 included an additional provision of £2m to enable such key building works through the Building Infrastructure Fund. The full detailed assessment of the condition of the estate will be reported to a future meeting of the Executive to be considered with proposals from the Operational Property Review.

3.5 With the additional funding identified in paragraph 3.4, the total proposed budget provision for operational building maintenance in 2023/24 is therefore £4.513m. This report sets out the indicative allocations made against this budget.

3.6 Since Covid the construction and building maintenance industries have seen significant supply chain issues relating both to supply of materials and also labour this is reported as being in the region of 20% in the construction industry with additional impacts within the maintenance industry, the latter appearing to suffer from delays due to availability of replacement components.

Reactive Maintenance

3.7 Funding for reactive maintenance is allocated to individual service cost centres based on previous year's expenditure. This budget is used to fund works of an unplanned or emergency nature enabling the Council to keep operational buildings open and to provide services to the people of Bromley. The proposed budget for 2023/24 is £1.114m.

Cyclical Maintenance

- 3.8 Cyclical Maintenance represents a periodic programme of weekly, monthly, semi-annual, annual, quinquennial and so on routines, which are based on statutory requirements and recommended maintenance routines for major and important plant. It ensures compliance with statutory regulations and ensures that major plant is maintained properly. The proposed budget for 2023/24 is £0.56m.

Asbestos Management

- 3.9 A budget allocation of £92k has been made for asbestos maintenance; this enables the Council to meet its statutory obligations for the management of asbestos in its buildings, which includes annual condition monitoring, maintenance, testing and removal.
- 3.10 The costs of asbestos inspection and removal prior to the commencement of building projects, including those in the planned programme should be included in individual project budgets; the planned programme items include a contingency allowance for such costs.

Water Treatment Works

- 3.11 A budget allocation of £249k for 2023/24 has been made to ensure that the council meets its statutory obligations in relation to the control of legionella and water hygiene.

Fire Risk Assessments

- 3.12 The Regulatory Reform (Fire Safety) Order 2005 requires those in charge of commercial buildings to carry out detailed fire risk assessments regularly. There is no fixed period for carrying out assessments, but they should be carried out whenever there are significant changes, which could affect the fire risk, including changes to the building, staff, occupancy, activities, legislation etc. Identifying when significant changes occur is an almost impossible task for building owners, particularly if, as in Bromley's case, there are so many different departments and organisations responsible for their management, so the Council has adopted best practice and is carrying out the Fire Risk Assessments annually in respect of the buildings it occupies. The proposed budget for 2023/24 is £70k.

Planned Programme 2023/2024

- 3.13 A Planned Programme of replacement of end-of-life assets such as boilers and fire detection systems are included within the above budget.
- 3.14 A number of special projects will need to be undertaken on operational properties and on investment properties for which the Council has repairing obligations under the terms of the lease or tenancy agreement. These works will safeguard the long-term life of the Council's property portfolio and is used for high-cost items of work that cannot be funded from other budgets. It includes only the very highest priority schemes. It is also used to deal with any in year emergencies.
- 3.15 As these special projects are capital expenditure due to the fact the component assets are now beyond economic repair funding for these will be derived from either capital receipts or by individual business cases for Member consideration.

Variations to budget allocations

- 3.16 As has been agreed in previous years, it is recommended that the Director of Housing, Planning and Regeneration be delegated authority to vary the planned programme or the

budget allocations within the repairs and maintenance budget to take any actions necessary to either protect the Council's assets or make the most effective use of resources.

Impact of Operational Property Review

3.17 Members will be aware that the Executive and Full Council recently agreed to an accommodation strategy and a series of work packages to be progressed to refurbish parts of the operational property portfolio. Once these packages have been specified (with both Service and Ward Member input) and market tested they will be brought back to the Executive for final consideration before awarding any contracts to proceed.

3.18 The work packages and capital sums identified for each are detailed below:

Description	Refurbishment Estimate
Children and Family Centres	£6.7M
SEN Services	£0.47M
Adult Day Centres and Care Homes	£12.11M
Cemetery Properties	£0.86M
Libraries	£10.77M
Group 2 Leisure Centres	£27.1M
Adult Education Centres	£7.4M
Youth Centres	£3.4M
Traveller Sites	£3M
Surface Car Parks	£1M
Contingency	£4m

These work packages are contained within the Capital Programme.

3.19 A separate report is being considered at this Executive meeting relating to the appointment of a construction consultancy services advisor to undertake the detailed specification works and consultations necessary to enable market testing.

3.20 The first and second phases of works are detailed below together with a suggested timescale of when these will be reported to the Executive for final consideration before awarding any contracts to proceed.

The following categorisation has been approved by the Executive as to which groups of property will be treated first.

Category 1	Category 2
<p style="text-align: center;">2023/24</p> <p>Scope and tender for Refurbishment Works Phase 1:</p> <p>Children and Family Centres SEN Services Adult Day Centres and Care Homes Cemetery Properties Libraries Group 2 Leisure Centres</p> <p>Refurbishment Works Phase 1 Programme in delivery.</p>	<p style="text-align: center;">2024/25</p> <p>Refurbishment Works Phase 1 Programme in delivery – anticipated 1 year Programme</p> <p>Scope and tender for Refurbishment Works Phase 2:</p> <p>Adult Education Centres Youth Centres Traveller Sites.</p> <p>Refurbishment Works Phase 2 Programme in delivery.</p>

3.21 The Maintenance budget detailed within this report is considered adequate to maintain those properties which form the operational estate or where the Council has a liability to undertake repairs and maintenance. Where properties are to be refurbished as part of the OPR then only critical and statutory works to ensure continuity of operations will be undertaken.

Future Years

3.22 The FM Team are also undertaking a comprehensive inspection of all components within the retained Operational Estate to compile a detailed component-based asset register. This work will be completed during 2023.

3.23 Combining the OPR works and asset register will enable future years FM/Maintenance budgets to be set against a regime which will ensure that the Council’s properties are maintained to a high standard and will not fall into disrepair in future years.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The maintenance of the estate is essential to enable the provision of services for children and vulnerable adults, such as those delivered from Children & Family Centres, day centres and other council owned or leased assets.

5 POLICY IMPLICATIONS

5.1 The management of the Council’s operational estate contributes to Ambition 5 of Making Bromley Even Better: to manage our resources well, providing value for money and efficient and effective services for Bromley’s residents.

6 FINANCIAL IMPLICATIONS

6.1 The draft 2023/24 Revenue Budget approved by the Executive on 8 February 2023 includes £2.513m for repairs and maintenance. Additional provision of £2m in 2023/24 for a Building Investment Fund is also included.

7 PROCUREMENT COMMENTS

7.1 This report contains no immediate Procurement Implications. The budgets for operational building maintenance for 2023/24 will need to be spent in accordance with the Council's Contract Procedure Rules, making use of any pre-existing contracts where appropriate to do so.

7.2 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.

8 LEGAL IMPLICATIONS

8.1 Under the Local Government Act 1972 the Council has the power to acquire land for the purposes of its functions. The Council has the implied legal power to provide, maintain and improve its buildings and land. In support of this the Council has a legal power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

8.2 There are a range of specific legal duties which requires the Council to undertake maintenance of its properties. Failure to ensure that its properties and buildings are maintained to a level to avoid risks to its staff and members of the public can lead to criminal and civil liability. The funding is allocated against the different budget heads in a way that will ensure that the Council fulfils these obligations. These powers enable the Council to provide and commission through contracts the various work streams for each project outlined in this report.

8.3 As to whether any other works and/or services referred to in this report and in another report fall within the Public Contracts Regulations 2015 (which would necessitate the carrying out of full procurement exercise) is a matter which will require further detailed analysis and appraisal as to the recommended Procurement approach.

8.4 In order to progress the implementation of the programme and on-going maintenance strategy, each procurement will need to ensure it complies with the Councils Contract Procedure Rules and internal decision-making approval under the Councils' Constitution. Officers should seek specific legal advice on any issue as may be appropriate.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	FSD23012 2023/24 Council Tax – Executive Report dated 8 th February 2023 Operational Property Review Executive Report dated 30 th November 2022

This page is left intentionally blank

Report No.
HPR2023/020

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 29 March 2023

Decision Type: Non-Urgent Executive

Title: OPERATIONAL PROPERTY REFURBISHMENT PROGRAMME –
PROCUREMENT AND AWARD OF CONSTRUCTION CONSULTANCY
SERVICES

Contact Officer: Darren Essex, Senior Development and Programme Manager (Major Projects)
E-mail: darren.essex@bromley.gov.uk

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

Ward: All Wards

1. Reason for decision/report and options

1.1 Reason for the report

To approve the procurement and award of expert advice to inform appraisal work, scoping and contractor procurement to implement the refurbishment work, followed by the procurement of building contractors to deliver the Operational Property Refurbishment Programme which has resulted from the Operational Property Review report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.

1.2 Recommendations

Members are recommended:

1) To note the contents of this report and to agree to the following recommendations subsequent to the OPR report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.

2) To approve the procurement and award of Construction Consultancy Services via a compliant direct appointment utilising the NHS SBS framework to ensure value for money and accelerated delivery as detailed in Part 2 of this report.

3) To agree to Officers progressing the various Workstreams identified at 3.40 of the OPR report dated 30th November 2022 as set out in 2.11 of this report and as considered and approved on 12th December 2022 at a meeting of the Council's Full Council by scoping, costing and proceeding to procurement of building contractor/s via a complaint framework.

4) To delegate authority to the Director of Housing, Planning, Property and Regeneration, to agree and settle all the commercial terms arising.

5) To delegate authority to the Assistant Director of Legal Services to enter into all relevant legal agreements required in relation to and any other necessary ancillary legal documentation relating thereto, including (but not limited to):

The appointment and warranty for the Construction Consultancy Services provider and related sub-consultants.

The negotiation of all associated lease amendments and service agreements and where required amendments to existing leases and agreements to be entered into at the time of building contract award.

6) To agree that officers will provide further report/s to the Executive for consideration prior to the award of works packages to building contractors which will be procured utilising a compliant framework in accordance with the Council's procurement procedures and regulations.

7) To agree that officers will continue to provide regular updates to the Portfolio Holder on progress of the OPR.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: £1.787m
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: £ Not Applicable
 5. Source of funding: Growth Fund
-

Personnel

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

Procurement

1. Summary of Procurement Implications: The recommendation proposed in this report can be taken in accordance with the Council's Contract Procedure Rules.
-

Legal

1. Legal Requirement: No
 2. Call-in: Applicable
-

Property

1. In accordance with the OPR report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.
-

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): Not Applicable

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No as this affects all Wards individual Wards have not been consulted. However Ward Councillors will be consulted as to the specifications developed in conjunction the service delivery areas and the appointed Construction Consultancy Services Provider as detailed within this report.
2. Summary of Ward Councillors comments: Not applicable

2, COMMENTARY

- 2.1 On 12th December 2022 the Council's Full Council Meeting considered and approved the Operational Property Review (OPR) dated 30th November 2022. This followed a review of the Council's operational property which 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.
- 2.2 Members should note that the decision to progress with works in relation to the OPR was predicated upon Member authority to proceed to award contracts being required for each of the identified project streams identified within the report to ensure that they are delivered within the reported financial envelopes.
- 2.3 Members should note that the Operational Property Review is now known as the Operational Property Refurbishment Programme since it has moved into the delivery phase post review.
- 2.4 To enable works to be undertaken and completed in an expedient manner as identified within the programme approved with the Operational Property Review report. Members are requested to approve proceeding to procurement and award of specialist advice to scope the works that need to be undertaken, advise on the optimum delivery route and manage the delivery of the works on a phased basis within budget and to programme, taking into account service requirements and local Ward Member views.
- 2.5 Having reviewed the procurement options available it is recommended that Members approve the procurement of Construction Consultancy Services utilising the NHS SBS framework as it offers a compliant route with flexibility to direct award to a range of service providers for the services required to deliver the programme with sub-consultant appointments where required. The direct award will enable the programme to be accelerated by approximately 4 months to enable its delivery in accordance with the programme approved in the Operational Property Review.
- 2.6 The Construction Consultancy Services Framework Agreement of the NHS SBS framework provides a compliant route to access construction consultancy services for public sector organisations. This framework agreement covers construction consulting services for refurbishment projects including providing clear pricing options, ceiling rates discount structures, settlements and volume spend rebates, the ability for Direct Award and to deliver the most economically advantageous outcome. The charging rates are fully market tested, based on the competitive tender in 2018. Considering total inflation in professional fees since 2018 of over 25% this ensures that the Council will benefit from a significant discount and value for money against current market rates.
- 2.7 Having reviewed the service providers the provider as detailed in Part 2 of this report is recommended as they have the required experience to provide expert construction consultancy advice to the Council for an accelerated delivery of the Operational Property Refurbishment Programme. They have the required resourcing for Construction Management, Cost Management and Project Management across a broad range of commercial properties and can call in and manage specialist advise on associated disciplines as required. The recommended provider has worked for the Council recently on the progression of an accelerated programme and has performed excellently.
- 2.8 A direct award is recommended as it provides a compliant route to achieve an accelerated delivery at pre-negotiated discounted rates that offer good value for money and can achieve the required delivery outcome within the budget and programme approved. The alternative of undertaking procurement utilising a mini competition would delay delivery of the OPR Programme by approximately 4 months (due to the need to create competition criteria, timetable for responses, clarification, evaluation and stand still).

2.9 An accelerated programme is recommended to minimise repairs and maintenance on the Council's operational properties in accordance with the proposed Repairs and Maintenance Budget for 2023/24 as proposed in Report No. HPR2023/021 dated 29 March 2023.

2.10 The Council can call off (Direct Award) without further competition the proposed service provider in a compliant manner and in accordance with the procedures of the NHS SBS framework by virtue of:

- Them having prior knowledge of the accelerated delivery process and of working with the Council, so appointing an alternative provider will be more time consuming and thus more expensive.
- They provide preferential rates.
- Timescale issues make tendering prohibitive.
- The focus of their work is geographically in the appropriate location to provide the service required in a cost efficient manner.

2.11 The recommended providers appointment will be for a term of 4 years to allow sufficient time for a 2-year delivery of the programme plus additional periods of 1 year for the defect's liability period and a further year in case of any delays. The appointment includes monitoring the performance and overseeing the delivery of the contract awards however if all or some of these works do not proceed the Council will not incur this element of the cost. The appointment will include break clauses prior to construction contract award to minimise financial risk to the Council.

2.12 Following scoping and market testing, and to achieve delivery of the programme in accordance with the programme contained within the OPR report dated 30th November 2022, Members are requested to approve procurement of works packages from building contractors utilising a compliant framework. Noting that prior to award of contract/s that Member authority to proceed to award contracts will be sought for each of the identified project streams to ensure that they are within the reported financial envelopes. The work packages and capital sums identified for each are detailed below:

Description	Refurbishment Estimate
Children and Family Centres	£6.7M
SEN Services	£0.47M
Adult Day Centres and Care Homes	£12.11M
Cemetery Properties	£0.86M
Libraries	£10.77M
Group 2 Leisure Centres	£27.1M
Adult Education Centres	£7.4M
Youth Centres	£3.4M
Traveller Sites	£3M
Surface Car Parks	£1M
Contingency	£4m

- 2.13 The implementation of the Operation Property Repair Programme is governed by the OPR Programme Board which meets monthly and includes representatives from Finance, Legal, Procurement and Property. Progress is further monitored by bi-monthly reporting to the Council's Transformation Board which includes a Budget Monitoring report by Finance to ensure diligent Capital Monitoring oversight.
- 2.14 Members should note that officers will provide further reports to the Executive once the works packages are scoped, programmed, costed and procured to allow consideration and approval by Members prior to award of the building contracts. These works packages will be procured utilising a compliant framework in accordance with the Council's procurement procedures and regulations.

3. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 3.1 This report refers to the Operational portfolio the services are utilised by residents and any refurbishment work will be as referenced above agreed and developed around service needs.

4. TRANSFORMATION/POLICY IMPLICATIONS

- 4.1 The OPR now reports to the Transformation Programme of the Council.

5. FINANCIAL IMPLICATIONS

- 5.1 The proposed activity is fully contained within budgets agreed in the original report on the Operational Property Review to Executive dated 30 November 2022 and then again in the capital monitoring report Executive dated 18 January 2023. The proposal as set out is fully compliant with Bromley's financial regulations relating to capital expenditure.

6. LEGAL IMPLICATIONS

- 6.1 This report requests Members approve the procurement and award of a Construction Consultancy Services contract, to the contractor named in the part 2 report, via a compliant direct appointment utilising the NHS SBS framework. It further asks Members to agree to officers proceeding to procurement of building contractor/s via a compliant framework for the other workstreams identified.
- 6.2 This matter comes before the Executive as, in accordance with Contract Procedure Rules (CPRs), this is the only body within the Council that can approve the award and procurement of contracts with a value in excess of one million pounds.
- 6.3 These consultancy services are defined as a services contract under the Public Contracts Regulations 2015 (the Regulations). As the value of the services is well above the threshold then these services must be procured according to the full requirements of the Regulations. Regulation 33 permits the Council to use a compliant framework agreement providing it complies with the processes detailed in that regulation. The Procurement comments below confirm the correct CPRs have been followed in agreeing to use this particular framework agreement.
- 6.4 Legal Services should be instructed to assist in any contractual documentation necessary should Members approve the award of contract.

7. PROCUREMENT IMPLICATIONS

- 7.1 This report seeks to award a contract to the contractor named in the part 2 report for construction consultancy services via direct award using lot 2 of the construction consultancy services NHS SBS Framework.
- 7.2 Further this report seeks to proceed to procurement for a building contractor via a suitable framework.
- 7.3 In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement has been consulted regarding the use of the NHS SBS Framework, and must be consulted on other frameworks used. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.4 The award must be conducted in line with 7.4 of the Council's Contract Procedure Rules. As the value of the contract is above the thresholds set out in the PCR 2015, it must be conducted in line with cl. 33 of the same.
- 7.5 Both of these actions require the following for authorisation; the formal Approval of the Executive following the Agreement of the Portfolio Holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for actions of these values.
- 7.6 As the contract value is over £30k including VAT, an award notice will need to be published on Contracts Finder. As the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published.
- 7.7 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.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 8.1 The refurbishment works will ensure that properties will be refurbished to current Building Regulations standards such as Part L which require strong environmental and energy saving materials and design to be utilised.

9. CUSTOMER IMPACT

- 9.1 This report refers to the Operational portfolio the services are utilised by residents and any refurbishment work will be as referenced above agreed and developed around service needs.

Non-Applicable Headings:	Property & H.R.
Background Documents: (Access via Contact Officer)	Executive Report dated 12 th December 2022

Report No.
CSD23048

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 21st March 2023

Decision Type: Non-Urgent Executive Key

Title: HOUSING IT SYSTEMS REPORT

Contact Officer: Tracey Wilson, Head of Housing Compliance & Strategy
Tel: 0208 313 4515 E-mail: Tracey.Wilson@bromley.gov.uk

Chief Officer: Sara Bowrey, Director, Housing, Planning & Regeneration

Ward: All Wards

1. REASON FOR REPORT

- 1.1 Bromley's contract with MRI Software for a managed Housing IT system is due to expire on 9th April 2024, having utilised the two year extension option.
 - 1.2 Bromley's contract with Home Connections for a managed Housing IT system is due to expire on 16th April 2024 with an extension option of 1 +1 year(s).
-

2. RECOMMENDATION(S)

- 2.1 To extend the contract with both MRI Software and Home Connections for two years respectively to allow a full options appraisal to test the market fully.
- 2.2 This report is requesting authorisation to apply the two year extension for Home Connections, which is provided for within the contract terms, from 16th April 2024 to 15th April 2026 at an estimated contract value of £14k per annum.
- 2.3 Approve extension beyond terms under Regulation 72a with a 1+1 options to MRI Software (formerly known as Orchard Housing). This is anticipated to commence from 16 April 2024 at an estimated annual value of £134k per annum.
- 2.3 Agree the Compliance & Strategy Division utilises the extension period to review the market in order to present commissioning and procurement options for Executive decision prior to the extension period expiring.
- 2.4 Agree the drawdown of up to £40k from the Technology Fund earmarked reserve for a SME/Business Analyst to review the market.

Impact on Vulnerable Adults and Children

Summary of Impact:

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority (delete as appropriate):
(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: £336k (£28k – Home Connections extension, £268k – MRI extension, £40k – review)
 2. Ongoing costs: Recurring Cost: £148k (£14k – Home Connections, £134k – MRI)
 3. Budget head/performance centre: Housing Compliance & Strategy
 4. Total current budget for this head: £1,477k
 5. Source of funding:
-

Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance: The Housing Systems are integral in the delivery of the Council's statutory housing functions
 2. Call-in: Applicable: Executive decision.
-

Procurement

Summary of Procurement Implications:

Property

Summary of Property Implications: N/A

Carbon Reduction and Social Value

Summary of Carbon Reduction/Sustainability Implications: N/A

Customer Impact

Estimated number of users or customers (current and projected): Estimated number of users/beneficiaries (current and projected): Estimated number of users/beneficiaries (current and projected): The Council receives more than 6,000 approaches for housing advice and approximately 500 applications each month for inclusion on the housing register. The allocation for temporary

accommodation and social rented housing is managed through the housing system covering a total housing association stock in excess of 11,000 units.

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 MRI Housing IT system allows the Council to fulfil its statutory duties in relation to Housing. MRI enables the Choice Based Lettings system in order to facilitate nominations and holds data in relation to all aspects of a clients interaction with the housing service. This includes; Housing Register applications, temporary accommodation placements, contact records etc.
- 3.2 The Home Connections (Hope) IT system; complies with the statutory returns requirement that is essential in order to manage the volume of households approaching the Local Authority for assistance in respect of homelessness.
- 3.3 This report sets out the business case to extend beyond term so that there is sufficient time to undertake this review, and so that both contracts co-terminate, allocate suitable funds to recruit a suitable Subject Matter Expert (SME) to review the current systems, review the market to produce a technical specification and a further recommendation or options for Members to consider. Therefore this report will need to draw down £40k for recruitment of a suitable SME as set out in the Finance section.
- 3.4 The extension period will allow time to review the market in order to present commissioning and procurement options for Executive decision prior to the extension period expiring.
- 3.5 There is no one with the required experience within the Council currently to carry out this activity. Previous budget options which delivered reductions in core staffing recognised the need to recruit the necessary expertise as and when required rather than maintaining a standing resource.
- 3.6 This also represents a good opportunity for the Council to review the provision of these systems and potentially identify savings and efficiencies as a result and to ensure alignment with key corporate programmes.
- 3.7 The SME is required to undertake work to identify the ongoing requirements of supporting systems and project management. The resource management will be within the HPR systems team with sign off by the services involved.
- 3.8 The reviews identified by this report are two core system reviews that will be required over the next few years. The resource identified in this report for initial draw-down may be used flexibly across a number of system reviews and programme upgrades in the longer term, although initially required on the Housing IT System review given the initial timescales available.

Summary of Business Case

- 3.9 The Housing Department uses two information systems to support its business, MRI (previously known as Orchard) and Home Connections. The justification for extending the MRI contract is as follows:
- 3.10 There is a statutory requirement to provide a housing needs service. The timely and targeted provision and management of these services is dependent on an appropriate management information system capable of the functions below
- Provide statutory statistical returns and data management facilities enabling the monitoring of relevant local and national performance indicators and progress towards defined targets
 - Hold information about service activity levels
 - Effectively gather quantitative and qualitative evidence of performance in line with regulatory guidance
 - Provide secure storage of data enabling the Local Authority to meet national requirements regarding information provision

- 3.11 The alternative is to go out to tender for a new information management system which will incur significant procurement and purchase costs and will also incur similar ongoing annual charges. Additionally, the service would face disruption caused by a complete change of information management and working practices, including the requirements for configuration and training.
- 3.12 The Hope system has proved to be an effective IT system which complies with the statutory returns requirement that is essential in order to manage the volume of households approaching the Local Authority for assistance in respect of homelessness.
- 3.13 With the impact of the pandemic and the increased volume of homelessness approaches to this local authority, it is vital that we continue with a system that is familiar to all staff and provides a reliable reporting function (HCLIC). With the additional upgrades to the system we will be adding the ability to track and report on approaches and outcomes for Rough Sleepers and Ex-Offenders.
- 3.14 The addition of the Duty to Refer module will ensure that a statutory housing function is included in the HOPE system. This will allow an efficient, reliable process and free up Officer time and reduce the risk of error at present it is currently managed via a service mailbox and does not feed into the HOPE system automatically.
- 3.15 Failure to provide the correct statistical returns in the required format can impact on the Local Authorities ability to secure the necessary funding and resources in order to provide statutory services and prevent against costly legal challenge.
- 3.16 With the new Domestic Abuse Bill and our aim to achieve DAHA Accreditation for our work with victims of Domestic Abuse, the proposed upgrades to the system will further support the services work to provide a better service to Domestic Abuse victims which in turn will bring us closer to achieving DAHA accreditation for the local authority.

Service Profile / Data Analysis / Specification

- 3.17 The service deals with more than 5000 approaches each year.
- 3.18 There are approximately 1,600 households in TA, of which 1,205 are in costly forms of nightly paid accommodation. The current average cost to the Council of placing a household into nightly paid temporary accommodation is £7100 per annum for each household.
- 3.19 An effective and compliant system is therefore essential to ensure that increased caseloads can be effectively managed and that compliance with statutory duties is maintained.

Options Appraisal

3.20 The following options are available;

- Option 1 – Do nothing
- Option 2 – Re-procure the existing systems now via a compliant route
- Option 3 – Extend the contract(s) for a limited time and complete a full options appraisal and assess the market

Option 1 – Do Nothing

This isn't possible as the Council has a requirement to fulfil its statutory duties.

Option 2 – Re-procure the existing systems

Re-Procure the existing systems this is not recommended as using two IT systems that do not integrate with each other is subject to duplication of work and the potential for errors as well as the additional resources required to manage this.

Option 3 – Complete a full options appraisal and assess the market

Extend both MRI and HOPE to co terminate on 09th April 2026 and undertake an options appraisal, this is recommended as it enables the service to fully assess the market and suitable suppliers to see if there are now more suitable, cost-effective options available that will take into account changes in legislation as well as manage the newly acquired Housing Revenue Account.

Preferred Option

3.21 Option 3 is the preferred option to ensure that we are procuring the best fit for purpose, robust system that fully supports the IT requirements in Housing.

4. MARKET CONSIDERATIONS

4.1 Not applicable until an options appraisal has been undertaken, if permitted.

5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

5.1 By undertaking a full options appraisal we can be assured that we will procuring the most fit for purpose system for all users, particularly our residents. An example of this could be a customer portal, allowing our residents to communicate with us flexibly.

6. STAKEHOLDER ENGAGEMENT

6.1 A project team will be established to review the current systems, this will include seeking the views from officers who will be using the systems and well as external stakeholders, such as our clients who may be accessing the system direct to either request or provide information and also our partners to ensure statutory and non-statutory information is accurate and accessible.

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

7.1 Estimated Value of Proposed Action:

MRI cost: 2017-2024 - £1037k

MRI extension cost: 2024 – 2026 - £268k

MRI whole life value: £1305

Home Connections cost: 2019-2024 £78k

Home Connections extension cost: £28k

Home Connections whole life value: £106k

7.2 **Other Associated Costs:** £40k consultancy cost to undertake market review

7.3 **Proposed Contract Period:** 10th April 2024 to 09th April 2026

7.4 N/A

8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN)

8.1 A full impact assessment will be undertaken in parallel with the full options appraisal.

9. TRANSFORMATION/POLICY IMPLICATIONS

9.1 This approach supports the Making Bromley Even Better corporate strategy to manage our resources well, providing value for money, efficient and effective services for Bromley's residents.

10. IT AND GDPR CONSIDERATIONS

10.1 There are several large IT oriented projects underway within the organisation at present that are demanding significant resource time from the Digital and IT service. This may have implications on other IT projects being undertaken as key resources may have less availability to support services and therefore maybe necessary to consider additional resources to be brought in to provide IT support for the project.

11. PROCUREMENT CONSIDERATIONS

11.1 The report seeks a variation to the contracts for both the MRI and Home Connections (Hope) IT systems, for a period of up to 24 months, to co-terminate 31st March 2025. This will allow the service sufficient time to undertake a review of the requirement, with the view of undertaking a competitive process to establish a provider so that the Council can discharge its statutory duty in relation to this service. The value of the proposed variation being £134,000pa for MRI giving a cumulative spend of £1,305,000 and £14,000pa for Home Connections, giving a cumulative spend of £106,000.

11.2 The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations.

11.3 Subject to compliance with Regulation 72 of the Public Contract Regulations (which allows change to a contract without re-advertisement where the proposed change, irrespective of monetary value, is provided for in the initial procurement documents in a clear, precise and unequivocal option clause which specifies the conditions of use and the scope and nature of the change), the Council's requirements for authorising an extension are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Chief Officer, the Director of Commissioning, the Director of Corporate Services and the Director of Finance must be obtained.

11.4 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.

11.5 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.

12. FINANCIAL CONSIDERATIONS

12.1 The estimated cost of the proposed extensions for MRI and Home Connections is £134k and £14k per annum respectively, which will take the whole life values to £1,305k and £106k as set out in the table below:

	MRI	Home Connections	Total
	£'000	£'000	£'000
<u>Existing contracts</u>			
2017/18	150		150
2018/19	112		112
2019/20	209	29	238
2020/21	192	13	205
2021/22	130	13	143
2022/23	118	10	128
2023/24	126	13	139
	1,037	78	1,115
<u>Proposed extensions</u>			
2024/25	134	14	148
2025/26	134	14	148
	268	28	296
Total	1,305	106	1,411

- 12.2 The initial set up and some of the subsequent renewals in the existing contract were funded from the Housing IT system capital scheme. The costs of the proposed extension will be met from the existing Housing IT revenue budget.
- 12.3 It is also requested that a sum of up to £40k is approved for drawdown from the Technology Fund earmarked reserve to fund a SME/Business Analyst to review the market.

13. LEGAL CONSIDERATIONS

- 13.1 This report requests Members approve the extension of two IT Housing Management Systems, one within the permitted contractual framework (Home Connections) and one outside of the permitted contract (MRI Software).
- 13.2 The Home Connections contract can simply be extended in accordance with its own contractual terms and in accord with the “Formal Contract Extension Procedure” under Contract Procedure Rule (CPR) 23.6.
- 13.3 As regards the MRI Software contract then, as this is an extension beyond its term, it may only be permitted under Regulation 72 of the Public Contracts Regulations 2015 (the Regulations) and CPR 23.7. The proposed variation adds £134,000 pa to the contract detailed in this report which has a whole life value of £1.305 million. Regulation 72 sets out a series of circumstances when a contract may be varied without the need for a fresh procurement. One of those circumstances, under Reg. 72(1)(c), is where “*the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; the modification does not alter the overall nature of the contract; and any increase in price does not exceed 50% of the value of the original contract.*”
- 13.4 Should these extensions be approved then Legal Services can assist with any contractual documentation when instructed.

Non-Applicable Headings:	Strategic Property Considerations; Personnel Considerations; Ward Councillor Views.
Background Documents: (Access via Contact Officer)	[Title of document and date]

Report No.

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker:	EXECUTIVE For pre-decision scrutiny by the Executive, Resources and Contracts Policy, Development and Scrutiny Committee on 22 nd March 2023
Date:	29 th March 2023
Decision Type:	Urgent Executive Key
Title:	BROMLEY HOUSEHOLD SUPPORT FUND
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 REPORT

- 1.1 To note the Government announcement regarding the Household Support Fund (HSF) and to agree proposals for the allocation and distribution of the HSF.

2. RECOMMENDATION(S)

Executive is requested to:

- 2.1 Note that Bromley Council's allocation for the Household Support Fund (HSF) is £3,735,765;
- 2.2 Approve the drawdown of this amount from the 2023/24 Central Contingency to the Operational Housing revenue budget;
- 2.3 Approve the full utilisation of this ringfenced grant, in 2023/24, as detailed in paragraph 3.9 of this report; and
- 2.4 Agree that any final or additional changes are delegated to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holders for Renewal, Recreation & Housing and Resources, Commissioning & Contracts Management.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Recipients of the scheme are some of the most vulnerable members of the community with high representation from particular equality groups; in particular vulnerable due to age, disability, mental health, pregnancy or young children and people.
-

Corporate Policy

1. Policy Status: Existing Policy – extension of previous funding
 2. BBB Priority: Children and Young People Quality Environment Supporting Independence
Healthy Bromley
-

Financial

1. Cost of proposal: Estimated Cost: £3,735,765
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £7,262k
 5. Source of funding: Department for Work & Pensions
-

Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
-

Legal

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

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 10,000 beneficiaries
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 On 21 February 2023, the Government announced that the Household Support Fund (HSF) would be extended from 01 April 2023 to 31 March 2024. £842 million has been made available to County Councils and Unitary Authorities in England to support those most in need to help with significantly rising living costs.
- 3.2 The expectation is that the fund should be used to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need and who require crisis support. For the Cost of Living payments this may include, but is not limited to, people who are entitled to but not claiming qualifying benefits, people who are claiming Housing Benefit (HB) only and people who begin a claim or return to payment of a benefit after the relevant qualifying date. There may be groups who are vulnerable to rising prices even though they are supported through these schemes, for example large families or single-income families. It is important to stress that the fund is intended to cover a wide range of low income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.
- 3.3 Energy bills may be of particular concern to low income households during the period of the fund and Authorities should prioritise supporting households with the cost of energy. Support which can make a quick but sustainable impact on energy costs is particularly encouraged; for example, the insulation of hot water tanks, fitting draft excluders to a door, or replacing inefficient lightbulbs or white goods. The fund can also be used to support households with the cost of food and water bills, essential costs related to energy, food and water, and with wider essential costs. The Fund can additionally be used to support housing costs where existing housing support schemes do not meet this need.
- 3.4 DWP have recommended providing support to disabled people in the Borough. This is because disabled people in particular may be facing acute challenges due to the disproportionate impact that rising costs bring for the additional services they need in order to manage their conditions, remain independent and avoid becoming socially isolated. For example, some disabled people may have increased utility bills due to the usage of equipment, aids or adaptations associated with their disability. They may also have additional heating, water or transport costs.
- 3.6 In addition, DWP have recommended consideration to people with caring responsibilities in their area. People with caring responsibilities may be facing acute challenges incurred through their fulfilling these responsibilities for vulnerable citizens due to the disproportionate impact that rising costs may bring for the additional services they need. For example, they may have additional heating, water or transport costs.
- 3.5 Authorities will be required to provide four management information (MI) returns outlining grant spend and the volume of awards:
- an interim MI return for the period 01 April 2023 to 30 June 2023 will be due 21 July 2023
 - an interim MI return for the period 01 April 2023 to 30 September 2023 will be due 20 October 2023
 - an interim MI return for the period 01 April 2023 to 31 December 2023 will be due 26 January 2024
 - a final MI return for the period 01 April 2023 to 31 March 2024 will be due 26 April 2024

Grant payments will be made to authorities in arrears on receipt of a fully completed and verified MI return.

Summary of Business Case

- 3.6 The fund is large enough that all options have been incorporated or are under further discussion, and the flexibility of the scheme going forward will allow for a broad range of households to be supported
- 3.7 The lead-in times to set up the necessary administrative processes, delivery mechanisms and delivery plan return due to DWP in May 2024 means that proposals have had to be developed at pace and an urgent decision is sought from the Executive.
- 3.8 It is proposed to make direct payments to eligible residents in the form of a payment card that can be used in the same way as a debit card, given the beneficiary the choice to use in how they use this. For those households that this is not suitable, for example they do not have an email account, then we are proposing to offer a supermarket voucher that can be used online or instore.
- 3.9 Therefore, following Member decision on the use of the Household Support Fund, suitable contract(s) will be awarded via a compliant framework for the voucher and payment card distribution mechanism under Officer delegated authority based on the value of the administration costs. A provider on the Crown Commercial Services has been identified that is able to provide food vouchers and payment cards with assurance that this can be set up within four weeks.

A summary of proposed spend is shown below:

Table 1

	Volume	£'000
Families eligible for free school meals during holiday periods	9,200	1,932
Care Leavers	100	20
Households with disabilities, domestic abuse, carers, large families, single income families, vulnerable households experiencing exceptional financial hardship	7,400	1,483
Administration costs including contingency	N/A	300
Total	16,700	3,735

- 3.10 The planned spend shown in Table 1 above is within the grant allocation, so there is no risk to the Council. It is a requirement of the grant conditions to submit regular claims of any costs incurred which will be reimbursed provided they are within the permitted spend in the guidance
- 3.11 Families Eligible for free school meals; £1,932k has been set aside this will cover school holidays, providing support to the following;

Eligibility Criteria

- All Pupil Premium children, namely:
 - children who claim free school meals
 - looked after or previously looked after children
- Children eligible for the service premium, including pupils with a parent:
 - Serving in HM Forces
 - Retired on a pension from the MoD
- Children in Need of help and protection, specifically:
 - Pupils with a Child in Need Plan
 - Pupils subject to a Child Protection Plan

Children Looked After

Care leavers

Pupils supported by Bromley Tackling Troubled Families

Privately fostered children

Disabled children

Ukrainian refugees placed in Bromley through the Family Placement or Homes for Ukraine scheme.

- Children eligible for the 16-19 Bursary Fund, specifically
looked after children or care leavers
those in receipt of Income Support or Universal Credit
those receiving Disability Living Allowance or Personal Independence Payments in their own right
and ESAUC in their own right

3.13 Care Leavers: £20k has been set aside to support care leavers

3.14 DWP have advised that Local Authorities must offer application-based support throughout the duration of the fund, either continuously over the majority of the fund period or in regular intervals throughout the scheme. The remainder of the funding will be set aside for eligible households as detailed in Table 1 above, which follows DWP guidance that we should consider assisting groups that may not have been targeted before or who are vulnerable to rising prices for example large families or single-income families.

3.15 As part of our offer of support for households with disabilities. We are proposing to target support towards households with dementia, households experiencing domestic abuse and households with mental health conditions who are engaged with secondary care. We will be contacting organisations who are likely to be supporting these households and encouraging them to refer on behalf of their clients. However, we will also consider applications from residents with a vulnerability who are experiencing an exceptional hardship.

3.16 Funding will be kept under review throughout the term and in October 2023, if there is an underspend or if there is a change in need in the community, then the team will make recommendations to, and seek authorisation from the Chief Officer in consultation with the Portfolio Holders for Renewal, Recreation & Housing and Resources, Commissioning & Contracts Management to adjust the eligibility for the funding, but still in accordance with DWP guidance.

3.17 Contingency: £20k has been set aside in order to have some ability to use the funding flexibly and to address any new or exceptional circumstances as they arise

3.18 Administration: £280k has been identified for administration which is less than 7.5% of the overall funding.

4. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

4.1 The Household Support Fund will be a fundamental and practical response to the issue of significant rising living costs.

5. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

5.1 **Estimated Value of Proposed Action:** This report seeks to award a contract to Blackhawk Network, and other providers as necessary, on the CCS RM 6255 Framework via direct award for provision of pre-paid cards at a total value of £3,735,765.

5.2 **Other Associated Costs:** The administration costs of the arrangement will be between £50k to £75k

5.3 **Proposed Contract Period:** To support the grant allocated from 01 April to 31 March 2024

6. **IMPACT ASSESSMENTS**

6.1 As the fund has to be spent by April 2024 to meet immediate needs, a full means test cannot be established in the timescale. There is always a risk that help based around indicators of need doesn't reach everyone in hardship, however the application process should assist, in part to address this.

6.2 Indicators of need follow established methodologies i.e. for free school meals (FSM). A mixed approach to the fund has been taken to capture as many households in need as possible.

7. **POLICY CONSIDERATIONS**

7.1 The key policy implications are to ensure that the funds are distributed in accordance with the funding criteria to avoid any monies being taken back or loss of funding. A clear record of both the decision making and the detail of the allocations will assist with this

8. **IT AND GDPR CONSIDERATIONS**

8.1 The Council is instructed to process information relating to the administering of the Household Support fund in a secure manner giving consideration to appropriate technical and organisational measures to comply with, but not exclusively;

- UK Data Protection Act 2018
- UK Data Protection Act – Part 3 Law Enforcement Processing
- General Data Protection Regulation 2016
- Freedom of Information Act 2000
- Re-use of Public Sector Information Regulations 2005
- Local Government Act 2000
- Computer misuse Act 1990
- Police and Criminal Evidence Act 1984
- Privacy and electronic Communications Regulations (PECR) 2003

8.2 All gathering, storing and use of information for the purposes of provisioning, and delivery Household Support Funding will be conducted in line with the principles of current UK DataProtection law and specifically Article 32, General Data Protection Regulation 2016

8.3 The Council shall ensure that all information processed for purposes of provisioning, and delivery of preventative services is necessary and proportionate to the activity and only retain information for a lawful amount of time as identified in the retention schedule.

8.5 Any requirements to engage IT for equipment or implementations of products and services must be done in a timely way.

9. PROCUREMENT RULES

- 9.1 This report seeks to award a contract to Blackhawk Network, and other providers as necessary, on the CCS RM 6255 Framework via direct award for provision of pre-paid cards at a total value of £3,735,765. The administration costs of the arrangement will be between £50k to £75k.
- 9.2 The relevant transparency notices will be published.
- 9.3 The Council's Contract Procedure Rules require the following for authorising an award via a framework for a contract of this value; the Approval of the Budget Holder must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 9.4 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

10. FINANCIAL CONSIDERATIONS

- 10.1 As set out in the report, the Council has been allocated a total of £3,735k by the Department for Work and Pensions for the extension of the Household Support Fund. It is proposed that this amount is drawn down from the 2023/24 Central Contingency to the Operational Housing revenue budget to be allocated as outlined below:

	£'000
Families eligible for free school meals during holiday periods	1,932
Care Leavers	20
Household with disabilities, domestic abuse, carers and large or single income families	1,483
Administration	280
Contingency	20
	3,735

- 10.2 With the exception of the £280k for administration costs, it is proposed that the entirety of this funding will be used to purchase pre-paid cards, or where this is not suitable, supermarket vouchers.
- 10.3 This is a ringfenced grant which the Department may withhold payment or require to be repaid if it is not utilised in accordance with the grant conditions summarised in paragraphs 3.2 to 3.5.

11. LEGAL CONSIDERATIONS

- 11.1 The Executive previously agreed to receive HSF Grant and formulated a Scheme to allocate and distribute the grant at its meetings on the 25th of May 2022 and 19th October 2022.
- 11.2 The Government has announced that a further round of HSF Grant which will be available from 01 April 2023 to 31 March 2024. The Government have issued Guidance to Councils called '1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England' Updated 21 February 2023 which is reflected within the body of this report. The Guidance states the Government's expectation is that the Fund should be used to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need and who require crisis support. This includes the Cost of Living

Payments and the energy support the Government are providing for 2023/24. The Guidance further states it is important to stress that The Fund is intended to cover a wide range of low income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people. The Guidance makes it clear that although the further round of HSF Grant is considered an extension to the previous HSF schemes, it is a new grant subject to its own grant conditions as is set out in the Grant Determination 2023 No 31/6496 letter.

- 11.3 The primary purpose of the grant is to provide support to the Council for expenditure lawfully incurred or to be incurred by them in accordance with the HSF Grant Conditions to provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs (in exceptional cases of genuine emergency), to help them with significantly rising living costs. The award of the grant must be based on discretionary allocations which are made through a set application process in order to determine each award against agreed eligibility criteria.
- 11.4 Guidance provides that Authorities are required to complete a delivery plan to outline their intentions for The Fund, clearly setting out their priorities and approach for use of the Fund, and to demonstrate the ways in which they intend to allocate their funding which is required to be sent to DWP by 17 May 2023. Delivery plans must be signed off by the Section 151 Officer and responsible Cabinet Member before submission to DWP.
- 11.5 Authorities are required to appoint an appropriate Senior Responsible Officer who will be accountable for ensuring a strong delivery plan is developed and agreed through necessary decision-making mechanisms including engagement with the relevant Cabinet Member and ensuring compliance with and progress against their commitments in the delivery plan.
- 11.6 The Council is required to comply with grant conditions attached to the Grant and to also ensure that recipients comply in order to meet the requirements of proper use and accounting of the grant paid. The Government also reserves certain rights to investigate improper use and receipt of the Grant and to seek recovery. Given the nature of the payments the Council has designed a Scheme where its financial management reduced the possibility of fraud and improper use of the grant.
- 11.7 Guidance makes it clear that the Council has a general legal duty, when exercising its discretion to have a clear rationale or documented Policy/Framework outlining its approach to allocation, including how eligibility is identified and the ways to apply for and access the payment. Accordingly, the Council must be able to demonstrate that their targeting rationale is sound.
- 11.8 The Guidance sets out a non definitive list of the type of support that could be eligible for grant support. It would appear that the proposed Scheme as set out in this report will comply with legal decision-making in accordance with Administrative law.
- 11.9 Given the need to spend all grant this report is delegating all final and additional changes is delegated to the Chief officer in consultation with the Portfolio Holders for Renewal, Recreation & Housing and Executive, Resources & Contracts. Officers must ensure that the any further decision-making is made in accordance with the Grant and Administrative law.
- 11.10 The Guidance states that Authorities have the ability to deliver the scheme through a variety of routes including providing vouchers or cash to households, making direct provision of food and

goods, or issuing grants to third parties. Every area must operate at least part of their scheme on an application basis - in other words, residents should have the opportunity to come forward to ask for support. The report explains at paragraph 3.3 that the Council proposes to utilise funding in the form of Energy Pre-Paid Cards and Supermarket Vouchers.

- 11.11 The Household Support Fund funding allocation includes reasonable administration costs to enable Authorities to deliver The Fund. Subject to complying with the Councils Contract Procedure Rules and the Public Contracts Regulations 2015 (the Regulations) (albeit that the value is below the relevant threshold) a provider on the Crown Commercial Services Framework has been identified by officers that is able to provide energy cards with assurance that this can be set up to deliver payments within timescales. Further details of compliance with the Council's CPR's are set out in the Procurement comments to this report
- 11.12 The Council has the legal power to receive and distribute the Grant and to make discretionary grant determinations as permitted within the Conditions of Grant. In particular, the Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to eligible persons as will be designated within the Councils Scheme.
- 11.13 In exercising its discretion to formulate and adopt the Scheme, the Council must have due regard to all relevant circumstances including government guidance and local need when deciding on discretionary allocations. The Council is also subject to its fiduciary duty to ensure the adopted Scheme and monies paid from the grant represent the best use of that money to award to those deemed eligible under the Grant Conditions.
- 11.14 As payments will be made to individuals and households it is considered that these payments will not amount to subsidy within the meaning of the Subsidy Control Act 2022. The previous Guidance recommended that Councils consider giving applicants the ability to review a decision. In this regard it is considered acceptable for such matters to be dealt with under the Councils standard complaints/grievance procedure.
- 11.15 Under section 149 of the Equality Act 2010 the Council must have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

The content of this report shows that the officers have had regard to the Equality Act 2010 which must be always kept under review.

Non-Applicable Sections:	Market Considerations, Stakeholder Engagement, Strategic Property, Personnel Considerations
Background Documents: (Access via Contact Officer)	N/A

This page is left intentionally blank

Report No.
HPR2023/018

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee on 21st March 2023

Decision Type: Non-Urgent Executive Key

Title: AFFORDABLE HOUSING – POLICY AND STRATEGY DOCUMENTS

Contact Officer: Michelle Bowler – Head of Housing Schemes
Tel: 0208 464 3333 E-mail: michelle.bowler@bromley.gov.uk

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

Ward: All Wards

1. Reason for decision/report and options

- 1.1 The Council transferred its housing stock to Clarion Housing Association (formerly known as Broomleigh) in 1992. In July 2020 the Council approved the re-opening and setting up of a Housing Revenue Account (“HRA”) for the provision of affordable housing and has recently been developing housing on Council-owned land. The Council was registered as a provider of social housing by the regulator on 29 September 2020 (Reg no:5103).
- 1.2 To remain compliant with the regulatory requirements and ensure delivery to our residents, the Council, now a stock holding authority, are required to produce various housing policies and strategies. Four of the required policies are nearing completion, two of which will require statutory consultation. They are a Tenancy Strategy, Residential Asset Management Strategy, Tenancy Management Policy and Rent Setting Policy.
-

2. **RECOMMENDATION(S)**

2.1 **Members of Renewal, Recreation and Housing Policy Development and Scrutiny Committee are asked to review the four documents and make any comments available to the Executive.**

2.2 **The Council’s Executive is requested to:**

- a) **Approve the Residential Asset Management Strategy and the Rent Setting Policy for adoption;**
- b) **Approve the draft Tenancy Strategy and the Tenancy Management Policy for eight weeks public consultation; and**
- c) **Note that the results of the consultation together with any suggested amendments arising from this consultation will be reported back to the Executive for final approval and adoption of the two documents.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Council's house building programme is focused on affordable housing and seeks to ensure that vulnerable adults and young people are supported to remain in their own homes wherever possible or to secure alternative suitable and sustainable accommodation solutions.
-

Transformation Policy

1. Policy Status: New Policy/Strategy
 2. Making Bromley Even Better Priority
 - (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 residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (4) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £7,262k
 5. Source of funding: Existing revenue budget
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable: Executive Decision.
-

Procurement

1. Summary of Procurement Implications: None
-

Property

1. Summary of Property Implications: The documents are served to ensure the properties are well managed and maintained.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
-

Customer Impact

1. Estimated number of users or customers (current and projected): 60 Current
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Council was registered as a provider of social housing by the regulator on 29 September 2020 (Reg no: 5103). Under section 74 of the Local Government and Housing Act 1989 (the 1989 Act) a local housing authority is required to keep a Housing Revenue Account in accordance with proper practices. The keeping of the HRA is governed by Schedule 4 of the 1989 Act. In line with Government issued Direction (14 March 2019) the Council can hold up to 200 units of accommodation outside of the Housing Revenue Account (HRA) i.e., remain within the general fund.
- 3.2 Under the Housing & Regeneration Act 2008 and the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2010 despite the initial 60 properties being held in the General Fund and regardless of the management and accounting arrangements in place for the social housing stock, as the Council is the landlord, they will be regulated as a registered provider.
- 3.3 As a Local Authority Registered Provider under the Regulations we are required to comply with only one of the four Economic Standards in respect of the Rent Standard and all four of the Consumer Standards
- Home Standard
 - Tenancy Standard
 - Neighbourhood and Community Standard
 - Tenant Involvement and Empowerment Standard
- Failure to meet these standards could lead to the Regulator exercising its powers and ultimately de-registration which will mean we will not be able to meet our housing needs.
- 3.4 To satisfy the law and regulations there are a number of policies, procedures and management structures that the Council need to put in place as a housing provider, including but not limited to a Tenancy Strategy, Residential Asset Management Strategy, Tenancy Management Policy and Rent Setting Policy.

RESIDENTIAL ASSET MANAGEMENT STRATEGY

- 3.5 The Regulator of Social Housing's Decent Homes Standard and the Council's landlord responsibilities, requires the management of its social rented housing assets. Considering the need to directly oversee housing management within a highly regulated environment, it has been recognised that a robust and compliant approach to asset management is needed, encompassing operational management standards and controls, and to inform decision making as the portfolio grows.
- 3.6 The Asset Management Strategy sets out Bromley's approach to the management of its social rented housing assets. It is an interim document, reflecting the new nature of the portfolio setting out the aspirations and the future course for managing these residential assets.
- 3.7 The strategy sets out its expectation around the valuation, compliance with building legislation and the long-term preservation of the asset. This will lead onto a full strategy and 30-year plan in the next 12 months.

RENT AND SERVICE CHARGE SETTING POLICY

- 3.8 In line with the Regulator of Social Housing Rent Standard, this policy sets out the framework for setting new rents, annual rent reviews and rebasing rents when a property is relet.
- 3.9 Compliance with the legislation around the main rent products is critical and the policy also covers the rectification and remediation, if necessary, in the event of noncompliance. This is very much driven by current legislation and will not go to public consultation on this basis.

TENANCY STRATEGY

3.10 The Localism Act 2011 places an obligation on the Council to have a tenancy strategy which is drafted in consultation with the housing providers. It identifies areas of best practice of all social landlords operating in the borough and provides guidance on our preferred approach to tenure and affordability.

In introducing this tenancy strategy, we aim to:

- Work with social landlords to meet the housing needs of our residents
- Assist affordable housing developers to understand what the council requires of social landlords who own, let and manage stock.
- Ensure that the supply of housing is genuinely affordable and built to a good standard which meets the needs of residents

TENANCY MANAGEMENT POLICY

3.11 This document complies with the Regulators Tenancy Standard and the Council's tenancy agreements. The aim of this Policy is to set out how the Council manages tenancies in Bromley owned properties from the point at which a tenancy is granted, through to the point at which it ends.

3.12 It covers a variety of subjects around the tenancy agreements used, the granting of those tenancies and the conditions within and the lifecycle of that tenancy from sustainment to enforcement, succession and mutual exchange

3.13 The following appendices are attached for Members' review:

- Appendix 1 - Residential Asset Management Strategy (To Follow)
- Appendix 2 - Rent and Service Charge Setting Policy (To Follow)
- Appendix 3 - Tenancy Strategy (Draft, pending consultation) (To Follow)
- Appendix 4 - Tenancy Management Policy (Draft, pending consultation) (To Follow)

NEXT STEPS

3.14 If recommendations are agreed, the Residential Asset Management Strategy and The Rent Setting Policy will be published and adopted with immediate effect. The Tenancy Strategy and Tenancy Management Policy will proceed to a full consultation programme, results will be collated into an accompanying report and presented to Members evidencing how consultation has influenced the final versions for consideration and adoption.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Council's house building programme is focused on affordable housing and seeks to ensure that vulnerable adults and young people are supported to remain in their own homes wherever possible or to secure alternative suitable and sustainable accommodation solutions.

5 TRANSFORMATION/POLICY IMPLICATIONS

5.1 The increase of housing supply is one of the key priorities within the council transformation programme to ensure a suitable cost affective supply of accommodation for housing needs. This also allows the council to meet its statutory duties in respect of housing

6 FINANCIAL IMPLICATIONS

6.1 There are no financial implication directly arising from the content of this report.

6.2 The Council has an exemption from the Secretary of State to hold the current properties it has developed/is developing in the General Fund rather than in the HRA. At present this totals 109 properties, with a potential maximum that can be held outside the HRA of 200.

6.2.1 It is therefore not intended at this time that these properties 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, and future reports will be presented for the consideration of business cases for individual sites and the adoption of the HRA business plan.

7 LEGAL IMPLICATIONS

- 7.1 Under the terms of section 150 Localism Act 2011 ('the Localism Act'), Councils in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:
- the kind of tenancies they grant
 - the circumstances in which they will grant a tenancy of a particular kind
 - where they grant tenancies for a term certain, the lengths of the terms, and
 - the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 7.2 Section 150 (3) of the Localism Act states that the Council, as a local housing authority, must have regard to its tenancy strategy in exercising its housing management functions.
- 7.3 Section 151 of the Localism Act provides that
- before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must—
 - (a) send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
 - (b) give the private registered provider a reasonable opportunity to comment on those proposals.
 - before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must also-
 - (a) consult such other persons as the Secretary of State may by regulations prescribe, and
 - (b) in the case of an authority that is a London borough council, consult the Mayor of London.
 - the authority must, in preparing or modifying a tenancy strategy, have regard to—
 - (a) its current allocation scheme under section 166A of the Housing Act 1996,
 - (b) its current homelessness strategy under section 1 of the Homelessness Act 2002, and
 - (c) in the case of an authority that is a London borough council, the London housing strategy.
- 7.4 The Regulator of Social Housing has been given by the Secretary of State two main objectives:
- Economic objective: to make sure that registered providers (landlords) are well-managed and financially stable
 - Consumer objective: to make sure that tenants get quality accommodation, have choice and protection, and can hold their landlords to account.
- 7.5 To achieve these objectives, The Regulator has set of regulatory standards that contain specific expectations registered providers of social housing must comply with and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.
- 7.6 Under the Tenancy Standard provided by the Social Housing Regulator, it states that registered providers of social housing shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

- a) The type of tenancies they will grant.
 - b) Where they grant tenancies for a fixed term, the length of those terms.
 - c) The circumstances in which they will grant tenancies of a particular type.
 - d) Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
 - e) The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property.
 - f) The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
 - g) Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability.
 - h) The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.
 - i) Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.
- 7.7 It would appear from the content of this report and in particular the attachments to this report which comprises of the Residential Asset Management Strategy ; the Rent and Service Charge Setting Policy; draft Tenancy Strategy and the Tenancy Management Policy that the Executive in adopting the Residential Asset Management Strategy and the Rent Setting Policy and starting the consultation on the draft Tenancy Strategy and the Tenancy Management Policy the Council is properly complying with its legal duties under the Localism Act and those as are required by the Housing Regulator and as a landlord including the Council's Public Sector Equality Duty.

8 PROPERTY IMPLICATIONS

- 8.1 The documents are served to ensure the properties are well managed and maintained.

9 CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 9.1 The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to contribute to the Council's carbon reductions ambitions by ensuring that new homes are energy efficient and meet all current relevant standards.

12 CUSTOMER IMPACT

- 12.1 The Council currently has roughly 1500 households in temporary accommodation. The new housing stock provides good quality affordable housing to meet statutory housing needs.
- 12.2 The range of policy and strategy documents ensure the Council is meeting its statutory duties and that affordable housing stock is well managed and maintained and that the tenant and landlord responsibilities are adhered to.

Non-Applicable Headings:	Personnel Implications/Procurement Implications/Ward Councillor Views
Background Documents: (Access via Contact Officer)	

This page is left intentionally blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank