



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 26 January 2024

To: Members of the
EXECUTIVE

Councillor Colin Smith (Chairman)

Councillor Kate Lymer (Vice-Chairman)

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

A meeting of the Executive will be held at Bromley Civic Centre, Stockwell Close,
Bromley, BR1 3UH on **WEDNESDAY 7 FEBRUARY 2024 AT 7.00 PM**

TASNIM SHAWKAT

Director of Corporate Services & Governance

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

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 16 JANUARY 2024
(Pages 3 - 10)

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 24 January 2024.**

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 1 February 2024.**

5 COUNCIL TAX REPORT 2024/25 (Pages 11 - 54)

6 CAPITAL STRATEGY 2024/25 TO 2027/28 & Q3 CAPITAL PROGRAMME MONITORING (Pages 55 - 88)

- 7 **OPERATIONAL BUILDING REPAIR AND MAINTENANCE BUDGET 2024/25**
(Pages 89 - 100)
- 8 **HOUSING ALLOCATION SCHEME AND CHOICE BASED LETTINGS POLICY**
(Pages 101 - 172)
- 9 **AFFORDABLE HOUSING - POLICY AND STRATEGY DOCUMENTS** (Pages 173 - 228)
- 10 **HOUSING MANAGEMENT CONTRACT (AWARD)** (Pages 229 - 236)
- 11 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 12 **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>
13 CAPITAL PROGRAMME MONITORING Q.3 PART 2 APPENDIX (Pages 237 - 238)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
14 PART 2: HOUSING MANAGEMENT CONTRACT AWARD (Pages 239 - 246)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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EXECUTIVE

Minutes of the meeting held on 17 January 2024 starting at 7.00 pm

Present:

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

Also Present:

Councillor Will Connolly, Councillor Simon Fawthrop and
Councillor Simon Jeal

110 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Yvonne Bear.

111 DECLARATIONS OF INTEREST

There were no declarations of interest.

112 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 29 NOVEMBER 2023

RESOLVED: That the minutes of the meeting held on 29 November 2023, be agreed and signed as a correct record, subject to a minor amendment to Minute 101.

113 QUESTIONS

Two questions were received - one for oral response and one for written response received – and are attached at Appendix A.

114 DRAFT BUDGET 2024/25 AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY Report FSD24001

The report sought approval of the initial draft 2024/25 Budget including the full year effect of changes agreed as part of the 2023/24 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. More details of the capital programme and the impact on the revenue budget would be reported to the next meeting of the Executive.

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 2024/25 Council Tax and Adult Social Care precept levels.

The report provided details of the Provisional Local Government Finance Settlement 2024/25 which was published on 18th December 2023 and represented a one-year settlement only. The awaited Fair Funding Review and changes relating to the devolution of business rates, which could have a significant impact on future funding, had been delayed and were unlikely to be implemented until at least 2026/27.

There were increasing challenges facing the Council as identified in the report. These included the need to address the ongoing Dedicated Schools Grant (DSG) funding deficits, the medium-term risk of depletion of reserves and the resultant impact, funding the future capital programme and progressing to the next steps for the Transformation Programme. The report provided an update on the local authority landscape and the implications on a deteriorating financial position for many local authorities. As indicated later in the report there was no significant additional new funding announced in the Autumn Statement or Provisional Local Government Finance Settlement 2024/25 to address the significant cost pressures facing the Council.

There were still outstanding issues and areas of uncertainty remaining, including various grant allocations and associated grant conditions, which could impact on the final revenue budget. Any significant changes would be reported at the meeting and further updates would be included in the 2024/25 Council Tax report to the next meeting of the Executive.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2024 and the Leader reported that there had been a discussion concerning the proposed 7.7% increase in rents following concerns raised by the Leader of the Opposition that a smaller rise should be considered, the rationale for the £1m earmarked reserve for the Transformation Programme and whether it was possible to withhold the increase scheduled to be paid to the London Boroughs Grant Committee.

The Leader explained that to the best of his awareness the vast majority of London Boroughs, of all political persuasions, were regrettably having to raise rates by the maximum 7.7% permitted this year not least to ensure the viability of future housing projects, expanded on the reason for the proposed £1m earmarked fund to assist understanding of its purpose and that his advice from the Director of Corporate Services and Governance was emphatic that withholding funding from the London Borough Grants Committee was not permissible, and that on that basis, the recommendations listed below should be approved unchanged.

Cllr Connelly then placed his Group's objection to the proposed 7.7% Rent rise on the record and after further discussion led by the Chairman of ERC PDS concerning legal advice relating to the Grants Committee, the Executive moved to consider the recommendations.

The Portfolio Holder for Resources, Commissioning and Contracts Management later announced that the proposed staff pay award for 2024/25 would be 3%. There would also be an increase in the merit payment scheme of 3% to reward outstanding performance in service. Furthermore, the decision had been taken to delete the old BR3 salary scale meaning that the lowest paid staff would receive an increase of around 6% and it was within the Council's financial envelope to do this.

RESOLVED: That

- 1. The initial draft 2024/25 Budget detailed in Appendix 7 of the report be agreed.**
- 2. The initial draft 2024/25 Budget for each portfolio be referred to the relevant PDS Committees for consideration.**
- 3. The financial projections for 2025/26 to 2027/28 be noted.**
- 4. It be noted that there are still areas of financial uncertainty which will impact on the final 2024/25 Budget.**
- 5. Given the scale of financial challenges, a one off Transformation Fund 2024-2028 earmarked reserve of £1m be approved to resource the next phase of Transformation Programme to assist in delivery of significant future year savings. This will be funded from the Growth and Investment Fund earmarked reserve and the final allocation of these resources will be delegated to the Chief Executive in consultation with the Resources, Commissioning and Contract Management Resources Portfolio Holder (See Section 6.8 of the report).**
- 6. It be agreed to increase rent levels for London Affordable Rents and Social (Formula) Rents by 7.7% from April 2024 as set out in Section 9.8 of the report.**
- 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 10 of the report).**
- 8. It be noted that the Dedicated Schools Grant Deficit Recovery Plan will be reviewed and updated for future reporting to Members (see paragraph 10.18 of the report).**

9. The proposed contribution of £247,872 in 2024/25 to the London Boroughs Grant Committee be agreed (see section 12 of the report).
10. It be noted that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive (See paragraph 15.4 of the report).
11. The outcome of the Provisional Local Government Financial Settlement 2024/25 as detailed in the report be noted.
12. The budget gap remaining of an estimated £38.7m per annum by 2027/28 and that any decisions made for the 2024/25 Budget will have an impact on the future year projections be noted.
13. It be noted that any final decision by Executive on recommended Council Tax and Adult Social Care Precept levels to Council will normally be undertaken at the next meeting of Executive.

**115 OUTCOME OF OFSTED INSPECTION OF CHILDREN'S SERVICES
Report ECHS19017**

On 6th November 2023, Ofsted inspectors notified the London Borough of Bromley to complete a one week ILACS inspection of children's social care services in Bromley. A team of seven inspectors reviewed the effectiveness of services for children in need of help and protection, children in care and care leavers. The inspectors also judged the impact of leaders on social work practice with children and families and evaluated the overall effectiveness of children's services in Bromley. The inspection team gave a feedback presentation on Friday 17th November.

On 12th January 2024, the Ofsted inspection report was published and formally outlined the following awarded judgments:

Judgement	Grade
The impact of leaders on social work practice with children and families	Outstanding
The experiences and progress of children who need help and protection	Outstanding
The experiences and progress of children in care	Outstanding
The experiences and progress of Care Leavers	Outstanding
Overall effectiveness	Outstanding

The report to Executive provided Members with:

- A summary of the key feedback for each judgment area and any identified areas for improvement

- The next steps for the completion of an improvement plan to address the recommendations identified in the report.

The Executive recognised the remarkable team effort that had taken place across the division to achieve such an excellent grading, the outstanding contributions made by the Portfolio Holder for Children, Education and Families, the Chairman of the Children, Education and Families PDS Committee as well as the foundations set in place by former Cllr Peter Fortune, prior to his departure.

The Portfolio Holder for Children, Education and Families highlighted that Bromley was one of only three councils in the country to be judged outstanding and this achievement had been recognised earlier in the day at Prime Minister's Question Time.

She extended her thanks to the Chief Executive, the Director of Children's Services, the former Director of Children's Services, Mrs Janet Bailey, the Department Senior Leadership Team, the Director of HR and his Team and the Chairman of the Bromley Safeguarding Children Board. Thanks were also extended to all councillors for being engaged and active corporate parents. Finally, the Executive recognised the work done by the Children's Service Governance Board under the Chairmanship of Mrs Isobel Cattermole and the work of the Bromley Safeguarding Children Board under the Chairmanship of Mr Jim Gamble. The Executive recognised that the Service and Council had been on a long journey with the investment in the service proving its worth and the result illustrating the Council's commitment to statutory services.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 16 January 2024 and the Committee had supported the recommendations and had recognised the achievement of the Service and thanked all those involved for their contributions and commitment.

RESOLVED: That the findings of the Ofsted report and the outlined plan to address the recommendation identified in the report be noted.

**116 ACADEMY INFORMATION SYSTEM AND ASPIEN
CORPORATE DEBT MANAGEMENT SYSTEM SOFTWARE
LICENCE AND MAINTENANCE ARRANGEMENTS
Report FSD24006**

In July 2018, officers recommended to the Executive that the future provider of the Exchequer Service should undertake a health check of several IT systems used to deliver the service. The Executive noted that due to the complexities of a number of the systems and the need to provide sufficient time to migrate high risk data, these health checks should be carried out within 12 months of the contract start date to confirm the value for money options going forward.

Executive
17 January 2024

The Exchequer Services Contract commenced on 1st April 2020; however, the review of the Academy Information System (now known as Capita One Revenues & Benefits) and the Aspien Corporate Debt Management System were significantly delayed due to the impact of the pandemic.

Quotes for completing a full review of the Academy Information System were requested from our IT contractors, BT and from Liberata. Unfortunately, there were delays with obtaining the quotes and the delivery of the report, which was eventually delivered at the end of September 2023.

The report from Liberata recommended migrating to the NEC Revenues & Benefits system with transition costs of £1.52 million and annual costs of £259k on the basis that the NEC system offers greater automation which will improve collection and processing performance, however the indication from colleagues in the London Revenues Group (LRG) was that there was very little difference between the two systems.

Discussions with Liberata regarding the contents of the system review were ongoing and were likely to be completed within the next few months. The Department was also exploring the greater use of automation available within the Academy system.

The Aspien Corporate Debt Management System was used by the Council's contractors Liberata in conjunction with the Council's financial system Oracle Fusion to bill and collect in the region of £60 million each year and the authorisation for extension of the agreement was due to expire in January 2024.

The Council changed its financial system from Oracle R12 to Oracle Fusion in April 2022. The review of the debt recovery module, Advance Collections had commenced however it had not been possible to complete this due to the bedding in of Oracle Fusion. It had been estimated that the review would be completed within the next 12 months and if the outcome of the review was that Advance collections should be implemented a further 18 months would be required.

The report sought authorisation to renew the licence agreements for both the Academy System and the Aspien Corporate Debt Management System beyond 2024. The cumulative value of these extensions made this an Executive decision.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 16 January 2024 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The renewal of the agreement for the Academy Information system until 31st March 2027 at an estimated annual cost of £182k; £546k over 3 years be approved.**

2. **The renewal of the agreement for Aspien Corporate Debt Management System until 31st January 2027 at an annual cost of £9.9k; £30k over 3 years be approved.**

117 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.

118 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**

119 EXEMPT MINUTES OF THE MEETING HELD ON 29 NOVEMBER 2023

RESOLVED: That the exempt minutes of the meeting held on 29 November 2023 be agreed and signed as a correct record.

Chairman

The Meeting ended at 7.55 pm

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Report No.
FSD24014

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **7th February 2024**

Decision Type: Non-Urgent Executive Key

TITLE: **2024/25 Council Tax**

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

Director: Director of Finance

Ward: Borough wide

REASON FOR REPORT

- 1.1 A key part of the financial strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to revenue spending. This was reported to previous meeting of Executive. Details of the capital programme are reported elsewhere on this agenda.
- 1.2 The Provisional Local Government Finance Settlement 2024/25 only covers 2024/25, with no indication of future years funding. The settlement includes continuation of the ASC precept, increase in new homes bonus, increase of repurposed social care funding (children’s and adults) and market sustainability improvement fund (adult social care). However, there were significant reductions in the Services Grant.
- 1.3 There remains uncertainty around the level of Government funding for 2025/26 and beyond, particularly as the Government will need to address the significant increase in public debt due to the pandemic. The longer-term Spending Review together with the awaited Fair Funding Review and Devolution of Business Rates (or any revised funding proposals) is not expected until 2026/27 but could be delayed even further.
- 1.4 This report identifies the final issues affecting the 2024/25 revenue budget and seeks recommendations to the Council on the level of the Bromley element of the 2024/25 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept will be reported to the Council meeting on 26th February 2024. The report also seeks final approval of the ‘schools budget’. The approach reflected in this report is for the Council to not only achieve a legal and financially balanced budget in 2024/25 but to have measures in place to deal with the medium-term financial position (2025/26 to 2027/28).
- 1.5 Following the Government reductions in funding since austerity measures began there have been some recent improvements in funding. However, the burden of financing increasing service demands falls primarily on the level of council tax and share of business rate income. The financial forecast assumes that the level of core grant funding will remain unchanged, in real terms, from 2025/26.

2. RECOMMENDATIONS

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

- (a) Approves the overall Dedicated Schools Budget (DSG) of £116.5m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment;
- (b) Approves the draft revenue budgets (as in Appendix 2) for 2024/25;
- (c) Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 17th January 2024;
- (d) Approves a general contingency sum of £9,772k (see section 6);
- (e) Approves the following provisions for levies for inclusion in the budget for 2024/25;

	£'000
London Pension Fund Authority*	460
London Boroughs Grant Committee	248
Environment Agency (Flood defence etc.) *	310
Lee Valley Regional Park *	324
Total	1,342

* Provisional estimate at this stage

- (f) Notes the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council (See section 12);
- (g) Considers the “Bromley element” of the Council Tax for 2024/25 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible ‘referendum’ issues (see section 16);
- (h) Approves the approach to reserves outlined by the Director of Finance (see Appendix 4);
- (i) Notes that any decision on final council tax levels will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting (see 16.8);
- (j) Consider the Section 25 commentary (Local Government Act 2003), reflected in section 18 of the report, in making recommendations to full council.
- (k) Agrees that the Director of Finance be authorised to report any further changes directly to Council on 26th February 2024.

Impact on Vulnerable Adults and Children

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

Policy Status: Existing Policy
MBB Priority: Excellent Council

Financial

1. Cost of proposal: N/A
 2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 1
 3. Budget head/performance centre: Council wide
 4. Total budget for this head: £200m Draft 2024/25 Budget (excluding GLA precept)
 5. Source of funding: See Appendix 2 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2024/25 Financial Control Budget to be published in March 2024
 2. If from existing staff resources, number of staff hours – N/A
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Legal

1. Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2003 and the Accounts and Audit Regulations 2015.
 2. Call-in is applicable
-

Procurement

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

Estimated number of users/beneficiaries (current and projected) - the 2023/24 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

Ward Councillors Views

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

3. PREVIOUS REPORTING TO MEMBERS

3.1 The 'Draft 2024/25 Budget and Update on the Council's Financial Strategy 2025/26 to 2027/28' was reported to the Executive on 17th January 2024. Key matters reflected in the report included:

(Please note appendices and sections shown below refer to the report to the meeting of the Executive on 17th January 2024)

- (a) Approach to Budgeting, Financial Context and Economic Situation which can Impact on Funding the Council's Budget (Section 3 and Appendix 1);
- (b) Provisional Local Government Finance Settlement 2024/25 (Section 6.2 and Appendix 2);
- (c) Government Funding, Comparative Net Expenditure and Council Tax Levels (Appendix 3);
- (d) Latest Financial Forecast (Section 5 and Appendices 5-6);
- (e) Changes since the 2023/24 Budget that impact on the Financial Forecast (Section 6);
- (f) Next phase of Transformation Savings (See Section 6.8);
- (g) Detailed Draft 2024/25 Budget (Section 7 and Appendix 7);
- (h) Impact of Operational Property Review/Property Disposals and Addressing Funding of the Capital Programme (Section 8);
- (i) Housing Provision, HRA and Rent Setting (Section 9);
- (j) The School's Budget (Section 10);
- (k) General and Earmarked Reserves – Drawdown of Reserves to meet the Budget Gap (Section 11);
- (l) Consultation (Section 15);
- (m) Position by Portfolio – Key Issues/Risks (Section 16 and Appendix 10).

All the above should be considered with this report as part of finalising the 2024/25 Budget and council tax levels.

4. 2024/25 DRAFT BUDGET AND CHANGES SINCE LAST MEETING OF THE EXECUTIVE

4.1 The last report to the Executive identified a balanced budget in 2024/25, assuming an illustrative increase in council tax/adult social care precept of 4.99%, and a 'budget gap' of £38.7m per annum by 2027/28. The main updates are shown below:

- (a) The final Local Government Financial Settlement 2024/25 is still awaited (expected mid-February 2023) and any updates will be provided at the meeting;
- (b) Additional homelessness prevention grant of an estimated £1m was included but the allocation to Bromley is still awaited. The Draft 2024/25 Budget assumed that the funding could be utilised towards cost/growth pressures for housing;
- (c) Public Health Grant for 2024/25 is yet to be announced;
- (d) The Government announced additional social care grant funding (children's and adults) on 24th January 2024, after the Provisional Settlement. In addition, there has been an increase in core Government funding. A provisional estimate of £2,480k and £170k respectively has been assumed at this stage. The combined impact is estimated additional funding of £2,650k although the actual allocation is awaited. Given the financial risks detailed in the previous report, this report assumes that an equivalent sum is reflected in the Council's 2024/25 Central Contingency Sum;

(e) Any final changes of the above will be reflected in an updated 2024/25 Central Contingency Sum.

5. LATEST FINANCIAL FORECAST

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

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Variations Compared with 2023/24 Budget				
Changes in Government Core Funding	-2.3	-3.6	-4.6	-5.7
Cost Pressures				
Increased costs (3.5% in 2024/25, 2.5% in 2025/26 and 2% per annum thereafter)	10.7	17.5	23.4	28.7
Total Additional Costs	10.7	17.5	23.4	28.7
Net revenue Impact of Funding the Capital Programme and reduction in investment income, compared with 2023/24 Budget assumptions	-1.3	-0.8	-0.5	-0.5
Income/Savings				
Interest on Balances	-2.2	1.5	3.1	4.1
Additional Social Care Grant (included in Provisional Local Government Settlement 2024/25)	-2.7	-2.7	-2.7	-2.7
Additional Social Care Grant (announced after Provisional Local Government Settlement 2024/25)	-2.5	-2.5	-2.5	-2.5
Release general provision in contingency for significant uncertainty/variables	-3.5	-3.5	-3.5	-3.5
Transformation Savings reported to Executive February 2023	-0.7	-1.5	-1.6	-1.6
Transformation Programme	-4.2	-4.6	-5.0	-5.4
Fall out of non-recurring Building Infrastructure Fund	-2.0	-2.0	-2.0	-2.0
CIL Funding Opportunities	-1.0	-1.5	-1.5	-1.5
Total Income/Savings	-18.8	-16.8	-15.7	-15.1
Other Changes				
Real Changes and other Variations	0.1	0.0	0.8	0.2
Total Other Changes	0.1	0.0	0.8	0.2
Council Tax				
Collection Fund Surplus 2021/22 fall out	5.4	5.4	5.4	5.4
Collection Fund Surplus 2022/23	-2.5	0.0	0.0	0.0
Future years Collection Fund Surplus (estimated)	0.0	-2.5	-1.5	-1.0
Use of estimated 2023/24 Collection Fund Surplus (b/fwd)	-3.4	0.0	0.0	0.0
Total Council Tax	-0.5	2.9	3.9	4.4
Growth/Cost Pressures including Mitigation				
- Education	2.1	3.1	4.2	5.4
- Children's Social Care	6.9	7.5	8.1	8.7
- Adults Social Care	4.6	9.3	11.1	12.9
- Housing	4.1	5.5	6.7	7.9
- Environment	-0.3	-0.4	-0.4	1.6
- Public Protection and Enforcement	0.1	0.1	0.1	0.1
- Resources	-0.1	-0.1	-0.1	-0.1
Variation in freedom pass costs to reflect impact of post Covid usage	1.9	3.8	5.1	5.1
Running Costs of Direct Line site (net after income)	3.1	0.4	0.1	-0.5
Total Growth/Cost Pressures	22.3	29.2	35.0	41.1
Sub-total	10.2	28.3	42.4	53.3
Increase in ASC Precept and Council Tax (assume 4.99% in 2023/24 and 2.99% per annum thereafter)	-9.4	-15.4	-21.5	-27.8
Estimated increase in Council Tax Base	-1.4	-1.6	-1.8	-2.0
Fall out of use of Covid earmarked reserve towards funding Covid cost pressures	2.1	3.7	3.7	3.7
Utilisation of Homes for Ukraine funding to support related cost pressures in future years	-2.9	0.0	0.0	0.0
Contribution from collection fund earmarked reserves (-)/Fall out of contribution (+)	-0.9	-0.9	9.1	9.1
Net fall out of Government funding towards additional council tax support costs (held in reserve)	2.3	2.3	2.3	2.3
Remaining "Budget Gap"	0.0	16.6	34.2	38.7

- 5.2 The above table highlights that it has been possible to achieve a potential balanced budget for next year through increasing council tax/ adult social care precept by an illustrative 4.99%, utilising the Covid and collection fund reserves, the impact of transformation savings and other changes. This has been delivered despite the significant cost/growth pressures and high inflation. It is essential to continue with prudent financial management and ensuring the Council 'spends within its means' in considering not just next year's budget but the impact on future years. The projections for 2025/26 estimate a 'budget gap' of £16.6m rising to £38.7m per annum from 2027/28. These projections exclude the impact of the annual DSG deficit (impact reported to previous meeting of Executive). Each 1% council tax/adult social care precept increase generates on-going annual income of £1.9m. Ongoing increases of 2.99% per annum from 2025/26 have been assumed in the financial forecast.
- 5.3 These variations are subject to any final decision on Council Tax levels. Appendix 2 derives an illustrative 'Bromley element' Council Tax of £1,478.31 (4.99% increase in council tax or adult social care precept) and Appendix 3 includes the Draft 2024/25 Central Contingency Sum. Appendix 2 is based on draft portfolio budgets, the draft contingency provision, and the latest assumptions for levies. This sum excludes the GLA precept.
- 5.4 Appendix 1 highlights that the Council, on a roll forward basis, has a 'structural deficit' as the on-going budget has increasing costs relating to inflation and service pressures. These changes are not being fully funded by a corresponding growth in income. The above projection includes savings previously agreed to reduce the 'budget gap'.
- 5.5 Without any action to address the 'budget gap' in future years, reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable. It is essential to continue with prudent financial management and ensuring the Council 'spends within its means' in considering not just next year's budget but the impact on future years. The projections from 2025/26 have to be treated with some caution, particularly with the uncertainty on future government funding.
- 5.6 In considering action required to address the medium term 'budget gap', the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Significant savings of over £130m were realised since 2011/12. Our council has to balance between the needs of service users and the burden of council tax on council taxpayers. With the Government having placed severe reductions in the level of grant support and any subsequent increases not matching cost/growth pressures, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.
- 5.7 Further changes will be required, prior to the report to full Council on 26th February 2024 for the finalisation of the Council Tax, to reflect latest available information on grants, levies and the final GLA precept.
- 5.8 The above variations assume that there will not be Government funding reductions over the next four years, further growth pressures are contained, and planned mitigation/savings are delivered.
- 5.9 In the financial forecast, after allowing for inflation, council tax income and other changes, there is a significant unfunded budget gap from 2025/26. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all must

consider what level of growth the council can afford and the need for significant mitigation or alternative transformation options.

6. DRAFT 2024/25 CENTRAL CONTINGENCY SUM

- 6.1 Details of the 2024/25 Draft Contingency Sum of £9,772k have been included in Appendix 3. This sum includes a provision for risk/uncertainty of £4,650k. There remains a need to consider a significant provision in the central contingency sum to allow for unforeseen costs, prevent drawing from reserves to fund overspends, to reflect the impact of new burdens introduced after the budget was set, to cover the impact of savings and mitigation of growth not realised and, as in the past, enable funding of key initiatives including invest to save.
- 6.2 It is important to recognise that this sum also includes various significant costs not allocated to Portfolio budgets at this stage. Therefore, there may be further changes to the Central Contingency to reflect allocations to individual Portfolio Budgets which will be reflected in the 2024/25 Financial Control Budget. This will ensure that budget holders will have all their individual budgets updated early in the financial year. Such changes will not impact on the Council's overall 2024/25 Budget.
- 6.3 There is a separate provision of £2m relating to the revenue impact of financing the capital programme.

7. GENERAL AND EARMARKED RESERVES

- 7.1 Appendix 4 of this report highlights the Council's approach to utilising reserves and the significant value in retaining reserves. The level of reserves needs to be adequate to ensure the longer-term stewardship of the Council's finances remain effective and the Council maintains 'sustainable' finances in the medium term. Medium term planning remains absolutely key in recognition of the ongoing 'structural' budget deficit facing the Council. Inflation, new burdens, growth/cost pressures and previous reductions in Government funding has created the 'structural' budget deficit. Reserves are one off monies and do generate income and should only be used where no other savings/efficiencies can be identified or to plug the gap (short term) for the phasing of savings.
- 7.2 The Council will have retained previous year's collection fund surpluses as well as a financial management and risk reserve (both included within earmarked reserves) which can support any planned transition in delivering significant savings to meet the budget gap. However, any medium or longer-term utilisation of one-off resources and reserves to support the revenue budget are unsustainable and place the council at greater financial risk in the future.
- 7.3 Given the uncertainty over the future of local government funding and the need to set aside resources to provide flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further, the collection fund surplus in previous years has, in some cases, been set aside within earmarked reserves. Given the scale of financial challenges continuing to face the Council in the medium term the financial forecast assumes part utilisation of the collection fund surplus reserve to support the revenue budget and reduce the estimated budget gap. This contribution equates to £10m per annum in 2024/25 and 2025/26.
- 7.4 The Government had provided significant funding towards Covid related costs up to 2021/22 including elements of unringfenced funding. Details of Covid funding and

associated costs were included in the 'Provisional Final Accounts 2021/22' report to Executive on 29th June 2022. Any monies remaining have been retained in the Council's earmarked reserve to support ongoing Covid related costs. As no further funding has been provided by Government for the longer term, a sum of £13m was retained in the Council's earmarked reserve to support future costs. A sum of £5.8m was utilised in 2022/23 and £4.6m in 2023/24 to support the revenue budget and the balance remaining of £2.6m being used for 2024/25.

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

7.6 The Council had estimated general reserves remaining of £18.6m as at 31/3/24 (see 13.1). A full breakdown of earmarked reserves is detailed in Appendix 4.

8. 2023/24 BUDGET MONITORING

8.1 The 2023/24 financial monitoring position reported to the Executive on 29th November 2023 showed an overall net overspend of £12.6m within portfolio budgets, a £6.7m credit variation on contingency, additional income of £3m for interest on balances, utilisation of Homes for Ukraine one off funding (credit variation of £2m) and other changes of £0.5m – net reduction in general fund balances of £1.4m. Details were reported in 'Budget Monitoring 2023/24' report to that meeting. This represents the impact of the first six months of the financial year and the full year impact of 2022/23 outturn. Details of the key cost pressures including children's social care, housing, adult social care, special needs transport and Dedicated School Grant deficits were included in that report and the full year impact has been reflected in the Draft 2024/25 Budget. There remains the risk that further cost pressures could arise during 2024/25 with associated full year impact which have not been reflected in this report.

9. THE SCHOOLS BUDGET

9.1 Details of the Schools Budget and the changes were included in the previous report to Executive.

9.2 Members are requested to approve the overall Dedicated Schools Budget (DSG) of £116.5m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment.

9.3 There is an estimated DSG deficit at the end of the 2023/24 financial year of £16,149k.

9.4 Although additional grant been given by DfE, demand continues to outstrip funding. Bromley was one of the last authorities in London to fall into a deficit position regarding its DSG. The overspends are in the main in the high needs block area and are related to the cost of placements in all types of education settings.

9.5 The unsustainability of the SEN system is a national issue and there are high expectations being set for the DfE's SEND Review. Nevertheless, officers are seeking to further reduce costs, within the tight constraints of the legal framework. Officers are working with DfE and are in discussion with them regarding recovery plans and actions that can be taken to reduce the deficit position.

9.6 Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

- 9.7 The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However, funding will ultimately need to be identified.
- 9.8 In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils reserves – effectively creating a ‘negative reserve’. On that basis the latest estimate for 2024/25 indicates a deficit of £5,631k which has to ultimately be funded from the Councils reserves unless further Government funding is made available.
- 9.9 Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term.
- 9.10 The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances.
- 9.11 In terms of presentation of the estimated DSG deficit of £16,149k up to 31/3/2024, there will need to be adequate funding from the Councils reserves unless alternative savings can be found. The use of reserves have been assumed in this report, although the specific reserves to use have not been identified at this stage.
- 9.12 Given the continuation of the scale of the DSG deficit, the Director of Education will be reviewing the DSG recovery plan which will be reported to a future meeting.

10. LEVIES

- 10.1 Various levies must be charged to the General Fund and shown as part of Bromley’s expenditure on the Council Tax bill. The levy figures in Appendix 2 are based on the latest information but many are still provisional. Any changes will be reported at the meeting of the Council on 26th February 2024. The London Boroughs Grants Committee is required to apportion its levy on a population basis but the other levying bodies must use the Council Tax base.

11 COLLECTION FUND

- 11.1 It is a statutory requirement to maintain a Collection Fund at arm’s length from the remainder of the Council’s accounts.
- 11.2 For the purpose of Collection Fund accounting, the treatment of council tax and business rate surpluses and deficits is determined in the same way. Before the beginning of each financial year, billing authorities calculate their council tax requirement (including precepts) and their business rate income, and such payments are fixed and paid over the year towards the revenue budget. Any surplus or deficit on the collection fund as a result of income from council tax/ratepayers being more or less than originally estimated, are shared between the Council and the GLA (and in the case of business rates with central government). Any surplus/deficit generated is paid over the course of the second year (e.g. surplus for 2022/23 paid over 2024/25).
- 11.3 The council tax collection fund had a non-recurring council tax surplus of £3.2m reflected in the 2022/23 Provisional Final Accounts report to the Executive on 5th July 2023. A sum of £2.5m will be allocated to the Council, with the £0.7m going to the Greater London Authority. The financial forecast assumes that the surplus will be used towards reducing the Council’s budget gap in 2024/25.
- 11.4 Any estimated surplus for the current year (2023/24) can be factored in the following year’s budget which has been applied for Draft 2024/25 Budget – a sum of £3.4m has been applied.

11.5 The financial forecast assumes further surplus would be generated allocating an estimated £2.5m in 2025/26, £1.5m in 2026/27 and £1m in 2027/28.

12. THE GREATER LONDON AUTHORITY PRECEPT

12.1 The GLA's 2024/25 Draft Budget has been issued for consultation and the Mayor of London announced a proposed increase of 8.6% in the existing GLA precept levels for 2024/25 (there was a previous year increase of 9.7%). The final GLA precept for 2024/25 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 22nd February 2024.

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

13.1 The latest estimated general fund (revenue) balance at 31st March 2023, as shown in the 'Budget Monitoring 2023/24' report to Executive on 29th November 2023 is provided below:

	2023/24 Projected Outturn £'Million
General Fund Balance as at 1 st April 2023	20.0
Impact of net projected overspends reflected in the 2023/24 budget monitoring report	-0.8
Adjustment to Balances: Carry forwards (funded from underspends in 2022/23)	-0.6
Estimated General Fund Balance at 31 st March 2024 (end of year)	18.6

13.2 The 'Capital Strategy 2024/25 to 2027/28 & Q3 Capital Programme Monitoring', elsewhere on this agenda, considers the latest position on funding the capital programme. As reported to the previous meeting of Executive, there is no longer the flexibility to fund new schemes within existing overall resources or new capital receipts. Therefore the future use of significant reserves to fund the capital programme would not be financially sustainable and lead to an acceleration of exhaustion of the Councils reserves, whilst borrowing does delay the associated impact. There remains the need to continuously review the capital programme and disposals to contain costs and maximise receipts and consider borrowing where possible to provide a more sustainable financial position.

13.3 Since the capital programme was approved in January 2023, further capital bids/costs, to be funded from within the Council's capital programme, in the region of £5.5m had been identified. There is a further request elsewhere on this agenda for an additional £1m relating to Public Switch Telephone network, making a total of £6.5m. Any additional costs (or net financial impact) of the above, as well as any reduction in estimated proceeds from sales compared to existing capital programme is likely to add to the impact of the 'budget gap' whether through use of reserves (not recommended and reduces investment income) or the cost of borrowing. An ongoing review of the capital programme schemes and 'value engineering' will be required to reflect this. To add to the challenges we face, the existing capital programme excludes the following from the financial forecast projections:

- Potential cost of the move of the central library facilities;
- Any additional provision for the Churchill Theatre (£5m in existing

programme);

- Provisional cost for schemes included in capital programme which may, when fully assessed, result in higher costs or could be reduction in capital receipts not reflected in updated financial forecast ;
- Impact of any further new housing schemes or changes in capital programme include new schemes not identified at this stage – unless equivalent new capital receipts are identified the net costs are not factored in forecast.

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

14. CONSULTATION

14.1 Executive, at its meeting on 17th January 2024, requested that the 'Draft 2024/25 Budget and Update on Council's Financial Strategy 2025/26 to 2027/28' report proposals are considered by individual PDS Committees. PDS Committee comments relating to the report will be circulated separately. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 26th February 2024 where the 2024/25 Budget and Council Tax will be agreed.

14.2 Giving residents an opportunity to comment about their priorities for council services in the context of the council tax setting process is an important part of the Council's strategic approach. The Council's ongoing call for 'Fairer Funding' is very much part of this. Outlining the context of the serious financial challenge faced by the Council started last year, which included the article in the Council's Our Bromley magazine. In common with previous years, engagement and consultation about the Council's priorities, as part of the budget setting process was undertaken and the outcome (Appendix 5) will be circulated separately to this report. The approach allows residents to raise their specific priorities, what is important to them, or make a more general comment and therefore shared with Executive to help support the decision making process.

14.3 The use of DSG was considered by the Schools Forum on the 18th January 2024. At the time of writing this report, this is subject to the formal agreement of the Children, Education, and Families Portfolio Holder at her meeting on 1st February 2024.

14.4 Consultation papers have been sent to Bromley Business Focus, Federation of Small Businesses (Sevenoaks & Bromley Branch) and the 20 largest business ratepayers in the borough. At the time of writing this report no responses have been received.

14.5 Other examples of consultation will include consultation on specific budget proposals.

15 POSITION BY PORTFOLIO – KEY ISSUES/RISKS

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

15.2 Details of the potential risks which will be faced in future years, as part of finalising the 2024/25

Budget, were reported to the previous meeting of the Executive. The level of balances held and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures.

16. COUNCIL TAX LEVEL 2024/25

- 16.1 The Council's tax base, reflected in the Draft 2024/25 Budget, is 135,300 'Band D' equivalent properties. The current overall Council Tax (Band D equivalent) includes the "Bromley element" relating to the cost of the council's services and various levies of £1,408.05 in 2023/24 and a further sum of £434.14 for the GLA precept (providing a total Band D equivalent Council Tax of £1,842.19).
- 16.2 For 2024/25, every £1m change in income or expenditure causes a 0.53% variation in the 'Bromley element' of the Council Tax. Each 1% council tax increase generates ongoing annual income of £1.9m.
- 16.3 The Government has enabled the Council in 2024/25 to continue to have a council tax precept of up to 2% per annum to specifically fund adult social care. Councils are able to levy the precept on top of the existing freedom to raise council tax by up to 2.99% without holding a referendum. As part of the Localism Act, any council tax increase (including ASC precept) of 5% or above in 2024/25 will trigger an automatic referendum of all registered electors in the borough. If the registered electors do not, by a majority, support the increase, then the Council would be required to meet the cost of the rebilling of approximately £100k. The one-off cost of a referendum is estimated to be £700k.
- 16.4 The Council's ability to raise income through an increase in the council tax and the adult social care precept is reflected in the overall level of Government funding received by the Council.
- 16.5 The Draft 2024/25 Budget assumes a Bromley element of a 4.99% council tax increase, including the Adult Social Care Precept, and combined with an increase in the GLA Precept of 8.6% (see Section 12) there would be an overall combined council tax increase of around 5.8%. This would equate to an overall Council Tax (Band D equivalent) of £1,949.71 consisting of the Bromley element of £1,478.31 and GLA precept of £471.40.
- 16.6 The table below identifies the changes required to the Draft 2024/25 Budget to achieve different levels of increases in the Bromley element of the council tax. An increase of 4.99%, has been assumed in the 2024/25 Draft Budget at this stage.

Increases in Council Tax Levels

Bromley Element % Increase in 2024/25 including Adult Social Care Precept	Additional Income 2024/25 £'m
Freeze	NIL
1.0	1.9
2.0	3.8
3.0	5.7
4.0	7.6
4.99*	9.4
6.0#	11.4

*Assumed in draft 2024/25 Budget. # Would be subject to a council tax referendum

- 16.7 Any decision on council tax levels will need to be based on a medium-term view and therefore not only consider the financial impact on 2024/25 but also the longer-term impact over the four-year forecast period.
- 16.8 The Council Tax Referendum Principles are expected to be confirmed as part of the final Local Government Finance Settlement 2024/25. Any final recommendations on council tax levels will need to take into account any changes to statutory requirements.
- 16.9 Bromley has the second lowest settlement funding per head of population in 2024/25 for the whole of London. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). This has been achieved by having a below average cost per head of population in outer London. Further details were reported to the previous meeting of the Executive.
- 16.10 Members are asked to consider the impact of the latest draft budget on the level of Council Tax for 2024/25, having regard to all the above factors including the Director of Finance comments in Section 18 and Appendix 4.

17. FUNDING SETTLEMENT

- 17.1 Details of the Council's Provisional Local Government Finance Settlement 2024/25 were reported to the previous meeting of the Executive. The Council's response is provided in Appendix 6. The Council will continue to engage local MPs and Government ministers to secure a better funding deal for the Council and its residents. The further changes announced on 24th January 2024 are also reflected in this report {See section 4.1 (d)}
- 17.2 Although the Local Government settlement for 2024/25 represents an ongoing improvement in funding from Government (compared with period 2009/10 to 2019/20) it does not represent a medium-term settlement.

18. MEDIUM TERM FINANCIAL PLANNING INCLUDING SECTION 25 COMMENTARY

- 18.1 Section 25 of the Local Government Act 2003 requires the Council's Section 151 Officer to report on the robustness of the budget calculations and the adequacy of reserves as part of the budget and council tax setting decision.
- 18.2 For financial planning purposes (illustrative), the financial forecast assumes a council tax increase of 4.99% per annum for 2023/24 and 2024/25 reducing to 2.99% from 2025/26 towards meeting inflationary costs and provide funding towards increasing growth/cost pressures as well as new burdens. As part of the Local Government Finance Settlement 2024/25, the Government's reported 'Spending Power' of local government assumes that Councils will raise alternative funding, to partly determine grant calculations, from council tax increases and utilisation of the Adult Social Care precept.
- 18.3 Appendix 4 identifies the need for the Council to retain adequate level of reserves to assist in remaining financially sustainable. The reserves remain adequate in considering the 2024/25 Budget. The Council also has a Central Contingency sum to cover risk/uncertainty in the future (£4.65m) included in the base budget (see Section 6.1). The respective budget proposals and planned 2024/25 budget for the year have all been agreed by individual Directors.
- 18.4 Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 till 2019/20 (10 years) and had a 'rollover plus' financial settlements since 2020/21. However, this has not been sufficient to meet the full impact of inflation, demographic and other cost pressures which has resulted in the need to provide ongoing savings as part of each budget cycle. Savings of over £130m per

annum have been delivered (if mitigation savings are included which offset growth pressures the savings are even higher). The state of local government finances was reported in the previous report to Executive (see Appendix 8 of previous report to Executive).

- 18.5 The Council has had to take significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. Council Tax has been kept low compared with other Councils. A combination of front loading of savings in previous years, pro-actively generating investment income and prudent financial management have provided an opportunity to provide a balanced budget. Bromley's history of strong robust financial management, whilst deliver quality services has allowed the Council to be effectively debt free until the need to fund housing costs through borrowing and the Council had retained a healthy level of reserves to deal with uncertainty with a one year financial settlement as well as many risks and challenges (see Appendix 4).
- 18.6 However, the situation has changed significantly not just across many local authorities with reports of Section 114s and Capitalisation Directions (permission to borrow or sell assets to fund revenue deficits which is not sustainable) but is impacting on Bromley facing significant 'budget gaps' for the future with reduced flexibility by having a low cost base and already realising the benefits of many innovative initiatives that helped keep costs low.
- 18.7 The significant challenges now faced by the Council for the medium and longer term include, for example:
- A revenue 'budget gap' of £16.6m in 2025/26 rising to £38.7m per annum from 2027/28;
 - Significant overspends in 2023/24 which if repeated with further overspends in future years could significantly worsen the Council's financial position;
 - Reliance on revenue reserves to support the revenue budget in 2024/25 and 2025/26 which is not sustainable (see Section 11.1 of previous report to Executive). Appendix 4 highlights key factors to determine the sustainable level of one-off reserves that should be retained and the significant value of retaining such reserves;
 - Diminishing resources available to fund the future capital programme, with high historical availability of capital receipts no longer being available following the major asset disposal programme as a result of the Operational Property Review (see Section 8 of previous report to Executive);
 - Dedicated Schools Grant deficit in the region of £5m per annum creating a potential 'negative reserve' of £38m by 2027/28 which is not sustainable (see Section 11 of previous report to Executive);
 - A one year Government financial settlement creates uncertainty around future Government funding available with a remaining risk of reductions in funding in real terms for future years;
 - The 2024/25 Budget and financial forecast includes significant cost pressures which are effectively 'unfunded' from 2025/26 with the 2024/25 Budget and 2025/26 to 2027/28 forecast assuming net cost/growth pressures of £50.6m offset by mitigation of £33.2m (net increase of £17.4m) in 2024/25 which increases to £94.9m and £58.4m respectively (net increase of £36.5m) in 2027/28 – future government funding is not expected to meet future year cost pressures and new burdens which will continue over

the next four years and these costs cannot be matched by council tax alone. In addition, without delivery of the mitigation savings (£58.4m per annum by 2027/28) the 'budget gap' would increase even further;

- Although it was hoped that the Government's 'Fair Funding Review' would provide a fairer (and higher) level of funding for the Council it could also bring new responsibilities for the Council and associated risks. The changes will not be implemented until at least 2026/27 and possibly will be delayed even further.

18.8 To address the significant challenges ahead the Council will need to:

- Progress with the next phase of Transforming Bromley 2024-2028 to address the 'budget gap' (see Section 6.8 of previous report to Executive);
- Review funding of the capital programme as capital receipts have reduced and alternative funding options, including borrowing, needs to be considered to ensure that the Council can retain a reasonable level of reserves for reasons detailed in Appendix 4 of this report;
- Reduce dependency on using reserves to support the revenue budget and take action to avoid a situation where, without significant savings being delivered through the Transformation Programme 2024-2028, reserves would effectively be fully exhausted within three years (see Section 6.8 of previous report to Executive);
- Take action to reduce the ongoing DSG deficit (see Section 6.8 of previous report to Executive) by reviewing the DSG Deficit Recovery Plan and considering options to address the deficit;
- Recognise the significant contribution council tax makes to fund the revenue budget - Council Tax (and ASC precept to support social care) represents a key source of income for the Council, which the Government recognise by including an assumed increase in council tax of 5% in their Core Spending Power calculations. Agreeing a council tax/adult social care precept below the maximum referendum level does result in potential foregone income, particularly when facing a budget gap in the medium and longer term, and such decisions for each subsequent year would not be sustainable on an ongoing basis;
- Further review of significant growth and cost pressures identified in Section 18.6 and look at further options available to reduce such cost/growth pressures (these costs are not financially sustainable);
- Chief Officers take action to address any future in year overspends, recognising that there could be a full year impact which could increase the 'budget gap' further;
- Chief Officers identify mitigating action to address any future in year cost pressures/new burdens and mitigate against inflation cost pressures to remain within their 'cash envelope'.

18.9 Work will also continue to lobby Government for a fairer funding deal for Bromley. However, the Council cannot rely on future significant increases in funding being available, when there is no evidence to suggest this will happen, at this stage.

18.10 The Budget Strategy has to be set within the context of continuing cost pressures while Government funding remains broadly at 'standstill' levels from 2025/26, except to meet new burdens – transformation savings will be required to offset such cost pressures to ensure a balanced budget. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further.

18.11 Without containment of growth/cost pressures or delivery of the combined mitigation and transformation savings of £65.3m per annum by 2027/28, the budget gap would in future years

increase – this clearly must be monitored closely with corrective action taken to avoid any significant increase in the budget gap. Although the 2024/25 Central Contingency Sum and balances (one-off monies) provide a short term ‘buffer’, the sum remaining has been significantly reduced. It is therefore essential to take action to deliver a sustainable ongoing financial resilience – the Council has a statutory duty to have a balanced budget.

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

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

18.13 The Council still remains “better placed” than many other authorities due to having planned low borrowing levels (allocated for housing), retaining adequate level of reserves and with provisions remaining (although significantly reduced) in the Council’s revenue budget for unforeseen costs and risks. The Council has maintained four-year financial planning despite the future funding uncertainty. It is however essential to act now (rather than later) to address the significant financial challenges faced by the Council taking the necessary action identified in Section 18.8 above. The Council needs to continue to ‘live within its means’. It also remains essential that Chief Officers identify mitigating action to address any in year cost pressures/new burdens and mitigate against inflation cost pressures to remain within their ‘cash envelope’.

18.14 Commentary on the level of reserves and robustness of the 2024/25 Budget are provided in Appendix 4.

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

19. IMPACT ON VULNERABLE ADULTS WITH CHILDREN

19.1 The draft 2024/25 Budget reflects the Council’s key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

20. TRANSFORMATION/POLICY IMPLICATIONS

20.1 The Draft 2024/25 Budget enables the Council to continue to deliver on its ‘Making Bromley Even Better’ key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium- term financial plan. The Council continues to deliver key services and ‘lives within its means’. This report needs to be considered with previous report to Executive titled ‘Draft 2024/25 Budget and Update on Council’s Financial Strategy 2025/26 to 2027/28’ which referred to the next phase of Transformation.

21. PERSONNEL IMPLICATIONS

- 21.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2024/25 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

22. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 22.1 The budget proposals reflect the cost implications and budget required to meet the Carbon Reduction and Social Value plans of the Council which will have been reported separately to Council committees.

23. CUSTOMER IMPACT

- 23.1 This report reflects the budgetary implications of all the services provided by the Council as well as obligations/duties to support residents, users and businesses in the borough.

24. LEGAL IMPLICATIONS

- 24.1 The Council is required to fix its Council Tax by 11th March in any year. The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. In coming to decisions in relation to the revenue budget (and the Council Tax), the Council and its officers have various statutory duties. In general terms, the Council is required by the Local Government Finance Act 1992 to make estimates of gross Revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget (and Council Tax). The amount of the budget requirement must be sufficient to meet the Council's legal and financial obligations, ensure the proper discharge of its statutory duties, and lead to a balanced budget.
- 24.2 Schedule 72 to the Localism Act 2011 inserted a new section in the Local Government Finance 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 24.3 The Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 24.4 The making of these budget decisions at full Council is a statutory responsibility for all Members. The Council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term, and that the interests of both Council Taxpayers and ratepayers on the one hand and the users of Council services on the other are both taken into account. The Council has a number of statutory duties which it must fulfil by law. Although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties, however, it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the

Equality Act 2010. In doing so, the Council must have due regard to elimination of discrimination, harassment and victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.

- 24.5 In fulfilling our equalities duty, and in particular the specific equalities duty, regard has been had to the impact of budget proposals and savings options on those with ‘protected characteristics’ including the potential for cumulative impact on some groups from separate work streams arising from this budget. As part of the budget setting process where appropriate impact assessments have been performed at service level where service managers and frontline staff will be involved in implementing the changes and fully understand the customer base and likely impact on them. Where any proposals are found to have a disproportionate impact on a particular group, the Council will consider what actions can be taken to avoid or mitigate the impact.
- 24.6 In some instances detailed analysis will be undertaken after the budget has been set but before a policy arising from the budget is implemented. In these instances, the council will comply with its legal obligations including those relating to equalities and consultation and if a proposal is deemed to be unsustainable after such detailed work or where a disproportionate impact on a protected group is identified consideration will be given to any necessary mitigation, rephrasing or substitution of the proposed service changes.

<p>Background documents</p>	<p>2023/24 Council Tax, Executive, 8th February 2023 Provisional Final Accounts 2022/23, Executive, 5th July 2023 The ‘Insurance Fund – Annual Report 2022/23’, E,R&C PDS, 27th November 2023 Capital Programme Monitoring 2023/24, Executive, 29th November 2023 Budget Monitoring 2023/24, Executive, 29th November 2023 Draft 2024/25 Budget and Update on Council’s Financial Strategy 2025/26 to 2027/28. Executive, 17th January 2024 Treasury Management – Annual Investment Strategy 2024/25 and Quarter 3 Performance 2023/24, Executive, Resources and Contracts PDS Committee and Council, 5th February 2024 and 26th February 2024 Capital Strategy 2024/25 to 2027/28 & Q3 Capital programme Monitoring, Executive 7th February 2024</p>
<p>Financial Considerations</p>	<p>Covered within overall report</p>

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Bromley's Budget Requirement in 2023/24 (before funding from Formula Grant)	237,732	237,732	237,732	237,732	237,732
Formula Grant and Business Rate Share	-48,556	-48,574	-48,574	-48,574	-48,574
Impact of Provisional Local Government Finance Settlement (mainly inflation allowance)		-3,218	-4,486	-5,525	-6,586
	189,176	185,940	184,672	183,633	182,572
Other Changes in Core Government Funding					
New Homes Bonus		-400	-400	-400	-400
Reduction in Services Grant		1,311	1,311	1,311	1,311
		911	911	911	911
Cost pressures					
Increased costs (3.5% in 2024/25, 2.5% in 2025/26 and 2% per annum thereafter)		10,657	17,478	23,394	28,711
		10,657	17,478	23,394	28,711
Net revenue Impact of Funding the Capital Programme and reduction in investment income, compared with 2023/24 Budget assumptions		-1,283	-783	-483	-483
Income/Savings					
Interest on Balances (additional income (-), reduction in income (+) compared with 2023/24 budget)		-2,200	1,500	3,100	4,100
Additional Social Care Grant (included in Provisional Local Government Settlement 2024/25)		-2,650	-2,650	-2,650	-2,650
Additional Social Care Grant (announced after Provisional Local Government Settlement 2024/25)		-2,480	-2,480	-2,480	-2,480
Release general provision in contingency for significant uncertainty/variables		-3,522	-3,522	-3,522	-3,522
Transformation Savings reported to Executive February 2023		-698	-1,489	-1,554	-1,554
Transformation Programme		-4,172	-4,650	-4,998	-5,373
Fall out of non-recurring Building Infrastructure Fund		-2,000	-2,000	-2,000	-2,000
CIL Funding Opportunities		-1,000	-1,500	-1,500	-1,500
		-18,722	-16,791	-15,604	-14,979
Other changes					
Real Changes and Other Variations		71	10	814	199
		71	10	814	199
Council Tax					
Collection Fund Surplus 2021/22 fall out		5,400	5,400	5,400	5,400
Collection Fund Surplus 2022/23 (estimated)		-2,500	0	0	0
Future years Collection Fund Surplus (estimated)		0	-2,500	-1,500	-1,000
Use of estimated 2023/24 Collection Fund Surplus (b/fwd)		-3,400	0	0	0
		-500	2,900	3,900	4,400
Growth/Cost Pressures including Mitigation					
- Education		2,130	3,065	4,245	5,427
- Children's Social Care		6,870	7,470	8,070	8,670
- Adults Social Care		4,584	9,286	11,113	12,940
- Housing		4,103	5,476	6,726	7,881
- Environment		-336	-420	-420	1,580
- Public Protection and Enforcement		92	92	92	92
- Resources		-77	-77	-77	-77
Variation in freedom pass costs to reflect impact of post Covid usage		1,889	3,842	5,119	5,119
Running Costs of Direct Line site (net after income)		3,076	421	99	-491
Total growth/cost pressures		22,331	29,155	34,967	41,141
Sub Total		199,405	217,552	231,532	242,472
2023/24 Council Tax Income	-189,176	-189,176	-189,176	-189,176	-189,176
Increase in ASC Precept and Council Tax (assume 4.99% in 2024/25 and 2.99% per annum thereafter)		-9,440	-15,378	-21,495	-27,794
Estimated increase in Council Tax Base		-1,400	-1,600	-1,800	-2,000
Budget Gap before use of one off collection fund surplus and other reserves		-611	11,398	19,061	23,503
Use of earmarked reserves					
Fall out of use of Covid earmarked reserve towards funding Covid cost pressures		2,100	3,748	3,748	3,748
Utilisation of Homes for Ukraine funding to support related cost pressures in future years		-2,900	0	0	0
Contribution from collection fund earmarked reserves (-)/Fall out of contribution (+)		-889	-889	9,111	9,111
Net fall out of Government funding towards additional council tax support costs (held in reserve)		2,300	2,300	2,300	2,300
		611	5,159	15,159	15,159
Revised Budget Gap		0	16,557	34,220	38,662

1) The above forecast assumes for illustrative purposes a 4.99% increase in ASC Precept/ Council Tax for 2024/25 and 2.99% increase to Council Tax for the following years

2) The above Forecast excludes the DSG deficit

SUMMARY OF DRAFT 2024/25 REVENUE BUDGET - PORTFOLIO

2023/24 Final Budget	Portfolio/Item	2024/25 Draft Budget £'000	2024/25 Band "D" Equivalent £
106,353	Education	129,309	955.72
Cr 98,674	Less costs funded through Dedicated Schools Grant *	Cr 116,453	-860.70
7,679	Sub total	12,856	95.01
47,574	Childrens Social Care	53,774	397.44
84,178	Adult Care and Health	90,841	671.40
38,033	Environment & Community Services Portfolio	40,631	300.30
3,228	Public Protection and Enforcement	3,357	24.81
15,611	Renewal, Recreation and Housing	16,866	124.66
46,649	Resources, Commissioning & Contracts Management	45,436	335.82
1,361	Non Distributed Costs & Corporate & Democratic Core	1,417	10.47
244,313	Total Controllable Budgets	265,178	1,959.92
8,666	Total Non Controllable Budgets	12,247	90.52
Cr 947	Total Excluded Recharges	Cr 937	-6.93
252,032	Portfolio Total	276,488	2,043.51
Cr 14,710	Reversal of Net Capital Charges	Cr 10,184	-75.27
Cr 9,841	Interest on General Fund Balances	Cr 12,041	-88.99
9	Contribution to Utilisation of New Homes Bonus for Housing		
20,031	Central Contingency Sum	9,772	72.22
	Contingency Provision for Revenue Impact of Capital Programme		
6,600	Financing and Loss of Investment Income from Disposals	2,000	14.78
	Levies		
448	- London Pensions Fund Authority *	460	3.40
246	- London Boroughs Grants Committee	248	1.83
266	- Environment Agency *	310	2.29
341	- Lee Valley Regional Park *	324	2.39
255,422	Sub Total	267,377	1,976.18
Cr 9	New Homes Bonus	Cr 409	-3.02
Cr 47,000	Business Rate Retention	Cr 50,227	-371.23
Cr 1,556	Services Grant	Cr 245	-1.81
Cr 5,400	Collection Fund Surplus (previous years)		
	Collection Fund Surplus (estimated 2022/23)	Cr 2,500	-18.48
Cr 9,111	Use of estimated 2023/24 Collection Fund Surplus (b/fwd)	Cr 3,400	-25.13
	Contribution from Collection Fund Surplus Earmarked Reserve	Cr 10,000	-73.91
Cr 2,300	Collection fund surplus for future years (council tax support)		
Cr 870	Use of Specific Earmarked reserve created during 2022-23 to fund additional social work post	Cr 580	-4.29
189,176	Bromley's Requirement (excluding GLA)	200,016	1,478.31

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

2024/25 CENTRAL CONTINGENCY SUM

General	£'000
Provision for Unallocated Inflation	1,886
General provision for risk/uncertainty	4,650
Direct Line Site	3,076
Planning appeals - changes in legislation	60
Property Valuation	100
	<u>9,772</u>
Contingency Provision for Revenue Impact of Capital Financing Programme	<u>2,000</u>
Total Contingency Provision	<u>11,772</u>

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

LEVEL AND USE OF RESERVES AND ROBUSTNESS OF THE 2024/25 BUDGET

1. Background

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

2. General Reserves

- 2.1. Bromley has estimated general reserves of £18.6 million as at 31st March 2024 (as reported to Executive on 29th November 2023), as well as earmarked reserves (Section 3). Key to any financial strategy is the retention of sufficient reserves (including earmarked reserves) for the following reasons:
- (a) To provide some contingency reflecting the financial risks facing the Council (e.g. future implementation of Adult Social Care Reforms), the scale of mitigation/savings and associated impact, the need to manage effectively action to reduce the longer term 'budget gap' and recent government changes which include the transfer of risks from central to local government provides significant new risks for longer term planning purposes;
 - (b) To provide alternative one-off funding to offset the impact of any overall large overspends facing the Council;
 - (c) To provide adequate resources for spend to save initiatives which, following investment, can provide real longer term financial and service benefits;
 - (d) To provide support in financing the capital programme, particularly to assist in funding key initiatives;
 - (e) To provide financial support (income) to the revenue budget through interest earnings, which will reduce as balances are gradually reduced;
 - (f) To utilise short term monies available from any 'front loading' of savings to assist in managing the key risks facing the Council and fund key initiatives preventing the further deterioration in the 'sustainability' of the Council's finances;
 - (g) To provide investment to seek a long-term alternative to current income streams;
 - (h) To provide funding (e.g. severance costs) to enable the release of longer term ongoing savings;
 - (i) To set aside income available, that does not provide a permanent income stream, towards one off investment in the community for schemes that meet the Council's priorities;
 - (j) To buy time to identify further savings needed whilst avoiding 'knee jerk' actions to deal with future budget deficits;
 - (k) Need to retain significant reserves until there are detailed plans to address the significant budget gap over 4 years;
 - (l) You cannot reinstate reserves through borrowing in the future to compensate – once reserves are used, they are gone;
 - (m) The Council loses significant flexibility within the central contingency sum, with a

further reduction of £3.5m per annum from 2024/25 (reduced by £5.8m in 2023/24 with a cumulative total of £9.3m per annum since 2023/24);

- (n) The financial challenges facing the Council reduce the ability/flexibility to top up reserves in future years (historically used collection fund surplus, new homes bonus and contingency to top up reserves).
 - (o) To assist the Council to achieve as much stability as possible for both longer term service delivery and planning the moving of resources to areas of agreed priority.
- 2.2 In order to assess the adequacy of unallocated general and earmarked reserves when setting the budget, account must be taken of the strategic, operational and financial risks facing the authority. This is an important aspect of Bromley's approach to risk management. An 'Annual Governance Statement' signed by the Chief Executive and the Leader of the Council covers, for example, the processes to fully underpin the Council's system of internal control.
- 2.3 Setting the level of reserves is just one of several related decisions in the formulation of the medium-term financial strategy and the budget for a particular year. Account needs to be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements.
- 2.4 To address the previously identified funding shortfall of the capital programme combined with the impact of the operational property review and considering potential capital receipts from disposals, the Capital Programme Review report to the November 2022 of the Executive resulted in agreement to refinancing housing costs through borrowing, thus releasing previously utilised earmarked reserves (which was set aside to enable internal borrowing), combined with the balance of funding of up to £10m from earmarked reserves. In addition, any future housing scheme subject to suitable business case, will be considered to be funded through borrowing. The previous housing related schemes provided significant savings on temporary accommodation costs and would have been considered to be funded through borrowing – the Council owned sites will form of any future Housing Revenue Account proposal, depending on the specific scheme. These funding changes will help retain a level of reserves to assist further in dealing with future financial challenges. There will be a need for an ongoing review of funding for any further significant increase in costs of the Council's capital programme.
- 2.5 If the existing general reserves are released now to fund continuing service initiatives and/or significantly reduce council tax then there would be a resultant 'opportunity cost' relating to the corresponding loss in interest earnings and depletion of reserves which is not recommended by the Director of Finance, particularly at this time of financial uncertainty. Funding for any increases in service levels would only be in the short term. If the reserves were used to just balance the budget, they would be fully spent in the next few years resulting in greater budget cuts in the future. Using this money to fund services is not a sustainable approach as these reserves are not budgets that are renewed every year. Similar to a savings account – once it is spent, it is gone. Retaining a significant level of reserves provides a major opportunity to fund any transformation/spend to save programmes in future years, as well as provide an ongoing source of significant revenue income to the Council. The Council continues to face significant financial risks in the future which is evident by existing growth/cost pressures which may continue to increase above the sums assumed in the budget.
- 2.6 Executive previously agreed that the following principles be applied to determining the use of reserves:
- (a) As a prudent working balance, the Director of Finance continues to recommend subsequently reviewed the minimum level of general reserves and recommended a

minimum sum of £20m to reflect the significant financial uncertainty facing the Council and the need to address the medium term 'budget gap' with higher amounts being retained for specific purposes;

- (b) Any support for the capital programme to be focused on areas that can generate business efficiencies and maintain and enhance the Council's core infrastructure. The programme should be driven by the Council's asset management plan, which in turn should be derived from the key priorities of the Council;
 - (c) Any support for the revenue budget will need to be modest and sustainable in the medium term and the impact of any withdrawal built into future financial plans;
 - (d) The Council has limited scope to utilise general fund reserves for capital spending in excess of the current capital programme and will need to continue to progress a programme of asset disposals.
- 2.7 Balancing the annual budget by drawing on general reserves is a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure, this needs to be explicitly considered including the sustainability of this measure over the lifetime of the medium-term financial plan.
- 2.8 An important issue to consider is planning the future use of reserves in the context of the authority's medium-term financial plan and not to focus exclusively on short-term considerations.

3 **Earmarked Reserves**

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

	Balance at 31/03/23	Projected movement 2023/24	Projected Balance at 31/03/24	Projected movement 2024/25	Projected Balance at 31/03/25	Projected movement 2025/26	Projected Balance at 31/03/26	Projected movement 2026/27	Projected Balance at 31/03/27
EARMARKED BALANCES	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Technology Fund	1,229	-402	827		827		827		827
Investment to Community	229		229		229		229		229
Planning Services Charging Account	-155		-155		-155		-155		-155
Government Grants	8,481		8,481	-353	8,128	-185	7,943	-152	7,791
Invest to Save	18,275	-71	18,204		18,204		18,204		18,204
One off Member Initiatives	654		654		654		654		654
Infrastructure Investment Fund	412	-240	172		172		172		172
Health & Social Care 'Promise Programme'	3,953		3,953	-2,500	1,453		1,453		1,453
Winter Pressures	2,010		2,010		2,010		2,010		2,010
Key Health & Social Care Initiatives	1,700		1,700		1,700		1,700		1,700
Integration of Health & Social Care Initiatives	1,614		1,614		1,614		1,614		1,614
Collection Fund Surplus Set Aside	37,155	-9,111	28,044	-10,000	18,044	-10,000	8,044		8,044
Healthy Bromley Fund	1,899	-338	1,561	-338	1,223	-517	706		706
Parallel Fund	3,097		3,097		3,097		3,097		3,097
Health & Social Care Integrated Commissioning Fund	3,030		3,030		3,030		3,030		3,030
Financial Planning & Risk Reserve	10,000		10,000		10,000		10,000		10,000
Bromley Welfare Fund	753	-160	593	-160	433	-160	273		273
Payment in Lieu Reserve for Temporary Accommodation	536	50	586	50	636	50	686		686
Business Rates Risk Reserve	4,200		4,200		4,200		4,200		4,200
Various Joint Schemes and Pump Priming Investments	5,091	-3,135	1,956		1,956		1,956		1,956
Transition Fund	2,559		2,559		2,559		2,559		2,559
Environmental Initiatives	425	-38	387	-75	312	-38	274		274
Professional Advice for Future Schemes	122		122		122		122		122
Utilisation of New Homes Bonus	4,829	-2,591	2,238		2,238		2,238		2,238
Future Pensions Risk on Outsourcing	1,729		1,729		1,729		1,729		1,729
West Wickham Leisure Centre & Library Redevelopment	623		623		623		623		623
Income Equalisation Reserve	9,030	1,000	10,030		10,030	-10,030	0		0
Transformation Fund	1,224		1,224		1,224		1,224		1,224
Investment Fund	6,146	-5,785	361		361		361		361
Growth Fund	21,061	-700	20,361	-1,000	19,361		19,361		19,361
Transformation Programme	250		250		250		250		250
Housing Investment Fund	20,894	-20,894	0		0		0		0
High Street & Parks Improvement Fund	71		71		71		71		71
Housing Invest to Save	3,409	-3,409	0		0		0		0
Health Facilities Fund	993		993	-993	0		0		0
Health & Social Care Transformation Fund	1,500		1,500		1,500		1,500		1,500
Housing feasibility and viability	36	-36	0		0		0		0
Carbon Neutral Initiatives Fund	875	-125	750	-125	625		625		625

	Balance at 31/03/23	Projected movement 2023/24	Projected Balance at 31/03/24	Projected movement 2024/25	Projected Balance at 31/03/25	Projected movement 2025/26	Projected Balance at 31/03/26	Projected movement 2026/27	Projected Balance at 31/03/27
EARMARKED BALANCES	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hospital Discharge Funding	5,031		5,031		5,031		5,031		5,031
COVID recovery Fund	8,443	-5,843	2,600	-2,100	500	-500	0		0
Platinum Jubilee Fund	854	-27	827	-27	800	-27	773		773
Capital Fund	1,252	-1,252	0		0		0		0
Treemendous Fund	1,161	-387	774	-387	387	-387	0		0
Social Care Staffing Fund	1,700	-870	830	-580	250	-250	0		0
IT Procurement Fund	336	-112	224		224		224		224
Legal Fund	635		635	-212	423	-212	211	-211	0
Education Fund	630	-525	105	-105	0		0		0
Building Infrastructure Fund	2,000		2,000	-2,000	0		0		0
Arboriculture Backlog Fund	400	-133	267	-133	133	-133	0		0
Loneliness Strategy Fund	149	-50	99	-50	50	-50	0		0
Sub-Total	202,530	-55,184	147,346	-21,088	126,258	-22,439	103,819	-363	103,456
Schools	3,071		3,071		3,071		3,071		3,071
Insurance Fund	3,970		3,970		3,970		3,970		3,970
Sub-Total	7,041	-55,184	154,387	-21,088	133,299	-22,439	110,860	-363	110,497
DSG Adjustment Account (unusable) *	-12,706	-3,443	-16,149	-5,631	-21,780	-5,135	-26,915	-4,961	-31,876
Collection Fund Deferred Costs Reserve	2,283	-2,283	0		0		0		0
TOTAL	199,148	-60,910	138,238	-26,719	111,519	-27,574	83,945	-5,324	78,621

* Although this is required to be accounted for as unusable reserves, this is currently as a result of the statutory override. It are therefore shown here as if/when the override ends then any deficit will have to be met from revenue reserves.

3.2 A summary of other significant areas are:

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

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

3.4 The outcome of the actuarial valuation as at 31/3/22 was reported to Pensions Investment Sub Committee on 22nd February 2023. The Council's pension fund remains fully funded. The triennial actuarial valuation impacted on the budget from 2023/24 to 2025/26 and there are no changes in the overall employer contribution/oncost for the future service costs. The Council has received various national awards recognising the outstanding investment performance of its pension fund and treasury management. The most recent award was the nationally recognised Public Finance Awards 2021 for 'Achieving Excellence in Asset Management'.

4. Budget Assumptions

4.1 Treatment of Interest Rates and Inflation

4.1.1 The interest on balances budget for 2024/25 has been set at £12.041m (2023/24: £9.841m). Following the succession of increases in the Bank of England base rate to the current rate of 5.25%, counterparty rates were generally in excess of 6% for a one year deposit during the first half of 2023/24. However, interest rates are expected to start reducing during 2024/25, so one year rates are around 5% to 5.3%. The projected increase in the average rate of interest compared to that in the prior year budget is partly offset by an expected reduction in balances available for investment as a result of the projected utilisation of capital receipts, grants/contributions, as well as projected use of the Council's earmarked revenue reserves.

4.1.2 Further details were included in the Treasury Management Strategy 2024/25 report considered at the Executive, Resources and Contracts Policy Development and Scrutiny Committee meeting on the 5th February 2024 and subsequent Full Council meeting.

4.1.3 Historically, the main measure of inflation for annual price increases for the Council's contracted out services was Retail Price Index (excluding mortgage interest rates) i.e., RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally at least 1% above the Consumer Price Index (CPI) level. The Draft 2024/25 Budget assumes overall price increases, including a cash limit, of

3.5% in 2024/25 reducing to 2.5% in 2025/26 and 2% per annum from 2026/27, which compares with the existing CPI of 3.9% (4.1% for RPIX). Although inflation is expected to reduce further some volatility remains. It is important to note that the rate of 3.5% in 2024/25 is consistent to an approach taken by many other local authorities but it creates a challenge during a period of cost pressures across services - the alternative is more savings to address the alternative increased budget gap. A challenge remains to contain costs within the overall budget, particularly as many contract price reviews reflect January or February annual inflation increase. The 2024/25 Central Contingency Sum does provide some funding towards this financial risk, where necessary.

4.2 Level and Timing of Capital Receipts

4.2.1 Details of the level and timing of capital receipts, with an update on the overall funding position, are included in the 'Capital Strategy 2024/25 to 2027/28 & Q3 Capital Programme Monitoring' report elsewhere on the agenda.

4.3 Revenue Impact of the Capital Programme

4.3.1 An overall sum of £5.3m per annum has been included in the Draft 2024/25 Budget to reflect the financial impact of the capital programme (including the impact of 2023/24 schemes).

4.3.2 The ultimate revenue impact will depend on the phasing of costs, impact of changes in building costs (inflation and supply), timing of disposals, income foregone from interest earnings and latest prevailing borrowing rates.

4.4 Budget and Financial Management and 'Demand Led' Budgets

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

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Growth/cost pressures	50,596	65,134	79,102	94,898
Mitigation	-33,230	-40,242	-49,353	-58,385
Net additional costs	17,366	24,892	29,749	36,513

- 4.3.3 It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2025/26 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.
- 4.3.4 The draft 2024/25 Budget includes reasonable estimates of likely changes in activity in the next financial year. It is important that Chief Officers identify mitigating action to address any in year cost pressures or other mitigation savings not realised to remain within their 'cash envelope'.

4.4 Financial Standing of the Authority

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

4.5 Financial Information and Reporting

- 4.5.1 The arrangements for finance staff to report to the Director of Finance, in place since April 2002, have produced far greater clarity of roles and responsibilities. The Council will need to continue with the Transformation programme process to be able to generate savings as part of future years' budgets, as well as provide service improvements. The main issue remaining is to ensure that service managers continue to develop even greater ownership of their budgets and have more sophisticated activity and performance information on the service which they are providing. Any overspending should require compensating savings to be identified.

4.6 Virement Procedures

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

4.7 Risk areas

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

4.8 Link with other plans/strategies

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

4.9 Insurance Fund

- 4.9.1 The insurance fund is protected by the existence of external catastrophe insurance, which meets large claims. There is a significant financial stop loss that prevents the council from having to meet losses in excess of this amount on liability claims in any

one year. The ‘Insurance Fund – Annual Report 2022/23’, considered by the Resources, Commissioning and Contracts Management Portfolio Holder at the meeting of the E,R&C PDS Committee on 27th November 2023, gives more background information.

4.10 Funds and the adequacy of provisions

4.10.1 As is discussed above, the Council has both general and earmarked reserves and continues to take a prudent approach to limiting the scope of future year’s capital expenditure and other commitments. It is essential that an adequate level of reserves is maintained to reflect the impact of the future years budget gap of £38.7m per annum by 2027/28, ‘balance sheet’ liabilities combined with the ongoing cost/growth pressures facing the Council. The “budget gap” may increase or reduce as a result of a number of variables in future years. Bad debt provisions are reviewed each year as part of the closure of accounts and are subject to audit by the council’s external auditors.

4.10.2 The scale of the medium-term “budget gap”, coupled with the significant financial uncertainty arising from the review of local government finance (delayed until at least 2026/27) makes it important to maintain an adequate level of reserves to ensure the Council has sufficient resilience, flexibility and stability for longer term service delivery. Apart from the need to retain reserves to address risks and uncertainty there are specific reserves to fund invest to save as well as investment in the future development within the borough and other investment options whilst generating sustainable income and savings to help reduce the future years budget gap. This helps ensure that key measures of sustainable finances and stewardship in the medium term can be realised. The funds retained are adequate to meet the needs of the Council in the medium-term. The level of reserves will continue to be kept under review during the medium-term financial planning period.

4.11 Council’s Investment Income contributing to supporting key services

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

4.11.2 The Council’s investment income of £17.9m, assumed in the 2024/25 Budget, is shown below:

	£’m
Investment properties and rental income	5.9
Treasury Management Income	12.0
Total investment income	17.9

4.11.3 In acquiring investment properties the Council had used existing resources and did not utilise the option of borrowing. The Council will seek to retain the key investment assets through any future recession period which significantly reduces the longer-term capital risk of the investment.

4.11.4 Details of the approach to treasury management is being reported to Executive, Resources and Contracts PDS meeting on 5th February 2024. The approach to addressing Security, Liquidity and Yield is addressed in that report.

Residents' comments about their priorities for Council Services (to follow)



THE LONDON BOROUGH

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Department of Levelling Up, Housing and Communities

15th January 2024

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Dear Sir/Madam

Provisional Local Government Settlement 2024/25

We welcomed the continuation of the fifth year of no overall funding reductions, following 10 years of significant funding reductions and the increase in funding for 2024/25 relating to 'repurposed' grants and Market and Sustainability Fund committed as part of the 2023/24 Local Government Finance Settlement. The increase in the Council's Spending Power which equates to an increase of 6.2% and assumes the maximum increase in Council Tax and ASC Precept (4.99%) does help address the inflation pressures facing services. However, this did not meet the full cost and demographic pressures facing the Council and does not provide sustainable funding solution for the Council. The significant reduction in Services Grant is disappointing and the scale of the reduction was unexpected by many local authorities. Overall, the Council did not receive funding to match the cost pressures for children social care, high needs (transport and funding to meet Dedicated Schools Grant deficit), adults social care and homelessness, despite the significant cost pressures remaining that must be met. It is important to recognise that many services face cost pressures considerably higher than general inflation. The increase in the cost of temporary accommodation and children's placements, for example, have significantly exceeding general inflation and such additional costs were not reflected in the funding settlement. There should be more Government funding provided rather than a reliance on local taxpayers to meet the significant costs.

Adult Social Care

There is a national recognition that Social Services is underfunded, and it is still unclear around the funding requirements for the Adult Social Care reforms relating to Fair Cost of Care and Capping of Care Costs. If the earlier planned reforms are progressed there is a need to fully consider the implications and funding requirements of the significant reductions in income from the reforms as well as significant additional commissioning costs arising from the impact to Bromley. On adult social care there is still a need for a fundamental solution to address long term funding. There remains an interdependency between social care and NHS services and with record level hospital waiting lists and its impact of adult social care, there is a need for diverting some of NHS funding towards adult social care to ensure the NHS can deliver its key requirements.

Dedicated Schools Grant – High Needs Deficit

Although not part of the Council's general fund there is a shortfall in funding (Dedicated Schools Grant) to meet the costs of SEND which is creating an annual deficit situation which is increasing in future years. Although additional funding had been provided it does not adequately reflect the demographic changes and the increase in provision (and associated costs) for the borough. Although the DfE have tightened the ring-fence on the Dedicated Schools and continued with the statutory override for the medium term, such changes remain temporary and do not resolve the underlying deficits.

Through prudent financial management and a range of proactive actions, the Council and its partners were successful in containing the financial pressures on the DSG until an initial deficit position was reached at year end 2020/21. Benchmarking data provided by the Department for Education (DfE) confirmed that Bromley was one of the last London Boroughs to enter a deficit position. The local financial challenges have since continued to increase, with the deficit position having increased to £12m at the end of 2022/23 and forecast to reach an estimated £16m by year end 2023/24, despite extensive mitigation measures. The deficit is projected to increase by around £21m from 2024/25 to 2027/28 which is not financially sustainable (a total of £37m by 2027/28).

The factors resulting in a local overspend position are reflective of the national systemic challenges with the SEND system, as highlighted by the Government's SEND Green Paper which acknowledged:

'Widespread recognition that the system was failing to deliver improved outcomes for children and young people, that parental and provider confidence was in decline, and that despite substantial additional investment, the system had become financially unsustainable.'

'High needs spending continuing to increase year on year, with recent increases driven predominantly by an increase in the proportion of children and young people with an EHCP, over and above general population change'

These national issues are compounded by above-inflationary pressures on the costs of children's placements, specialist recruitment and retention difficulties and a lack of local specialist provision. Despite action to reduce the cost pressures, costs and expenditure continue to significantly exceed the level of Government grant for High Needs Funding, in part due to the unfunded extension of the age range of EHCPs to 25 years of age. The 18-25 age range continues to be the fastest growing cohort of those with an EHCP in Bromley, creating sustained future funding challenges.

Feedback received from the Department of Education is that Bromley is doing everything possible to respond to mitigate the deficit position and no further suggestions could be made. Although Bromley's deficit will reach £16m this year and is growing at a rate of c£5m p.a., the Department informs officers that Bromley is a long way down the ranked list of local area DSG deficits and therefore has no realistic possibility of being considered for support through safety valve or DBV within the current Parliament. In the meantime, the Statutory Override will not solve the underlying funding issue but may provide an opportunity to give more time prior to the completion of the Government's SEND review. However, External Auditors will still need to consider the impact of the SEND deficits on a Council and the Section 25 reports produced by Chief Finance Officers will also have to consider the overall impact – the Statutory Override does not eliminate these key considerations. We are aware that some 'safety valve' authorities have received direct financial support from the Government although this is not available to councils like Bromley that are experiencing considerable DSG deficits, despite good financial management.

We are seeking additional financial support towards meeting the DSG deficit as it can't be right that there is a potential perverse situation where authorities that build large deficits receive additional funding when some of that deficit may be created. **Page 44** use of resources

– this effectively provides financial compensation which could unintentionally subsidise poor performance.

The current arrangement enables authorities, like Bromley, that manage resources well and experience new burdens relating to SEN, receive no additional financial support towards the DSG deficit when in some cases poor performance is rewarded.

We ask that the Government completes its awaited SEND review and provide adequate funding to prevent the medium-term funding shortfall and avoid a potential financial impact on the Council's general fund. The Government should also avoid the perverse situation where authorities that build large deficits receive additional funding when some of that deficit may be created by poor use of resources – there should not be financial compensation which could unintentionally subsidise poor performance. The continued extension of the statutory override in place is not sustainable and effectively delays the need to deal with the root cause of the funding problem identified above.

New Burdens Doctrine

New burdens doctrine was expected to be transparent in recognising and funding additional cost pressures for local authorities arising from changes in government policy. Some of the cost pressures include new burdens such as, for example, no recourse to public funds, automatic enrolment, various changes from the Social Work Act, extended support to care leavers to the age of 25 years old, the previous lifting of the public sector pay cap, indexation and equalisation of guaranteed minimum pensions, deprivation of liberty, national living wage, the Homelessness Reduction Act and there are other examples where such burdens have not been adequately funded. DLUHC have recognised some of the pressures on adult social care and provided some limited flexibility to use grant funding for children's social care as well as the continuation of the Adult Social Care Precept for 2024/25A1. However, the further cost pressures in 2024/25 on children's social care, special educational needs, adult social care and homelessness need to be fully recognised given the significant additional cost burden which is not met by the funding provided.

Children's Social Care

We welcomed the review of children's social care launched by the Education Secretary in January 2021 which 'will set out to radically reform the system' and hoped that this would have thoroughly considered the costs pressures on children's social care and the need for adequate funding to improve children's lives. The outcome does not address the funding challenges for children's social care and costs continue to increase to reflect societal changes, demographic changes, improved healthcare and high cost increases amongst the limited number of residential care providers. A sustainable funding solution is required.

Homelessness

Bromley is experiencing significant increase in homeless residents requiring accommodation through the Council which will be due to various elements including, for example:

- Although the changes to local housing allowances were welcomed (raising to a level covering 30% of local rents from April 2024), it does not provide adequate support to significantly reduce the housing need to be met by the Council given despite significant increases in private sector rents across the borough and the high demand for rented accommodation within the borough. In addition, temporary accommodation costs only receive subsidy at 90% of 2011 Local Housing Allowance levels. Given the current difficulty in obtaining suitable permanent accommodation, this housing benefit subsidy should be aligned to current LHA levels;
- Buy to Let reforms combined with higher mortgage rates for landlords reducing the availability of buy to let properties available to residents;
- The significant acquisition of accommodation from the Home Office to provide accommodation for asylum seekers;
- Residents experiencing higher mortgage rates which could impact on ability to remain in their existing property.

Although we have been successful in developing innovative opportunities with external partners to deliver temporary accommodation to help meet increasing demand, this is still not enough. Government must consider how this serious and increasing pressure is managed and funded in the long term. Bromley is seeking further increases in Homeless Prevention Grant (in addition to allocation in Provisional Local Government Settlement 2024/25) together with a review of funding for housing including more financial incentives to build housing stock.

Public Health

We would be concerned if the previously reported indicative allocations of 1.3% cash increase becomes final. This is considerably lower than inflation and does not recognise the additional demands on the service post COVID. It is important that the allocations are publicised as soon as possible.

Summary of Financial Impact of Growth Cost Pressures

After allowing for increased costs of 3.5% in 2024/25 (reducing to 2% per annum from 2026/27) and total mitigation of £33.2m in 2024/25 rising to £58.4m in 2027/28 the net position reflected in the Councils financial forecast is shown below:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Children's Social Care	6,870	7,470	8,070	8,670
Education (Mainly SEN transport)	2,130	3,065	4,245	5,427
Adults Social Care	4,584	9,286	11,113	12,940
Housing	4,103	5,476	6,726	7,881
Other	-321	-405	-405	1,595
	17,366	24,892	29,749	36,513

Packaging Reforms

The Government previously planned packaging reforms provided an opportunity for additional funding for local government to reflect the responsibility relating to waste collection and disposal as well as other factors. If the changes do not progress as originally planned, we would hope that alternative income could be provided for local government.

Fair Funding Review

We recognise that the Government will continue to work with local authorities to undertake the Fair Funding Review and other significant changes, including the business rate review, which could have a significant impact on future finances for local authorities – it appears to be delayed till 2026/27 at the earliest which is disappointing, given the reliance on core funding data going back to 2013/14 and in some cases census data of 2001. There have been significant changes in demographics during that period which has had a negative financial impact on the borough with no compensation from revised formula funding. The delay in the Fair Funding Review, combined with one year financial settlement also creates significant financial uncertainty in future financial planning to support key services.

We recognise that this review is an opportunity to resolve the long-term funding of local government and ensure we have the flexibility in place to make the best use of our resources for our residents.

Workforce Recruitment Challenges

Children's social work is biggest workforce challenge for authorities, with adult social care being the second highest challenge for recruitment in permanent roles which reflects the outcome of a comprehensive survey by the Local Government Association. The Council has been proactive in finding ways to recruitment permanent staff in key roles but this remains very challenging, despite our success in this area. Government investment in local government and its workforce is key to ensure services remain effective and also to delivering the Government's wider policy agenda.

Reinforced Autoclaved Aerated Concrete

As part of an initial assessment the Council has identified potential additional capital costs of £3m and is seeking that the Government considers providing financial support for this unexpected cost pressure.

Key Asks for the next Autumn Statement and the final (2024/25) as well as future Local Government Finance Settlement

Key asks for its associated impact on funding for Bromley are summarised below:

- It should result in a mechanism to reward more efficient authorities (e.g. financial incentives in the system).
- It should recognise low-cost authorities like Bromley (2nd lowest costs per capita among London Boroughs) - something we have repeatedly raised. We have kept council tax low despite continued low levels of funding. We have done this by keeping our costs low. The funding mechanism should include a factor that recognises below average cost authorities having a lesser reduction in SFA or some degree of 'protection' to lessen the impact on that basis.
- Recognition of the cost increases exceeding general inflation increases across many Council's services together with the revenue impact of Council's Capital programme with cost increases arising from the implications of high building inflation, supply availability issues and increasing financing costs.
- The negative revenue support funding adjustment is clearly not 'fit for purpose' and should continue to be removed if it is necessary for the existing funding formula to continue whilst the outcome of the Fair Funding Review is awaited.
- It needs to recognise higher London costs which impacts on service costs and the financial impact of need. Bromley has one of the lowest Area Cost Adjustments for the London area and this needs to be reviewed more closely to reflect that, for example, costs in Bromley are as high as the South West of London.
- It should recognise that authorities with a low-cost baseline should not have to face a higher proportion of cuts to funding as part of any future austerity and thus recognised/compensated in any future funding arrangements.
- Remove restrictions that prevent local authorities from raising or spending their own resources - we need more flexibility in place to make the best use of our resources for our residents.
- Introduce more flexibility to Councils allow statutory charges to increase by at least inflation to assist in matching increases in costs.
- The future Spending Review should recognise Bromley's cost pressures detailed in this submission. The Council faces a potential budget gap of around £39m by 2027/28, even after allowing for full council tax increases, within referendum limits. The majority of the Council's spending is directed towards statutory services. Years of annual budget cuts, combined with a low cost base, mean there are limited options available to achieve further savings.
- Bromley's population is expected to increase by 7% by 2033, this is a greater increase than the expected national average of 3.5%. Funding is currently not reallocated based on population growth. Using GLA central estimates, between 2023 and 2043 over 65's are expected to increase by 41% and over 90's by 72% with population

increase of 14% during that period.

- Should have mechanisms in place to ensure new burdens are adequately funded.
- Benefits data which is used in determining needs assessment does not reflect low level of take up (can it be adjusted to reflect lower take up compared with rest of country?) or the impact of higher housing costs in London. Measuring deprivation levels after housing costs gives a more realistic assessment of disposable income.
- We have previously raised our concerns about the complexity and lack of transparency within the current local government finance system as well as the continued ring-fencing of some funding streams (including schools) which reduces flexibility to re-divert resources according to local priorities. We believe it is critical that these points are addressed as part of the future Fair Funding Review. It remains essential that any whole solution that provides a sustainable platform for the future includes resource equalisation and transitional arrangements.
- We request that the changes made by previous Governments to give local authorities more control over the funding be reconsidered. This includes education funding and various other grant funding. The national formula funding for education reduced flexibility of funding for special educational needs and, whilst the additional High Needs funding has been welcomed, there remains a risk of longer-term potential costs being ultimately met by the council taxpayer rather than through schools funding. Extension of legal duties, without additional funding being provided, has increased the cost pressure for the high needs service. This is coupled with the anomaly where the council taxpayer is required to fund special educational needs transport costs of around £13m per annum which should logically be funded through education funding as it is part of the overall SEN package of costs.
- The Government should remove any funding mechanism that could create a perverse situation where poor performance is compensated e.g. high needs, whilst not recognising fully deficits created by inadequate funding rather than poor practices.
- Recognises the true financial impact of essential highways maintenance and repair in a geographically large borough with an extensive road network.
- The relative size of the Needs and Resource amounts are ultimately set by DLUHC on the basis of judgement - can some of the unique factors for Bromley be reflected in this to ensure low cost-efficient authorities are not penalised?

The above does not reflect all the asks and we recognise that the Government will continue to work with local authorities to consider bringing forward the Fair Funding Review and other significant changes, including the business rate review, which could have a significant impact on future finances for local authorities.

Multi-year Settlement Needed

A one-year financial settlement creates uncertainty.

We recognise the difficulty in providing a longer-term financial settlement, given the current economic position. However, a one-year settlement does create uncertainty in future financial planning whilst other key organisations e.g. NHS are provided with a longer-term financial settlement.

We are seeking a multi-year funding settlements from 2025/26 which will enable more long-term stable, predictable funding. This would provide greater planning certainty and allow for greater investment in prevention and other more meaningful long-term financial decisions.

Bromley – Financial Context

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

For 2024/25, Bromley will have the 2nd lowest level of settlement funding in the whole of London despite having the 7th highest population (excluding City of London). Bromley will receive £123 per head of population compared with the average in London of £330 – the highest is £556. Bromley has one of the lowest net expenditure per head for London and an article in telegraph Money section dated 15th December 2023 considered various key local authority indicators and concluded that Bromley came second place for value for money out of 127 authorities reviewed. Despite being low costs our existing funding levels will create an unsustainable financial position for the future without significant cuts to key services in order to balance the budget. We are the largest London Borough in terms of geographical size, have the highest proportion of older people and the largest road network. The associated cost implications are not reflected in our settlement funding. If we received the average level of grant funding, our income would increase by £53.7m in 2024/25. It is essential that DLUHC reflect an adjustment to the Council's baseline funding position to address historic low funding levels in the future local government settlement, following a future Spending Review.

During the period 2010/11 to 2019/20 we have faced government core grant reductions of around £77m per annum and delivered savings of £100m per annum. Although we have delivered further savings (cumulative total of £130m per annum), any future ongoing funding reduction (or standstill funding position) would become unsustainable for a low-cost authority. Bromley has managed its finances extremely efficiently despite having a low level of government funding and has managed to maintain a low council tax. Bromley has created a low-cost base through many pioneering measures taken including outsourcing on a large scale, transfer of housing stock, creation of leisure trust and relentless cost control. However, this provides a further challenge as our scope to achieve savings through efficiencies is significantly reduced compared with other high-cost authorities.

If there were no future cost pressures, then maintaining the level of Government funding to allow for inflation and allowing flexibility in raising Council Tax would be financially sustainable. However, it is important to be realistic and recognise that the real challenge is dealing with increasing costs/income losses arising from new burdens not fully funded and increasing demand for services, immense pressure on adult, children's social care, Special Educational Needs and Disabilities (SEND) funded through the Council's general fund, homelessness costs, rising population levels and meeting inflation costs. To meet these challenges there needs to be a fairer level of funding to Bromley, without the significant dependency on increasing on council tax. This would be essential to provide a medium and longer term sustainable financial solution. This would enable the Council to meet the key services that matter to our residents and taxpayers.

Reserves do provide a temporary stop gap, allowing for continued delivery of critical services. However, the Council is using reserves to support its existing revenue budget which is not sustainable in the medium and longer term – reserves can only be spent once. The importance of reserves to manage uncertainly and deal with key risks facing council's is well documented and Councils that retain reserves through prudent financial management should not be penalised in any future funding regime. It is essential not to reward poor financial management.

Further background is also provided in the Council's Draft Budget 2024/25 and Update on Financial Strategy 2025/26 to 2027/28 report to Executive on 17th January 2024 (see link below):

[Budget Report 2024 25.pdf \(bromley.gov.uk\)](#)

Statutory Duties – Review of Local Government Services if adequate Funding is not available

There were 1,335 statutory duties as at June 2011, identified by the National Audit Office. There has been no overall reduction in statutory duties to date despite overall significant funding reductions. This provides a greater challenge for a low-cost authority like Bromley. This

highlights the importance of considering the full impact of any changes affecting local government. The Government should consider reviewing the role and duties of local government to match the potential resources available.

Working with Government

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

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

The 2024/25 settlement does provide recognition of inflation costs which is helpful. However, the scale of financial challenges with a new significant cost pressure rating to housing If the next Spending Review and future Fair Funding enables a more sustainable funding approach it would be welcomed and enable the Council to provide key services to its residents, support the Government's objectives and support the local economy with a resultant benefit on national economic growth which is key to providing revenues to Government to support services that matter to taxpayers and council taxpayers.

Responses to specific questions raised through the consultation are attached.

To allow time to meet the statutory council tax deadlines and our annual billing deadlines, it is important that the final Local Government Finance Settlement 2024/25 is published by 23rd February 2024 to enable sufficient time for final key decisions to be made.

It is important to recognise the financial stresses facing local authorities are unprecedented with more and more authorities in crisis. This includes frequent press reports about potential Section 114 notices across the country. Having a low cost base and without new flexibilities to raise additional funding with adequate funding for key services from Government, the medium and longer term finances for Bromley would not be sustainable.

Both Members and Officers remain keen to work with the Government to help find positive solutions that work for our residents and taxpayers to meet future service priorities in the shorter term as well as the longer term. Bromley Council appreciates the opportunity to respond to the consultation on the 2024/25 Provisional Local Government Finance Settlement.

Yours faithfully



Peter Turner
Director of Finance

RESPONSE TO CONSULTATION QUESTIONS

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2024-25?

Although the distribution formula urgently needs to be fully updated given the delayed Fair Funding Review, we recognise that the proposed approach to distributing RSG is a reasonable interim measure. Low cost and well-run authorities should not be penalised with a negative RSG requirement, and we are pleased that this is recognised in the provisional settlement. The Fair Funding Review reforms are essential to the effective delivery of important services to the public and must provide a robust system for ensuring that resources are allocated accordingly and recognise the need for a better funding deal for Bromley. The funding baseline no longer resembles the baseline of the Council relating to early 2010s. It is therefore out-of-date, not fit for purpose, discourages local accountability, and undermines local management.

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2024-25?

We welcome the Government steps to simplify the funding environment by rolling in more grants to core funding. We welcome more flexibility in how we use the funding. However, it is essential that any roll-ins are done in a transparent way to ensure no funding has been reduced.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2024-25?

Bromley continues to oppose the 'capping' of council tax increases through the mechanism of referendum principles. Council tax is the only locally determined tax and local authorities must have full flexibility in how it is used as well as how it is set that strikes the appropriate balance between local resources and needs. 'Capping' restricts local decision making. No central government tax is subject to the same approach. As there is to be a continuation of the ASC precept in future years, we would urge the Government to allow flexibility for it to be spent on both adult and children's social care as many boroughs are experiencing large funding pressures in children's social care as many well as in adults.

The continued reliance on Council Tax as the primary driver of increased Core Spending Power is challenging and does not compensate for the funding shortfall to meet key services. Additionally, the assumption that all Council Taxes will be raised by these limits creates a false perception of the amount of new funding provided to local government and reduced transparency regarding the amount of funding provided to local government.

More flexibility and an improved funding system would allow for improved local accountability and long-term financial sustainability.

Question 4: Do you agree with the government's proposals to maintain the Funding Guarantee for 2024-25?

Given the inadequacy and outdated nature of the current funding formula, the Funding Guarantee ensures that local authorities receive at least some additional funding which includes Bromley. (Bromley is just one of only a few London boroughs to receive the guarantee). We understand the rationale around the funding guarantee, but lower tier councils face pressures due to inflation and this represents moving funding from lower tier services grant to a funding guarantee which mainly benefits district councils. Any funding guarantee should be funded from additional rather than existing resources.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2024-25?

We welcome the significant additional funding to support social care. We seek assurances that the 'repurposed' funding (previously set aside for Adult Social Care Reforms) can be retained to support key services with separate funding being provided when/if the delayed Adult Social Care Reforms are implemented. As indicated in the main letter, it is essential that the cost implications of the Adult Social Care Reforms are fully assessed, prior to implementation, to ensure adequate funding is provided. However, Bromley disagrees with the proposed method for distributing funding for both children and adult social care using solely the adult social care RNF. If the intention is for this funding to alleviate pressure on both adult and children's social care, it's distribution should reflect relative levels of needs in both services. We urge the Government to set out why it is not using the existing children's social care funding formula. There is an inconsistency in the proposed allocation method for the Social Care Grant, which is partly reduced for Bromley to reflect equalisation for what can be raised in the Adult Social Care Precept. If the precept remains solely for adult social care, and the support grant for both children's and adult social care, this is effectively reducing the funding available for children's social care pressures. Although the additional funding (committed as part of the 2023/24 settlement) is helpful it will not match the scale of cost pressures in adult's and children's social care, special education needs (general fund) which reflects demographic changes and homelessness.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2024-25?

Although we recognise the continuation of funding of New Homes Bonus, the allocation to Bromley is only £0.4m. There remains long-term uncertainty on funding. There has been a long series of adjustments over the years that have reduced the incentive provided by the bonus. Any reforms to the bonus, or indeed a successor scheme, must ensure it truly incentivises house building in areas of the country facing the greatest housing pressures. A permanent solution is required to provide greater long-term funding certainty to encourage home building. We urge the Government to confirm its long-term intentions for the New Homes Bonus as soon as possible including reforms to better incentivise house building in areas of the country facing the greatest housing pressures, such as London.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2024-25?

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

Question 8: Do you agree with the government's proposals for Services Grant in 2024-25?

Bromley welcomed the additional new one-off "Services Grant" introduced in 2022/23. Given the financial challenges facing the Council (as well as Section 114/ financial distress reported among many local authorities) any reductions to central government grants, including the Services Grant, present significant risk to the longer sustainability of the Council. The reduction to Bromley equated to £1.3m (reduced from £1.5m to £0.2m). This follows a reduction in 2023/24. The Services Grant supports a number of critical local services including, for example, adult social care, children's social care and temporary accommodation. Given the importance of these services the funding levels for this grant should remain at least at 2023/24 levels i.e. no reduction.

Question 9: Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

The continued underfunding of local government services and the acute funding pressures that local governments face particularly in the areas of adults and children's social care may have a disproportionate impact on persons who share a protected characteristic.

Question 10: Do you have any views about the government using levers in future local government finance settlements (those occurring after 2024-25) to disincentivise the '4 day working week' and equivalent arrangements of part time work for full time pay?

Fundamentally questions regarding the appropriate compensation of employees and the level of service provided by local councils should be made locally. This is particularly relevant when proposals impacts the stability and predictability of available funding and further reduce the ability of councils to identify alternative solutions to very real staffing retention and retainment challenges.

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Consultation and Engagement - Appendix 5 of 2024/25 Council Tax Report to Executive 7 February 2024

Residents' engagement including in the context of budget setting is important to the council. Feedback has previously indicated that without sufficient contextual information, it is more challenging for residents and groups to express views about relevant priorities for the budget and council services.

The council outlined the context of the budget in the Council magazine before Christmas to better explain the national and local background to residents, not only for the year ahead but also for the next four years, with residents and groups then also able to comment via the usual channels if they so wished. The council's views have also featured in local and regional media, including the ongoing call for fairer funding.

Contextual information has also been published on the website with opportunity for residents to share their priorities for the 2024/5 budget.

Responses have been received around a number of themes and services. Some resident groups along with individual residents have responded directly and indicated their priorities for council services, with other responses identifying potential opportunities for savings or further income streams.

Responses include from Copers Cope Area Residents' Association who set out their priority services for Beckenham, which were: waste management services, road safety and pedestrian improvements, adult and child social care, social housing, sports and leisure facilities, special education and early years education. Libraries, and parks and green spaces.

Similarly, Knoll Residents' Association provided their priority services based on a poll of 76 of their members, from which the top supported priorities were waste services, children's education and schools, parks and green spaces, children special education needs, and children safeguarding. Further views from these members also being provided, including around priorities between council tax levels and service provision and around the budget deficit in future years.

The Council received a range of further comments, with some praise for council achievements and how services are run. There were suggestions around raising further funds through council tax on new builds and from parking charges, with others requesting street lighting or pedestrian crossings in certain locations. Specific spending was also commented on, including requests for funding on Churchill Theatre and questioning of spending on the Crystal Palace Park Regeneration Plan.

Where comments related to specific services, these have also been shared with the relevant officers for consideration.

Alongside formal responses submitted to the consultation, further engagement was also found from social media, with partners and others sharing these posts to help reach further residents and 15 further comments received from residents sharing their views.

It is noted that many of the responses indicated a high level of awareness around the council financial situation and the contextual information provided around the budget setting. As such, responses were generally well considered, providing useful feedback to the council to inform the budget setting process.

Agenda Item 6

Report No.
FSD24015

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE
COUNCIL

Date: 7th February 2024
26th February 2024

Decision Type: Non-Urgent Executive Key

Title: CAPITAL STRATEGY 2024/25 TO 2027/28 & Q3 CAPITAL PROGRAMME MONITORING

Contact Officer: James Mullender, Head of Corporate Finance and Accounting
Tel: 020 8313 4196 Email: james.mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 This report incorporates the Council's new Capital Strategy and Capital Programme for 2024/25 to 2027/28. It also summarises the current position on capital expenditure and receipts following the conclusion of the third quarter monitoring exercise.
- 1.2 The report includes details of the new schemes that will be added to the Capital Programme and information concerning the proposed asset disposals that will be used to generate capital receipts and ultimately contribute towards the funding of the Capital Programme.
- 1.3 Also included are details of the related Capital Financing implications, including proposals to refinance current housing schemes through borrowing, utilisation of revenue reserves to address the shortfall in capital resources for 2023/24 onwards and details of how these proposals will impact the Council's revenue budget.
-

2. RECOMMENDATIONS

2.1 The Executive is requested to:

- (a) Note the report, including a total rephasing of £27m from 2023/24 into future years as detailed in section 3.7, and agree a revised capital programme;
- (b) Approve the Capital Strategy for 2024/25 to 2027/28 including the following amendments to the capital programme:

- (i) Adjustments identified as part of the capital monitoring process totalling a net reduction of £1,007k as detailed in sections 3.5 and 3.6; and**
- (ii) An increase of £2,477k in relation to new schemes to be added to the Capital Programme as detailed in section 3.11.**

2.2 Council is requested to:

- (i) Approve the Capital Strategy for 2024/25 to 2027/28, including an increase of £2,477k in relation to new schemes to be added to the Capital Programme as detailed in section 3.11.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

Transformation Policy

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

Financial

1. Cost of proposal: total net increase of £1.5m over the five years 2023/24 to 2027/28
 2. Ongoing costs: As detailed above
 3. Budget head/performance centre: Capital programme
 4. Total current budget for this head: total £306m over the period 2023/24 to 2027/28
 5. Source of funding: Capital grants, capital receipts, external borrowing and earmarked revenue reserves.
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: Not applicable
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Updated Capital Position

- 3.1 This report sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the third quarter of 2023/24. It also sets out how the Capital Strategy for 2024/25 to 2027/28 was developed, including key considerations and planning assumptions. Consequently, the report seeks approval for the Capital Strategy for 2024/25, including proposed new schemes and the related capital financing.
- 3.2 Appendix A summarises the proposed changes to the Capital Programme. The base position is the revised programme approved by the Executive on 29th November 2023, as amended by variations approved at subsequent meetings.
- 3.3 If all the changes proposed in this report are approved, the total Capital Programme 2023/24 to 2027/28 would increase by £1.5m, mainly due to the inclusion of new capital bids, partly offset by reductions to existing schemes and removal of completed schemes. Planned capital expenditure of £27.0m will be re-phased from 2023/24 into future years.
- 3.4 Details of the monitoring variations are included in Appendices A and B, and the proposed revised programme is summarised in the table below.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 18/01/23	79,302	33,098	34,744	10,150		157,294
Net underspend 22/23 rephased to 23/24	99,645					99,645
Net changes approved in Q1	Cr 56,982	52,454	38,336	6,112		39,920
Net changes approved in Q2	Cr 24,675	27,001	1,547	4,000		7,873
S/T - approved programme prior to Q3	97,290	112,553	74,627	20,262	0	304,732
Variations requiring approval:						
Removal of various complete overspent schemes	416					416
Variations not requiring approval:						
Rephasing from 23/24 into future years	Cr 26,982	16,728	10,029	225		0
Removal of various complete schemes	Cr 1,056	Cr 90				Cr 1,146
Reduction in Central Depot Wall scheme	Cr 77					Cr 77
Reduction in Financial Systems Replacement	Cr 200					Cr 200
S/T - amendments to programme	Cr 27,899	16,638	10,029	255	0	Cr 1,007
Proposed new schemes						
Kelsey Park Bridge	133	434				567
Public Switched Telephone Network (PSTN)		1,000				1,000
Local Highways Maintenance	455	455				910
S/T - proposed new schemes	588	1,889	0	0	0	2,477
Total revised capital programme	69,979	131,080	84,656	20,487	0	306,202
Less: Further slippage projection	Cr 10,000	10,000				0
Provision for uncertainty and new schemes			107	4,000	4,000	8,107
Projected programme for capital financing	59,979	141,080	84,763	24,487	4,000	314,309

3.5 Variations requiring approval by the Executive (£416k total net increase)

Removal of various complete schemes (increase of £416k)

3.5.1 As part of the third quarter monitoring exercise, a review was undertaken of schemes that are now complete and/or no longer required. This has identified a total of £416k of overspent schemes to be removed from the capital programme as set out in the table below. Further details will be provided in the post completion reports to be reported to the relevant PDS committees:

	2023/24
	£'000
Gateway Review of Housing I.T System	368
Crystal Palace Park Improvements	29
Norman Park Athletics Track	9
Crystal Palace Park - Alternative Management Options	10
	416

3.6 Variations not requiring approval of the Executive (£1,423k total decrease)

Reduction in existing schemes (decrease of £277k)

3.6.1 The review referred to in paragraph 3.5.1 above also identified that the Central Depot Wall and Financial Systems Replacement schemes could be reduced by £77k and £200k respectively based on revised estimates of total scheme expenditure.

Removal of various complete schemes (decrease of £1,146k)

3.6.2 In addition to the overspend schemes in paragraph 3.5 above, the review also identified a total of £1,146k of underspends on complete schemes as set out below. Further details will be provided in the post completion reports to be reported to the relevant PDS committees:

	2023/24	2024/25	Total
	£'000	£'000	£'000
Feasibility Studies	120	90	210
Supporting Independence - Extra Care Housing	13		13
Transforming Social care	10		10
Mobile technology to support children's social workers	18		18
Star Lane Traveller Site	29		29
Chipperfield Road Development	59		59
Betts Park Canal Bank Stabilisation Project	8		8
Biggin Hill Memorial Museum	111		111
Relocation of Exhibitions - Bromley Museum	2		2
Banbury House demolition/site preparation	2		2
West Wickham Leisure Centre	623		623
Bromley MyTime Investment Fund	3		3
Orpington Public Realm Improvements	34		34
Street Lighting Invest to Save Initiative	24		24
	1,056	90	1,146

3.7 Scheme re-phasing

3.7.1 As part of the Q3 monitoring exercise, a total of £27.0m has been specifically re-phased from 2023/24 into future years to reflect revised estimates of when expenditure is likely to be incurred. Details of the schemes and amounts being re-phased are shown in Appendix B.

3.8 **Capital Programme Review (2022/23)**

3.8.1 To inform the previous Capital Strategy reported in January 2023, a fundamental review of the Council's Capital Programme was undertaken during 2022. This was driven by the following considerations:

- The Operational Property Review (OPR), reported to Executive in November 2022, identified that the maintenance liability, as identified from condition surveys, over the next 10 years amounts to £82m and that a further £8m would be required to refurbish the portfolio to a minimum standard, giving a total cost of £164m.
- The OPR also considered whether assets should be considered for disposal to avoid high initial and potential longer term maintenance costs. Additionally, it recognised that disposals that could be progressed quickly may result in potential savings in the condition survey overall costs as well as an opportunity for a capital receipt to be generated to fund high priority schemes.
- Significant cost pressures from inflation, and supply chain issues which have impacted construction costs, and the price of labour and raw materials partly attributed to the pandemic and the ongoing conflict in Ukraine presents a backdrop of continued uncertainty which is likely to have a broadly inflationary effect. Potential cost pressures, in some instances, are estimated to result in costs 20% to 25% higher than original estimates.
- A capital financing shortfall of around £49m. To fully consider long-term capital financing options, including utilising the Council's earmarked revenue reserves to support capital expenditure, long-term borrowing on the external debt market and whether existing schemes could be refinanced.
- Individual consideration of the strategic importance of the Council's operational assets, including whether they are used in the ongoing delivery of the Council's statutory services and/or are important for other reasons, e.g. their specific location within the borough.
- The need to robustly review existing capital schemes for continued viability and value for money. Whilst this is undertaken on an ongoing basis, it was especially necessary in light of significant slippage in the capital programme owing to the pandemic.
- The requirement, set out in the CIPFA Financial Management Code, to align the Capital Strategy with the Council's Medium Term Financial Strategy and to enable the Section 151 Officer to report explicitly on affordability and risk.

3.9 Outcome of the Capital Programme Review (2022/23)

3.9.1 Following the review of the Capital Programme various proposals and schemes were reported to the Executive at its November 2022 and agreed for progression. These included:

- Relocation of the Council's main operation base to Churchill Court and disposal of the Civic Centre and surrounding campus.
- The allocation of an additional £3m to be spent on Depot Infrastructure Works.
- A number of property disposals (12 in total) which was estimated will generate capital receipts totalling £67m to be used to fund future capital expenditure.
- The addition of new capital schemes totalling £75m, the majority of which relates to maintenance works proposed on individual assets as identified in the Operational Property Review, and £27m for Leisure Centres, £2m for Kelsey Park Works and £6.5m for IT Infrastructure and Digitisation.

3.10 Capital Programme Review (2023/24)

- 3.10.1 As set out in sections 3.8 and 3.9 above, a comprehensive review of the capital programme was carried out during 2022/23. As a result, only a relatively small number of changes and new schemes have been identified in the review during 2023/24.
- 3.10.2 Details of the outcome of the review of existing schemes for those that are complete and can be removed from the programme, or where scheme estimates can be reduced are provided in sections 3.5 and 3.6 above.

3.11 New scheme proposals (£2,477k total)

- 3.11.1 The bids listed below are for proposed inclusion in the capital programme. Costs for each scheme are based on officer estimates. For each scheme, the phasing of costs across years has also been completed on an indicative basis. These amounts are likely to vary as each scheme progresses and should the need arise, total budgeted costs and the phasing of expenditure will be amended as part of the quarterly monitoring process and review of capital financing.

Kelsey Park Bridge (£567k)

- 3.11.2 The report attached at Appendix F requests the addition of £567k to the capital programme for the replacement of a footbridge in Kelsey Park, to be funded from the Infrastructure Investment Fund (£412k) and the Healthy Bromley (£155k) earmarked reserves.

Public Switched Telephone Network (PSTN) Switch Off (£1,000k)

- 3.11.3 The Public Switched Telephone Network (PSTN) is scheduled to be switched off on 31st December 2025. This means that all traditional landline connection will be replaced with Voice over Internet Protocol (VoIP). The PSTN lines are used to deliver various services i.e. Emergency Lines, old telephone lines, emergency lines in Lifts, TeleCare Service Lines etc. The PSTN is the analogue copper cable telephone network that has been in use since 1876. As well as landline services, the PSTN also provides standard ADSL and fibre-to-the-cabinet (FTTC) broadband services via fibre optic cables.

- 3.11.4 The replacement, VoIP, is entirely digital and uses an internet connection to transmit voice calls and data. It's the same technology that is used for messaging and video call services like Skype, Teams and WhatsApp.

- 3.11.5 This change impacts everyone in the UK, both home and business customers. The capital estimate of £1m will cover the cost of investigation of all PSTN lines that are used for the service delivered by the Council as well as the lines used by the services and support our residents. The estimate also includes the cost of resources for procurement, implementation, change management and support the program to change the technology to the supported services.

Local Highways Maintenance (£910k)

- 3.11.6 Approval is sought to add an additional £910k to the capital programme for the Highways Service, with £455k for 2024/25 and 2025/26. This is being funded by new monies from the DFT for Pothole repairs. The funding has been announced for the coming 10 years to the year 2033/34 with a minimum £14.2m confirmed. Currently only 2024/25 and 2025/26 allocations have been confirmed; future reports will request additions for later years once the subsequent allocations are received.

3.12 Housing Schemes

- 3.12.1 To date, seven housing development schemes have been added to the capital programme which should deliver 187 social/affordable homes in total. These sites are York Rise, Burnt Ash, Anerley, Bushell Way, West Wickham, Bromley North and Beckenham Car Park.
- 3.12.2 As agreed in February 2023, a total of around £49m that had been spent/committed from earmarked reserves to fund housing schemes could be refinanced through external borrowing from the Public Works Loan Board (PWLB), with a further £12m agreed in September 2023 for Bromley North and Beckenham.
- 3.12.3 Further feasibility/scoping work is being carried out for a three other potential schemes which could deliver around 147 further social housing units at Bellegrave, Manorfields and Poverest, as approved by Executive in September 2023. These schemes will progress subject to Member consideration of a full business case and financing implications on the basis that they should be broadly self-financing to repay capital funding plus all maintenance and running costs, and also deliver revenue savings in relation to temporary accommodation costs.

3.13 Capital Financing

- 3.13.1 Based on the new capital expenditure detailed in this report being approved, the projected capital financing requirement for 2023/24 to 2027/28 is £46.2m (total external borrowing in Appendix C). This takes into account the projected proceeds from asset disposals and other changes to the capital programme detailed in this report. The shortfall figure will be subject to fluctuation over time and will be affected by how outturn capital spending compares to budgets, the value of actual capital receipts compared to estimates, and the timing of the various capital related cashflows.
- 3.13.2 In addition to the refinancing described in paragraph 3.12.2, a balance of up to £10m was agreed in February 2023 from the Council's earmarked revenue reserves to meet the projected capital financing shortfall. Based on current projections the Council's total earmarked reserves is expected to reduce from £199m as at 31st March 2023 to £79m by 31st March 2027. Some of these balances have been set aside for specific purposes such as the Health and Social Care reserves, Insurance Fund and Schools balances. Further details are included in the 2024/25 Council Tax report elsewhere on the agenda.
- 3.13.3 The capital financing statement attached at Appendix C shows that the Council had £32m of capital receipts brought forward into 2023/24, and that even with the £146m of new receipts projected over the 2023/24 to 2026/27 financial years (detailed in Appendix E to be considered in part 2), capital receipts will have been fully exhausted by the end of 2025/26 in order to fund the current capital programme.
- 3.13.4 This demonstrates that there is no longer any flexibility to fund new capital schemes from within existing capital resources. Additionally, further use of earmarked reserves to fund capital schemes would not be prudent given the current projected budget gap of £39m as detailed in the 2024/25 Council Tax report. Any future new schemes capital schemes not funded from external grants or contributions will likely need to be financed through external borrowing unless further asset disposals are identified.
- 3.13.5 It should also be noted that unless schemes are broadly self-financing i.e. they generate net additional income to cover interest and the Minimum Revenue Provision/debt repayment, then further borrowing will also add to the Council's budget gap. £5.3m is currently included in the draft 2024/25 budget for the impact of capital financing, reflecting a reduction in income from interest on balances as well as reduced investment property income as a result of the disposal programme.

3.14 Investment Fund and Growth Fund

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

3.14.2 Appendix D provides a detailed analysis of the funds dating back to their inception in September 2011. To date, schemes totalling £126.1M have been approved (£98.0m on the Investment Fund, and £24.2m on the Growth Fund), and the uncommitted balances as at end December 2023 stand at £6.8m for the Investment Fund and £14.9m for the Growth Fund.

3.15 Post-completion reports

3.15.1 Under approved capital programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes are due to be submitted to the relevant PDS committees and the relevant budget holders have been notified directly.

- Upgrade of Core Network Hardware
- Replacement of Storage Area Network
- Rollout of Windows 7 and Office 2000
- Replacement of MD110 Telephone Switch
- Review of Corporate Customer Services I.T Systems
- Upgrade of MS Dynamics CRM System
- Windows Server 2003 Replacement Programme
- Glebe School Expansion
- Seed Challenge Fund/Schools Access Initiative/Security Works
- Performance Management/Children's Services IT scheme
- Bromley My Time Investment Fund
- Relocation of Exhibitions - Bromley Museum
- Norman Park Athletics Track
- Crystal Palace Park Improvements/Alternative Management Options
- Star Lane Traveller Site
- Betts Park Canal Bank Stabilisation Project
- Biggin Hill Memorial Museum
- Relocation of Exhibitions – Bromley Museum
- Orpington Public Realm Improvements
- Street Lighting Invest to Save Initiative

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix C is a capital financing statement, which gives a long-term indication of how the revised Capital Programme financing position.

- 5.2 The financing projections assume approval of the revised capital programme recommended in this report, together with an allowance for new capital schemes and service developments and/or increased costs of existing schemes from 2026/27 onwards. An allowance for slippage of capital expenditure is also included in the projections.
- 5.3 As noted in section 3.13, a capital financing shortfall is projected from 2023/24 onwards. The shortfall is caused by the increased value of capital expenditure over this period, primarily driven by new schemes, coupled with the utilisation of the Council's balance of usable capital receipts.
- 5.4 It is highly likely that borrowing will be required for any further capital expenditure not funded by capital receipts or grants unless the financial position of the Council significantly improved in the medium and longer term. This also recognises the need to safeguard adequate revenue reserves to support the Council's medium-term financial position.

Non-Applicable Sections:	Personnel Implications; Impact on Vulnerable Adults and Children; Legal Implications; Procurement Implications.
Background Documents: (Access via Contact Officer)	Capital programme monitoring Q1 23/24 (Executive 20/09/2023) Capital programme monitoring Q2 23/24 (Executive 29/11/2023) Capital programme monitoring Q3 22/23 (Executive 18/01/2023)

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - Q3 2023/24 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of meeting	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Revised 2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Current approved capital programme							
Programme approved by Executive 18/01/2023	Exec 18/01/23	79,302	33,098	34,744	10,150	0	157,294
Net underspend 22/23 rephased to 23/24	Exec 05/07/23	99,645					99,645
Sub-total - approved programme prior to Q1 monitoring		178,947	33,098	34,744	10,150	0	256,939
Variations in the estimated cost of approved schemes							
(i) Variations previously approved by the Executive							
Chislehurst Library redevelopment	ERC PDS 23/11/22		Cr 1,000				Cr 1,000
West Wickham library and housing improvements (RRH)	Exec 08/02/23	3,959					3,959
Changing Places Fund (RRH)	Exec 29/03/23 05/07	405					405
Crystal Palace Park (RRH)	Exec 29/03/23	304					304
Addition to Basic Need (s106) (CEF)	Exec 29/03/23	43					43
Digital infrastrucutre - Strategic Investment Fund (RRH)	Exec 05/07/23	49					49
Non-turf cricket pitches (RRH)	Exec 05/07/23	40					40
Addition to Devolved Formula Capital (CEF)	Exec 20/09/23	55					55
Adjustments to TfL estimates (grant funded) (ECS)	Exec 20/09/23	Cr 1,425	Cr 500				Cr 1,925
Supplementary estimate for Churchill Court (RCCM)	Exec 20/09/23		4,250				4,250
Investment Fund used for housing schemes	Exec 20/09/23	Cr 11,688					Cr 11,688
Addition to Disabled Facilities Grant (RRH)	Exec 20/09/23	2,656					2,656
Proposed housing scheme - Bromley North (RRH)	Exec 20/09/23	6,283	12,150	7,067			25,500
Proposed housing scheme - Beckenham (RRH)	Exec 20/09/23	631	7,200	6,600	769		15,200
Supplementary estimate for York Rise - approved Jun 2021 (RRH)	Exec 20/09/23	2,072					2,072
Net rephasing between 23/24 and future years - Q1	Exec 20/09/23	Cr 60,366	30,354	24,669	5,343		0
Supplementary estimate for depots (ECS)	Exec 29/11/23		1,893				1,893
Supplementary estimate for the treatment of RAAC (RCCM)	Exec 29/11/23		3,000				3,000
Supplementary estimate for Liquid Logic (RCCM)	Exec 29/11/23	700					700
Correction to Basic Need budgets for s106 (CEF)	Exec 29/11/23		2,280				2,280
Supplementary estimate for OPR Central Library (RCCM)	Exec 29/11/23		500				500
Use of OPR Churchill Theatre budget to fund Central Library (RCCM)	Exec 29/11/23		Cr 500				Cr 500
Net rephasing between 23/24 and future years - Q2	Exec 29/11/23	Cr 25,375	19,828	1,547	4,000		0
		Cr 81,657	79,455	39,883	10,112	0	47,793
Sub-total - approved capital programme prior to Q3 monitoring		97,290	112,553	74,627	20,262	0	304,732
(ii) Variations requiring the approval of the Executive							
Removal of various complete overspent schemes		416					416
		416	0	0	0	0	416
(iii) Variations not requiring the approval of the Executive							
Removal of various complete underspent schemes		Cr 1,056	Cr 90				Cr 1,146
Reduction in Central Depot Wall scheme		Cr 77					Cr 77
Reduction in Financial Systems Replacement scheme		Cr 200					Cr 200
Net rephasing between 23/24 and future years - Q3		Cr 26,982	16,728	10,029	225	0	0
		Cr 28,315	16,638	10,029	225	0	Cr 1,423
(iv) Proposed new schemes requiring the approval of the Executive							
Kelsey Park Bridge		133	434				567
Public Switched Telephone Network (PSTN) Switch Off			1,000				1,000
Local Highways Maintenance		455	455				910
		588	1,889	0	0	0	2,477
TOTAL REVISED CAPITAL PROGRAMME		69,979	131,080	84,656	20,487	0	306,202
Less: estimated further slippage projection		Cr 10,000	10,000	0	0	0	0
Add: provision for uncertainty and future schemes			0	107	4,000	4,000	8,107
TOTAL TO BE FINANCED		59,979	141,080	84,763	24,487	4,000	314,309

CAPITAL PROGRAMME MONITORING - Q3 2023/24 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME**SCHEME REPHASING**

Variations on individual schemes	2023/24	2024/25	2025/26	2026/27	TOTAL
	£'000	£'000	£'000	£'000	£'000
<u>Rephasing of schemes</u>					
Churchill Theatre (RCCM)	Cr 4,498	4,498			0
Churchill Court (RCCM)	Cr 8,000	8,000			0
Financial Systems Replacement (RCCM)	Cr 250	250			0
Emergency Works on Surplus Sites (RCCM)	Cr 47	47			0
Property Disposal/Feasibility Work- Growth Fund (RCCM)	Cr 26	26			0
OPR Surface Car Parks (RCCM)		Cr 823	823		0
Replacement of District Heating System Boilers & Works to Walnuts Leisure Centre (RRH)	Cr 580	580			0
Penge Town Centre (RRH)	Cr 71	71			0
Digital infrastructure - Strategic Investment Fund (RRH)	Cr 49	49			0
Bromley High Street Improvements- Growth Fund (RRH)	Cr 771	500	271		0
OPR Traveller Sites		150	Cr 150		0
Beckenham housing (RRH)		Cr 5,000	5,000		0
Site G (RRH)	Cr 2,424	2,424			0
Kelsey Park Lake Desilting (ECS)	Cr 1,900	1,900			0
Depot Improvement Works (ECS)	Cr 8,066	3,756	4,085	225	0
Capital Maintenance in Schools (CEF)	Cr 300	300			0
TOTAL REPHASING ADJUSTMENTS	Cr 26,982	16,728	10,029	225	0

CAPITAL FINANCING STATEMENT - Q3 2023/24
 (NB. Assumes all capital receipts - see below)

	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Summary financing statement					
Capital grants	18,759	19,132	15,000	1,500	0
Other external contributions	5,873	19,643	250	0	0
Usable capital receipts	19,232	79,098	52,364	0	0
Internal borrowing	1,708	10,824	8,400	0	0
Revenue contributions	10,812	5,259	271	0	0
External borrowing*	3,595	7,124	8,478	22,987	4,000
Total expenditure	59,979	141,080	84,763	24,487	4,000
Usable capital receipts					
Balance brought forward	31,787	48,686	28,564	0	0
New usable receipts	43,779	69,800	32,200	0	0
	75,566	118,486	60,764	0	0
Capital financing	Cr 19,232	Cr 79,098	Cr 52,364	0	0
Repayment of internal borrowing	Cr 7,648	Cr 10,824	Cr 8,400	0	0
Balance carried forward	48,686	28,564	0	0	0
Internal borrowing					
Balance brought forward	Cr 5,940	0	0	0	0
Capital financing	Cr 1,708	Cr 10,824	Cr 8,400	0	0
Repaid from new capital receipts	7,648	10,824	8,400	0	0
Balance carried forward	0	0	0	0	0
General Fund					
Balance brought forward	20,000	18,607	18,607	18,607	18,607
Less: capital financing	0	0	0	0	0
Less: use for revenue budget	Cr 1,393	0	0	0	0
Balance carried forward	18,607	18,607	18,607	18,607	18,607
TOTAL AVAILABLE RESERVES	67,293	47,171	18,607	18,607	18,607

The future transfer of land from the General Fund to the HRA does not result in a capital receipt, as the HRA is not a separate legal entity but the effect would be similar in that it would mean that the Council can incur more capital expenditure without needing to borrow. Although the accounting arrangements are 'technical' in order to meet statutory accounting requirements the effective transfer of land has the same impact as generating a capital receipt of an equivalent value and therefore the equivalent value can be used to fund future capital schemes.

Notes/assumptions:

*External borrowing - housing schemes. Given the volatility in interest rates, internal borrowing may be used as an interim measure where suitable. Internal borrowing is also being used to fund Site G until capital receipts pay back.
 Capital receipts - includes figures reported by Property Division as shown in Appendix E

<u>Investment Fund</u>	£'000
<u>Revenue Funding:</u>	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
Approved by Executive 6th December 2017	3,500
Approved by Executive 21st May 2018	2,609
	<u>84,517</u>
<u>Capital Funding*:</u>	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 2nd December 2015 (sale of Egerton Lodge)	1,216
Approved by Executive 7th November 2017 (Disposal of 72-76 High St)	4,100
	<u>20,316</u>
Total Funding Approved:	<u>104,833</u>
<u>Property Purchase</u>	
Approved by Executive 7th September 2011 (95 High St)	Cr 1,620
Approved by Executive 6th December 2012 (98 High St)	Cr 2,167
Approved by Executive 5th June 2013 (72-76 High St)	Cr 2,888
Approved by Executive 12th June 2013 (104 - 108 High St)	Cr 3,150
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 18,755
Approved by Executive 19th December 2014 (27 Homesdale)	Cr 3,938
Approved by Executive 24/03/15 (Morrisons)	Cr 8,672
Approved by Executive 15/07/15 (Old Christchurch)	Cr 5,362
Approved by Executive 15/07/15 (Tilgate)	Cr 6,746
Approved by Executive 15/12/15 (Newbury House)	Cr 3,307
Approved by Executive 15/12/15 (Unit G - Hubert Road)	Cr 6,038
Approved by Executive 23/03/16 (British Gas Training Centre, Thatcham)	Cr 3,666
Approved by Executive 15/06/16 (C2 and C3)	Cr 6,394
Approved by Executive 14/03/17 (Trinity House)	Cr 6,236
Approved by Executive 01/12/17 (54 Bridge Street, Peterborough)	Cr 3,930
	<u>Cr 82,869</u>
<u>Other Schemes</u>	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 400
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Approved by Executive 10th July 2019 (Modular Homes at York Rise site)	Cr 3,500
Approved by Executive 2nd August 2019 (Provision of Housing in Burnt Ash Lane)	Cr 2,989
Approved by Executive 10/02/21 - property acquisition scheme	Cr 6,000
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	<u>Cr 15,133</u>
Uncommitted Balance on Investment Fund	<u>6,831</u>

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

Growth Fund:		£'000
<u>Funding:</u>		
Approved by Executive 26th November 2014 (Transfer from Investment Fund)		10,000
Approved by Executive 2nd December 2015		6,500
Approved by Executive 23rd March 2016		6,000
Approved by Executive 15th June 2016		7,024
Approved by Executive 22nd March 2017		4,000
Subject to approval by Executive 20h June 2017 (Provisional final accounts 2016/17)		3,311
Approved by Executive 21st May 2018		2,319
Total funding approved		<u>39,154</u>
<u>Schemes Approved and Committed</u>		
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr	2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr	200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employme	Cr	180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr	50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr	110
Approved by Executive 1st Nov 2016 (19-25 Market Square)	Cr	10,705
Approved by Executive 1st Nov 2016 (63 Walnuts)	Cr	3,804
Approved by Executive 22nd March 2017 (Council 10th April 2017) - Bromley Town Centre Public Realm improvement Scheme	Cr	2,844
Approved by Executive 7th November 2017 - Bromley Town Centre and Public Realm	Cr	464
Approved by Executive 17th October 2018 (Bromley Town Centre - Mirrored Canopies & Shops)	Cr	415
Approved by Executive 22nd March 2017 - Project Officer cost Bromley Town Centre Public Realm improvement Scheme	Cr	40
Approved by Executive 22nd March 2017 - Community Initiative	Cr	15
Approved by Executive 24th May 2017 - Feasibility Works/Property Disposal Renewal Team Cost	Cr	250
	Cr	310
Approved by Executive 28th November 2018 (Housing Development Feasibility)	Cr	100
Approved by Executive 27th March 2019 (West Wickham BID)	Cr	75
Approved by Executive 21st May 2019 (Specialist advice for setting up local Housing company)	Cr	100
Noted by Executive 12th February 2020 - £1.5m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		1,500
Approved by Executive April 1st 2020 - Consultancy services for advice on urban design	Cr	50
scheme	Cr	800
Noted by Executive May 2020 - £2m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		2,000
Approved by Executive 30th June 2021 - £116k for 2 year FTC Planning Officer	Cr	116
Approved by Executive 20th Oct 2021 - Professional Services: Civic Centre Development	Cr	500
Approved by Executive on 9th February 2021 - Operational Maintenance Programme Manager	Cr	65
Approved by Executive on 6th October 2022 - Local Plan review process	Cr	600
Approved by Executive on 20th September 2023 - £2,250k to support supplementary estimate for Churchill Court	Cr	2,250
Approved by Executive on 17th January 2024 - £1,000k transfer to Transformation Fund 2024-2028 earmarked reserve	Cr	1,000
Total further spending approvals	Cr	<u>24,243</u>
<u>Schemes approved, but not yet committed</u>		
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr	6,790
Reversed by Executive 5th July 2023 (for Biggin Hill and Cray Valley)		6,790
Uncommitted Balance on Growth Fund		14,911

Report No.
ES20224

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: ENVIRONMENT PORTFOLIO HOLDER FOR SUSTAINABILITY, GREEN SERVICES & OPEN SPACES

FOR PRE-DECISION SCRUTINY BY ENVIRONMENT AND COMMUNITY SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE.

Date: 22nd November 2022

Decision Type: Non-Urgent Executive Key

Title: **KELSEY PARK REPLACEMENT BRIDGES (OPTIONS APPRAISAL)**

Contact Officer: David Braybrook, Strategic Commissioning Officer
E-mail: david.braybrook@bromley.gov.uk

Chief Officer: Colin Brand, Director of Environment and Public Protection
Email: colin.brand@bromley.gov.uk

Ward: Kelsey & Eden Park

1. Reason for report

This report summarises the progress made sourcing a suitable replacement for the Kelsey Park bridges, outlines the options in light of budgetary constraints and recommends a suitable replacement scheme to be added to the Council's Capital Programme to enable repair works to proceed.

2. **RECOMMENDATION(S)**

2.1. **The Environment and Community Services PDS is asked to review and provide their comments to the Portfolio Holder for Sustainability, Green Services and Open Spaces.**

2.2. **The Portfolio Holder for Sustainability, Green Services and Open Spaces is asked to:**

2.2.1. **Note the potential options explored within the existing market to reduce costs.**

2.2.2 **Approve proceeding with the option to replace Bridge B with a new timber footbridge structure and authorise officers to proceed to procurement for a design and build contract to this purpose.**

- 2.2.3 Approve an addition of £567k to the Capital Programme for the replacement of Footbridge B, with £412k to be funded from the Investment Infrastructure Fund and £155k to be funded from the Healthy Bromley Earmarked Reserve.**
- 2.2.4 Agree to delegate authority to the Director of Environment and Public Protection in consultation with the Portfolio Holder for Sustainability, Green Services and Open Spaces to award contracts for the delivery of the footbridge replacement following the tendering process set out in Sections 4.4 – 4.10.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: It is proposed that the replacement structure will be accessible for disabled commuters and satisfy all current requirements of the Equality Act 2010. In addition it will also contain design features to ensure it is to a width to suit all pedestrian types including wheelchair and other mobility users.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. MBEB Priority: Business and Enterprise
-

Financial

1. Cost of proposal: £567k one-off costs
 2. Ongoing costs: £15.4k maintenance costs over 10 years
 3. Budget head/performance centre: New capital programme for the Kelsey Park Replacement Bridges scheme.
 4. Total current budget for this head: New scheme
 5. Source of funding: £412k to be funded from the Investment Infrastructure Fund and £155k to be funded from the Healthy Bromley Earmarked Reserve.
-

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: The proposed procurement requires the approval of the Portfolio Holder. As the value is below threshold a fully regulated procurement is not required but it must comply with legal procurement principles of equity, transparency and non-discrimination.
 2. Call-in: Applicable.
-

Procurement

1. Summary of Procurement Implications: Subject to agreement to commission the provision a restricted procedure will be used. As the estimated value of the procurement is above £25k it must be advertised on contracts finder and comply with PCR 2015 principles of transparency and equal treatment. If approval is received, the commissioner must take all necessary professional advice, and work closely with Procurement colleagues in agreeing a refined timetable and relevant documentation for going to market.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All visitors to Kelsey Park.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Owing to the lateness of this report, Ward Councillor comments will be gathered at a briefing arranged prior to the date of the committee, and with permission of the chairman, a verbal update will be given to the committee at their meeting.

3. COMMENTARY

Background

- 3.1 Kelsey Park is a large park within Beckenham that serves as an important wildlife habitat but also a community hub with facilities ranging from nature trails through to tennis courts, a café and playground. Its significant footfall demonstrates that it is a valued community facility.
- 3.2 Within the park are two pedestrian timber glulam bridges which both span a shallow body of water which is fed from the River Beck, one of the tributaries of the River Ravensbourne, the locations of which are given in **Appendix A** of this report. Bridge A is located at the north end of the Park, adjacent to the Information Centre. Bridge B is located at the south end of the Park, near to the Stone Avenue Entrance, and is a key route for crossing from one side of the lake to the other. Both bridges are suffering significant decay and have been deemed dangerous to use, so have been closed to the public.
- 3.3. An independent structural assessment was carried out on both footbridges by Colin Toms Partners in December 2021 in order to both ascertain their condition and in turn, determine the most cost effective method of repair, along with identifying the condition of the embankment substates and confirm whether any additional supports, strengthening or replacement of the foundations was required.
- 3.4. The investigations concluded that whilst it may have been possible in theory to repair and strengthen the existing structures, it was considered that the extent of the repairs and the specialist nature of the works that this would entail would be cost prohibitive. Therefore the overall recommendation was made that the two structures should be replaced.

Draft Option Study

- 3.5. The Council undertook an options study for the replacement of the two footbridges to consider the access constraints, substructure requirements, whole life costs and the required construction programme. This has allowed consideration of replacement schemes which demonstrate value for money whilst also considering the buildability and suitability of the options presented. The design of the suitable replacement included both a like for like timber basis and a new galvanised steel structure.
- 3.6. The Council, under the J B Riney contract, instructed Waterman's Infrastructure and Environment Ltd (WIE) to carry out the feasibility study in order to develop restoration proposals that fit the brief in 3.5, whilst also engaging with key stakeholders such as the Environment Agency. The feasibility study was undertaken through the Council's existing contractual arrangements for both major and minor highway works with JB Riney, as outlined previously in report **ES18040**. Spend to date on this contract has been £c36k and was agreed by the Portfolio Holder for Environment to fund out of Earmarked Reserves.
- 3.7. The total estimated cost of both proposals contained within this draft option report presented in August 2022 were higher than initially anticipated. Therefore as agreed by the Environment and Community Services Policy Development Scrutiny Committee at their meeting on 6th September 2022 (report **ES20208**), officers have undertaken a full options appraisal for the proposed works, which included exploring existing options within the market to ensure that any proposed remedial solution provides value for money for the Council. This was considered particularly important given the financial pressures faced by the Council.
- 3.8. This paper outlines the results of this options appraisal and then makes a recommendation for Members consideration based on the results. The options considered have included making use of existing abutments, exploring use of different materials, assessing the market to benchmark costs, and consideration of contingency allowances.

Options Appraisal: Value for Money

Option 1 – Make use of existing Abutments

- 3.9. As part of their brief WIE were informed that the Council wished to install replacement structures wider than those currently present to accommodate all pedestrians and disabled commuters, which would necessitate widening the existing abutments. One option suggested was to instead retain the bridges (and thus the abutments) at the same width, meaning less resurfacing could be required on the approaching pathway and a retaining structure would not be required potentially reducing overall costs.
- 3.10. The Council must have due regard to its public sector equality duty which sets out the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity and to foster good relations between people who share a protected characteristic and those who do not. Advice from the Council's Planning, Litigation and Licensing section noted that retaining the structures at the existing width was not anticipated to adversely affect any of these objectives, so long as any disabled pedestrian has the equal opportunity to cross the bridge as those who are not.
- 3.11. However, in order to assess if the existing abutments would be suitable for the loading of a new structure, it would be necessary to undertake extensive investigations including preparation of a full specification and the sourcing of quotes from specialist contractors, which was estimated to cost c£44k. Such costs would then become abortive were it to become apparent that the abutments are not suitable, and a further redesign would then accrue an additional estimated cost of c£22k. Initial investigations had suggested structural concerns about the existing abutments which increases this risk.
- 3.12. Officers have therefore concluded that this option is not suitable, particularly given the high risk of abortive costs and reduced accessibility.

Option 2 – Explore Different Materials

- 3.13. Consideration of materials for the replacement structures other than Timber and Steel have been considered by officers including:
- **Fibre Reinforced Polymer:** This material offer several advantages such as greater durability and lower overall material weight. However, it would have higher upfront capital costs than Timber or Steel, and WIE faced difficulties in sourcing providers that work with this material.
 - **Concrete:** Concrete pedestrian bridges offer considerable versatility in a range of finishes, however have higher upfront capital costs than Timber or Steel and were considered to not be aesthetically in-keeping with the wider park environment.
 - **Timber and Steel Mix:** This option allowed for either undertaking the cheapest option for each bridge (which would be timber for Bridge A and steel for Bridge B), or placing bridges in both locations that are a mix of both materials. However, this would not change the initial capital costs of the bridges and would result in an overall increase in project costs, as it would require multiple contractors (each specialised in only one type of material) on site.
- 3.14. Further exploration of providers of different materials would also constitute a change in the scope of the Option Study for WIE and would increase prices by £c5k. This coupled with the

likelihood that different materials are unlikely to be cheaper than those costs already obtained, has meant that Officers do not recommend pursuing this option.

Option 3 – Assessing the Market

- 3.15. Officers did attempt directly approaching other suppliers of timber and steel bridges to assess whether a cheaper supplier could be found, however accurate costings were not possible without technical drawings. Officers asked WIE to review the market to see if a cheaper supplier could be found, however this would also incur the £5k costs referenced in 3.14 due to a change in the scope of the Option Study. The professional advice of WIE is that owing to the busy current market conditions, such an exercise is highly unlikely to result in reduced costs.
- 3.16. Officers did however undertake a desk based study of similar structures being procured by other local authorities for due diligence purposes. Owing to the particular nature of this site and situation, a direct like for like comparison was difficult, however it did reveal that the prices obtained by WIE are broadly in line with wider market conditions.
- 3.17. Desk based research did also note that there are other consultancies that could offer a similar service for the next phase of works. However as the Council has already procured the option study of these works via WIE, through its existing contractual arrangements with JB Riney, it was felt that it would un-necessarily increase officer time and costs to complete a further tendering exercise to both undertake the next phase of works that may follow and to manage the successful contractor at the construction phase, and is unlikely to result in an overall reduction in cost given the impact of inflation and other adverse market conditions which have occurred after the submission of rates available through the JB Riney contract.
- 3.18. The extra expenditure associated with both the above scenarios with the risk that neither would produce a better value for money option has meant that officers do not recommend pursuing this option.

Option 4 – Reduction in 44% Contingency.

- 3.19. The upfront capital costs provided by WIE as part of the Option Study include a contingency of 44% as recommended per the *HM Treasury Green Book – Central Government Guidance on Appraisal and Evaluation*. These prices have then been further uplifted by a 10% contingency on the client side, in line with best practice used by the Council for capital projects.
- 3.20. Consideration has been given to removing this 44% contingency to attempt to make the quoted prices more manageable. However, the higher levels of contingency are recommended for good reason: there is considerable uncertainty in the market and particular volatility in construction industry as a result of rising material costs. Anecdotal, there is evidence of tenders being priced well in excess of estimated costs. Removing this contingency could leave the Council open to further risk particularly as there are unknowns still to be worked through as a result of ecology, arboricultural and geotechnical surveys planned at the next stage.
- 3.21. Therefore owing to the inherent risks outlined above, officers do not recommend this option.

Remaining Options

3.22. The Options Appraisal for value for money has concluded that there is no recommended way to reduce costs or secure better value for money in the replacement of the Kelsey Park bridges. Following the Options Appraisal it has been concluded that the Council has three remaining options to take this project forward:

1. Proceed with repairing both bridges.

The estimated costs for replacing both Bridge A and Bridge B are set out below.

	Estimated upfront capital costs (inclusive of all fees)	Ongoing maintenance costs (10 years)
Replacement – Timber	£944k	£30.8k
Replacement – Steel	£1001k	£14k

Advantages

- This would be replacement on a like for like basis and full access to all parts of the park would be retained.
- The Council is likely to obtain economies of scale in repairing both bridges at once.

Disadvantages

- This would require a significant and higher capital investment that was initially anticipated.
- A high level of maintenance would be required in order for the bridges to meet their anticipated lifespan.

2. Proceed with the replacement of Bridge B but not Bridge A.

The estimated costs for replacing Bridge B in Timber are set out in the table below.

	Estimated upfront capital costs (inclusive of all fees)	Ongoing maintenance costs (10 years)
Replacement - Timber	£567k	£15.4k

Advantages

- Bridge B is considered to provide greater value in terms of navigating and access through the park, with a more direct route to park amenities such as the playground, café and toilets.

- The route closed off by Bridge A is easier and shorter to navigate than that of Bridge B.
- It will require a reduced capital investment and ongoing maintenance.

Disadvantages

- This leaves footbridge A unrepaired, meaning mobilisation costs would be incurred again should the Council wish to repair at a later date, removing any economies of scale.

3. Do not proceed with the replacement of either bridge.

If the Council decides not to proceed with the replacement of either bridge, there would be costs associated with their permanent removal, which are expected to be considerably less than replacement but which will need to be scoped at a cost of £8k.

Advantages

- Lower capital investment required to remove the bridges.

Disadvantages

- Significant loss of navigation throughout the park, which could lead to increased public scrutiny and complaints impacting upon the Council's reputation overall.
- Further costs (e.g. mobilisation) would be incurred were the Council to wish to replace the bridges at a later date.

- 3.23. Before making recommendations for the first two options, two choices of materials for construction were considered: timber, which would generally have lower upfront capital costs and be more sympathetic with the park environment but have a lower durability, and steel which would have greater durability but generally higher upfront capital costs and require specialist maintenance.

Recommendation

- 3.24. On the basis of a cost/benefit analysis, it is recommended that the Council proceeds with *Option 2* whereby Footbridge B is replaced with a like for like timber structure, as set out in **Appendix A** to this report. Whilst the galvanised steel option has been noted to be a longer term solution with an enhanced design life, this was balanced against its higher initial capital costs, the enhanced maintenance required (i.e. repainting and replacement of waterproofing) and whilst it can be made sustainable through the use of recycled materials, it was felt to not be as aesthetically in-keeping with both the wider Park environment and stakeholder (including the Council's planning and conservation section) preferences.
- 3.25. The option study has identified a number of arboricultural constraints including groups of trees and dense vegetation within the vicinity of the footbridge that will be impacted by the construction. Members should therefore note that the final design of the replacement

structure will be heavily influenced by the need to retain and protect as many trees as possible.

4. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

Preliminary Design and Preparation of Design and Tender Documents

- 4.1. If the recommendations in this report are agreed, WIE shall proceed with the preliminary design of the chosen option, which shall include intensive ground investigations, further ecological and arboricultural surveys and preliminary designs of the abutments. This is estimated to take 3 months to complete pending the appointment of a ground investigation contractor following a competitive tender process conducted by WIE.
- 4.2. Upon acceptance of the preliminary design, WIE would support the procurement of a Design and Build Contract with a Principal Contractor, the procurement process for which is outlined in Paragraphs 4.4 – 4.11 of this report. Once appointed it is anticipated that WIE will project manage the appointed contractor including fully approving the design of both the super and substructure options, and management of project logistics on site.
- 4.3. The total estimated cost of the above process is £145k which comes in addition to £36k already spent on the option study. These fees are included in the capital costs set out in paragraph 3.22.

Detailed Design and Construction

- 4.4. It is envisaged that the works for a Design and Build contract shall be put out to a two stage competitive restrictive tender process as per the Council's Contract Procedure Rules with a tender evaluation based upon 60% cost vs 40% quality. It is recommended that authority is delegated to the Director of Environment and Public Protection to award contracts for the construction of the footbridges in consultation with the Portfolio Holder for Sustainability, Green Services and Open Spaces once the tendering process has completed, to expedite delivery.
- 4.5. **Estimated Value of Proposed Action:** The total pre-tender estimated cost of the proposal outlined above is currently £422k.
- 4.6. **Other Associated Costs:** A whole life costing maintenance plan shows an indicative maintenance cost of £c15.4k for the first 10 years. This will need to be managed through managing through existing operational maintenance budgets.
- 4.7. The estimated lifespan of the replacement bridge is 40 years before replacement or major refurbishment would need to take place, were the maintenance plan outlined in 4.6. to be implemented.
- 4.8. **Governance:** The successful contractor of any affordable tender will be overseen and managed by WIE, and will report progress to the Strategic Commissioning Officer who will monitor the delivery of the project on client side.
- 4.9. **Proposed Contract Period:** It is envisaged that proposed contract period for the construction will take around 8 months, subject to the tendered submissions.

Timetable

4.10. An indicative timetable below sets out a 'roadmap' for the repair of the bridges. These times are indicative and subject to any unforeseen circumstances that may arise on site such as the requirement for additional works. Where possible the Council will look to run elements of the timetable concurrently to reduce the overall time taken.

Stage	Details	Time Period	Completion Date
Option Study	Completion and publication of Option Study surveys (Ecology, Topography and Arboriculture). Full final draft of Option Study.	1 month	Sep-22
Review of Option Study and Committee Paper	Completion and publication of Option Study (including Ecology, Topography and Arboriculture) Presentation of recommended option at Environment and Community Services PDS Committee for approval by the Council's democratic purposes.	2 months	Nov-22
	Decision made by LBB and instruction to to WIE for next stage. Fee Proposals.	1 Month	Dec 22
Preliminary Design	Intrusive ground investigations, ecology and arboricultural surveys Preliminary design of Footbridge Abutments, Outline AIP	3 months	Jan - Mar 23
Procurement of a Principal Contractor	Preparation of tender documents, Identify tenderer lists, CDM Pre-construction information, Bill of Quantities/Activity Schedules, Specifications	2 months	Apr - May 23
Tender Period, Evaluation and Appointment of a Contractor	Project live on Portal, Receipt of tenders, review of tenders, Tender Queries, Evaluation and recommendation, Internal authorisation and Standstill Period, Contract Award	5 months	Jun – Oct 23
Detailed Design	Approval of AIP (Cat 1)	1 month	Nov 23
	Full design and check of the superstructure chosen option by the appointed Contractor	2 months	Dec 23 - Jan 24

	Full design and check of substructures (abutments, retaining walls) by WIE	1 month	Feb 24
Construction	Mobilisation period Fabrication of Footbridge Construction on Site	5 Months	Mar - Jul 24

5. MARKET CONSIDERATIONS

- 5.1. **Preliminary Design and Preparation of Tender Documents:** As the current provider, having carried out the Option study brief to date, there is a clear rationale to instruct WIE to provide these works as they have the project background and on-site experience to effectively deliver. These works will be undertaken by WIE through the Council's existing contractual arrangements with JB Riney.
- 5.2. **Construction:** The proposed two-stage tender process is to ensure that the process attracts specialist bridge contractors, along with ensuring that they have the relevant civil works skillsets that will be required for any work required to embankments. The market for this work is noted to be large, although there is a limited market for the supply of the bridges themselves.
- 5.3. The 44% contingency has been retained within the quoted construction costs due to inherent risks as outlined in Section 3.20.

6. STAKEHOLDER ENGAGEMENT

- 6.1. Officers have clarified consent requirements with the Council's Planning, Building Control and Conservation divisions. Any necessary consent as they may advise is required will be sought.
- 6.2. Advice has been sought from the Environment Agency (EA) on the design, who have advised that as the proposed works will be taking place on and near the River Beck, a river considered to be a 'main river' category, and that they fall under EA regulated Flood Activities, a permit is required. Such a permit will be applied for and/or impact assessments undertaken as they advise.
- 6.3. Initial observations collected by Members from The Friends of Kelsey Park (a key stakeholder in the ongoing conservation and protection of the park) were fed into the brief for the option study.

7. SOCIAL VALUE, CARBON REDUCTION AND LOCAL NATIONAL PRIORITIES.

- 7.1 Kelsey Park is a formal public park within Beckenham that historically formed part of the Kelsey Manor Estate. It is a Site of Importance for Nature Conservation (SINC), so both the bridge design and its manner of construction will give due weight to its impact on the parks value for biodiversity including ensuring that the proposed replacement structures do not increase flood risk and that birds and bats are not disturbed during the nesting/breeding season by any on site activity.
- 7.2. The footbridge is located within Locally Designated Site 'River Beck' which includes Langley Park Nature Reserve and the Harvington Estate Woodland. Although this is primarily intended for habitats north and south of the footbridge location, if required an assessment will be undertaken to ensure that there is no detrimental impact on the Designated Site and the features that it is designated for, with the appropriate protection measures put in place.

- 7.3. The Park is adjacent to the Manor Way Conservation area, and the proposed design will give due consideration to ensuring that the replacement is sympathetic to the surrounding areas character and appearance. All timber used is to be Forest Stewardship Council Certified.

8. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 8.1. Any proposed design will ensure that all current requirements of the Equality Act 2010 are satisfied. This includes the widening of the replacement structure so that it suits all commuter types including pedestrians, runners and walkers, and that it allows wheelchair and mobility users to pass one another comfortably. The design will also contain non-slip decking.

9. TRANSFORMATION/POLICY IMPLICATIONS

- 9.1. The '*Making Bromley Even Better*' objective of 'Business and Enterprise' refers to the Council's intentions to ensure that it progresses with its vision to build upon the borough's heritage so it continues to represent the best of town and country.
- 9.2. An improvement plan for Kelsey Park is an Action Point under Strategic Objective 2 within the Council's *Open Space Strategy 2021-2031*, through which it aims to develop proposals for the park to reflect its uniqueness, history and horticulture.

10. FINANCIAL IMPLICATIONS

- 10.1 The report sets out a scheme for the replacement of Footbridge B in Kelsey Park, with a similar timber structure. A request is being made to make an addition to the Capital Programme to fund this option.
- 10.2. The total cost of the scheme outlined in 10.1 is £567k, inclusive of contingency and all fees. £412k of this is to be funded from the Investment Infrastructure Fund and £155k is to be funded from the Healthy Bromley Earmarked Reserve.
- 10.3. Officers estimate maintenance costs to be £15.4k over 10 years, which will need to be managed through existing operational maintenance budgets.
- 10.4. In the event that the project costs exceed the funding available, officers will seek to absorb these in existing revenue budgets or report back to members and set out options to complete the scheme within the existing total budget or identify further funding.

11. LEGAL IMPLICATIONS

- 11.1. This report requests the Environment and Community Services PDS to review and provide their comments on the contents herein to the Portfolio Holder for Sustainability, Green Services and Open Spaces. It further requests the PH to authorise officers to proceed to a design and build contract for the bridge replacement, approve an addition of £567k to the Capital Programme, and agree to delegate authority to the Director of Environment and Public Protection in consultation with the Portfolio Holder for Sustainability, Green Services and Open Spaces to award contracts for the delivery of the footbridge replacement following the tendering process. As the proposed procurement is between £500k and £999,999 then, under the Council's Contract Procedure Rules, the approval of the PH is required as requested by this report.

- 11.2 The Council has the legal power to acquire and maintain parks and open spaces under the Public Health Act 1875 and the Open Spaces Act 1906. As the bridges in Kelsey Park are owned by the Council then it is responsible for their repair and maintenance.
- 11.3 The proposed bridge repairs contract is a public works contract within the meaning of the Public Contracts Regulations 2015 but as the value is below threshold (i.e. below £ 5,336,937) then a fully regulated procurement is not required. However the procurement must still comply with the legal procurement principles of equality, transparency and non-discrimination which must be applied in a manner proportionate to the subject matter and context of the purchase. The report explains the way in which the market is to be engaged which appears to be consistent with these principles.

12. PROCUREMENT IMPLICATIONS

- 12.1 This report outlines a potential route for approval for procurement of a contract for the delivery of a pedestrian timber glulam bridge in replacement of the current structure at Kelsey Park in Beckenham following an independent structural assessment which recommended that it should be replaced. The current total cost of the actual works for construction to be procured is £422k and this excludes the £145k being spent at 4.3 above. The actual construction, if approval is granted, is estimated to take up to five months towards the end of 2024 (4.12 above refers).
- 12.2 Subject to agreement to commission the provision, a restricted procedure process will be used and a high level timetable is at 4.12 above.
- 12.3 This would be a works contract. The procurement is well below the threshold for works contract where it would be deemed to be likely to be of cross border interest. There is no direct indication of cross border interest so this opportunity does not need to be advertised on Find A Tender Service (FTS). As this contract will be advertised and will be above £25k, it must be advertised on Contracts Finder. The procurement must comply with the PCR 2015 principles of transparency and equal treatment.
- 12.4 The Council's specific requirements for authorising proceeding to procurement are covered in Rules 1 and 5 of the Contract Procedure Rules with the need to obtain the formal approval of the Portfolio Holder following Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 12.5 If approval is received, the Commissioner will need to work closely with Procurement colleagues in agreeing a refined timetable and relevant documentation for going to market.
- 12.6 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 12.7 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

13. STRATEGIC PROPERTY IMPLICATIONS

- 13.1 Kelsey Park is a Council owned asset and therefore maintenance and repairing liability sits with the Council. This report sets out the proposal to replace the Kelsey Park bridges as the existing structures are no longer in an acceptable or maintainable condition.

13.2 This project has also commissioned a maintenance plan which currently identifies £15,400 of recommended maintenance activity over a ten year period following the completion of the planned works to be funded from the council's Operational Maintenance Budgets which funds maintenance of built assets across the council's operational estate. This budget allocation must be prioritised to manage statutory compliance and essential or urgent repairs. The allocation for the planned programme includes only the very highest priority schemes and is sometimes reallocated to deal with any in year emergencies. Therefore, members should note that the future maintenance activity identified in the maintenance plan cannot be guaranteed from this budget allocation; it would be considered in the context of the other maintenance needs from within the rest of the Council's operational estate.

Non-Applicable Sections:	IT and GDPR Considerations, Personnel Considerations.
Background Documents: (Access via Contact Officer)	Report ES18040: Award of Contract for Highway Maintenance Report ES20208: Kelsey Park Replacement Bridges

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Appendix A: Kelsey Park Replacement Bridges (Options Appraisal)

Location of Existing Bridges



Description of Existing Structures

Footbridge A

Footbridge A provides pedestrian access across a shallow stream and is located at the north end of the large lake in the park. The footbridge is approximately 9.7m long and 1.9m wide.



Footbridge B

Footbridge B provides access across the southern section of the Lake in Kelsey Park. It is approximately 17.6m long and 2m wide.



Description of the proposed replacement

Committee Report ES20224 recommends that the Council proceeds with *Option 2* presented within whereby Footbridge B is replaced with a like for like timber structure. This solution would be an all-timber footbridge with the design features that include:

- Ekki hardwood dowel laminated beams
- The footbridges to be cambered on a continuous vertical curve.
- A deck composed of Ekki deck planks treated with a non-slip system called Hi-Grip Excel (two strips of resin/bauxite inserted into grooves of deck).
- Parapets with a height of 1.4m also made of timber Ekki with vertical infill spindles.
- All timber to be hardwood and with natural finishes.
- A similar feature of natural wood as the current footbridge.

CTS Bridges was the specialist proprietary bridge superstructure fabricator and supplier for indicative prices for the work using their experience of similar constructions (<http://www.ctsbridges.co.uk>)

An example of a similar bridge is shown in the below image, however please note that there is no specific requirement for aesthetics within this project.



Report No.
CSD24015

London Borough of Bromley

PART ONE – PUBLIC

Decision Maker: **EXECUTIVE**

Date: 7th February 2024

Decision Type: Non-Urgent Executive Key

Title: **OPERATIONAL BUILDING REPAIR AND MAINTENANCE BUDGET 2024/25**

Contact Officer: Michael Jarman, Head of Facilities Management
Tel: 0208 461 7002 E-mail: michael.jarman@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 will be considering the Councils draft 2024/25 Budget at their meeting on 7th February 2024. This report sets out indicative budget allocations reflected in the Draft 2024/25 Budget report for operational building maintenance against the repairs and maintenance budget.
-

2. RECOMMENDATION(S)

Members of the Executive are asked;

- 2.1 Noting the 2024/25 Budget report to be considered by Executive on 7th February 2024, to approve the following expenditure for operational building maintenance for 2024/25.
- Repairs and Maintenance - £2.6m
- 2.2 To delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the planned programme and budget allocations within the repairs and maintenance budget to take actions necessary to either protect the council's assets or make the most effective use of resources.

2.3 Approval to transfer of £500,000 from revenue Building Infrastructure Fund to the OPR Fund in respect of works of roofing works that have been unable to be implemented within the 2023/24 financial year.

Roofing works - £500,000 (Blenheim Centre and Hawes Down Centre)

2.4 Approval for drawdown of £504,000 from the revenue Building Infrastructure Fund for works completed or committed within the financial year 2023/24. Delegation to spend the below was approved by executive in March 23 (report No. HPR2023/021).

Boundary Wall -	£ 57,000 (High Elms Estate)
Resurface car park -	£296,000 (Norman Park)
Repair brickwork -	£ 16,000 (Priory Gardens)
Infrastructure works -	£ 65,000 (Central Depot)
Asset survey -	£ 70,000 (Various)

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 and Family Centres, Day Centres and other Council owned assets.
-

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.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.Not Applicable
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: £2.6m annual revenue cost
 3. Budget head/performance centre: Repairs and Maintenance Budget
 4. Total current budget for this head: £2.5m
 5. Source of funding: 2024/25 Revenue Budget
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The Operational Building Maintenance Budget should be spent in accordance with the Councils Contract Procedure Rules
-

Property

1. Summary of Property Implications: Budget spend is required to maintain estate in good order and in a compliant condition where the works being undertaken under the Operational Property Repair Programme (OPR) have yet to be implemented or are out of scope.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A
-

Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
-

Impact on Health and Wellbeing

1. Summary of Health and Well Being Implications: N/A
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 As part of the continued transformation of the service, and following an understanding of maintenance requirements within the operational estate this report outlines the proposed allocations within the repairs and maintenance budget for 2024/25

Building Maintenance Budget for 2024/25

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

3.3 The annual repairs and maintenance budget is £2.6m and is broken down into the following budget headings.

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

3.4 The construction and building maintenance industry continues to experience disruption and protracted delays on the supply of some materials and components. Building cost inflation continues to rise albeit at a slower rate to that experienced in 2023.

Reactive Maintenance

3.5 Funding for reactive maintenance is allocated to individual service cost centres based on previous years 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.

3.6 The proposed budget for Reactive Maintenance for 2024/25 is £1,144,000.00, which represents 44% of the gross budget and maintains the same level as 2023/24

Cyclical Maintenance

3.7 Cyclical maintenance represents a periodic programme of weekly, monthly, or other set periods over the course of a year where statutory requirements and recommended maintenance routines are undertaken across the estate to an industry standard. It ensures compliance with statutory regulations, good practise and being pro-active.

3.8 The proposed budget for Cyclical Maintenance for 2024/25 is £572,000.00, which represents 22% of the gross budget an increase of £12,000.00

Asbestos Management

3.9 Asbestos management enables the council to meet its statutory obligations for the management of asbestos in its buildings, which includes asbestos management surveys, re-inspection surveys, asbestos management plans, testing material sample's, air monitoring and

the cost of asbestos surveys, including refurbishment and demolition surveys for individual projects should be included within that particular project cost code along with any subsequent asbestos removal works.

3.10 The proposed budget for Asbestos for 2024/25 is £104,000.00, which represents 4% of the gross budget and an increase of £12,000.00 from 2023/24.

Water Treatment Works

3.11 Includes undertaking water risk assessments, legionella testing, water sampling and remedial works to ensure the Council discharges its duties in line with L8 regulations across its estate.

3.12 The proposed budget for Water Treatment Works for 2024/25 is £260,000.00, which represents 10% of the gross budget a £11,000.00 increase from 2023/24.

Fire Risk Assessments

3.13 The Regulatory Reform (Fire Safety) Order 2005 requires those in charge of commercial buildings to carry out detailed fire risk assessments regularly. There is no fixed period for undertaking assessments, but they should be carried out whenever there is a significant change which could affect the fire risk, including changes to the building, staff, occupancy, activities, legislation etc.

3.14 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.

3.15 The proposed budget for Fire Risk Assessments for 2024/25 is £78,000.00, which represents 3% of the gross budget, an increase of £8,000.00 from the 2023/24 budget.

Planned Programme

3.16 A planned programme of replacement end of life assets is included within the gross 2024/25 budget which are either outside of the scope of the OPR programme or where work is essential in advance of the implementation of the OPR works.

3.17 These planned projects will be undertaken on operational properties across the estate, deemed necessary to maintain the asset, to satisfy the Council's obligations under the terms of a lease, or where the value of the repair cannot be funded from another budget.

3.18 The proposed budget for the Planned Programme for 2024/25 is £442,000.00, which represents 17% of the gross budget.

3.19 The following is a list of proposed planned projects to be undertaken during year 2024/25

SITE	WORKS	BUDGET VALUE £
Manorfields Residential Home	Replacement radiator valves, pipework etc.	50,000
Watermans Square, Penge	Restoration to brick arches	50,000
High Elms BEECHES	Restoration of boundary wall phase two	60,000
4 Cudham Lane	External decorations and replacement windows and external doors	60,000
1 Scadbury Cottage	Structural repairs to flank wall	40,000
Civic Centre MSCP	Replacement to external door sets	20,000
High Elms BEECHES	Replacement decking and steps to external elevations	20,000
Blenheim C&FC	Replacement water main	50,000
Den Barn Farm	Reconstruction of flint boundary wall	60,000
St Johns Church	Paving and associated works	32,000
Total Budget Value		442,000

3.1 The table below summarises section 3.1 to 3.19 to give an overview of the total plan for the R&M budget for the 2024/25 financial year.

TYPE OF WORKS	BUDGET 2024/25
Reactive Maintenance	£1,144,000
Cyclical Maintenance	£572,000
Asbestos Management	£104,000
Water Treatments Works	£260,000
Fire Risk Assessments	£78,000
Planned Programme of Repairs	£442,000
TOTAL BUDGET	£2,600,000

3.19 To provide best value for money the underspent funds from the Building Infrastructure Fund 2022/23 to be transferred and included within the OPR Fund to undertake roofing works not able to be implemented in the financial year 2023/24.

This is due to unavailability of suppliers and materials to accommodate the occupier's requirements for the programme for the works.

Summary of Business Case

3.20 This report requests approval for the allocation of the repairs and maintenance budget spend for 2024/25 across existing term contracts and operating with respect to the following; Reactive Maintenance, Cyclical Maintenance, Asbestos Management, Water Treatment Works, and Fire Risk Assessments. The additional works identified within the planned programme are building maintenance works to ensure the Council complies with its legal obligations on properties that are outside of the scope of the OPR or that are essential in advance of implementation of the OPR works. All works will be procured in accordance with the Council's contract procurement regulations.

4. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

4.1 **Estimated Value of Proposed Action:** The total repairs and maintenance budget for the period 2024/25 is £2,600,000.00

4.2 **Other Associated Costs:** N/A

4.3 **Proposed Contract Period:** 1ST April 2024 to 31st March 2025

4.4 **Procurement Strategy:**

4.5 The Reactive Maintenance, Cyclical Maintenance, Asbestos Management, Water Treatment Works and Fire Risk Assessments benefit from across existing term contracts and have no procurement requirements. The planned programme items included within the £442,000.00 2024/25 budget will be subject to procurement.

4.6 The works identified as part of the planned programme procured and implemented over the course of the budget period 2024/25 for completion by 31st March.

4.7 Each project will be individually designed and specified with procurement through the London Construction Programme (LCP). Established in 2012 and governed by London Borough of Haringey. This minor works Dynamic Purchasing System (DPS) went live in July 2019 and runs for an initial term of 7 years with an option to extend for a further period of 5 years. LBB have successfully procured a number of projects using the DPS and will continue to do so for as long as it is maintained by the LCP.

5. MARKET CONSIDERATIONS / IMPACT ON LOCAL ECONOMY

5.1 The individual items within the planned programme will be procured in accordance with the Councils procurement regulations.

5.2 The procurement for the individual planned programme projects will be via the Haringey LCP, Dynamic Purchasing System (DPS), an approved vehicle that is subject to competition among the providers who have been approved onto the DPS.

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

7. STAKEHOLDER ENGAGEMENT

8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN) AND CUSTOMER IMPACT

8.1 The maintenance of the estate is essential to enable the provision of services for children and vulnerable adults, such as those delivered from Childrens & Family Centres, Adult Day Centres and other Council owned or leased assets.

9. POLICY IMPLICATIONS

9.1 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.

10. IT AND GDPR CONSIDERATIONS

11. STRATEGIC PROPERTY CONSIDERATIONS

12. PROCUREMENT CONSIDERATIONS

12.1 This report is primarily concerned with financial and budget issues. There are no specific procurement decisions or implications.

12.2 Procurement of various works and services may arise utilising the confirmed budget. The service has confirmed that these will be delivered through existing contracts or through further competition through a suitable dynamic purchasing system, the use of which has been previously authorised.

12.3 Should a need arise to procure services, goods or works outside these existing routes, then any such procurement will be subject to the Public Contract Regulations 2015 (or the Procurement Act 2023 when that comes into force) and the Councils Contract Procedure Rules. Advice should be taken from the Corporate Procurement Team prior to any commencement of procurement and will be subject to separate formal Gateway reports and decisions at the appropriate level as required through the Contract Procedure Rules.

13. FINANCIAL CONSIDERATIONS

13.1 The paper requests members to note the R&M budget for 2024/25 which stands at £2.6m and approve the budget allocations and the planned works for the coming financial year.

13.2 The paper also requests approval to drawdown £500,000 from the Building Infrastructure fund earmarked reserve to be spent in 2024/25 on essential roofing repairs which comes to an estimated £500,000.

13.3 There is also a request to approve the drawdown of £504k from the Building Infrastructure fund in the current year to pay for works already completed and committed to be completed by March 2024, these are works over and above the in-year R&M budgets and were considered essential and urgent. Delegated authority to spend this has already been received, however this paper is now requesting the drawdown from the reserve.

13.3 There is sufficient balance left within the BIF reserve to fund the above repair work in 24/25 and the draft budget presented to Executive on the 17th of Jan can confirm an annual budget of £2.6m for the repairs and maintenance service.

14. PERSONAL CONSIDERATIONS

15. LEGAL CONSIDERATIONS

15.1 This report seeks executive approval to:

i) Authorise expenditure for Repairs and Maintenance at an estimated value of £2.6m for operational building maintenance for 2024/25;

ii) Delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the planned programme and budget allocations within the repairs and maintenance budget to take actions necessary to either protect the council's assets or make the most effective use of resources; and

iii) Transfer £500,000 from revenue Building Infrastructure Fund 2022/23 to the OPR Fund in respect of works of roofing works that have been unable to be implemented within the 2023/24 financial year.

The Executive's functions include approval of the Budget (Revenue and Capital) and Budget monitoring during the course of the financial year as outlined in the constitution.

15.2 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.

15.3 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 may 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.

15.4 Procurement of these works may fall within the Public Contracts Regulations 2015 or the Procurement Act 2023 when it comes into force and will require further detailed analysis as to the recommended Procurement approach. Each procurement will need to ensure it complies with the Councils Contract Procedure Rules and internal decision-making under the Councils' Constitution. Officers should seek specific procurement and legal advice on any procurement arising from this report.

16. IMPACT ON HEALTH AND WELLBEING

17. WARD COUNCILLOR VIEWS

Non-Applicable Headings:	6, 7, 10, 11, 14, 16, 17
Background Documents: (Access via Contact Officer)	Operational Building Repair and Maintenance Budget 2023/24 – 29 th March 2023 and Budget Report 2024/25

OFFICER SIGN OFF SHEET (NOT TO BE INCLUDED WITH PUBLISHED MEMBERS REPORT)

THIS SHEET CAN BE USED TO OBTAIN PHYSICAL OR ELECTRONIC SIGNATURES – BUT SIGN OFF VIA EMAIL (RETAINED AND UPLOADED TO CONTRACTS DATABASE) IS ACCEPTABLE

Title:

Decision: Gateway £500k+ / Extension £100k+ / Exemption £100k+ / Variation Change Control £500k+ / Variation Modification £100k+

Contact Officer:

Name

Title

Department

Agreed by (signature and date):

_____ Date: _____

Name

Budget Holder / Contract Owner

Title

Department

_____ Date: _____

Assistant Director Governance & Contracts

Required for all proceeding to procurement / variation (change control) £100k+ / Extension £50k+ / Exemption £50k+ / Variation Modification £50k+

_____ Date: _____

Director of Corporate Services

_____ Date: _____

Director of Finance

Required for all proceeding to procurement / variation (change control) £100k+ / Extension £50k+ / Exemption £50k+ / Variation Modification £50k+

Approved by (signature and date):

_____ Date: _____

Chief Officer

Name

Title

Department

Required for all extension / exemptions / variation (modifications). Required for proceeding to procurement / variation (change control) £200k+

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Report No.
HPR2024/002

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 31 January 2024.

Decision Type: Non-Urgent Executive Key

Title: HOUSING ALLOCATION SCHEME AND CHOICE BASED LETTINGS (APPROVAL TO ADOPT NEW POLICY)

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Ward: All Wards

1. Reason for decision/report and options

- 1.1 The current Housing Allocation Scheme was first published in 2012, amended in 2015 and the last formal update made in 2017 following the introduction of the Homelessness Reduction Act (2017). In order to ensure that the Scheme is contemporary and meets all current legislative requirements a review of the Council's Housing Allocations Scheme was approved in November 2022.
 - 1.2 In September 2023 the Executive approved a revised draft of the Housing Allocations Scheme for eight weeks public consultation. This report contains the findings and outcome of that consultation alongside the final proposed scheme for which approval is sought.
 - 1.3 The report is provided alongside the analysis of the consultation findings in table format (Appendix 1) the final proposed scheme (Appendix 2), an equalities impact assessment (EQIA) relevancy test (Appendix 3), Demographic Profile Housing Register Applicants as of December 23 (Appendix 3A) and Demographic Profile of the Borough census 2021 (Appendix 3B)
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2. RECOMMENDATION(S)

- 2.1 **Members of Renewal, Recreation and Housing PDS Committee are asked are asked to:**
 - 1) Consider the results of the consultation exercise and note any amendments in relation to the new proposed Allocations Scheme for adoption by the Council; and,
 - 2) Note the report and provide their comments for consideration by the Executive.
- 2.2 **The Council's Executive is recommended to:**
 - 1) Review the results from the consultation exercise; and,
 - 2) Approve the proposed Allocations scheme for adoption by the Council.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Allocation Scheme ensures that the Council is able to meet its statutory responsibilities in respect of housing. That priority for housing is fairly and consistently prioritised in accordance with all legal and statutory responsibilities.
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Transformation Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £8.3m
 5. Source of funding: Revenue Budget
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Personnel

1. Number of staff (*current and additional*): Additional staffing will be required as part of the re-registration and implementation project. The number of those required is to be confirmed and is subject to IT requirements and scoping, a full business case will be drafted.
 2. If from existing staff resources, number of staff hours: Not applicable
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Property

1. Summary of Property Implications: Not Applicable
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
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Impact on the Local Economy

1. Summary of Local Economy Implications: Not Applicable
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: See customer impact.
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Customer Impact

1. Estimated number of users or customers (*current and projected*): More than 5,000 households' approach with housing difficulties which could lead to homelessness each year. At present there are around 3100 households included on the Housing Register. There are currently approximately 1500 households in Temporary Accommodation these are predominantly located outside the borough. 1200 (78%) of homeless households are in costly nightly paid Temporary Accommodation. It costs the Council an average of £8,857PA per household in Nightly Paid accommodation, this in turn puts a strain on LBB's budgets which impacts on other services. Officers believe the proposed changes will allow the Council to better manage the scarce Housing resources available, we understand that it is very difficult to navigate a choice-based lettings system that doesn't have high levels of property availability, this in turn, in some instances, leads to selective bidding and extended stays in temporary accommodation. Under the proposed changes the Council will be able to better manage customer expectations and ensure that no one remains in temporary accommodation for longer than is necessary.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: The revised draft allocations scheme was subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in September 23. All Councillors were invited to participate in the formal consultation which took place for eight weeks closing on 17th December 2023.

3. COMMENTARY

- 3.1 A gap analysis was undertaken of the current Housing Allocations Scheme in January 2023 which identified the areas that needed to be strengthened and revised. This formed the basis for the revised draft presented to Executive in September 2023 for approval to consult. The key drivers for the revised draft are:
- a) To retain and improve the natural flow into eligibility, qualification, application, assessment, allocation, lettings, decisions and reviews.
 - b) To make the document more accessible for customers.
 - c) To remove or change any content that will naturally date.
 - d) To ensure that it meets all regulatory and legislative requirements.
 - e) To ensure that waiting times for those assessed as having an urgent need to move are minimised where possible.
 - f) To reduce the time that households spend in costly and insecure forms of temporary accommodation.
- 3.2 Local authorities are required to undertake formal consultation when proposing to introduce a new/revised Housing Allocations Scheme. To prepare the document for consultation, internal management discussions took place within the Housing Directorate, engaging other key representatives within the Council, as necessary. The discussions supported the production of the draft document which was signed off by the Director of Housing and the Project Steering Group.
- 3.3 Following Executive approval in September 2023, the consultation ran for 8 weeks from the 23 October 2023 to 17 December 2023. External consultation for the revised took place via an online survey as follows:

Stakeholder	Method
Applicants on the Housing Register	Each applicant was contacted in writing either via an email or a letter to inform them of the consultation and to provide them with a link and QR code to the online survey.
Residents of the borough	A communication plan was produced by the Communication Team promoting the consultation through all networks including social media and hard to reach groups. They were all signposted to the online survey.
Elected Members of the Council	Considered both documents in Renewal, Recreation and Housing Policy Development and Scrutiny Committee and The Executive meeting in September 2023.
Registered Providers	Registered providers were emailed a link to the online survey, inviting them to provide feedback.
External Stakeholders	These included voluntary agencies such as the Citizens Advice Bureau and other organisations that advocate on behalf of residents. It also included neighbouring local authorities and key community groups. They were emailed a link to the online survey, inviting them to provide feedback.
Internal Stakeholders	The wider Council was emailed a link to the online survey, inviting them to provide feedback.

3.4 There were 421 responses. 297 were housing applicants, 86 were Bromley residents, 21 were Bromley staff, and 2 were registered providers. This is a 14% response rate which falls within the acceptable range of 10- 20% for an indicative sample size. Overall, the agreement was 40% and over for each of the proposed changes. We monitored a number of equalities characteristics and compared it to the borough demographic profile. The responses mirrored the borough profile.

3.5 Responses to the proposed changes to the Housing Allocations Scheme via the online survey are shown below:

Summation of Change	Strongly Agree	Agree	Neither Agree/ Disagree	Disagree	Strongly Disagree	No response
Hybrid Allocation Model of offering both direct and CBL lets. Adopted	21%	36%	23%	12%	7%	1%
Direct lets (bands 1 and 2). Adopted	29%	35%	15%	11%	10%	0%
16/17 Year Older with suitable adult (not care leavers). Adopted	18%	33%	23%	15%	10%	1%
Safe Surrender Agreements for failing tenancies, where all other measures have been exhausted. Adopted	25%	46%	23%	3%	3%	0%
Decants, with higher priority for those who need to move within 6 months. Adopted	31%	42%	18%	6%	2%	1%
Rehousing Guarantee. Adopted	12%	28%	30%	20%	10%	0%
Right to Move (band 4). Adopted	17%	33%	34%	10%	6%	0%
2 Tier Health Priority System. Adopted	35%	48%	13%	3%	1%	0%
Allocation of Gypsies/Travelers' pitches. Adopted	14%	31%	38%	8%	10%	0%
Sensitive Lets. Adopted	25%	44%	26%	3%	2%	0%
Tenancy Determination (at the point of offer). Adopted	21%	46%	25%	6%	2%	0%
Tenancy Sustainment Measures. Adopted	34%	53%	11%	1%	1%	0%
Annual Re-registration. Partially Adopted	36%	44%	14%	5%	2%	0%
Affordability Checks (point of offer). Adopted	30%	41%	21%	5%	3%	0%

3.6 We monitored the responses during the consultation period and on its conclusion analysed the results. These were discussed within the Council on the 19 December 2023. The industry approach is if there is 20% plus disagreement then you do not proceed with the proposed change unless there is an overriding reason for doing so. The proposed changes falling into this category are:

- a) Direct lets for band 1 and band 2 is 21%; this has been discussed. The main reason for disagreement is the perceived reason of not offering choice. However, the statement already stated that preference and choice would be considered. This has been strengthened and retained.

- b) 16/17 year old who have not been in care housed with a suitable guarantor until they are 18 years old is 25%; this has been discussed and retained to prevent a 2 tier service and also because the EQIA shows a positive impact to this age group.
- c) Rehousing guarantee to previous social tenants who were institutionalised is 30%; this has been discussed and retained. On the rare occasion when a tenant has to surrender their tenancy to live in a medium-long term medical facility and is then well enough to live independently, the rehousing guarantee is the most applicable route to rehousing and has therefore been retained.
- 3.7 It is usual for a proportion to neither agree nor disagree. This ranges from 11% to 38%. It is hard to speculate on the reasons, in these cases, it is usual to deem they have no strong feelings one way or the other.
- 3.8 We have now completed the consultation and the findings are summarised below. The key changes are:
- a) **The flow of the scheme** has been changed to make it more accessible to the reader. It includes an introduction covering compliance, a section of housing options within the borough, eligibility and qualification, assessment of an application, allocation and letting of social housing and a section on reviews.
- b) **Hybrid Allocations to Social Rented Accommodation;** the Council currently operate a predominately choice based lettings scheme, the proposal is to introduce a hybrid Housing Allocations Scheme which means a greater proportion of lets will be direct offers and the remainder will be advertised online, on the choice based lettings system. The Council will determine the proportion based on the priorities of the Council such as the challenges faced in respect of homelessness and making best use of existing social housing stock. Adopted with 57% agreement.
- c) **Direct lets:** currently most homes are let through the choice-based lettings system. The proposal is to make direct offers to those placed in the emergency band and bands 1 & 2. Applicants in bands 3 and 4 will continue to be able to bid for accommodation via the choice-based lettings scheme. The consultation did show that people were concerned about choice. The statement of choice in the Housing Allocation Scheme had already been revised to state that preference and choice would be given where practical. Adopted with 64% agreement.
- d) **16/17 Year Olds;** the Council currently enable a small number of young adults such as those Leaving Care to go on the Housing Register if they are under 18, and the Council's Childrens Services acts as a guarantor. The proposal is to extend this to those who are under 18 and have not been in care but have a suitable guarantor who will accept responsibility for the tenancy and for the support where necessary, whilst the tenancy is held in trust until the young adult reaches 18 and can legally hold a tenancy. This will only be in exceptional choice. The EQIA relevancy test has identified this as a positive impact for the protected characteristic of age. Adopted with a 25% disagreement on the basis that this has a positive impact and minimises the risk of future challenge.
- e) **Introducing Safe Surrender Agreements;** this is a voluntary agreement between the landlord and tenant that the tenancy has come to an end. Where a social tenancy is failing, the proposal is to work with registered landlords to find a way to keep tenants in their home, and where this is not possible to identify a satisfactory solution which may involve a safe surrender agreement and/or an offer of alternative accommodation via the housing register. Adopted with 71% agreement.

- f) **Rehousing a social tenant – to allow significant repair works to their home;** The Council currently give Band 1 priority to those who need to move within 12 months in order for works to commence in their home. The proposal is to change this to within 6 months in recognition of the need to give the high priority only to those where the need to move is imminent. Adopted with 73% agreement.
- g) **Rehousing guarantee;** where the Council agree, a social housing tenant who will relinquish a property because of hospitalisation or some other institutionalised stay, will be considered for rehousing once they are discharged. They will be given band 3 which is a low priority band. On the rare occasion when a tenant has to surrender their tenancy, the rehousing guarantee is the most applicable route to rehouse them and has therefore been retained. Adopted with a 30% disagreement on the basis that the Council must run a fair scheme.
- h) **Right to Move Scheme;** this applies to existing social housing tenants that currently live outside of the borough boundaries but who need to move into Bromley to take up employment or an offer of employment, such a move is rare and must meet specific criteria as detailed here: Right to Move and social housing allocations - GOV.UK (www.gov.uk). The Council already assess applicants in accordance with the Right to Move scheme. In the current scheme a successful applicant would be awarded an emergency band and, in most instances, made a direct offer. However, under the new scheme the proposal is to award them Band 4 and, in some instances, make them a direct offer. Adopted with 50% agreement.
- i) **Priority on Health Grounds;** The Council already assess medical need and the ability of the applicant or a household member to live in their current home. The proposed scheme has made the assessment process much clearer, in addition to what is detailed in the current scheme, an emergency medical award will be considered if someone is in hospital/residential care and cannot return home because it is not suitable, there is a risk to life, extreme exceptional circumstances. A priority medical award, which is slightly lower will be considered if someone or a member of their household needs care, has a severe long-term limiting illness or permanent and substantial disability. Their health or quality of life must be severely affected by the place they live in to get this award. The Council will take into account, the type of property the applicant needs, the need for outside space and any additional rooms. The EQIA relevancy test has identified this as a positive impact for the protected characteristic of age. Adopted with 83% agreement on the basis that this has a positive impact.
- j) **Pitches for Gypsies or Travellers;** the allocation of pitches on a Gypsy and Traveller site is in accordance with the priority given to all applications. However, in order to ensure the ongoing sustainability of the site community, the proposal is to consider the award of additional priority for pitches to close family members of existing licensees, who already live on site, to relieve overcrowding and to maintain family connections on the site. Adopted with 45% agreement on the basis that this only affects a specific applicant.
- k) **Sensitive lets;** there are two types of sensitive lets, both fairly rare. The first is where a household requires careful placement for their safety or the safety of others, and the second is where a property has a management history which requires the careful selection of the next tenant to ensure harmony in the area where it is located. In these cases the proposal is to select only the most suitable applicants when making an offer of accommodation. Adopted with 69% agreement.
- l) **Tenancy Determination;** the proposal is to introduce a new section on tenancy determination. The Council will have a policy on the types of tenancies they grant. The general principles will be if the applicant has never held a social tenancy before they will be granted an Introductory Tenancy for the first 12 months so the landlord can support them

while they settle in. If the applicant already has an assured or secure tenancy, they will be granted another one. In some cases, a flexible tenancy will be granted, usually if the property is heavily adapted or very large and the landlord wishes to ensure that the tenant continues to need this type of property. These types of tenancies are usually 5 years in length and subject to a renewal process to determine if they still need it. If not, they may register again. Adopted with 67% agreement.

m) Tenancy Sustainment; the proposal is to introduce a new section on tenancy sustainment. We wish to ensure that landlords do everything practically possible to promote tenancy sustainment, to include a range of ways to help a tenant manage their tenancy and what to do if things are going wrong including:

- I. Identifying all support needs as early as possible.
 - II. Making their service accessible to everyone.
 - III. Taking the necessary measures to safeguard a household.
 - IV. Signposting to employment, education and health advice.
 - V. Ensuring you can afford the rent.
 - VI. Ensuring the property suits your need.
 - VII. Assessing you for specialist housing at the earliest opportunity if you need it.
- Adopted with 87% agreement.

n) Band reviews (Re-registration); the Council needs to ensure that it has the most up to date information on applicants. At present there are no specific timescales set when reviewing an application. There was broad support for reviews to be undertaken of housing register applications, however following further review the timescales outlined in the consultation were not deemed achievable in conjunction with the lean staffing structure. We are therefore proposing to review the Emergency band every 3 months, band 1 applications every 12 months, and all other bands every 3 years to ensure we capture accurate information about the circumstances of the household. Partially adopted with 80% agreement.

o) Affordability checks when allocating social housing; the proposal is to introduce a new section on affordability checks. Being able to pay rent and service charges is key to a resident being able to sustain their tenancy. How much a resident can afford to pay for their housing costs will vary depending on the type of accommodation they live in and their financial circumstances. Carrying out affordability checks when allocating a home gives confidence to residents and social landlords that the tenant will be able to afford the home. Adopted with 71% agreement.

3.9 The responses show marked agreement with the revised housing allocations scheme with those agreeing and strongly agreeing exceeding 40% and above. Therefore, based on these percentages, and following consideration of the proposals which showed a 20% plus disagreement, the housing allocations scheme should be adopted.

3.10 The Housing Allocations Scheme has been finalised with analysis of the consultation results provided (Appendix 1), the final proposed scheme (Appendix 2) and an EQIA relevancy test undertaken (Appendix 3) which is accompanied by demographic profile of the housing register (Appendix 3A) and demographic of the Borough (Appendix 3B). The relevancy test showed no adverse impact on any protected characteristics under the Equalities Act and therefore a full EQIA is not required.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Allocation Scheme ensures that the Council is able to meet its statutory responsibilities in respect of housing. That priority for housing is fairly and consistently prioritised in accordance with all legal and statutory responsibilities.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 In accordance with the Housing Act 1996 Housing Authorities are required to have an Allocation Scheme for determining priorities and for and for defining the procedures to be followed in allocating housing accommodation; and they must allocate in accordance with that scheme. This is required regardless of whether they own their own housing stock or contract out the delivery of any of their allocation functions.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications arising from the recommendations of this report. Any additional staffing or IT costs in relation to the implementation of the Allocations scheme will be managed within existing approved budgets. In the event that any implementation costs cannot be managed within existing budgets, this will be reported in future reports to the RRH PDS and Executive.

7. PERSONNEL IMPLICATIONS

- 7.1 Additional staffing will be required as part of the re-registration and implementation project. The number of those required will be determined subject to IT requirements and scoping exercise, a full business case will be drafted.

8. LEGAL IMPLICATIONS

- 8.1 Part 6 of the Housing Act 1996 and other associated legislation and guidance, requires the Council to develop housing allocation schemes which give reasonable preference to certain categories of applicants.
- 8.2 Section 166A(13) of the Housing Act 1996 requires all stakeholders to be consulted on any changes to a Council's Housing Allocations Policy.
- 8.3 Housing Officers must ensure that the text of the proposed new Housing Allocations Policy and Scheme reflects the changes to homelessness duties and categories introduced by the Homeless Reduction Act 2017.
- 8.4 The Executive authorised on 6 September 2023 the requisite consultation exercise required by law pursuant to Section 166A (13) of the Housing Act 1996 in respect of a new Housing Allocations Policy and Scheme. The Executive in this report is asked to consider the responses received from the consultation exercise and give due consideration to the feedback prior to approving the final Housing Allocations Policy and Scheme.
- 8.5 By adopting the new Housing Allocations and Policy Scheme the Council is properly complying with its legal duties under the Housing Acts and as a landlord including the Council's Public Sector Equality Duty.

9. CUSTOMER IMPACT

- 9.1 More than 5,000 households' approach with housing difficulties which could lead to homelessness each year. At present there are around 3100 households included on the Housing Register. There are currently approximately 1500 households in Temporary Accommodation these are predominantly located outside the borough. 1200 (78%) of homeless households are in costly nightly paid Temporary Accommodation.
- 9.2 It costs the Council an average of £8,857PA per household in Nightly Paid accommodation, this in turn puts a strain on LBB's budgets which impacts on other services. Officers believe the proposed changes will allow the Council to better manage the scarce Housing resources

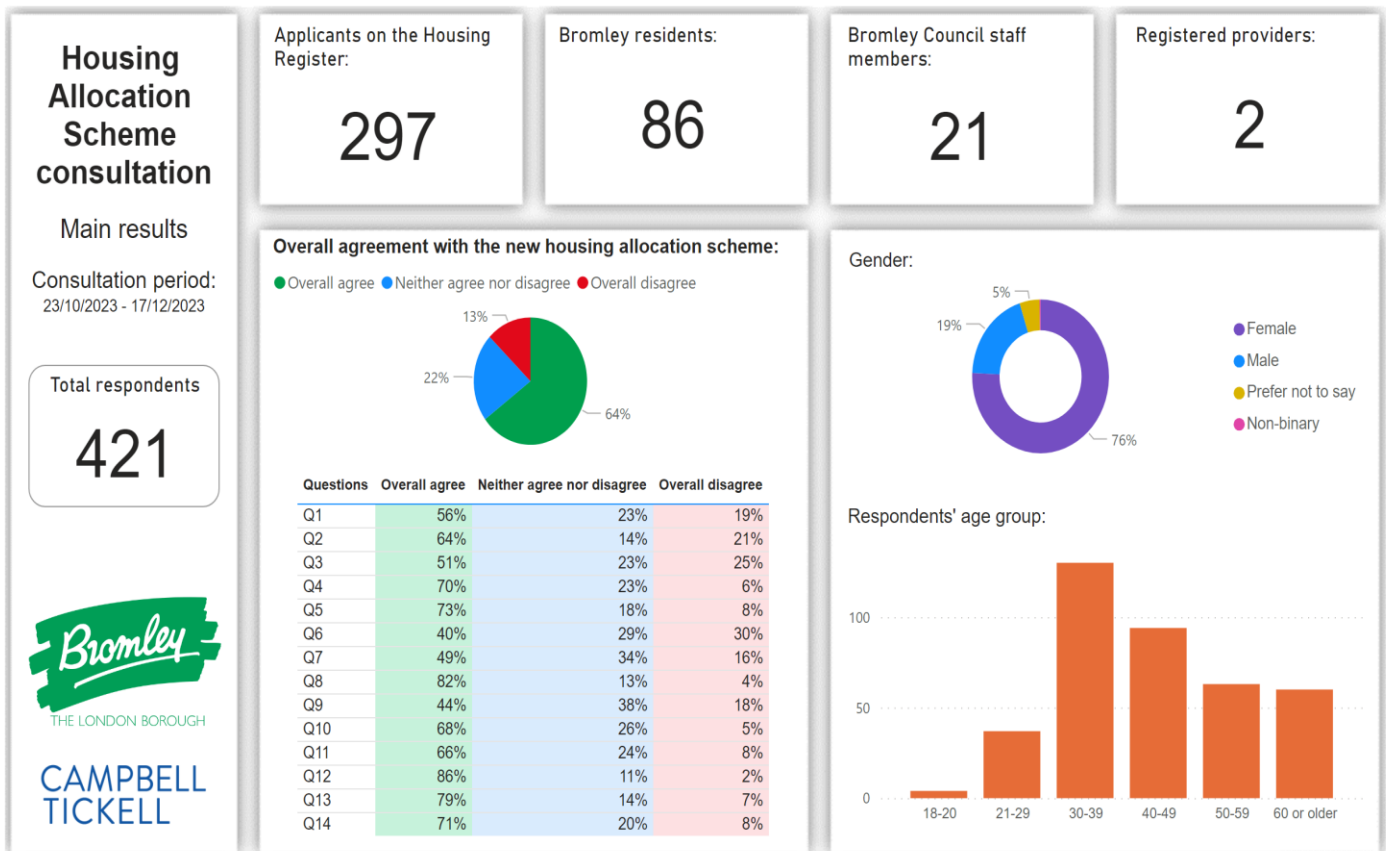
available, we understand that it is very difficult to navigate a choice-based lettings system that doesn't have high levels of property availability, this in turn, in some instances, leads to selective bidding and extended stays in temporary accommodation. Under the proposed changes the Council will be able to better manage customer expectations and ensure that no one remains in temporary accommodation for longer than is necessary.

10. WARD COUNCILLOR VIEWS

- 10.1 The revised draft allocations scheme was subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in September 23. All Councillors were invited to participate in the formal consultation which took place for eight weeks closing on 17th December 2023.

Non-Applicable Headings:	Impact on the Local Economy/ Health and Wellbeing, Procurement/Property/Carbon Reduction/Social Value Implications.
Background Documents: (Access via Contact Officer)	HPR2023/043 Housing Allocations Briefing paper HPR2023/049 Housing Allocation Scheme & Choice based lettings (Approval to proceed to statutory consultation)

Analysis of the results – Housing Allocations Scheme Online Survey Results, the table below shows a summary of the results.



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**London Borough of Bromley
Housing Allocations Scheme 2024**

Table of Contents

Section		Page
Part 1	Introduction	5
1.1	The Housing Allocation Scheme	5
1.2	The Legal Framework	5
1.3	Allocation of a Tenancy	6
1.4	Data Protection	7
1.5	Equalities, Diversity and Accessibility	7
1.6	Force Majeure	7
1.7	Changes to the Housing Allocations Scheme	8
1.8	Statement of Choice	8
Part 2	Options for Housing in Bromley	9
2.1	Hybrid Allocations for Social Rented Accommodation	9
2.2	Housing Register	9
2.3	Other Housing Options	9
2.4	Bromley owned stock	10
2.5	Partnership working	10
2.6	Registered Providers of Social Housing	10
2.7	National Witness Mobility Service (NWMS)	10
2.8	Multi-agency Public Protection Arrangements (MAPPA)	11
Part 3	Eligibility and Qualification	12
3.1	Eligibility	12
3.2	Right to Move	12
3.3	Special arrangements for 16-18 year olds	13
3.4	Qualification Rules	13
3.5	Armed Forces Covenant Duty	15
3.6	Non - Qualification Rules	15
3.6.1	Out of borough Applicants	15
3.6.2	People who are guilty of anti-social or unacceptable behaviour	16
3.6.3	Home owners	17
3.6.4	Financial resources	17
3.7	Exceptional or Mitigating Circumstances	17
3.8	Removal or suspension from the Housing Register	17
3.9	Safe Surrender Agreement	18
Part 4	Applications and Assessments	19
4.1	Registering an application for housing	19
4.2	Who can be included on your application	19
4.3	People you cannot include on your application	20
4.3.1	Carers	20
4.3.2	Separated households	21
4.4	False Information	21
4.5	Requesting, sharing or verifying information	21
4.6	How priority is determined	22
4.7	The Bands	23
4.7.1	Emergency Band	23
4.7.2	Band 1	24
4.7.3	Band 2	24
4.7.4	Band 3	25
4.7.5	Band 4	25

4.7.6	Determination of your Effective Band Date	25
4.7.7	Multiple needs	26
4.8	Bedroom Requirements	26
4.9	Category of Need	27
4.9.1	Underoccupation	27
4.9.2	Overcrowding	27
4.9.3	Homelessness	28
4.9.4	Priority on Health Grounds	28
4.9.5	Decants	30
4.9.6	Insanitary housing conditions	30
4.9.7	Welfare and Social Grounds	31
4.9.8	Those owed a duty of care by the local authority	31
4.9.9	Moving to Older Persons Accommodation	32
4.10	Council or Registered Providers Employees, Elected Members or their Relatives	32
4.11	Pitches for Gypsies and Travellers	32
4.12	Notification of your assessment	33
4.13	Change in Circumstances	33
4.14	Cancellation of an application	33
4.15	Deliberately or worsening circumstances	33
Part 5	Allocations and Lettings	35
5.1	Direct lets	35
5.2	Choice based lettings	35
5.3	Advertising a property on Bromley Housing Portal	35
5.3.1	Targeted Adverts	35
5.3.2	Withdrawing a property	35
5.4	Bidding	35
5.4.1	Number of bids	36
5.4.2	Number of bedrooms	36
5.4.3	Bidding position	36
5.4.4	Assisted bidding	36
5.4.5	Grouped bids	36
5.4.6	Withdrawing your bid	36
5.5	Shortlisting	37
5.5.1	Closing date	37
5.5.2	Bypassing a bid	37
5.5.3	Successful bidders	37
5.5.4	Unsuccessful bidders	38
5.5.5	Rejection by a Registered Provider	38
5.6	Sensitive lets	38
5.7	Reciprocal arrangements	38
5.7.1	Reciprocals initiated by Bromley (outgoing)	38
5.7.2	Reciprocals initiated by another council or Registered Provider (incoming)	39
5.8	Offer of accommodation	39
5.9	Limited offers	39
5.10	Refusals	40
5.11	Tenancy determination	40
5.12	Tenancy sustainment	40
5.13	Lettings Plans	41
5.13.1	Annual Letting Plan	41
5.13.2	Local Letting Plan	42
5.13.3	Publicising lettings	42

Part 6	Decisions, Complaints and Reviews	43
6.1	Decisions	43
6.2	Complaints	43
6.3	Reviews	44
6.3.1	Reviews: Refusals or Failure to Bid	44
6.3.2	Band reviews	44
6.3.3	Statutory right of review	45
6.3.4	Judicial review	45
Appendix 1	Lettings outside of the Housing Allocations Scheme	46
Appendix 2	Panel for Households in High Need	47
Appendix 3	Affordability checks when allocating social housing	49

Part 1: Introduction

1.1 The Housing Allocation Scheme

This document sets out the London Borough of Bromley Housing Allocations Scheme. The local authority is required by the Housing Act 1996 (as amended) to have an allocation scheme for determining priorities and for defining the procedures to be followed in allocating housing accommodation.

This scheme enables the council to consider the individual needs of those applying for housing while making best use of the very limited housing resources available to the council. We assess all applications and if they are eligible and qualify for inclusion, place them on our housing register. This enables us to award priority based on housing need.

It sets out:

- How to apply for housing
- Who is eligible to be accepted onto the housing register
- Who qualifies to be accepted onto the housing register
- Who does not qualify
- The size of property that will be allocated
- The processing of offering a property
- How often an application will be reviewed.
- How to request a review of a decision.

The Housing Allocation Scheme aims to ensure that:

- The assessment process for inclusion onto the Housing Register is clear.
- Our procedures and practices are clear.
- Customers understand what they can expect of us and what their rights are.
- We manage expectations regarding the availability of social housing and promote awareness of alternative housing options and solutions.
- We promote independence and provide fair access to our services regardless of race, gender, disability, age, religion, nationality, social background or sexuality.
- We minimise the use of temporary accommodation, particularly shared or bed and breakfast type dwellings.
- We and partner organisations contribute to the development and maintenance of sustainable communities.
- We encourage long term and consistent partnership working on a local and sub-regional level.
- We make best use of all available social housing stock.

1.2 The Legal Framework

In framing the Housing Allocations Scheme, we have complied with and fully considered the following housing legislation, regulations, and statutory guidance:

- The Housing Act 1996, Part 6 as amended by Localism Act 2011 (England)
- The Housing Act 1996, Part 7 as amended by the Homelessness Reduction Act 2017
- Allocation of Accommodation: Guidance for Local housing Authorities in England (2012, DCLG) “the Code”

- Providing social housing for local people: Statutory guidance on social housing allocations for local authorities in England (DCLG, December 2013) “Supplementary Code”
- Allocation of Housing (Procedure) Regulations 1997, SI 1997/483 Allocation of Housing (England) Regulations 2002, SI 2002/3264
- Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006, SI 2006/1294 and all subsequent amendments
- Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012, SI 2012/1869
- Armed Forces Act 2021
- Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012, SI 2012/2989
- The Allocation of Housing (Qualification Criteria for Right to Move) (England) Regulations 2015
- ‘The Allocation of Housing and Homelessness (Eligibility) (England) (Amendment) (EU Exit) Regulations 2019 (SI 2019/861)’
- Equality Act 2010.
- Data Protection Act 2018 and contained within the UK General Data Protection Regulation 2018 (GDPR).
- Care Act 2014
- Human Rights Act 1998
- Domestic Abuse Act 2021
- Children and Social Work Act 2017
- Anti-Social Behaviour Crime and Policing Act 2014

1.3 Allocation of a tenancy

This scheme sets out arrangements for allocating accommodation within the meaning of Part 6 of the Housing Act 1996 (as amended).

The council allocates accommodation when it:

- Selects a person to be a secure or introductory tenant of accommodation (including flexible tenancies) held by the council. As a flexible tenant, you have tenancy for a fixed period. This is usually for at least 5 years, though in some cases it may be between 2 and 5 years.
- Nominates a person to be a secure or introductory tenant of accommodation held by another local authority. ‘Secure tenant’ includes a person with a flexible tenancy granted under s.107A of the Housing Act 1985 (as amended).
- Nominates a person to be an assured tenant of accommodation held by a registered provider. The term ‘assured tenant’ includes a person with a periodic tenancy, or a fixed term tenancy for a period of 5 years, or 2 years in exceptional circumstances.
- For applicants fleeing domestic violence, they will be nominated to a tenancy aligned with the one they had to vacate. If this was a lifetime tenancy, they will be granted a new lifetime tenancy.

Lettings not covered by the housing allocation scheme [are outlined in appendix 1.](#)

1.4 Data Protection

We will ensure the personal information of all applicants (new, existing and former) is:

- a) Stored lawfully
- b) Processed in a fair and transparent manner
- c) Collected for a specific, explicit and legitimate purpose
- d) The data will be kept up to date and held until it is no longer required
- e) Shared only with other organisations for legitimate processing, the prevention of fraud or with the person's explicit consent.

Our Privacy Notice can be located online at: www.bromley.gov.uk.

1.5 Equalities, Diversity and Accessibility

We are committed to ensuring this policy is non-discriminatory and that all applicants are able to access the service, especially taking account of any vulnerability or other specific needs, and also the needs of different groups protected by the Equality Act 2010; the Human Rights Act 1998; and for Children, Section 11 of the Children Act 2004. To identify the needs of our applicants the application contains specific questions relating to vulnerability, ethnic origin, sexual orientation, disability and other relevant criteria. The information obtained will be used to monitor the impact of the policy on minority and specific needs groups and to evidence the need for amendments, as may be required.

Under the Equality Act 2010 and in particular section 149 of the Public Sector Equality Duty, we are required to give due regard to eliminating discrimination, advancing equality of opportunity and fostering good relations between those who share a protected characteristic and those who do not, when exercising a public function such as a Housing Allocations Scheme. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This policy complies with the council's Equality Policy which is located online at:

<https://www.bromley.gov.uk/equality-diversity/equality-policy>

This scheme was subjected to an Equalities Impact Assessment before being adopted. The impact will continue to be monitored throughout the administration of the policy.

1.6 Force Majeure

We will not be liable for any delay in performing our obligations under this policy if the delay is caused by a Force Majeure (chance occurrence or unavoidable accident for example), provided that reasonable action and notification to customers is taken by the council. More fully, this means, circumstances beyond reasonable control of that party, including without limitation, strikes, lock outs, acts of God, cyber-attack, the act or omission of any governmental or other competent authority, war or national emergency.

1.7 Changes to the Housing Allocations Scheme

All major changes to the Housing Allocation Scheme must be approved at a council cabinet meeting. Minor changes may be approved by a nominated council Officer in consultation with the Portfolio Holder for Housing. Where necessary, the Director of Housing is authorised to make changes to the Scheme in the interest of remaining compliant with the statutory and operational obligations. Where we need to make a significant change to the Scheme, we will measure the impact to households already on the housing register and we will undertake formal consultation.

1.8 Statement on Choice

The Council is committed to offering choice in the allocation of social housing. We will consider preference where possible and practical for direct offers. We will also advertise some homes on our choice based lettings system for applicants to place bids. Homeless applicants also have the choice of accepting an offer of private rented accommodation.

We reserve the right not to advertise, or withdraw from advertising, a property that is required in order to proceed with a specific allocation. This will include, for example, emergency or public protection allocations.

Part 2: Options for Housing in Bromley

2.1 Hybrid Allocations to Social Rented Accommodation

Bromley has a hybrid allocations policy which means the majority of lets in band 2 and above are made via direct lets where we identify a property and make the applicant a direct offer. We reserve the right to let properties using this method as it allows us to control the homeless challenge facing the council as well as making offers to specific applicants or for particular property types. The remainder of the properties will be advertised on Bromley Housing Portal; our choice based lettings system.

2.2 Housing Register

A Housing Register is a way of recording the details of households who have applied to the council for rehousing. Data from a Housing Register can be used to monitor trends, assess demand and provide grounds for future housing development and the creation of tailored housing advice services. Bromley administers a Housing Register in order to fairly assess and record the needs of those who apply for housing assistance.

Whilst having a Housing Register helps to organise the details of those requiring housing it does not in itself increase the number of properties that become available to be let each year. Unfortunately there is insufficient social housing available to meet the needs of all those that approach us for assistance, we use a priority banded system to assess those most in need. Only a small number will be moved via the Housing Register, the wait may be considerable and many of you will need to explore other options to resolve your housing need.

For those who are ineligible or do not qualify to join the Housing Register, advice and access to alternative housing options will be provided by housing staff and the Bromley Housing Portal website.

2.3 Other Housing Options

There is a limited supply of social housing available for letting each year. You are strongly advised to consider all your options for your future housing. The council can help you consider your options by providing information and advice on the range of alternatives available to you.

Some possible alternatives include:

- a. Private rented housing. Around one third of households in Bromley live in private rented housing and you may be able to find good quality accommodation that is available to move into straightaway. You can contact local lettings agencies, respond to adverts in local or London papers and look online to find a home for rent.
- b. Low cost home ownership. There are various types of low cost home ownership including shared ownership which allows you to buy a share in the property and pay rent on the remaining share.

- c. Moving out of the area. There are a range of options available if you would like to move out of the Bromley area and you may be more successful.
- Housing Moves Scheme; for social tenants wishing to move into another London local authority.
 - Seaside and Country Homes Scheme; if you are a social tenant, 55 or over, and interested in moving out of London.
 - Home swapper; where one social tenant can swap with another social tenant with both landlords permission. You must be either an assured or secure tenant.

For more information go online at www.bromley.gov.uk.

2.4 Bromley owned stock

Bromley has a small number of properties, which were built in 2022. Over the next few years, we aim to increase the number of properties and have an active development programme to assist us to achieve this aim.

2.5 Partnership working

Bromley transferred the bulk of its housing stock in 1992. We work in partnership with a variety of external and internal partners to ensure the fair and equitable allocation of social housing within our borough, this includes:

- Council Members including the Policy, Development and Scrutiny Committee and the Housing Portfolio Holder
- A cross section of departments within the council including Housing, Children and Young People, Adult Care Commissioning, Extra Care Housing and Libraries
- Registered Providers
- Representatives from the voluntary and advocacy sectors
- National Witness Mobility Service (NWMS)
- Multi-Agency Public Protection Arrangements (MAPPA)
- Pan London working.

2.6 Registered Providers of Social Housing

We work with registered providers within a nomination agreement where we give the council a percentage of their empty homes to allocate to applicants on the Housing Register. Each registered provider will have their own administration arrangements, and you will be notified of these should you be nominated to one of them.

2.7 National Witness Mobility Service (NWMS)

In order to assist the police both nationally and locally to tackle serious crime and to support witnesses in the legal process, Bromley works in partnership with colleagues in the National Witness Mobility Service (NWMS) and will, as required and where able to do so, accept referrals from this source. Such cases will have been assessed and verified by the NWMS and referrals will only be accepted with the agreement of a named officer within the council's Housing Needs Team. There are particular confidentiality considerations for such cases. Any proposed offer will be checked for suitability by the NWMS before the offer is formally made and details of successful lettings may be anonymised or not be made available for public consumption.

2.8 Multi-Agency Public Protection Arrangements (MAPPA)

If an applicant is shown to be a danger or potential danger to themselves or to others, then appropriate safeguards will be put into place. This may include preventing the applicant from bidding for accommodation, making a direct offer and/or identifying the risk factors on the application and sharing this information with relevant named parties or partner services. Applicants within this category may include, amongst others, those who are referred via the Multi-Agency Public Protection Arrangements (MAPPA) service. Under MAPPA the local authority has a duty to co-operate and when such cases are referred to us a judgement will be made to establish if the client meets the eligibility criteria as set out in this Allocation Scheme and whether they are suitable for general needs social housing. Otherwise, such clients may fall within the category of those who are ineligible for housing. Offers made to MAPPA households will be verified as suitable with the appropriate authorities.

Part 3: Eligibility and Qualification

3.1 Eligibility

Only applicants that are eligible in accordance with S160ZA of the Housing Act 1996 (as amended) and Eligibility Regulations can be included on the register. Eligibility is explained in detail within statutory guidance – “Allocation of Accommodation: guidance for local housing authorities in England”

You will **not** be eligible to join the housing register if you:

- Are subject to immigration control
- Only have a right to reside in the UK because you (or a member of your household) are a jobseeker
- Are not habitually resident in the UK
- Have a right to reside in the UK of less than three months
- Are not allowed to claim housing benefit under s115 of the Asylum and Immigration Act 1999

Applicants should note that their eligibility could change over time, and we reserve the right to verify your immigration status at any point whilst you are on the housing register.

3.2 Right to Move

Under the Right to Move, existing social housing tenants that currently live outside of the borough boundaries but who need to move into Bromley to take up employment or an offer of employment are assessed in accordance with the criteria below:

- The distance and/or time taken to travel between work and home: in accordance with the guidance set out by the Job Centre Plus we consider that a commute of 90 minutes or under (no more than 3 hours per day) is reasonable.
- The availability and affordability of transport, taking into account level of earnings: this will be assessed on a case by case basis.
- The nature of the work or work-based apprenticeship and whether similar opportunities are available closer to home: this will be assessed on a case by case basis. Consideration will also be given to those cases where an offer of work has been made and where the applicant can demonstrate, to the local authority’s satisfaction, that there is a genuine intention to take up that offer.
- Other personal factors, such as medical conditions and child care, which would be affected if the tenant could not move this will be assessed and will take into account how child care and medical needs are currently managed.
- The length of the work contract: this must be for a minimum of 12 months and the applicant must work 16 hours or more per week.
- Whether failure to move would result in the loss of an opportunity to improve their employment circumstances or prospects, for example, by taking up a better job, a promotion, or an apprenticeship: this will be assessed on a case by case basis.

We must be satisfied that your circumstances meet the above criteria **and** that it is the case that you not just wish to move but need to move in order to avoid hardship.

The following will be excluded from consideration;

- Volunteering e.g. work that is unpaid.
- Work that the local authority considers marginal in nature by either virtue of the hours worked, or job undertaken.
- Work that the local authority considers to be ancillary in nature for example where the applicant works for a period of time within the borough but where this is not their main place of work such as those who are self-employed or who work from home.

Households where the total income of all adults exceeds £90,000 either through employment or benefits will not be considered. Further details can be found at: [Right to Move and social housing allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/topics/social-housing).

3.3 Special Arrangements for 16-18 year olds

- a. Anyone over the age of 16 is eligible to join the Housing Register if their current address is their only home, or sole residence, and they are not already registered through someone else's housing application.
- b. Applicants under 18 cannot legally hold a tenancy. If they are under the jurisdiction of Children Services and owed a duty under the Children Act, Children Services will act as a guarantor for those within 6 months of their 18th birthday under an existing protocol. This is subject to their ability to live independently and manage their tenancy. Children Services will need to provide a support package to prevent the risk of losing the tenancy. The tenancy will be held in trust until they reach 18.
- c. Those not owed a duty of care under the Children Act, may still be granted a tenancy provided they can nominate a suitable person to act as a guarantor such as a parent, legal guardian or relative and also show a willingness to engage with the levels of support identified to help them sustain the tenancy. The guarantor will accept responsibility for the tenancy and for the support where necessary, whilst the tenancy is held in trust until the applicant reaches 18.

3.4 Qualification Rules

In order to join the housing register, you must be eligible as set out in [section 3.1](#) and have a recognised housing need which means you must meet one or more of the following criteria:

- a. The statutory reasonable preference rules:
 - People who are homeless (within the meaning of Part 7 Housing Act 1996 (as amended)) and owed a homeless duty.
 - People who are owed certain homeless duties by any authority.
 - People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions.
 - People who need to move on medical or welfare grounds (including any grounds relating to a disability).

- People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)
 - Those accepted under the Right to Move Scheme.
- b. Local preference rules:
- Tenants of the council or registered providers looking to downsize to smaller accommodation (also known as under-occupiers).
 - Tenants of the council or registered providers looking to free up an adapted property they do not need.
 - Tenants of partner registered provider identified as part of a decant programme.
 - People aged 50 or over who wish to move to older persons' or sheltered housing.

The council reserves the right to review the local preference categories in order to include additional or time limited local preference categories in order to pilot new schemes or to meet the needs of a newly identified priority group. Equally we may remove or suspend preference to any of the local preference groups listed above if there are sufficient grounds to do so.

- c. Additional preference will also be given to serving, or those who have recently served with the armed forces including surviving spouses/civil partners who fall within the reasonable preference categories and are in urgent housing need.
- d. A local connection to Bromley as shown below:
- Have resided in the borough, 5 continuous years at the point of application.
 - A care leaver under 24 years who has been looked after by the council for at least 2 years, including some time before they turned 16, under section 22A of the Children Act 1989.
 - You are a young person looked after by the council and have been placed in care outside the borough
 - You are in receipt of adult social care services provided by the council and have been placed out of the borough in a hospital or residential care or other accommodation under ongoing social care duties with Bromley.
 - Be either giving high levels of support or receiving it from someone living in the borough and it is only possible if they live in Bromley and have evidence to support this.
 - Have resided in the borough for 3 years or more immediately prior to incarceration on conviction or institutionalisation.
- e. Be a gypsy or traveller (as defined in the Caravan Sites Act 1968) who has habitually resided to Bromley.

3.5 Armed Forces Covenant Duty



The London Borough of Bromley is a signatory of the Bromley Armed Forces Covenant. The Armed Forces Act 2021 places a statutory duty on local authorities to give preference to former members of the armed forces and their families for the purpose of allocating housing.

The original Covenant Pledge has since been changed to a statutory duty. However the Council continues to demonstrate its support, to the armed forces community. We believe that those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of housing services. Special consideration is appropriate in some cases, especially for those who have been injured or are bereaved.

We will:

- ❖ Disregard injury and disability payments; whether these are periodic or a lump sum when considering the income of an applicant.
- ❖ Disregard the lack of local connection to the borough.
- ❖ Allow all former service personnel and their families to qualify, provided they have left the service within the preceding 5 years, as defined by s.374 of the Armed Forces Act 2006)
- ❖ Allow former spouse or civil partners of service personnel to qualify where they have to vacate Ministry of Defence accommodation.
- ❖ Award the highest possible medical priority, if you have to move from an unsuitable property as a result of injuries sustained during service.
- ❖ If you have a reasonable preference, we will award additional preference and place you in a higher band than the one you qualify for.

3.6 Non - Qualification Rules

You will not qualify to join the housing register if you fall into one of the following categories set out below.

3.6.1 Out of borough applicants

Anyone currently living outside of the London Borough of Bromley will not normally be included on or placed into a priority band on the Housing Register. Anyone wishing to apply to the London Borough of Bromley who currently resides outside of the borough boundaries should in the first instance seek the support of their own local authority or social housing provider (if applicable) in order to resolve their housing needs.

If your local authority or social housing provider agrees that you have an urgent need to secure accommodation in the London Borough of Bromley, in accordance with their own Allocation Scheme or Transfer Policy, they should submit a request for assistance to the Councils Housing Register team supporting your application. In most instances we will only agree to assist an out of borough applicant where their own borough or landlord is prepared to enter into a reciprocal agreement with us.

This means that, if we are able to assist you to secure accommodation, they will normally offer a property (of the same size and type as you require) for

advertisement on Bromley Housing Portal or for use as a direct offer in order to benefit a local resident. Applications will not normally be considered for those not supported by their local authority or social housing provider by way of a reciprocal agreement.

3.6.2 People who are guilty of anti-social or unacceptable behaviour

Definition of anti-social behaviour

- a) *conduct that has caused, or is likely to cause, harassment, alarm or distress to any person,*
- a) *conduct capable of causing nuisance or annoyance to a person in relation to that person's occupation of residential premises, or*
- b) *conduct capable of causing housing-related nuisance or annoyance to any person.*

Definition of unacceptable behaviour:

Those who are guilty of behaviour serious enough to make them unsuitable to be a tenant of a social housing provider at the time of their application.

The following are examples of what is considered anti-social or unacceptable behaviour:

- Noise nuisance;
- Perpetrating domestic violence;
- Harassment, for example on the grounds of race, religion, disability, gender or sexuality;
- Intimidation;
- Drug dealing;
- Gang related activities;
- Causing damage to property;
- Rent or mortgage arrears where the wilful actions of the occupier have caused the arrears to accumulate.

You will not qualify to join the Housing Register if we are satisfied that you or any member of your household, including children, have a history of or are currently engaging in any of the behaviour outlined above.

In reaching a decision that an applicant does not qualify on the grounds of anti-social or unacceptable behaviour we will take into account:

- a. The circumstances at the time of the application.
- b. The needs of the household including dependents or medical requirements.
- c. Relevant supporting information including police or landlords' records.
- d. Timescales i.e. is the alleged behaviour current or historical.
- e. Likelihood of reoccurrence.
- f. Whether or not the behaviour was such that, had the person in question been a secure local authority tenant, a court would have considered it reasonable to grant an outright possession order (under s84 of the Housing Act 1985, Part 1, Schedule 2 excepting Ground 8)

3.6.3 Home owners

A person who owns their own home will not normally be included on the housing register. They will be offered advice and be signposted to suitable agencies in order to resolve their underlying housing difficulties. Only in exceptional circumstances, where a person has a need for rehousing in accordance with the reasonable preference categories and where all other options have been fully explored and ruled out will a person who owns their own home be included onto the housing register. Any outstanding legal interest in their home would normally have to be disposed of prior to them successfully securing alternative accommodation via the housing register.

3.6.4 Financial resources

In considering how to address the shortfall between the supply and demand for social housing it is essential that we take into account the financial circumstances of those that approach us for assistance. Whilst we retain the right in exceptional situations to use our discretion regarding income, capital and savings, in the majority of cases, we will only consider social housing those on lower incomes and with less financial resources available to them i.e. those that are likely to be less able to pursue alternative housing options such as shared ownership or a move to the private rented sector.

When considering what housing options are available to you, we will take into account the incomes (including benefits), savings and capital of all members of the household aged 18 and over. We will not normally include on the housing register households with an income of £90,000 or more.

3.7 Exceptional or Mitigating Circumstances

Each application will be assessed individually. Exceptional and/or mitigating circumstances will be considered at our discretion. If it can be shown that you now qualify, you will be placed in a suitable band. However, if there is still concern in relation to their behaviour or ability to pay the rent, their application may be suspended or made inactive for bidding until a suitable pattern of behaviour has been demonstrated over a period of 6 months or more.

We will consider some of the following mitigating circumstances:

- If you are experiencing harassment or violence or your home requires essential repairs, and these cannot be carried out whilst you reside in the property.
- If you are vulnerable or have a disability.

3.8 Removal or Suspension from the Housing Register

If we decide that an applicant has become ineligible in law or no longer qualifies to remain on the housing register; we may suspend or remove your application. We will confirm our decision in writing, giving clear grounds for taking the action and how to request a review of the decision.

3.9 Safe Surrender Agreements

Possession of a property should be a last resort and every effort should be made to sustain the tenancy where possible. We recognise that may not be possible where the housing needs of the individual may be complex and not suited to the accommodation. We will work with registered landlords and private landlords to find a way to keep tenants in their home and where this is not possible to identify a satisfactory solution which may involve a safe surrender agreement. A surrender is a voluntary agreement between the landlord and tenant that the tenancy has come to an end. It is sometimes known as a mutual surrender. A surrender terminates the tenancy, whether it is fixed term or periodic.

Part 4: Applications and Assessments

4.1 Registering an application for housing

In order to apply for housing, you must register an application online at:

<https://bromleyhousing.bromley.gov.uk/default/www/dashboard>

There is guidance on how to complete the form and information we will need to assess your application. The system will acknowledge your registration, please keep a note of the reference number. If your household is accepted onto the housing register, you are responsible for keeping your records up to date, failure to do so may result in us being unable to offer you accommodation or removal from Housing Register.

If you find it difficult to submit your application online or after reading the guidance, you still need more information, we will be able to help if email us at:

Bromleyhomeseekers@bromley.gov.uk or call us on 020 8313 4098 during office hours.

4.2 Who can be included on your application

Household members who can be included on your application:

- Your partner, providing they are aged 16 or over. This includes married, unmarried and same sex partners. You will be able to make an application jointly unless we consider that one of you is ineligible or has an interest in another property.
- Close relatives including parents, siblings, adult children and grandparents. In order to be included on your application your relative must normally already be living with you and deemed to be a permanent member of the household.
- Consideration may be given to relatives who are living elsewhere and are no longer able to live independently and require a higher level of care and support such as dependent children under the age of 18.
- It must be evidenced to our satisfaction that any children included on your application will be residing with you on a permanent basis i.e. more than 50% of each 7 day week. When considering the residency of children and in order to determine whether or not they qualify to be included as part of your household we will take into account:
 - a. The benefits and tax credits you receive in respect of your children.
 - b. Confirmation from the Courts regarding residency or parental responsibility.
 - c. Referrals from social services in respect of fostering or adoption placements.
 - d. Where the children currently reside.
 - e. Whether or not the children are already included on any applications for rehousing.

Anyone included on your application must not have a legal interest in any other property. You or any member of your household cannot be included on more than one active Housing Register application at any one time.

4.3 People you cannot include on your application

The following are household members who would not normally be included on your application:

- Anyone who does not have recourse to public funds, is an asylum seeker or is not resident in the UK.
- Anyone who does not intend to move into any accommodation offered to you.
- Cousins, aunts, uncles, nieces, nephews, friends, acquaintances, lodgers, sub-tenants. We will give individual consideration where we are satisfied that there are exceptional and reasonable grounds for including one of these on your application.

4.3.1 Carers

A carer is someone who, with or without payment, provides help and support to a partner, relative, friend or neighbour who would not be able to cope independently without their help. This could be due to age, physical or mental health, addiction or disability. In all cases the carer must have been identified by the applicant as the person who is primarily responsible for providing them with care. It must be demonstrated that the carer is able to provide the level of support required and that it is essential for them to live with or close to the person that they are caring for.

Even if a carer is in receipt of a Carer's Allowance it may not be essential for them to reside with the person who is being cared for. A request to include a carer as part of the household will normally only be considered if the carer has been assessed by Social Care as needing to provide overnight support. It is the responsibility of the applicant to provide supporting evidence in order to have any such request considered.

In exceptional circumstances it may be possible to consider cases where the carer is not in receipt of Carer's Allowance. Under these circumstances it will still be necessary for the applicant to demonstrate that the person looked after is in receipt of a recognised disability benefit and it is essential for them to reside with the person.

We will determine whether or not it is essential for a carer to be included as part of your household. As well as taking into account the information listed above consideration will also be given to your current circumstances and that of the person you have listed as your carer.

This may include:

- The level of care that is currently being provided and could reasonably be expected to be provided in the future.
- The ability of your carer to provide the level of stated care required.
- The current residence of you and your carer.

4.3.2 Separated households

If you have included someone on your application who does not currently live with you, we will consider that you are a separated household. In order to assess your eligibility and priority on the Housing Register we will assume that you are living at the address occupied by one of the applicants and that we consider to be most suited to your households combined needs. Your application will be assessed as if all household members are resident at that one address. When considering which home would be most suitable, we will take into account:

- i. The size of each property
- ii. Any medical needs of the household
- iii. Any proven risk to the household at either location.

4.4 False information

We will robustly investigate any circumstances that we believe to be fraudulent. It is an offence to obtain, or attempt to obtain, a tenancy by deception. S.171 of the Housing Act 1996 makes it an offence to knowingly or recklessly provide or withhold information when applying for housing and subsequently if your circumstances should change.

If we discover that you or someone acting on your behalf has supplied false information or have failed to provide us with information that is relevant to your application in order to gain a priority or accommodation, we will immediately cancel your application.

If you have obtained accommodation through the Housing Register and it is discovered that you or someone acting on your behalf has supplied false information or failed to provide us with information that would have been relevant to your ability to secure that accommodation, we will work with your landlord to end your tenancy.

Anyone suspected of giving false information or withholding relevant information is also liable to be prosecuted and may be fined.

4.5 Requesting, sharing and verifying information

We will verify your application and the evidence you provide in support of application, checking that we have what we need to assess your application as well its authenticity. We may conduct arranged and unannounced home visits to confirm that what you have told us about your circumstances is true.

We will do this:

- When you register an application.
- If we review your application.
- If you report a change of circumstances.
- Before we offer you accommodation.

In completing the online application form you, or a person acting on your behalf, gives the council permission to request further information, share information given with appropriate third parties and make further enquiries in order to correctly assess the application or verify the information or the circumstances presented.

In order to offer you appropriate advice and to assess your application, it may also be necessary to contact those people or organisations whose details you have provided in addition to any other relevant parties whose details come to light during our enquiries.

This may include but is not restricted to:

- ✓ Cross checking the information you have given against the Bromley Register of Electors or any other council.
- ✓ Cross checking the information you have given with other departments such as Housing Benefit and Council Tax.
- ✓ Contacting current and previous landlords.
- ✓ Sharing information with registered providers.
- ✓ Sharing information with other local authorities.
- ✓ Cross checking with data matching companies and credit reference agencies. These agencies will record details of any search made whether or not the application proceeds.
- ✓ Other third parties considered relevant to your application.
- ✓ Your employer or prospective employer.

You will be asked for evidence in relation to you application:

- Photographic ID of everyone in your household.
- Proof of benefits and income for all household members over 18.
- Birth certificates for each household member.
- National Insurance numbers for each household member over 18.
- Proof of your current and/or previous addresses.
- Immigration documents where relevant.
- Documents relating to any property ownership.

This list is not exhaustive, full details are provided on our online registration process.

Where appropriate, any information that you provide may be shared with Registered Providers and prospective landlords. Failure to provide information when required to do so or in the event that we are unable to contact the relevant person or organisation or are not satisfied with the information that is provided may mean that;

- i. There is a delay in the assessment of your application
- ii. There is a reduction of any priority awarded to you
- iii. An offer of accommodation is withdrawn
- iv. An offer of accommodation will be treated as a refusal.
- v. Your application is cancelled.

4.6 How priority is determined

In order to assess your housing needs and priority we will:

- Check your eligibility to join the housing register.
- Confirm you qualify under reasonable, local or additional preferences.
- Place you in an appropriate band with a category of need.
- Assess the size of home you require.

4.7 The Bands

Anyone who applies to the Housing Register and qualifies for inclusion will be assessed and placed into a band in accordance with their housing priority, where the emergency band is the highest and band 4 is the lowest. In all cases we will only consider those circumstances that are made worse or prevented from improvement by your current housing circumstances.

4.7.1 Emergency Band

Very few applicants will qualify for this level of priority. This is an emergency band and represents those with only the most critical and immediate need to move.

Examples include but are not limited to:

- i. Where an applicant is homeless and in temporary accommodation and owed a section 189B (2) Relief duty or 193(2) Main duty under the Housing Act 1996 and the council wishes to make a direct let to move applicants out of temporary accommodation to manage any budgetary or legal impact.
- ii. Situations where urgent rehousing is required due to an applicant's existing property being uninhabitable, or where there are serious health and safety or personal protection issues that need to be addressed, or to discharge a statutory homelessness duty.
- iii. Urgent housing need situations where, given the applicant's circumstances, it would not be reasonable to wait for a successful bid through the CBL system to deliver an offer.
- iv. Direct offers to persons who a partner council has a duty to rehouse under section 39 of the Land Compensation Act 1973.
- v. Where a vacant adapted property, or a property designed to disability standards, becomes available and that property could be allocated to an applicant whose disability needs best match that property regardless of the date they were registered.
- vi. Where the decision of the Council is that it is inappropriate for the applicant to participate in CBL. For example, a vulnerable applicant nominated by Adult Social Care or Children Services where the outcome of an assessment is that a direct let is the best letting solution for that applicant.
- vii. Other examples, including individual circumstances of some applicants subject to Multi Agency Public Protection Arrangements (MAPPA), or it is assessed presents a risk to themselves or others.
- viii. Sheltered housing cases where some older applicants are less confident in using the CBL system to increase take up of sheltered schemes.
- ix. To facilitate a decant programme.
- x. A management transfer priority identified for either a council or partner registered provider.

4.7.2 Band 1

This represents those households with a high level of housing need where an urgent move is required to significantly improve their quality of life or to free up accommodation.

Housing Priority	Description
Decants	Council tenants or a partner registered provider tenant subject to decant proceedings within 6 months and where a relevant reciprocal arrangement has been agreed.
Underoccupation	Underoccupiers in council or partner registered provider who are: <ul style="list-style-type: none"> Downsizing within general needs or adapted housing. Moving from general needs into sheltered accommodation.
Release of an adapted property	Council and partner registered providers tenants who are moving from fully adapted into general needs or sheltered accommodation.
Move on from a supported housing scheme	Where the council wishes to provide move on someone from a supported housing schemes to which the council has nomination rights. These include referrals for the following households: supported housing move on, leaving care and learning disability, who have been assessed as ready for independent living.
Prevention homelessness duty	People who are owed a prevention duty by the local authority under the homeless legislation and we are satisfied that all other reasonable options have been explored and where priority is required in order to prevent homelessness within a specific timescale.
Relief homelessness duty	People owed a relief duty and placed in temporary accommodation under the homeless legislation.
Overcrowding (2 or more bedrooms needed)	Households who are overcrowded by two or more bedrooms.
Severe Medical Need	Households with severe medical needs including those requiring adapted accommodation and whose current homes are not and cannot be suitably adapted to their needs.

4.7.3 Band 2

This represents those households with a moderate level of housing need where a move is necessary but not urgent.

Housing Priority	Description
Main homeless duty	People who are unintentionally homeless and in priority need (within the meaning of Part VII of the 1996 Act).
Decants (longer than 6 months)	Council and partner registered provider tenants subject to decant proceedings with a need to move that is longer than 6 months.
Welfare and Hardship	People who need to move on welfare grounds to a particular locality in the district of the local authority, where failure to meet that need would cause hardship (to themselves or to others).

4.7.4 Band 3

This represents those households with a low level of housing need where a move is desirable but not essential.

Housing Priority	Description
Non priority homeless	People who are homeless but not in priority need (within the meaning of Part VII of the 1996 Act).
Overcrowding (needing 1 bedroom)	Social housing tenants who are lacking one bedroom and whose landlord has entered into a reciprocal agreement with the local authority.
Rehousing guarantee	Council tenants who have relinquished property and where the council has agreed to rehouse. This includes deferred transfers of council tenants who have been convicted and have been incarcerated or tenants who have been institutionalised.
Sheltered or Specialist Accommodation	Older people, including existing social housing tenants, who are not classed as underoccupiers but who wish to move from general needs into sheltered housing.

4.7.5 Band 4

This represents those with a significantly reduced level of housing need.

Housing Priority	Description
Intentionally homeless	People who are intentionally homeless (within the meaning of Part VII of the 1996 Act) .
Not ready to move	Those who are awarded a priority in accordance with a reasonable preference category but are not yet ready for move on or may be in rent arrears.
Right to Move Scheme	Those included under the Right to Move. In most instances, unless otherwise notified, applicants who receive this priority will not be able to bid for accommodation and will instead be made a direct offer of accommodation.

4.7.6 Determination of your Effective Band Date

Waiting time determines your position within a band. It begins from the date that the current banding priority was awarded. We call this your effective band date. In order to determine your effective band date, and provided there is no delay in providing the information required within the time stipulated, we use the following:

- ✓ Your first assessment, we will use the date we verified your application.
- ✓ If you have a change of circumstances and your priority need changes and you go up a band, we will use the date we verify your change.
- ✓ If you have a change of circumstances and your priority need changes and you go down a band, we will use the effective band date you already have, and it will remain unchanged.
- ✓ An assessment and award of priority cannot take place without the supporting evidence. If you fail to provide this at the point of submission or the date you advised us of the change of circumstances, we will use the date we verify your application.
- ✓ If you are statutory homeless, the effective band date will be the date you approached the council.

- ✓ In the unlikely event more than one applicant bids for the same property and they have the same effective band date, we will consider the type of priority awarded and the urgency of the priority to determine who will be allocated the property and the earlier registration date. This is rare because all applications are time stamped.

4.7.7 Multiple needs

Your circumstances may be such that you would qualify for priority under more than one reasonable or local preference category. If this is the case your application will be placed into the highest band, reflective of your need, as assessed in accordance with the Housing Allocation Scheme.

4.8 Bedroom Requirements

Bedroom requirements, overcrowding and under-occupation are assessed in accordance with the following reasonable preference and local preference categories:

- People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions.
- Council or registered provider tenant looking to downsize to smaller accommodation (also known as underoccupiers).

This is how we assess how many bedrooms you need:

- i. *Underoccupation*; if you have more rooms available than your household is assessed to need, you are under-occupying the property.
- ii. *Overcrowding*; if you have fewer rooms available than your household is assessed to need, you are overcrowded.

In accordance with the Bedroom Standard assessment regarding the number of bedrooms allocated to a household we allow one bedroom for each of the following; where each person is only counted once and for the purpose of statutory overcrowding, we will count a separate dining room or living room as a bedroom:

- ✓ a spouse, civil partner or same sex partner
- ✓ a person aged 21 years or more
- ✓ two persons of the same gender aged 10 years to 20 years
- ✓ two persons (whether of the same gender or not) aged less than 10 years
- ✓ two persons of the same gender, where one person is aged between 10 years and 20 years and the other is aged less than 10 years, except in instances where the relationship is that of parent and child
- ✓ any person aged under 21 years in any case where he or she cannot be paired with another
- ✓ a child who is a main carer and currently sharing with a sibling
- ✓ a bedroom is needed for essential medical equipment.
- ✓ Applicants who approved foster carers will be entitled to one extra bedroom than their household would ordinarily be entitled to as follows:
 - where a child is placed with them
 - in between placements for up to a period of 52 weeks from the date of the last placement
 - newly approved foster carers waiting for their first placement, for a period of up to 52 weeks from the date of the approval

- Prospective foster carers will not be entitled to an additional bedroom until they have been approved.
- Proof of approved status will be required before an additional bedroom entitlement will be awarded.
- If the applicant is no longer an approved foster carer, this entitlement will cease.

4.9 Category of Need

4.9.1 Underoccupation

Since the introduction of the Welfare Reform Act in 2012 social housing tenants who are underoccupying their homes have been required to pay an extra room subsidy in their council tax. Many incur financial hardship as a result of the subsidy and wish to move to smaller properties. Some need to give up their general needs home and move into sheltered or specialist accommodation.

There is a shortage of affordable family sized accommodation within the borough, and we are committed to ensuring that the best use is made of the current housing stock. To this end those underoccupying general needs will be given an underoccupation priority which is higher when releasing a larger property and the council is able to enter into a reciprocal arrangement their social landlord. We may also make direct offers where we can facilitate a chain of moves.

4.9.2 Overcrowding

We award a priority for overcrowding based on the severity. Households that are statutorily overcrowded as deemed by the legislation will be placed in band 1. Those overcrowded by 2 or more bedrooms will be placed in band 1. Those who are assessed as lacking one bedroom will not normally be included on the Housing Register unless they are existing social housing tenants and their landlords have agreed to enter into a reciprocal agreement with the Council, in these instances we will award a band 3 priority.

We will also explore other options where a household needs a very large family sized property because very few 4 bedroom or larger properties become available for letting. As a result larger families may wait many years before they can secure a move into suitably sized accommodation.

Example of options may be:

- i. We may suggest that an older household member considers sheltered accommodation.
- ii. We may suggest children over the age of 18 consider seeking accommodation in their own right.

In such instances we will seek to house the smallest household first, once they have accepted a new property, we will reduce the priority of the larger household.

4.9.3 Homelessness

Applicants presenting as homeless within the meaning of Part 7 of the Housing Act 1996 as amended by the Homelessness Reduction Act will be subject to a homeless assessment. The council must give a reasonable preference to homeless households and award a priority award on the housing register. Bromley has can exercise discretion as to which award, they will give. Bromley awards the following:

- i. Homeless households owed a prevention duty will be placed in band 1.
- ii. Homeless households awarded a main duty and placed in temporary accommodation under s189b relief duty will be placed in band 2 in recognition of the need to move households quickly especially families and the cost of temporary accommodation to the council.
- iii. Homeless households awarded a s193 main duty will be placed in band 2.
- iv. Non-priority homeless households will be placed in band 3.
- v. Intentionally homeless and non-priority homeless will be placed in band 4

In the first instance all those who are homeless, threatened with homelessness, fleeing violence, subject to harassment, leaving institutional care or the armed forces will have their circumstances considered under the homelessness legislation and an investigation will be undertaken.

Not all households who are accepted as being homeless will be housed via the Housing Register. The Localism Act allows local authorities to fully discharge the full housing duty by a 'private rented sector offer' (s193(7AA)-(7AC) Housing Act 1996 as amended by s.148(5)-(7) Localism Act 2011. The offer must be deemed suitable in line with legislation. If the homelessness duty is discharged into the private sector the household will not be given a priority on the housing register.

4.9.4 Priority on Health Grounds

Priority on health or disability grounds will only be awarded after an assessment if someone in the household has a severe long-term limiting illness, or a permanent and substantial disability **and** their health or quality of life is severely affected by the home they live in.

A priority medical award is not given on the basis of the medical condition or disability alone but upon the effect the housing circumstances are having on a long term and serious medical condition or disability. We will also consider if where you live now can be reasonably adapted to meet your needs. It may also be that there are combinations of serious health or disability concerns that mean that the health or quality of life of a household is being severely affected.

The assessment will be made by the Housing Register Team in consultation with any medical evidence you provide or reports from health professionals such as Housing Occupational Therapists. Any evidence you supply will be considered fully and further evidence may be requested.

There are two levels of additional priority on medical grounds linked to housing circumstances that can be awarded.

Health Priority	Description
Emergency Medical Award	<p>This is the highest priority award and will normally be considered where the criteria for a priority medical award is met and one or more of the following conditions:</p> <ul style="list-style-type: none"> ✓ someone is in hospital/residential care and cannot return home because it is not suitable ✓ risk to life ✓ extreme exceptional circumstances ✓ former members of the armed forces
Priority Medical Award	<p>This recommendation will normally be considered if you, someone on your application or for whom you provide care, has a severe long-term limiting illness or permanent and substantial disability. Health or quality of life must be severely affected by the place you live in now.</p>

Other recommendations that can be made in addition to granting priority on health grounds such as:

- a. The type of property that is most suitable and essential on health grounds. This can include access, space, location, or access to a garden.
- b. When a property with one of these features is advertised, preference for it may be given to applicants where an additional recommendation has been given by the assessing officer.
- c. Use of a garden for safe supervised outdoor play area by a child under 18 in your household with one of the following:
 - a permanent and substantial physical disability
 - severe long-term limiting illness
 - the severest forms of learning disabilities
 - the severest forms of behaviour problems.
- d. Use of a garden for an adult in the following circumstances:
 - if they have a severe cognitive impairment that means they do not sense danger
 - at risk of wandering and so need constant supervision
- e. A garden may be recommended if:
 - if they have a severe, permanent and substantial disability or severe long-term limiting illness
 - limiting illness and caring for children is causing concern such that their continued residence is at risk
 - stress of caring for them is exacerbating the health problems
 - they have a sensory impairment and/or a guide dog and they live alone or only with others with disabilities.
- f. Extra space may be recommended if:
 - you, or someone in your household, has either a permanent and substantial disability, or a severe long term limiting illness, or the severest form of learning disabilities or the severest forms of

behaviour problems and it is unreasonable for you to share a bedroom as it would seriously affect the sleep of those you would normally share with, to the severe detriment of their or your health

- you are having health treatment at home that needs large machinery or a stock of health supplies to be stored e.g. you are having renal dialysis at home
- you need a full-time Carer to provide support night and day
- you have a permanent and substantial disability or long-term limiting illness or severe learning disability and need additional space for specialist equipment
- you have a severe long-term limiting illness and sharing a bedroom will exacerbate your health problems e.g. you have an immune deficiency.

- g. An additional recommendation that can be made is that an applicant must have ground floor on health or disability grounds or must have a ground floor property that is wheelchair accessible category A or B. This may be recommended if you have a permanent and substantial disability or severe long-term limiting illness that means that your mobility or exercise tolerance is so severely restricted you cannot safely manage any stairs.

4.9.5 Decants

If you are a council or partner registered provider tenant, and we are advised that you need to move as part of a decant programme you will be given band 1 if you need to move within 6 months or band 2 if you have longer.

You will normally only be allowed to bid for the size of accommodation that your household is deemed as requiring in accordance with the Allocation Scheme. This may be different from the size of property that you are being decanted from or that you are being offered by your landlord (if also being considered for an internal transfer).

If you fail to move within the proposed timescales your landlord may request that you be made a direct offer of accommodation. If you then fail to accept the direct offer your landlord may seek to terminate your tenancy.

For further information regarding decants please contact your landlord directly.

4.9.6 Insanitary housing conditions

If your home is in a state of disrepair, you will not normally be awarded a priority on the Housing Register. Irrespective of who your landlord is, in the first instance you will be expected to report the problem to your landlord and work with them in order to resolve it.

If your landlord will not discuss these problems with you or is not carrying out the appropriate repairs to your home, then you can contact the Council's Housing Enforcement Team. They may assess your situation either by speaking to you over the phone or by arranging a home visit. If necessary, they will work with both you and your landlord to resolve any outstanding issues.

When making an application to join the Housing Register, you will need to confirm that you have already been in touch with your landlord, and that they have failed to resolve the works that are outstanding within a reasonable timescale, and that you

have contacted the Housing Enforcement Team who have made an assessment and deemed the property unfit for habitation. We will ask to see these reports.

Priority on the Housing Register will only be awarded in exceptional circumstances where your home is assessed as having an irresolvable category 1 hazard and where a Prohibition Notice is required or has been sought on the grounds that the property is deemed prejudicial to health and where continued occupation poses a significant threat to the health and safety of the occupiers.

If you are a homeowner, and you are responsible for maintaining it, you will not normally be awarded a priority on the Housing Register. The Council's Housing Enforcement Team can offer you advice and assistance as well as details of any current schemes and initiatives to help you maintain and remain in your home.

4.9.7 Welfare and social grounds

A priority on welfare and social grounds can be considered in two ways:

- If you need to move closer to a specialist support or services such as a school that is named as essential in a statement of special educational needs or to move nearer someone who will care for you enabling, you to live independently.
- If you need to move to closer to Bromley resident who needs support/care.

When considering whether or not to award a priority on welfare and social grounds we will consider the following:

- i. The ease with which you can travel to be supported or provide support.
- ii. The level of support that is currently provided including details of any care packages and carers allowances.
- iii. The capability and time of the person offering the support
- iv. When considering access to a school that is highlighted in a statement of special educational needs, we will look at the age of the child/children and how long they will remain at the school in question.

There must be exceptional reasons why the support needed cannot be met within their current circumstances or why this support cannot be made available through a reliance on public or personal transport. In order to award a priority of the basis of a welfare and social need we must be satisfied that the support provided is so significant that, without it, the person in question would be at risk of significant harm or would no longer be able to live independently.

4.9.8 Those owed a duty of care by the local authority

People who are owed a duty by any local authority under section 190(2), 193(2) or 195(2) of the Housing Act 1996 (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any local authority under section 192(3) of the 1996 Act will be assessed in accordance with reasonable preference.

The housing team and social care work together for cases where the council owes a duty of care. Consideration will also be given to referrals from other local authorities

where evidence is submitted to support a move to our borough. These will include, but are not exhaustive of, the following:

- Care leavers.
- Those with learning disabilities.
- Those approved for fostering or adoption where a home is required to meet the needs of a particular child or children. [See section 4.8 on bedroom requirements in relation to fostering.](#)
- Children in need in accordance with the Children Act 1989

4.9.9 Moving to Older Persons Accommodation

Applicants must be aged 50 or over and not currently occupying sheltered or older persons accommodation. A priority award for sheltered will be awarded to applicants who will require this type of housing on the proviso that they can **only** be considered for this type of accommodation and will not be able to bid on general needs accommodation unless otherwise notified.

4.10 Council or Registered Provider Employees, Elected Members or their Relatives

Council and registered provider employees, elected members and their relatives are allowed to apply to join the housing register and to have their circumstances assessed in accordance with this Housing Allocations Scheme. Their application will be assessed in the same way as all other applicants and they will not gain any advantage, receive any preferential treatment or be disadvantaged in the course of their application.

We will apply the following:

- An employee who applies for housing must have no direct input into the processing of their application. This includes not inputting, amending, prioritising or making decisions.
- Elected members must have no direct input into processing of their application or of their relatives. This includes not inputting, amending, prioritising or making decisions.

The application will be clearly identified as belonging to an employee, elected member or their relative. Offers must be authorised by a senior member of the housing needs team who is not related to the applicant. Offers made by a registered provider must be authorised by a senior member of their staff.

4.11 Pitches for Gypsies and Travellers

The council owns and manages two traveller sites, containing a mixture of single and double pitches, within the borough.

In addition to the eligibility criteria in section 3.1 applicants wishing to be considered for a pitch on one of the sites must be a Gypsy or Traveller, either by ethnic group or under the current legal definition.

The allocation of pitches on a Gypsy and Traveller site is in accordance with the priority given to all applications. However, additional priority for pitches may be given to close family members of existing licensees, who already live on site, to relieve overcrowding and to maintain family connections on the site.

All applications for pitches will be assessed and registered with the appropriate priority. Applicants must then check on the council's website for information about available pitches and place bids for any pitches they would like to be allocated. The pitch will be allocated to the eligible applicant in the highest priority band and with the earliest priority date in that band.

The ongoing sustainability of the site community will be taken into consideration before any formal offer of a pitch is made.

4.12 Notification of your assessment

We aim to assess your application within 28 days. You will be advised of your band, reasonable preference and effective band date. You will also be advised of the size of property you are entitled to.

4.13 Change in Circumstances

If your circumstances change, you must inform the council. You can do this on the Bromley Housing Portal website against your application. Examples of change(s) you should tell us about include:

- The birth of a child
- A change of address
- Someone joining or leaving the household
- The purchase or acquisition of an interest in a home
- A change in the health or welfare of the main applicant and/or a member of their household
- Or any circumstances that affect either eligibility or qualification or disqualification to the housing register.

4.14 Cancellation of an Application

Applications will be cancelled for one or more of the following reasons:

- a. The applicant requests cancellation
- b. The applicant's circumstances change, and they are no longer eligible or no longer qualifies.
- c. The applicant has not responded to a review of their application within the 28 days requested.
- d. The applicant is found to have made a false or deliberately misleading statement, or to have withheld information in connection with their application.
- e. The applicant has not placed a bid for 12 months.
- f. The applicant has not responded to contact from the Council within the 28 days requested.
- g. The applicant has failed to provide the evidence required to assess their application.

4.15 Deliberately or worsening circumstances

In the event that your actions cause your circumstances to worsen or prevent them from improving we may reduce your priority or cancel your application. In some instances we may choose to disregard any circumstances that you have made worse when assessing your priority.

Some examples are listed below:

- i. Applicants who have allowed family members or others to move into their property, who previously had suitable accommodation or the financial means to secure their own accommodation, and this has resulted in the property being overcrowded.
- ii. Applicants who have moved from previously suitable or more suitable accommodation which it was reasonable for them to continue to occupy, into a less suitable property.
- iii. Homeowners who have intentionally transferred their property to another family member in order to join the housing register.
- iv. Applicants who have given up affordable and suitable private rented accommodation which they are able to maintain, to move in with other relatives or friends, creating a situation of overcrowding and/or sharing of bathroom/kitchen and/or a split household.
- v. Requesting or colluding with a landlord or family member to issue them with a Notice to Quit.
- vi. Homeowners who have transferred the title to their property to a Trust and remain the beneficiaries of that trust.
- vii. Failing to allow repairs to your home to be carried out.
- viii. Unreasonably withholding or failing to make rent or mortgage payments.
- ix. Unreasonably failing to follow advice given by the council in order to prevent homelessness.
- x. Refusing an offer of privately rented accommodation which was made in order to prevent homelessness.
- xi. Refusing an offer of social housing which was made in order to prevent homelessness.

Part 5: Allocations and Lettings

5.1 Direct lets

Not all properties that become available will be advertised and offered through the choice-based lettings system (CBL). The majority will be direct lets, and, in exceptional circumstances, outside of the band and date order criteria set out in this policy. Specifically, this would be where there are urgent operational or financial reasons to depart from the CBL system of lettings.

5.2 Choice based lettings

The remainder of empty properties will be let through choice-based lettings where the property is advertised to allow applicants to bid on them. A shortlist is collated of people that bid in priority order. An offer is made to the most suitable applicant.

5.3 Advertising a Property

Bromley works in partnership with registered providers and other local authorities to advertise properties online. All of the information submitted, including details regarding the number of bedrooms, property type, available facilities, timescales and adaptations, is provided by the social landlord. Whilst we will do all that we can to ensure that the information provided is correct Bromley does not accept responsibility for any inaccurate information supplied another landlord.

Properties will be advertised online during the bidding cycle. Details of when the bidding cycle starts and ends can be found on the website. A weekly property advert sheet can also be downloaded from the website, during

5.3.1 Targeted Adverts

In order to meet the annual or a local lettings plan adverts some adverts may be targeted. It may also state that preference will be given to people of a certain age, for example, if the property is categorised as sheltered or that preference will be given to those with a disability, for example, if the property is adapted or suitable for adaptations. This may mean when we shortlist, that someone from a lower band may be selected for an offer because they meet the criteria.

5.3.2 Withdrawing a property

In exceptional circumstances we may have to withdraw a property that has been incorrectly advertised or where an applicant has been nominated to a registered provider. We may also withdraw a property in order to make an urgent direct offer for a priority household at any point provided it has not yet been offered.

5.4 Bidding

The sections below only apply where we have advertised a property on our choice based lettings system.

5.4.1 Number of bids

You will be able to place up to **two bids** during each bidding cycle. It is essential that you bid each week in order to increase your chance of moving as quickly as possible. However, even if you bid each week, you may still experience a lengthy wait particularly if you do not place sensible bids. Social housing stock is very limited and, in some areas, very few or no homes become available. If you have very specific preferences regarding the type or location of your home, you may find that it is easier to secure a move via the private rented sector or through another housing option such as shared ownership.

5.4.2 Number of bedrooms

You will normally only be able to bid on the size of property that we have assessed as meeting your requirements under this scheme. Occasionally though there may be some exceptions to this, such as if you require a 4 bedroom home or larger you will normally be able to place a bid on a property that is one bedroom smaller than you are assessed as needing, as long as your household does not exceed the maximum number of persons permitted within the home.

5.4.3 Bidding position

Your position on the bid list may alter as the bidding cycle progresses. Bids are held in band order and within each band, date order. If you place your bid as soon as the bidding cycle opens, you may find that your bid position is different once bidding has closed. Your bid position will drop if someone with a higher band or the same band (who has held that band for a longer period of time) bids on the same property as you.

5.4.4 Assisted bidding

Where someone is vulnerable or needs additional help placing bids to ensure the property is suitable for their needs, you will receive assistance from the Housing Register Team. This is because we recognise that it is important to manage the process to get the best result for you when bidding for a suitable property, especially when assisting homeless households. This is called assisted bidding.

5.4.5 Grouped bids

We will use a single advert for identical properties. Where there are grouped advertisements, applicants who place one bid will be considered for all properties within the group.

5.4.6 Withdrawing your bid

When you have placed a bid, you will be able to withdraw it, whilst the bidding cycle is open. You will not be able to withdraw a bid after the bidding cycle has closed. Any such bid will be treated formally in accordance with the guidance set out within the Housing Allocation Scheme. If we assist you with bidding, you will not be able to withdraw your bid.

5.5 Shortlisting

5.5.1 Closing date

Each bidding cycle opens at 6pm on a Wednesday and closes the following Monday at 4pm. Between these times you are able to place a maximum of 2 bids on properties in which you meet the advert criteria for. You can withdraw any bids made, provided the withdrawal happens before 4pm on the Monday. Anything after this deadline cannot be removed or amended. When the bidding cycle closes a shortlist of the top bidders is prepared and we will automatically take into consideration any recent changes to your application if these have taken place since the bidding closed.

5.5.2 Bypassing a bid

Your bid may be bypassed if:

- Your circumstances do not match the “preference given to” criteria outlined in the property advert.
- You have already been successfully shortlisted for another property.
- There are public protection concerns.
- You, or a member of your household, are involved in anti-social behaviour.
- It is identified that you require an adapted home, and we are notified by the social landlord that the property cannot be sufficiently adapted.
- You have rent arrears and are not keeping to an agreed payment plan.

In the case of rent arrears we will normally allow you to be shortlisted for a property if:

- You have less than 4 weeks rent arrears and with a payment plan which you have adhered to consistently for 3 months.
- You have more than 4 weeks rent arrears with a payment plan which you have adhered to consistently for 6 months.

If there are extenuating circumstances, we may allow not bypass for rent arrears if the move is required urgently. Households with high rent arrears may be suspended so that they cannot bid until we are satisfied that you are adhering to a payment plan. If you are in a council property or temporary accommodation and move before you are rehoused, we will pursue the debt as a former tenant arrear.

5.5.3 Successful bidders

More than one bidder will normally be selected to view the property. You will be told if you have been selected for a multiple viewing and what your listed position is. This will enable you to see how likely you are to secure the property. For example if you are shortlisted as 1st out of 6th you have the best chance of securing the property. If you are shortlisted as 6th out of 6th you will be less likely to secure the property.

You can only be shortlisted in first place for one property at a time, all subsequent bids will be bypassed, whilst the first bid is resolved. If we feel there are exceptional reasons, we may allow you to be shortlisted for more than one first bid.

Each registered provider follows their own viewing, offer and sign up process. Some will invite you to view the property first, whilst others may arrange a home visit or request that you attend a meeting at their offices prior to allowing you to view a property. You will be contacted either by phone, email or in writing. You will be advised of what information you will need to take with you to any meetings or viewings.

5.5.4 Unsuccessful bidders

You will not be contacted if your bid is not shortlisted. You will be able to bid during the next bidding cycle as normal. If your bid is bypassed, you will be able to see the reason your bid was unsuccessful by logging into your Homeseekers Account and reviewing your bids.

5.5.5 Rejection by a Registered Provider

If your bid is rejected by a registered provider or you were nominated and then rejected, they must notify us of their reasons before offering the property to another bidder. If the council is satisfied that the reasons are acceptable in accordance with the Housing Allocation Scheme and nominations agreement, the decision will stand, and you will be notified of the outcome.

If we believe the registered provider has been unreasonable, we will ask them to review their decision and allow your bid to proceed. We will attempt to resolve all areas of dispute with them and take the relevant steps, where this is not possible.

5.6 Sensitive lets

Sensitive lets are rare and likely to be due to two main reasons:

- i. Where a household requires careful placement for their safety or the safety of others, we may need to consider where we place in order to minimise any risks.
- ii. Where a property has a management history which requires the careful selection of the next tenant to ensure harmony in the area where it is located. In these cases we may target the advert and select only the most suitable applicants.

5.7 Reciprocal arrangements

The Allocations Management Team may authorise approaching another authority or registered provider with a view to entering into a reciprocal arrangement where this would assist the council to house someone who needs to move. Reciprocals are a way of obtaining a nomination to another council or registered provider and in turn, Bromley will need to provide a matching property. In either case, the property offered should meet the recipient authority's (or registered providers)) normal rules as to property size, and it should be noted that it is up to the other council/registered provider whether they agree to enter into such an agreement.

5.7.1 Reciprocals initiated by Bromley (i.e. outgoing) - factors to take into account:

- a. Is the case an emergency case or otherwise particularly urgent?
- b. Have alternative options been exhausted?
- c. Does another authority or registered provider "owe" the council a reciprocal nomination, if so, is this a good opportunity to get them to discharge that reciprocal nomination

- 5.7.2 Reciprocals initiated by other councils or registered providers (i.e. incoming) - factors to take into account:
- a. Is the case an emergency case, or particularly urgent or important?
 - b. Can rehousing be achieved by the other council or registered provider using their own stock?
 - c. Does Bromley “owe” the other authority or registered provider a reciprocal nomination, if so, this is an opportunity to discharge the debt to them.
 - d. Is the council likely to be in a position to assist within the required timeframe, we will not allow these to take place over a prolonged period of time.

5.8 Offer of accommodation

An offer of accommodation must be deemed suitable. This will take into consideration:

- Household type and size
- Rent and service charges
- Property type, size and condition
- Medical need
- Area in relation to employment and education
- Affordability checks [see Appendix 3](#)

An offer is made in writing (often sent by email) containing all the details of the property. If you view before an offer is made an offer letter will be sent after the viewing. It will be subject to a clear rent account or where the applicant is reducing the debt in line with a repayment arrangement.

5.9 Limited Offers

We limit the number of offers made to each applicant to one reasonable offer in order to ensure that those on the housing register are able to move within a reasonable period of time. An offer is deemed to be reasonable if it matches area, bedroom allocation, floor level, property type for household, criteria for health priority award, takes into account young children, and is an average standard or repair or more. Where an offer is agreed as not reasonable it will be withdrawn and will not count as one of the limited offers.

If you fail to accept the property offered to you, we will review your application. At that stage we may either:

- Reduce or remove your priority.
- Where there is a legal duty to do so, make you one final offer before discharging duty.
- Cancel your application and remove your details from the Housing Register.

We do not consider the following to be one of your limited offers:

- We bypass your bid.
- The registered provider rejects your bid.
- Someone short listed above you accepts the property.
- The property is withdrawn.

5.10 Refusals

The following are considered refusals:

- You fail to attend a viewing.
- You fail to attend an interview with a registered provider
- You fail to provide the information requested by a registered provider.
- You are offered a property, and you decline it.

The consequences of refusing an offer of accommodation will depend on the circumstances in which the offer is made. It is important for a homeless household to understand that the refusal of a suitable offer of accommodation is highly likely to result in cessation of the homeless duty, the potential loss of any temporary accommodation, and a change to their entry under this Housing Allocation Scheme.

For all other applicants, a refusal may result in suspension, reduced priority or removal from the Housing Register.

5.11 Tenancy determination

A tenancy determination involves identifying what type of tenancy you will be granted. The Council will have a tenancy management policy which will outline the tenancies they grant. You will be told in advance of the tenancy type and the conditions attached to the agreement.

The general principles will be:

- i. If you have never held a social tenancy before, or we feel you will benefit from support in the first year of your tenancy, you will be granted an Introductory Tenancy for 12 months; and provided you adhere to the terms of the tenancy agreement; this will convert to a secure tenancy at the end of the period. Introductory tenancies are subject to periodic reviews and if things have not gone well, the landlord may extend this for a further 6 months provided they have given notice.
- ii. If you currently hold a lifetime tenancy, you will be granted another lifetime tenancy. This will be a secure tenancy for council tenants and an assured tenancy for registered providers.
- iii. In some cases a flexible tenancy will be granted, usually if the property is heavily adapted or very large and the landlord wishes to ensure that the tenant continues to need this type of property. These types of tenancies are between 3 and 5 years in length. When they end, they may be renewed, or another type of tenancy may be granted depending on the circumstances. This will be explained when your tenancy commences.

5.12 Tenancy sustainment

We want people to be live happily in their homes and recognise that you may need support and assistance to sustain your tenancy. The Housing Allocations Scheme is designed to sort out longer-term solutions for people, and this means making it possible for you to stay in the home of your choice and one that meets your need.

We wish to ensure that landlords do everything practically possible to promote tenancy sustainment by:

- Ensuring a household is correctly routed to the right team when they approach the council for housing
- Considering the support needs, both immediately and longer – term when you have your new home
- Taking the necessary measures to safeguard you and your household
- Signpost you to employment, education and health advice if you need assistance.
- Assessing your housing priority correctly
- Working with you to provide support and skills to address the behaviour that resulted in a suspension of you application.
- Assisting you and your landlord to find solutions If your tenancy is failing
- Granting the right kind of tenancy for your needs
- Ensuring you can afford the rent.
- Ensuring the property suits your need
- Assessing you for specialist housing at the earliest opportunity if you need it
- Safeguarding community balance when allocating properties.

5.13 Lettings Plans

Lettings plans are an important tool in meeting allocation targets. They are agreed by the council and partner registered providers.

- i. An Annual Lettings Plan sets out how the Council intends to let the number of properties it predicts will become available within a 12 month period.
- ii. A Local Lettings Plan can be introduced in order to support local priorities and non-statutory responsibilities.

Whilst both plans are reviewed annually it is acceptable for specific local lettings plans to be put in place for a limited time frame.

5.13.1 Annual lettings plan

In agreement with partner agencies an Annual Lettings Plan is produced to ensure that we meet our statutory obligations in accordance with letting accommodation. The figures are set in accordance with the number of vacant properties expected to become available within the following twelve month period and all lettings made via this Scheme are counted for the purposes of the Lettings Plan. The plan is subject to regular monitoring and is reviewed annually. If monitoring shows that lettings outcomes are not in line with the Lettings Plan the Council reserves the right to implement a quota system and/or restrictive labelling on adverts to ensure that our statutory obligations are met.

The target groups where a specific percentage of lettings will be set are:

- Homeless households
- Right to move
- Learning disabilities
- Leaving care
- Move on from supported accommodation.

The current annual lettings plan is held on the Bromley Housing Portal.

5.13.2 Local lettings plan

We may implement a local lettings plan in order to meet a local demand or priority. We may also agree a local lettings plan with the Police or individual Registered Providers for specific areas or developments to reflect local circumstances and to facilitate viable and sustainable communities. Any local lettings plan will reflect considerations such as the social mix of residents within a block, estate or area. All local lettings plans may be subject to an equalities impact assessment and may take into account the following factors:

- child density (the number of children in an area)
- age range
- vulnerability of tenants
- access to resources (such as facilities for vulnerable people, schooling or healthcare)
- community stability and cohesion
- areas of low demand

Shortlisting will be undertaken in line with the local lettings plan criteria. In the event of a large scale emergency affecting housing or the need for housing within the borough the council may vary, suspend or review current local lettings plan

5.13.3 Publicising results

We will aim to publish the number of lettings and average waiting times each quarter. This information will be published on our Bromley Housing Portal and is often useful for applicants when considering whether to refuse an offer. We have very few lettings each year, the information will give applicants a better understanding of waiting times for certain areas, types and sizes of accommodation.

Part 6: Decisions, Complaints and Reviews

6.1 Decisions

When we process an application, we will have to make a number of key decisions:

- The decision that confirms or denies your eligibility to join the housing register.
- The decision that confirms or denies whether you qualify.
- The decision that awards your housing need priority.
- The decision to reassess your application as reduced preference or treat it under exceptional or mitigating circumstances.
- The decision to reassess your priority following a change of circumstance.
- The decision to cancel or suspend your application.
- The decision following a submission of a review by you.
- The decision that deems your refusal of a property as unreasonable or that you cannot afford a property.

When contacting you with a decision we will:

- i. We will make decisions with reference to the relevant legislation and our statutory duties.
- ii. We will consider all relevant evidence before making a decision.
- iii. We will not take irrelevant matters into consideration when making a decision.
- iv. We will make every effort to ensure our decisions are reasonable, exercising discretion if the situation warrants it.
- v. All decisions will be made with due regard to the Housing Allocation Scheme.
- vi. We will state the reasons for our decision and a full record will be kept. It will be fair and transparent.

It is important to understand the following:

- ✓ If you provide evidence that you did not provide for your original assessment. This is a **change in circumstance**.
- ✓ If you think we failed to deliver the service properly. This is a **complaint**.
- ✓ If you disagree with a homeless decision under Part 7 of the legislation. This is a **s202 statutory right of review**.
- ✓ If you disagree with your priority award under Part 6 of the legislation or the decision to place you in reduced preference. This is a **statutory right of review**.
- ✓ If we ask for information or review your application following a refusal or failure to view. This is a **band review or re-registration**.

6.2 Complaints

If you are dissatisfied with a decision, see section 6.1. If you are dissatisfied with the way we have delivered our service, then you may consider making a complaint. You can do this on our website at: www.bromley.gov.uk

If a complainant is not satisfied with the action the council takes, having followed the complaints procedure in full, they you may send a written complaint to the Local Government Ombudsman.

If an applicant wishes to make a complaint against a registered provider, they should use the registered provider's complaints policy

6.3 Reviews

6.3.1 Reviews on refusal or failure to bid

We reserve the right to review your application if:

- You fail to bid on suitable properties
- You fail to view a property you have been offered
- You refuse an offer of accommodation we deem suitable.

The action we will take with you may be one or more of the following:

- Extend your bidding time for a further period.
- Discuss your situation with you and look to revise your preferences in order to secure a move.
- Discuss other housing options with you.
- Make a direct offer of accommodation.
- If we think your refusal was unacceptable because the property was suitable, we may also reduce your priority on the housing register or cancel your application.
- If you are homeless and refuse a property, we discharge duty and cancel your homeless application which will also have the effect of cancelling your housing register application.

6.3.2 Band Reviews

It is anticipated that applicants in the emergency band will be reviewed every 3 months and those in band 1 will be reviewed every 12 months. It is anticipated that all other applications will be reviewed (asked to re-register) every 3 years to ensure their circumstances remain the same. You will need to contact the council within 21 days of the review letter, or your application may be cancelled. If your circumstances change, we will reassess your priority.

In order to undertake a band review, we will:

- a. Set the correct review period on your initial assessment and all subsequent reassessments.
- b. Our system will flag the application on its review date.
- c. This will be assigned to an Officer to review.
- d. We will write to the applicant or contact them by their preferred method to confirm if their circumstances remain the same.
- e. You will have 21 days to respond.
- f. If you fail to respond your application will be cancelled.
- g. If you inform us that your circumstances remain the same, we will reset your application for another 12 months.
- h. If you inform us that your circumstances have changed, we will process your application as a change of circumstance.
- i. Suspended applicants will be reviewed once they have reached the end of the period given to you to improve your behaviour. If you have been successful or are showing real progress, we will remove the suspension and your application will be made live. If you have been unsuccessful, we may extend the period to give more time or we may cancel your application.
- j. We reserve the right to review your application at any time, especially where we have received notification of circumstances we must consider.

6.3.3 Statutory Right of Review

If you are not satisfied with a decision, you have a statutory right of review. You will need to inform us in writing.

The process for a Statutory Right of Review is:

- a. The applicant or their representative should make the request within 21 days of the decision preferably in writing. The request should state why they disagree with the decision and if necessary, provide the necessary information they felt should have been considered.
- b. The request will be logged and acknowledged from the date that we receive your correspondence we aim to respond to you within 56 days. If the review is likely to take longer than this we will let you know what the amended response time is.
- c. The review will be assigned to a senior Officer who did not make the original decision.
- d. If the information was not previously provided for the original decision, the review will be closed, and the applicant will be advised in writing that this now being treated as a change in circumstances.
- e. If the senior Officer feels that the applicant is correct or partially correct the outcome will be to uphold the review and the application will be reassessed by the Housing Register Team.
- f. If the senior Officer feels the original decision is correct, they will deny the review and the original decision stands.
- g. The review outcomes will be recorded.
- h. The applicant will be advised in writing of the outcome of the review.
- i. Review decisions are final and there is no right of appeal.

6.3.4 Judicial Review

Where an individual or organisation feels the Housing Allocations Scheme is unfairly prejudicial or their case has been dealt with a prejudicial manner, they may wish to take legal action. They should seek independent advice before doing so.

The case will be heard in Court before a judge. Both sides will appoint counsel. If the judge decides the case against the council to be partly or fully substantiated, the council will be formally advised of the verdict and will need to respond through their counsel. The result may be an alteration to the Housing Allocation Scheme and/or a reassessment of the applicants case. These are termed judicial reviews.

Appendix 1: Lettings outside of the Housing Allocations Scheme

Lettings where a tenancy is created outside of the Allocations Policy include:

- a) **Conversion of an introductory tenancy:** to a secure tenancy under S125 Housing Act 1996).
- b) **Family intervention tenancies:** Introduced by the Housing and Regeneration Act 2008, these are a form of residential tenancy without security of tenure. They may be offered by either a local housing authority or a registered provider to anyone who is a tenant of a lifetime tenancy subject to or could in the future be subject to a possession order on the grounds of anti-social Behaviour or domestic abuse.
- c) **Discretionary succession (tenancies):** Tenants who are awarded a new tenancy under the landlord's discretionary succession provision unless that happens via the Housing Allocation Scheme.
- d) **Non-Secure tenancies or temporary accommodation:** Any accommodation that is provided to meet an interim duty under Part 7 of the Housing Act 1996.
- e) **Temporary decants:** Tenants who need to be moved temporarily whilst major work is carried out on their home will be granted a license to occupy.
- f) **Mutual exchanges:** Between existing tenants under S92 of the Housing Act 1985 or under S158 of the Localism Act 2011.
- g) **Assignment:** To a person who would be qualified to succeed the tenant under S92 of the Housing Act 1985 (secure tenancies) or S134 Housing Act 1996 (introductory tenancies).
- h) **Transfers of tenancies by a court order:** Made under certain provisions contained within matrimonial, family, children, and partnership legislation.
- i) **Land Compensation Act:** Allocation to a person entitled to rehousing under section 39 of the Land Compensation Act 1973.
- j) **Repurchased Homes:** Allocation to a person whose home is repurchased under sections 554 or 555 of the Housing Act 1985 (defective dwellings).
- k) **Management Transfers:** Within a registered provider's stock, where the unit has not been made available to the council.

Appendix 2: Panel for Households in High Needs

The Purpose

The purpose of this panel is to identify, discuss, and find solutions for households in high housing need, where they represent the most vulnerable applicants on the Housing Register. This is particularly important where the household requires an adapted property. The panel's primary aim is to identify suitable permanent accommodation whilst making best use of resources, both within the council and within the social housing stock in the borough.

'High Needs' within the context of the panel relates to applicants whose situation is not reasonably concluded through normal procedures and is deemed exceptional, requiring the attention of housing professionals and/or social care.

Where the household requires adaptations, the panel will consider accommodation that is both specialist or general needs with the potential to be adapted. This includes properties which cannot be funded via Disabled Facilities Grant (DFG).

The household may be a homeless applicant, having made an application through the Part 7 homeless legislation, or a Housing Register applicant having made an application through Part 6 of the housing legislation, or both.

Terms of Reference

1. The panel will meet monthly or more frequently if necessary.
2. Households referred to the panel are captured in a spreadsheet, and this should be updated prior to each meeting by the relevant officer (see roles and responsibilities below).
3. The panel will be chaired and minuted by the Group Manager for Housing Registration and Allocations.

Roles and Responsibilities

Role Title	Responsibilities
Head of Allocations & Accommodation	<ul style="list-style-type: none"> ✓ To have general oversight of the high needs cases being considered for presentation to the panel. ✓ To provide support and guidance to panel members.
Group Manager for Housing, Registration & Allocations	<ul style="list-style-type: none"> ✓ To coordinate and chair the panel. ✓ To maintain panel records. ✓ To facilitate discussion and routes for potential solutions. ✓ To approve cases for referral to the panel.
Housing Allocations Team Manager	<ul style="list-style-type: none"> ✓ To proactively review all available settled accommodation options which could meet the needs of those on the list. ✓ To ensure the timely allocation of accommodation to applicants. ✓ To offer suitability expertise for homelessness offers. ✓ To refer cases to the Group Manager for Housing Registration & Allocations.
Housing Register Team Manager	<ul style="list-style-type: none"> ✓ To proactively review Housing Register applications and banding thresholds for those on the list. ✓ To offer housing expertise in panel discussions. ✓ To refer cases to the Group Manager for Housing Registration & Allocations.

Role Title	Responsibilities
Senior Occupational Therapist	<ul style="list-style-type: none"> ✓ To offer expert advice and guidance relating to the suitability of accommodation and an applicant's needs. ✓ To retain accurate information and knowledge in respect of a household, ensuring offers of accommodation meet their need. ✓ Undertake home visit for the purpose of making an assessment as required. ✓ Undertake a visit to relevant voids as required. ✓ To establish clear routes for adaptations via DFG applications and act as intermediary between the applicant and the landlord/agent in terms of adaptations needed. ✓ To refer cases for to the Group Manager for Housing Registration & Allocations. ✓ In the absence of the Senior Occupational Therapist, an Occupational Therapist will deputise.

Relevance of the Panel

The panel operates for households being considered for placement into temporary accommodation; **Temporary Accommodation Placement Policy** and for households in high need where the most appropriate assessment and/or accommodation is needed for a Part 6 application; **Housing Allocations Scheme**.

Appendix 3: Affordability checks when allocating social housing

Being able to pay rent and service charges is key to a residents being able to sustain their tenancy. How much a resident can afford to pay for their housing costs will vary depending on the type of accommodation they live in and their financial circumstances. Carrying out affordability checks when allocating a home gives confidence to residents and social landlords that the tenant will be able to afford the home.

The law and affordability checks

The allocation of a social rented home is a matter of public law for the council and other social landlords. This extends to mutual exchanges and management transfers. Therefore any decision about an allocation and whether someone can afford to pay the proposed charges can be challenged in court, if that decision was made irrationally, illegally or failing to follow public law procedural requirements.

Therefore:

- Decisions must be made using accurate evidence and at the point of allocation.
- If an applicant states they can afford it, they must be given the benefit of doubt.
- If the landlord concludes they cannot afford it, the applicant must be given the opportunity to provide additional evidence.
- The applicant has a right of review or to make a complaint to the Ombudsman if the applicant is not offered the property, they must be given this information when the decision is made.

Tenants in rent arrears

The Bromley Housing Allocation Scheme clearly sets out qualification rules where a tenant is in rent arrears. Rent accounts are routinely checked at the point of an offer and this is taken into account when an affordability check is undertaken, along with any other housing related debt. Current and former arrears will be examined, arrears repayments must be in place and adhered to. The tenant must be able to pay the new rent in addition to any repayment instalments.

Practicalities of carrying out an affordability check

In order to carry out the check, the following must be considered:

- i. Income of the household including salaries, benefits and investments.
- ii. Rent and other property charges.
- iii. Reasonable living expenses.
- iv. Priority debts.

They must be able to afford to support any dependent children or adults in the household. If the result of the check is that an applicant cannot afford social housing it is very unlikely that they will be able to afford private rented accommodation. Alternative sources of income to meet housing costs should be looked at including discretionary housing allowance or social care allowance.

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TEST OF RELEVANCE: EQUALITY ANALYSIS (EA)

The screening process of using the Test of Relevance template aims to assist in determining whether a full Equality Analysis (EA) is required.

Introduction

The Public Sector Equality Duty (PSED) is set out in the Equality Act 2010 (s.149). This requires public authorities, in the exercise of their functions, to have 'due regard' to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a protected characteristic and those who do not, and
- Foster good relations between people who share a protected characteristic and those who do not

The characteristics protected by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership.
- Pregnancy and maternity
- Race
- Religion or belief
- Sex (gender)
- Sexual orientation

What is due regard?	How to demonstrate compliance
<ul style="list-style-type: none"> • It involves considering the aims of the duty in a way that is proportionate to the issue at hand • Ensuring that real consideration is given to the aims and the impact of policies with rigor and with an open mind in such a way that it influences the final decision • Due regard should be given before and during policy formation and when a decision is taken, including cross cutting ones as the impact can be cumulative. <p>The general equality duty does not specify how public authorities should analyse the effect of their business activities on different groups of people. However, case law has established that equality analysis is an important way public authorities can demonstrate that they are meeting the requirements.</p> <p>Even in cases where it is considered that there are no implications of proposed policy and decision making on the PSED it is good practice to record the reasons why and to include these in reports to committees where decisions are being taken.</p> <p>It is also good practice to consider the duty in relation to current policies, services, and procedures, even if there is no plan to change them.</p>	<p>Case law has established the following principles apply to the PSED:</p> <ul style="list-style-type: none"> • Knowledge – the need to be aware of the requirements of the Equality Duty with a conscious approach and state of mind. • Sufficient Information – must be made available to the decision maker • Timeliness – the Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken not after it has been taken. • Real consideration – consideration must form an integral part of the decision-making process. It is not a matter of box-ticking; it must be exercised in substance, with rigor and with an open mind in such a way that it influences the final decision. • Sufficient information – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty • No delegation - public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated. • Review – the duty is continuing to apply when a policy is developed and decided upon, but also when it is implemented and reviewed. <p>However, there is no requirement to:</p> <ul style="list-style-type: none"> • Produce an equality analysis or an equality impact assessment
	<ul style="list-style-type: none"> • Indiscriminately collect diversity data where equalities issues are not significant • Publish lengthy documents to show compliance • Treat everyone the same. Rather, it requires public bodies to think about people's different needs and how these can be met • Make services homogeneous or try to remove or ignore differences between people. <p>The key points about demonstrating compliance with the duty are to:</p> <ul style="list-style-type: none"> • Collate sufficient evidence to determine whether changes being considered will have a potential impact on different groups • Ensure decision makers are aware of the analysis that has been undertaken and what conclusions have been reached on the possible implications • Keep adequate records of the full decision-making process

Test of Relevance screening

The Test of Relevance screening is a short exercise that involves looking at the overall proposal and deciding if it is relevant to the PSED.

Note: If the proposal is of a significant nature and it is apparent from the outset that a full equality analysis will be required, then it is not necessary to complete the Test of Relevance screening template and the full equality analysis and be completed.

The questions in the Test of Relevance Screening Template help decide if the proposal is equality relevant and whether a detailed equality analysis is required. The key question is whether the proposal is likely to be relevant to any of the protected characteristics.

What to do

In general, the following questions all feed into whether an equality analysis is required:

- How many people is the proposal likely to affect?
- How significant is its impact?
- Does it relate to an area where there are known inequalities?

At this initial screening stage, the point is to try to assess obvious negative or positive impact.

If a negative/adverse impact has been identified (actual or potential) during completion of the screening tool, a full equality analysis must be undertaken.

Quite often, the answer may not be so obvious, and service-user or provider information will need to be considered to make a preliminary judgment. For example, in considering licensing arrangements, the location of the premises in question and the demographics of the area could affect whether section 149 considerations come into play.

There is no one size fits all approach, but the screening process is designed to help fully consider the circumstances.

On completion of the Test of Relevance screening, officers should:

- Ensure they have fully completed, and the Director has signed off the Test of Relevance Screening Template.
- Store the screening template safely so that it can be retrieved if for example, Members request to see it, or there is a freedom of information request or there is a legal challenge.
- If the outcome of the Test of Relevance Screening identifies no or minimal impact refer to it in the Implications section of the report and include reference to it in Background Papers when reporting to Committee or other decision-making process.

If no negative / adverse impacts arise from the proposal it is not necessary to undertake a full equality analysis.

1. Proposal / Project Title: Revised Housing Allocations Scheme				
2. Brief summary (include main aims, proposed outcomes, recommendations / decisions sought): The revised Housing Allocations Scheme sets out how applications for housing will be awarded priority and the allocation and letting of social housing within the borough, The scheme has now been reviewed and stakeholder consultation has taken place. The finalised document is being presented to committee for approval in January 2024.				
3. Considering the equality aims (eliminate unlawful discrimination; advance equality of opportunity; foster good relations), indicate whether there may be a positive impact, negative (adverse) impact or no impact for each equality group or any other non-protected groups arising from the proposal:				
Protected Characteristic (Equality Group) <input checked="" type="checkbox"/>	Positive Impact	Negative Impact	No Impact	Briefly explain your answer. Consider evidence, data, and any consultation.
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Currently only those who have been in care are awarded priority. Those who have not been in care may be awarded priority through a homeless prevention route. However, unless there is a suitable guarantor, they cannot legally hold a tenancy until they are 18. The revised scheme is redressing this and saying that they will be considered with a suitable guarantor whether they have been in care or not.
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is a medical priority in the current scheme. There is no real transparency in how it is awarded. The revised scheme shows distinction between those who cannot manage now and those where there is a progressive condition or quality of life could be much improved.
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Marriage and Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Pregnancy and Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sex (i.e., gender)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Are there any other groups not protected by the Public Sector Equality Duty that are adversely affected by the proposal? There are a range of groups that may suffer disadvantage who are not explicitly protected under the Equality Act 2010 such as young people that are not in employment, education, or training (NEET), rough sleepers and the homeless, ex-offenders and care leavers. No				

5. There are no negative/adverse impact(s). Please briefly explain and provide evidence to support this decision: The demographic profiles of applicants and residents of the borough are attached. Both present the demographics of those with protected characteristics, on the Housing Register and within the borough. These have been considered when completing the relevancy test.



Applicants profile
(Bromley).pdf



Borough
Demographic Profile .

6. Are there positive impacts of the proposal on any equality groups? Please briefly explain how these are in line with the equality aims:

Please see age and disability above. Both have positive impacts. Demographic profiles for both applicants and residents of the borough have been considered when reviewing this impact.

7. As a result of this screening, is a full EA necessary? (Please check appropriate box using)

Yes

No

Briefly explain your answer: There are no negative/adverse impacts on an individual. With respect to age and disability there is a positive impact.

8. Name of Lead Officer: Michelle Bowler

Job title: Head of Housing Schemes

Date of completion: 28/12/2023

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Demographic profile of applicants on the register

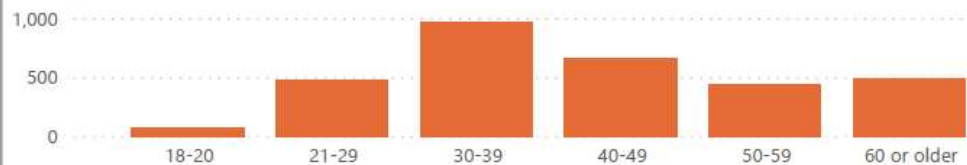
Gender:



Marital status:



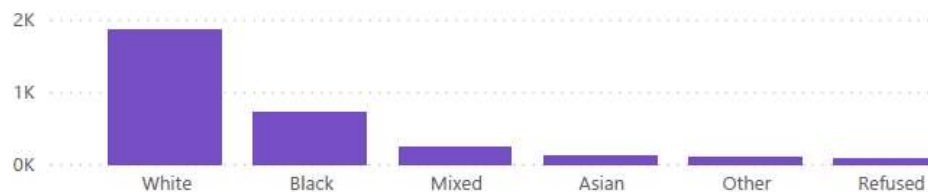
Age group:



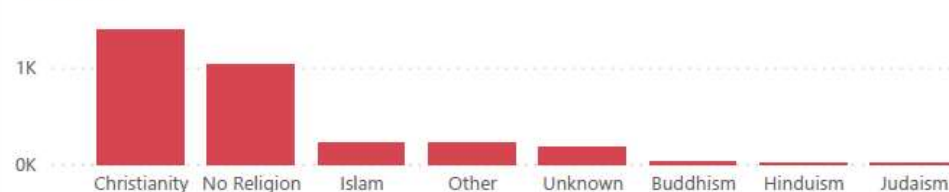
Sexual orientation:



Ethnic group:



Religion:



Ethnic origin:



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Borough Demographic Profile

*LBB Census Data Details - Protected Characteristics summary 2021



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Report No.
HPR2024/001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 31 January 2024.

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: Sara Bowrey, Director of Housing, Planning, Property and Regeneration
Tel 0208 313 4013 E-mail: sara.bowrey@bromley.gov.uk

Ward: All Wards

1. Reason for decision/report and options

- 1.1 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 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 and adhere to various housing policies and strategies. In March 2023, the Executive approved the draft Tenancy Strategy and the draft Tenancy Management Policy for eight weeks public consultation. This report contains the findings and outcome of that consultation alongside final documents for which approval is sought.
-

2. RECOMMENDATION(S)

2.1 The Renewal, Recreation and Housing PDS Committee is asked to:

- 1) Consider the results of the consultation exercise and any amendments; and,
- 2) Review the proposed Tenancy Strategy and Tenancy Management Policy and make any comments available to the Council’s Executive.

2.2 The Council’s Executive is requested to:

- 1) Review the results of the consultation exercise; and,
- 2) Approve the Tenancy Strategy and Tenancy Management Policy for adoption by the Council.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Council's house building programme is focused on affordable housing. The Strategy and Policy documents ensure that socially owned stock is managed appropriately and that Bromley residents are able to live in good quality, well maintained and well managed homes.
-

Transformation Policy

1. Policy Status: New Policy.
 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: £8,334k
 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: Further Details
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Property

1. Summary of Property Implications: Not Applicable
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to reduce carbon by ensuring that new homes are energy efficient and meet all current relevant standards.
-

Impact on the Local Economy

1. Summary of Local Economy Implications: None
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Well managed and maintained homes enhance the community, ensuring the wellbeing of both tenants and neighbours. Ensuring that homes are let appropriately, and that resident's needs are met, for example through the provision of adapted accommodation supports the wellbeing of residents within their own homes.
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): The Tenancy management Policy is specific to residents in the Councils owned accommodation current number is 60 anticipated to grow to 187 units by 2027. The Tenancy Strategy which is drafted in consultation with housing providers sets the Councils expectations of all social landlords operating in the borough.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: The Tenancy Management Policy and Tenancy Strategy were subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in March 2023. All Councillors were also invited to participate in the formal online consultation.

3. COMMENTARY

- 3.1 As a Local Authority Registered Provider, there are several policies, procedures, and management structures that the Council must have in place, including but not limited to a Tenancy Strategy and Tenancy Management Policy.
- 3.2 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 the Council's preferred approach to tenure and affordability.
- 3.3 Social landlords are expected to have a tenancy policy which clearly states the types of tenancies they grant and in what circumstances. They are also expected to outline the measures they will use to assist a tenant where the tenancy might fail or is failing. Equally each social landlord is expected to have a clear succession policy detailing how they will deal with all changes in tenancy, including tenant mobility.
- 3.4 The Tenancy Management Policy sets out the rules around the management of a tenancy in Council stock from a sign up to the end of a tenancy. The Tenancy Strategy influences this document, in so much as the policy demonstrates the Council's commitment to the granting of tenancies as set out within it.
- 3.5 In March 2023 the Executive approved the draft Tenancy Strategy and the draft Tenancy Management Policy for eight weeks public consultation. The Council were also required to undertake an Equality Impact Assessment to introduce both documents. Relevancy tests were undertaken for both documents. Neither indicated a full EQIA to be required as there were neither positive or negative impacts to anyone with one of the protected characteristics under the Equalities Act.
- 3.6 To prepare both documents for consultation, internal management discussions took place within the Housing Directorate, engaging other key representatives within the Council as necessary. The discussions supported the production of the draft document which was signed off by the Director of Housing, Planning, Property and Regeneration and the Project Steering Group overseeing the production of the documents as being ready to enter into formal consultation.
- 3.7 External consultation for the Tenancy Strategy took place via an online survey as follows:

Stakeholder	Method
Residents of the borough	A communication plan was produced by the Communication Team promoting the consultation through all networks including social media and hard to reach groups. They were all signposted to the online survey.
Elected Members of the Council	Considered both documents in Renewal, Recreation and Housing PDS committee and The Executive meeting in March 2023.
Registered Providers	Registered providers were emailed a link to the online survey, inviting them to provide feedback.
External Stakeholders	These included voluntary agencies such as the Citizens Advice Bureau and other organisations that advocate on behalf of residents. It also included neighbouring Local Authorities and key community groups. They were emailed a link to the online survey, inviting them to provide feedback.

Internal Stakeholders	The wider Council staff were emailed a link to the online survey, inviting them to provide feedback either as employees or local residents (if applicable).
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3.8 There were a total of 24 respondents, 8 of whom were Bromley residents, 9 were Bromley staff, 4 were external agencies and 3 were registered providers. It is not possible to gauge the response rate as the consultation was not targeted. Given the low number of Council tenants it was anticipated that there would not be a significant response to the consultation despite the work undertaken to promote it. That said 24 is deemed a low number, however the responses were often accompanied by comments which gave a clear indication of opinion.

3.9 We monitored a number of equalities characteristics and compared it to the borough demographic profile, the responses mirrored the borough profile.

3.10 **Responses to the proposed changes to the Tenancy Strategy via the online survey, are seen below.**

Summation of Change	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	No Response
Aims of the strategy. Adopted	58%	29%	4%	4%	4%	1%
Discharge of homeless into the private sector. Adopted	33%	46%	13%	4%	4%	0%
Introductory tenancies for new tenants or tenants who need more help in the first 12 months. Adopted	50%	38%	4%	4%	4%	0%
Secure tenancies for existing lifetime tenants who are transferring. Adopted	50%	29%	8%	8%	4%	1%
Lifetime tenancies for vulnerable tenants without an introductory period. Removed	33%	42%	0%	8%	17%	0%
Flexible tenancies for high demand properties. Adopted	33%	29%	25%	4%	8%	1%
Tenancy sustainment measures. Adopted	42%	38%	4%	12%	4%	0%
Safe surrenders for failing tenancies where the landlord has exhausted all other avenues. Adopted	29%	46%	13%	8%	4%	0%
Assignments & successions policies for all social landlords. Adopted	50%	46%	4%	0%	0%	0%
Demotions of lifetime tenancies. Adopted	33%	38%	13%	4%	12%	0%
Possession as a last resort. Adopted	58%	42%	0%	0%	0%	0%
Promotion of incentives to downsize. Adopted	58%	38%	0%	0%	4%	0%

- 3.11 The industry approach is, if there is 20% plus disagreement or more, then the proposed change is subject to review and further discussion. The granting of a lifetime tenancy to vulnerable tenants is 25%. Vulnerable tenants may find the reviews during an introductory tenancy stressful, so the industry often promotes granting a lifetime tenancy.
- 3.12 However, Registered providers were in the main disagreeing with the change on the basis that this is the client group where the most wraparound support and intensive housing is needed, and they prefer to start them on introductory tenancies for the benefit of both parties. As registered providers hold most of the social housing in the borough the project steering group agreed that this should be removed from the strategy.
- 3.13 It is usual for a proportion to neither agree nor disagree. This ranges from 4% to 25%. It is hard to speculate on the reasons for their answers and in these cases, it is usual to deem they have no strong feelings one way or the other.
- 3.14 Overall, the responses show marked agreement with the strategy with those agreeing and strongly agreeing exceeding 63% and above. The sample size of 24 is small and not indicative of the number of residents in the borough. In these cases, we look at the qualitative comments which endorsed many of the changes. Therefore, based on these percentages, the tenancy strategy should be adopted with the exclusion of granting lifetime tenancies, without an introductory period, to vulnerable tenants as previously stated. The Council recognise that vulnerabilities and needs may change, by utilising introductory tenancies this will enable each case to be reviewed on an individual basis and promote longer term tenancy sustainment.
- 3.15 The three registered providers who responded were resistant to the use of flexible tenancies. However on consideration and with 62% of respondents agreeing to the use of Flexible tenancies, the project steering group felt that retaining this option for high demand properties such as larger units or adapted units, allows for important tenancy reviews to ensure a property continues to meet a clients needs and makes best use of high demand accommodation. The project steering group have therefore retained the use of flexible tenancies.
- 3.16 **Analysis of the Results – Tenancy Management Policy**
- 3.17 External consultation for the Tenancy Management Policy was targeted at tenants in Bromley owned stock, all of whom were written to outlining the consultation and signposting them to an online survey via a link or QR code. These letters were hand delivered by the Managing Agents, who also provided a further prompt for responses midway during the consultation period. No other external stakeholder was contacted.
- 3.18 There were a total of 10 out of 60 tenants respond to the survey. There are 60 tenants in Bromley owned properties, and with 10 tenants responding, this approximates to a 10% response rate. A response rate between 10% and 20% is deemed an indicative sample with which to consider the results.
- 3.19 We monitored a number of equalities characteristics and compared it to the demographic profile of the tenants across all 60 properties. The responses mirrored the tenant profile, however more of the older tenants responded.

3.20 Responses to the new to the Tenancy Management Policy via the online survey, are seen below.

Summation of Change	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	No Response
Affordability checks. Adopted	20%	50%	10%	0%	20%	0%
Rent in advance at sign up. Adopted	60%	10%	20%	0%	10%	0%
Introductory tenancies for new tenants or tenants who need more help in the first 12 months. Adopted	70%	20%	0%	0%	10%	0%
Secure tenancies for existing lifetime tenants who are transferring. Adopted	60%	40%	0%	0%	0%	0%
Lifetime tenancies for vulnerable tenants without an introductory period. Removed	60%	30%	0%	10%	0%	0%
Flexible tenancies for 5 years. Adopted	40%	20%	30%	10%	0%	0%
Flexible tenancies for large/adapted properties. Adopted	10%	40%	20%	30%	0%	0%
Tenancy sustainment measures. Adopted	30%	50%	10%	10%	0%	0%
Assignments & successions policy. Adopted	40%	60%	0%	0%	0%	0%
Demotions of lifetime tenancies. Adopted	30%	50%	10%	0%	10%	0%
Possession as a last resort. Adopted	40%	40%	0%	10%	10%	0%

3.21 The granting of flexible tenancies for large or adapted properties in high demand shows 30% disagreement and affordability checks show 20% disagreement. Both met the 20% rule outlined above and were discussed with the project steering group with their recommendation being:

- a) Flexible tenancies to be retained in line with the Tenancy Strategy to ensure a property continues to meet the client's needs and allows for the Council to make best use of high demand accommodation.
- b) Affordability checks have been retained as part of the offering of social housing as they are industry good practice. It is also a statutory requirement to ensure that an offer of accommodation is affordable in order for the Council to successfully discharge its duties in relation to housing.

3.22 It is usual for a proportion to neither agree nor disagree. This does not exceed 30%. Overall, the responses show marked agreement with the policy, with those agreeing and strongly agreeing exceeding 50% and above. Therefore, based on these percentages, the tenancy management policy is recommended for adoption.

3.23 Tenancy Management Policy Comments, were largely positive; as a result showed the policy can be adopted. The comments in relation to tenancy sustainment showed an objection to the wording "targeted visits" and consequently the wording was softened. With respect to affordability checks, this was made clearer and additionally income maximisation for the tenant was inserted as most landlords should be able to provide this support either at the beginning of a tenancy or for an existing tenant experiencing financial hardship. The policy is now recommended for adoption.

3.24 In summation, consultation is complete and many of the proposed changes were deemed sensible and seen as positive. The ones where there has been disagreement have been fully considered and the change identified where relevant and made within the final drafts of both

documents. Overall the exercise allowed the Council to fine tune the documents further. A full set of online survey result can be made available on request.

3.25 The following appendices are attached for Members' review:

- a) Appendix 1 – Analysis of consultation results in table format
- b) Appendix 2 – EQIA relevancy test for tenancy strategy
- c) Appendix 3 - EQIA relevancy test for tenancy management policy
- d) Appendix 4 - Final Tenancy Strategy
- e) Appendix 5 - Final Tenancy Management Policy

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Council's house building programme is focused on affordable housing. The Strategy and Policy documents ensure that socially owned stock is managed appropriately and that Bromley residents are able to live in good quality, well maintained and well managed homes.

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 supports the Council to meet its statutory duties in respect of housing.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from the contents 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 either completed or on site, with a potential maximum that can be held outside the HRA of 200.

6.3 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 section 150 Localism Act 2011 ('the Localism Act'), Councils in England must prepare and publish a strategy (a "tenancy strategy"). 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.

7.2 The Executive authorised on 29 March 2023 the requisite consultation exercise required by law pursuant to Section 151 of the Localism Act 2011 in respect of (i) a Tenancy Strategy and (ii) Tenancy Management. The Executive in this report is asked to consider the responses received from the consultation exercise and give due consideration to the feedback prior to approving the final strategy.

7.3 By adopting the Tenancy Strategy and the Management Policy the Council is properly complying with its legal duties under the Localism Act and as is required by the Housing Regulator and as a landlord including the Council's Public Sector Equality Duty.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

8.1 The HRA properties provide much needed affordable rented social homes to meet statutory housing needs. The design and build has also been cognisant to reduce carbon by ensuring that new homes are energy efficient and meet all current relevant standards.

9. CUSTOMER IMPACT

9.1 The Council currently has roughly 1500 households in temporary accommodation. The new housing stock provides good quality affordable housing to meet statutory housing needs.

9.2 All Council tenants were contacted and given the opportunity to engage with the consultation.

10. WARD COUNCILLOR VIEWS

10.1 The Tenancy Management Policy and Tenancy Strategy were subject to review and discussion by Renewal, Recreation and Housing PDS committee and The Executive in March 2023. All Councillors were also invited via email to participate in the formal consultation.

Non-Applicable Headings:	Personnel/Procurement/Property Implications, Impact On The Local Economy/ Health And Wellbeing,
Background Documents: (Access via Contact Officer)	HPR2023/018 Affordable Housing – Policy And Strategy Documents

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Analysis of consultation Results

Tenancy Strategy Online Survey Results, the table below shows a summary of the results.


Tenancy Strategy consultation

Main results


Consultation period:
02/10/2023 - 27/11/2023

Total respondents

24



THE LONDON BOROUGH



Bromley residents:

8

Bromley staff:

9

Organisations working with Bromley Council:

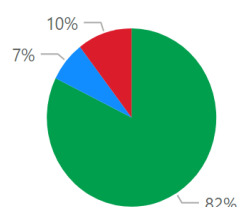
4

Registered providers:

3

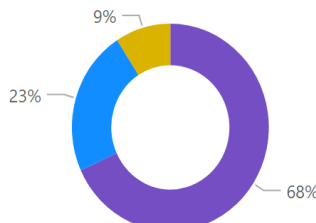
Overall agreement with the new tenancy strategy:

● Overall agree ● Neither agree nor disagree ● Overall disagree



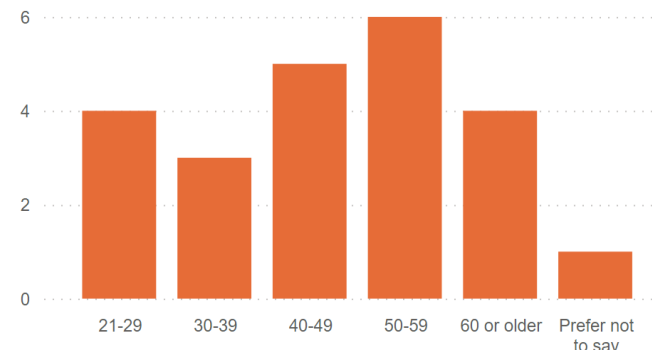
Questions	Overall agree	Neither agree nor disagree	Overall disagree
Q1	88%	4%	8%
Q2	79%	13%	8%
Q3	88%	4%	8%
Q4	79%	8%	13%
Q5	75%	0%	25%
Q6	63%	25%	13%
Q7	79%	4%	17%
Q8	75%	13%	13%
Q9	96%	4%	0%
Q10	71%	13%	17%
Q11	100%	0%	0%
Q12	96%	0%	4%

Respondents' gender:

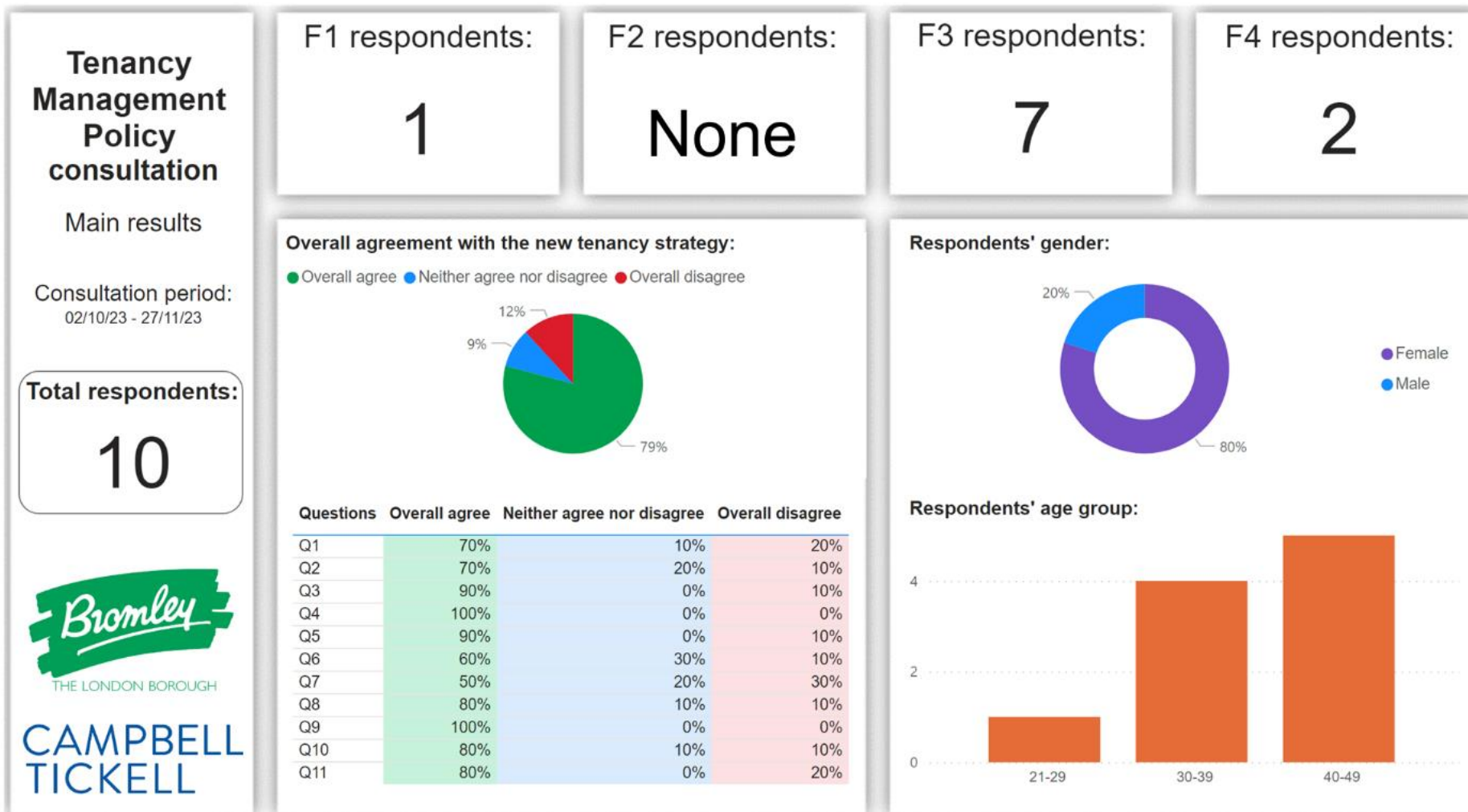


- Female
- Male
- Prefer not to say

Respondents' age group:



Tenancy Management Policy Online Survey Results, the table below shows a summary of the results.



TEST OF RELEVANCE: EQUALITY ANALYSIS (EA)

The screening process of using the Test of Relevance template aims to assist in determining whether a full Equality Analysis (EA) is required.

Introduction

The Public Sector Equality Duty (PSED) is set out in the Equality Act 2010 (s.149). This requires public authorities, in the exercise of their functions, to have 'due regard' to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a protected characteristic and those who do not, and
- Foster good relations between people who share a protected characteristic and those who do not

The characteristics protected by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership.
- Pregnancy and maternity
- Race
- Religion or belief
- Sex (gender)
- Sexual orientation

What is due regard?	How to demonstrate compliance
<ul style="list-style-type: none"> • It involves considering the aims of the duty in a way that is proportionate to the issue at hand • Ensuring that real consideration is given to the aims and the impact of policies with rigour and with an open mind in such a way that it influences the final decision • Due regard should be given before and during policy formation and when a decision is taken including cross cutting ones as the impact can be cumulative. <p>The general equality duty does not specify how public authorities should analyse the effect of their business activities on different groups of people. However, case law has established that equality analysis is an important way public authorities can demonstrate that they are meeting the requirements.</p> <p>Even in cases where it is considered that there are no implications of proposed policy and decision making on the PSED it is good practice to record the reasons why and to include these in reports to committees where decisions are being taken.</p> <p>It is also good practice to consider the duty in relation to current policies, services and procedures, even if there is no plan to change them.</p>	<p>Case law has established the following principles apply to the PSED:</p> <ul style="list-style-type: none"> • Knowledge – the need to be aware of the requirements of the Equality Duty with a conscious approach and state of mind. • Sufficient Information – must be made available to the decision maker • Timeliness – the Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken not after it has been taken. • Real consideration – consideration must form an integral part of the decision-making process. It is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision. • Sufficient information – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty • No delegation - public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated. • Review – the duty is continuing applying when a policy is developed and decided upon, but also when it is implemented and reviewed. <p>However, there is no requirement to:</p> <ul style="list-style-type: none"> • Produce an equality analysis or an equality impact assessment
	<ul style="list-style-type: none"> • Indiscriminately collect diversity data where equalities issues are not significant • Publish lengthy documents to show compliance • Treat everyone the same. Rather, it requires public bodies to think about people's different needs and how these can be met • Make services homogeneous or to try to remove or ignore differences between people. <p>The key points about demonstrating compliance with the duty are to:</p> <ul style="list-style-type: none"> • Collate sufficient evidence to determine whether changes being considered will have a potential impact on different groups • Ensure decision makers are aware of the analysis that has been undertaken and what conclusions have been reached on the possible implications • Keep adequate records of the full decision-making process

Test of Relevance screening

The Test of Relevance screening is a short exercise that involves looking at the overall proposal and deciding if it is relevant to the PSED.

Note: If the proposal is of a significant nature and it is apparent from the outset that a full equality analysis will be required, then it is not necessary to complete the Test of Relevance screening template and the full equality analysis and be completed.

The questions in the Test of Relevance Screening Template to help decide if the proposal is equality relevant and whether a detailed equality analysis is required. The key question is whether the proposal is likely to be relevant to any of the protected characteristics.

What to do

In general, the following questions all feed into whether an equality analysis is required:

- How many people is the proposal likely to affect?
- How significant is its impact?
- Does it relate to an area where there are known inequalities?

At this initial screening stage, the point is to try to assess obvious negative or positive impact.

If a negative/adverse impact has been identified (actual or potential) during completion of the screening tool, a full equality analysis must be undertaken.

Quite often, the answer may not be so obvious, and service-user or provider information will need to be considered to make a preliminary judgment. For example, in considering licensing arrangements, the location of the premises in question and the demographics of the area could affect whether section 149 considerations come into play.

There is no one size fits all approach, but the screening process is designed to help fully consider the circumstances.

On completion of the Test of Relevance screening, officers should:

- Ensure they have fully completed, and the Director has signed off the Test of Relevance Screening Template.
- Store the screening template safely so that it can be retrieved if for example, Members request to see it, or there is a freedom of information request or there is a legal challenge.
- If the outcome of the Test of Relevance Screening identifies no or minimal impact refer to it in the Implications section of the report and include reference to it in Background Papers when reporting to Committee or other decision-making process.

If no negative / adverse impacts arising from the proposal it is not necessary to undertake a full equality analysis.

1. Proposal / Project Title: Revised Tenancy Strategy				
2. Brief summary (include main aims, proposed outcomes, recommendations / decisions sought): The tenancy strategy sets out expectations of social landlords in the borough to have tenancy policies in relation to the granting of and managing tenancies. The strategy has now been reviewed and stakeholder consultation has taken place. The finalised document is being presented to committee for approval in January 2024.				
3. Considering the equality aims (eliminate unlawful discrimination; advance equality of opportunity; foster good relations), indicate whether there may be a positive impact, negative (adverse) impact or no impact for each equality group or any other non-protected groups arising from the proposal:				
Protected Characteristic (Equality Group) <input checked="" type="checkbox"/>	Positive Impact	Negative Impact	No Impact	Briefly explain your answer. Consider evidence, data and any consultation.
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The draft that went to consultation had a proposal to offer lifetime tenancies to vulnerable adults. This would have represented a positive impact. However, the consultation responses were not favorable especially registered providers who feel these client groups should have an introductory tenancy first. On discussion with senior management within Housing, the decision was to remove it as Bromley is very limited stock of its own and is reliant on the stock of registered providers.
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Marriage and Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Pregnancy and Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sex (i.e. gender)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Are there any other groups not protected by the Public Sector Equality Duty that are adversely affected by the proposal? There are a range of groups that may suffer disadvantage who are not explicitly protected under the Equality Act 2010 such as young people that are not in employment, education or training (NEET), rough sleepers and the homeless, ex-offenders and care leavers. No				

5. There are no negative/adverse impact(s)

Please briefly explain and provide evidence to support this decision: **N/A**

6. Are there positive impacts of the proposal on any equality groups?

Please briefly explain how these are in line with the equality aims: **Please see disability above.**

7. As a result of this screening, is a full EA necessary? (Please check appropriate box using)

Yes

No

Briefly explain your answer: There is no impact on an individual. The strategy sets an expectation of social landlords.

8. Name of Lead Officer: Michelle Bowler

Job title: Head of Housing Schemes

Date of completion: 11/12/2023

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TEST OF RELEVANCE: EQUALITY ANALYSIS (EA)

The screening process of using the Test of Relevance template aims to assist in determining whether a full Equality Analysis (EA) is required.

Introduction

The Public Sector Equality Duty (PSED) is set out in the Equality Act 2010 (s.149). This requires public authorities, in the exercise of their functions, to have 'due regard' to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a protected characteristic and those who do not, and
- Foster good relations between people who share a protected characteristic and those who do not

The characteristics protected by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership.
- Pregnancy and maternity
- Race
- Religion or belief
- Sex (gender)
- Sexual orientation

What is due regard?	How to demonstrate compliance
<ul style="list-style-type: none"> • It involves considering the aims of the duty in a way that is proportionate to the issue at hand • Ensuring that real consideration is given to the aims and the impact of policies with rigour and with an open mind in such a way that it influences the final decision • Due regard should be given before and during policy formation and when a decision is taken including cross cutting ones as the impact can be cumulative. <p>The general equality duty does not specify how public authorities should analyse the effect of their business activities on different groups of people. However, case law has established that equality analysis is an important way public authorities can demonstrate that they are meeting the requirements.</p> <p>Even in cases where it is considered that there are no implications of proposed policy and decision making on the PSED it is good practice to record the reasons why and to include these in reports to committees where decisions are being taken.</p> <p>It is also good practice to consider the duty in relation to current policies, services and procedures, even if there is no plan to change them.</p>	<p>Case law has established the following principles apply to the PSED:</p> <ul style="list-style-type: none"> • Knowledge – the need to be aware of the requirements of the Equality Duty with a conscious approach and state of mind. • Sufficient Information – must be made available to the decision maker • Timeliness – the Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken not after it has been taken. • Real consideration – consideration must form an integral part of the decision-making process. It is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision. • Sufficient information – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty • No delegation - public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated. • Review – the duty is continuing applying when a policy is developed and decided upon, but also when it is implemented and reviewed. <p>However, there is no requirement to:</p> <ul style="list-style-type: none"> • Produce an equality analysis or an equality impact assessment
	<ul style="list-style-type: none"> • Indiscriminately collect diversity data where equalities issues are not significant • Publish lengthy documents to show compliance • Treat everyone the same. Rather, it requires public bodies to think about people's different needs and how these can be met • Make services homogeneous or to try to remove or ignore differences between people. <p>The key points about demonstrating compliance with the duty are to:</p> <ul style="list-style-type: none"> • Collate sufficient evidence to determine whether changes being considered will have a potential impact on different groups • Ensure decision makers are aware of the analysis that has been undertaken and what conclusions have been reached on the possible implications • Keep adequate records of the full decision-making process

Test of Relevance screening

The Test of Relevance screening is a short exercise that involves looking at the overall proposal and deciding if it is relevant to the PSED.

Note: If the proposal is of a significant nature and it is apparent from the outset that a full equality analysis will be required, then it is not necessary to complete the Test of Relevance screening template and the full equality analysis and be completed.

The questions in the Test of Relevance Screening Template to help decide if the proposal is equality relevant and whether a detailed equality analysis is required. The key question is whether the proposal is likely to be relevant to any of the protected characteristics.

What to do

In general, the following questions all feed into whether an equality analysis is required:

- How many people is the proposal likely to affect?
- How significant is its impact?
- Does it relate to an area where there are known inequalities?

At this initial screening stage, the point is to try to assess obvious negative or positive impact.

If a negative/adverse impact has been identified (actual or potential) during completion of the screening tool, a full equality analysis must be undertaken.

Quite often, the answer may not be so obvious, and service-user or provider information will need to be considered to make a preliminary judgment. For example, in considering licensing arrangements, the location of the premises in question and the demographics of the area could affect whether section 149 considerations come into play.

There is no one size fits all approach, but the screening process is designed to help fully consider the circumstances.

On completion of the Test of Relevance screening, officers should:

- Ensure they have fully completed, and the Director has signed off the Test of Relevance Screening Template.
- Store the screening template safely so that it can be retrieved if for example, Members request to see it, or there is a freedom of information request or there is a legal challenge.
- If the outcome of the Test of Relevance Screening identifies no or minimal impact refer to it in the Implications section of the report and include reference to it in Background Papers when reporting to Committee or other decision-making process.

If no negative / adverse impacts arising from the proposal it is not necessary to undertake a full equality analysis.

1. Proposal / Project Title: Tenancy Management Policy				
2. Brief summary (include main aims, proposed outcomes, recommendations / decisions sought): The tenancy management policy outlines how tenants will be managed in council stock. Stakeholder consultation has taken place with all 60 tenants. The policy has been finalised for approval by committee in January 2024.				
3. Considering the equality aims (eliminate unlawful discrimination; advance equality of opportunity; foster good relations), indicate whether there may be a positive impact, negative (adverse) impact or no impact for each equality group or any other non-protected groups arising from the proposal:				
Protected Characteristic (Equality Group) <input checked="" type="checkbox"/>	Positive Impact	Negative Impact	No Impact	Briefly explain your answer. Consider evidence, data and any consultation.
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The draft that went to consultation had a proposal to offer lifetime tenancies to vulnerable adults. This would have represented a positive impact. However, the consultation responses were not favorable especially registered providers who feel these client groups should have an introductory tenancy first. On discussion with senior management within Housing, the decision was to remove it as Bromley is very limited stock of its own and is reliant on the stock of registered providers.
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Marriage and Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Pregnancy and Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sex (i.e. gender)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

4. Are there any other groups not protected by the Public Sector Equality Duty that are adversely affected by the proposal? There are a range of groups that may suffer disadvantage who are not explicitly protected under the Equality Act 2010 such as young people that are not in employment, education or training (NEET), rough sleepers and the homeless, ex-offenders and care leavers. **No**

5. There are no negative/adverse impact(s)
Please briefly explain and provide evidence to support this decision: **N/A**

6. Are there positive impacts of the proposal on any equality groups? Please briefly explain how these are in line with the equality aims: **Please see disability above.**

7. As a result of this screening, is a full EA necessary? (Please check appropriate box using)

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

Briefly explain your answer:
The tenancy management policy has no impact on an individual. Regardless of the characteristics of an individual, a tenancy will be granted based on whether they have held a tenancy before or not. Further the management of a tenancy is covered under tenancy legislation and a landlord must comply.

8. Name of Lead Officer: Michelle Bowler **Job title:** Head of Housing Schemes **Date of completion:** 11.12.2023

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**London Borough of Bromley
Tenancy Strategy 2024 - 2029**

Table of Contents

1.0	Introduction	3
2.0	Strategic Context	3
3.0	Demographic profile of the Borough	5
4.0	Discharge of homelessness duty	6
5.0	Granting of Tenancies	6
5.1	<i>Rights and Responsibilities</i>	6
5.2	<i>License to Occupy</i>	7
5.3	<i>Introductory or Starter Tenancies</i>	7
5.4	<i>Lifetime Tenancies</i>	7
5.5	<i>Flexible Tenancies</i>	7
5.6	<i>Reviews and Appeals</i>	8
6.0	Tenancy Sustainment	9
7.0	Succession	9
8.0	Tenant Mobility	10
9.0	Home Ownership	10
10.0	Social housing in the Borough	11
11.0	Affordability Statement	12
12.0	Delivery and Impact of this Strategy	13

1.0 Introduction

- 1.1 The Localism Act 2011 places an obligation on the London Borough of Bromley to have a tenancy strategy which is drafted in consultation with the housing providers. It sets our expectations of all social landlords operating in the borough and provides guidance on our preferred approach to tenure and affordability with specific consideration on:
- the types of tenancies they will grant
 - the circumstances under which different types of tenancies will be granted
 - when they grant fixed-term tenancies, the length of the fixed term and whether they grant a further tenancy when the fixed term expires.
- 1.2 We value the rights of households some of whom are in the direst need, to be housed in the most suitable accommodation, and to receive the right kind of support in a tenancy which is aimed at providing them with a home which will promote their health and wellbeing. We value the need to listen to our tenants when identifying the support required and the delivery of housing services and we also value the need to identify and deliver sustainable long term housing solutions.
- 1.3 The Social Housing Green Paper, published in 2018, proposed a new deal for social housing. In November 2020, the Government published its White Paper, 'The Charter for Social Housing Residents', which affirms social rented homes as places where residents can put down roots and build communities. The White Paper also recognises that the COVID-19 pandemic has reinforced the importance of people's homes, communities, and neighbourhoods.
- 1.4 We want those allocated social housing to see their homes as genuine places to settle, not as temporary welfare provision. Residents should have control over their lives and homes as this can help to build thriving, cohesive communities. Offering lifetime tenancies at social rent levels best supports this in most cases.

2.0 Strategic Context

- 2.1 Bromley has recently developed some residential properties and there are more planned. Whilst the primary aim for these units is to alleviate the pressures in temporary accommodation, the units also allow the council to rehouse people from the housing register.
- 2.2 The corporate strategy, "making Bromley even better" sets out five ambitions to be delivered jointly with partner agencies, which dovetail with the tenancy strategy as follows:
- a. 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.
 - b. For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - c. For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - d. For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - e. To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

- 2.2 The purpose of the Housing Strategy 2019 – 2029 is to set out what the Council plans to do over the next ten years to address housing pressures in the borough, and provide good quality housing for its residents, both now and in the future. It sits within a suite of corporate strategies which set out the Council's aspirations and plans for Bromley over the coming years and identifies four key priorities:
- Ensure financial independence and sustainability;
 - Invest in our businesses and people;
 - Ambitious for all our children and young people;
 - Enhance our clean and green borough.
- 2.3 The Homelessness Strategy 2018-2023 which is due for renewal in the next 12 months highlights the following needs:
- a. **Early identification and prevention of homelessness;** support people wherever possible before crisis and provide excellent services to those at point of crisis to prevent homelessness or assist them to secure alternative sustainable accommodation.
 - b. **Achieve positive outcomes for our young people;** preventing youth homelessness and ensuring young people are supported to make a positive transition into adulthood.
 - c. **Increase the supply of accommodation;** explore all available housing options to prevent homelessness and identify more affordable and sustainable long-term accommodation to reduce stays in temporary accommodation.
 - d. **Achieve positive outcomes by improving health and wellbeing and breaking the cycle of homelessness;** ensure services are accessible, person-centred and equip people with the skills and resilience to sustain accommodation and avoid repeat homelessness.
- 2.4 We are currently reviewing our current allocation scheme to reflect the best in industry practice, to work collaboratively with social landlords and to assist Bromley residents with the best housing solution for their needs.
- 2.5 The Council's January 2019 Local Plan which will shortly be reviewed, sets out the planning policies, site allocations and land designations Borough-wide and is the central document in the Borough's Development Plan. It forms part of a suite of development plan documents which comprise of the Bromley Town Centre Area Action Plan, and Supplementary Planning Documents; currently Planning Obligations and Affordable Housing and the London Plan (2016). The London Plan forms part of the Development Plan for each of the London local planning authorities. The Council uses these plans to set out its agenda for the development of residential housing which targets the areas identified in the plan as requiring regeneration.
- 2.6 The challenge in London is how to provide decent, affordable housing. London's housing shortage has been caused by the failure, over decades, to build the new homes the city's growing economy needs. The effects of the housing shortage now reach into every aspect of Londoners' lives. The London Housing Strategy sets out the Mayor's vision and policies for London and the proposals to make it happen.

The Mayor is calling on all organisations that have a part to play in addressing London's housing crisis and the vision and priorities are:

- building homes for Londoners;
- delivering genuinely affordable homes;
- high quality homes and inclusive neighbourhoods;
- a fairer deal for private renters and leaseholders;
- tackling homelessness and helping rough sleepers.

2.7 In introducing this tenancy strategy we aim to:

- Work with social landlords to meet the housing needs of our residents; the provision of support in order to sustain tenancies and where needs change, offer a flexible service designed to accommodate those changes.
- To support communities to thrive through the creation of sustainable social housing offers.
- 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 local residents, specifically those on low incomes, ensuring the supply will be linked to the aims set out in the housing strategy in response to climate concerns and net zero.
- Provide a clear development mandate across the borough, specifically with areas subjected to local plans.

3.0 Demographic profile of the Borough

3.1 Bromley is the largest London borough by area, covering 59 square miles. Over half the borough is open countryside, much of which is Metropolitan Green Belt land. Bromley has relatively low levels of deprivation – it is the 4th least deprived of the 33 London boroughs.

3.2 We are the 8th most populous London borough. There are approximately 331,000 residents living in an estimated 141,000 households.

3.3 22% of our population is aged 18 and under - some 71,000 young people. We have the largest population of older people of all London boroughs - 18% of the current population is aged 65 and over (58,700 people) and 15% of our residents are retired, which is approximately double the London average of 7%. The proportion of working age residents (18 to 65 years) will remain fairly stable over the next twenty years, at approximately 60% of the total population (200,500 people).

3.4 20% of Bromley's population is made up of different minority ethnic groups. 29% of the borough's current children and young people population are from minority ethnic groups. Bromley has one of the highest populations of settled travellers in the UK.

3.5 Bromley's employment rate of 78% is the 7th highest of the 21 Outer London Boroughs. 165,000 of our residents are economically active with 80,000 commuting outside the borough for work and 109,200 employed within the borough. With average wages of £38,000 per annum according to the Office of National Statistics, whilst this is comparable with the national average, it is down 30% on the average for the South East.

- 3.6 The average property price in Bromley postcode area is £561k, the median price is £480k. The average price increased by £10.8k (2%) over the last twelve months. The price of an established property is £568k. The price of a newly built property is £448k. Most properties were sold in the £500k-£750k and £300k-£400k price ranges. The table below compares the average price in Bromley with England and Wales; with prices in Bromley around 40% more expensive than the average price for England and Wales.

Price	Bromley Postcode Area	England & Wales
<i>Average</i>	<i>£568K</i>	<i>£340K</i>
<i>Median</i>	<i>£490K</i>	<i>£259K</i>

September 2021 - August 2022; Right Moves

4.0 Discharge of Homelessness Duty

- 4.1 Since the introduction of the Localism Act 2011, local authorities can discharge their homelessness duties through an offer of suitable accommodation in the private rented sector. Where properties of a suitable standard can be found at the right cost, Bromley will undertake a suitability check and if successful, will make an offer of private sector accommodation in line with the Homelessness Code of Guidance for Local Authorities and the Homelessness (Suitability of Accommodation) (England) Order 2012.
- 4.2 We are working to understand the numbers of private sector landlords in Bromley in order to secure a supply of good quality properties. Where budgets allow, we offer incentives and grants to private sector landlords to help them improve their properties and maintain them to safe standards appropriate for letting. We seek to establish affordable rents within the private sector with capping at the Local Housing Allowance.
- 4.3 We work together in partnership with registered providers in the borough to discharge our homeless duty in both council and register provider stock. We recognise that with the vast amount of social housing belonging to registered providers that it is important to continue to raise the profile of the homeless in the borough. We also recognise that with ever increasing levels of financial hardship experienced by households, that homeless prevention has to be a primary aim, and this necessitates the strengthening of the partnership between the Council and social landlords.

5.0 Granting a Tenancy

5.1 Rights and Responsibilities

All tenants need to make informed choices about their housing options. We will work with our registered providers to make the process of offering tenancies as clear and transparent as possible. All registered providers understand the need to explain the rights and responsibilities of a tenancy when signing up new tenants.

5.2 License to Occupy

Tenants in our temporary accommodation are signed up on non-secure tenancies, usually a licence to occupy. The home is not permanent and only available to the household whilst the Council assesses their duty under the Homelessness legislation and/or before making them a permanent offer of accommodation.

5.3 Introductory or Starter Tenancies

Starter or Introductory tenancies are usually offered to someone who has never held a social tenancy or someone who requires support during the initial period of their tenancy. The initial period is for 12 months, after which it will convert to a lifetime tenancy unless a Notice of Extension has been served extending it for a further 6 months which may be done where the tenant would benefit from further support or intensive management. In the initial 12 months all possible support should be identified and where relevant, the applicant will be referred with the necessary wraparound support which may come from both the council and the social landlord.

5.4 Lifetime Tenancies

- 5.4.1 With the need to have sustainable communities and the welfare of our residents a primary aim, we prefer the offer of lifetime tenancies to tenants who have successfully completed a starter or introductory tenancy or a tenant transferring from another social housing tenancy. This will take the form of an assured or secure tenancy.
- 5.4.2 Social housing tenants with lifetime tenancies that were issued before 01 April 2012, and who have remained social housing tenants, have their security of tenure protected by law. The Localism Act 2011 s.154 and regulatory framework for social housing require all landlords to offer lifetime tenancies when these tenants move to another social rented home. This includes mutual exchanges, transfers, or moves as a result of major works or regeneration. Where a social housing tenant has been given a lifetime tenancy on or after 01 April 2012, and they swap their home with a social housing tenant who has a fixed term tenancy, they will lose their lifetime tenancy.
- 5.4.3 The Domestic Abuse Act 2021 requires in cases of domestic abuse, that landlords issue new lifetime tenancies, where a tenant previously had a lifetime tenancy. We expect this to be undertaken by their own landlord. but where this is not possible or they need emergency rehousing requiring assessment under the homelessness legislation, we would expect their permanent offer to be a lifetime tenancy.

5.5 Flexible Tenancies

- 5.5.1 We promote the use of flexible tenancies in the following circumstances:
- Where a flexible tenancy is attached to specific homelessness funding.
 - Where the household would benefit from a sustained period of support longer than an introductory period.
 - We support the use of fixed term tenancies in properties that have been purpose built or substantially adapted for disabled occupants. Such adaptations can be expensive, and it is important that adapted homes are made available and let to those who need them.

- 5.5.2 Where flexible tenancies are used, these should be for a minimum of 5 years, unless a funded scheme stipulates a specific period. The Regulator of Social Housing expects that fixed term tenancies should be for a minimum of five years or no later than the 19th birthday of the oldest child wherever sooner.
- 5.5.3 Social landlords who issue flexible tenancies must have a policy supported by an equalities impact assessment, stating clearly under what circumstances they will be granted.
- 5.5.4 Fixed term tenancies which are less than five years are used exceptionally in some of the following cases:
- for short term supported housing designated as move-on;
 - where it is linked to employment or educational opportunities such key worker accommodation, where the renewal of tenancies should take place at the renewal of an employment contract subject to suitability of the accommodation.
- 5.5.5 The renewal process must be made clear to a tenant when the tenancy commences, and they should receive notice no later than 6 months before the tenancy is due to end where the landlord is not going to renew the tenancy. The reasons should be explained clearly together with an alternative housing solution plan; one of the avenues being, a referral to the Council in line with the provision made by the Homelessness Reduction Act 2017.
- 5.5.6 Exceptional circumstances where a tenancy is not renewed may include:
- where a tenant wishes to end their own tenancy
 - where the home has been adapted but those adaptations are no longer required, and the home would meet the needs of another household on the housing register
 - where the behaviour of the tenant is prohibitive, and the landlord has exhausted all measures to provide tenancy support.

5.6 Reviews and Appeals

- 5.6.1 All tenancies should be visited as part of a rolling programme in order to ensure the property is occupied by the household on the tenancy agreement, that the premises are being used lawfully and that it is being maintained in accordance with the tenancy conditions.
- 5.6.2 All new tenants should receive a settling in visit within the first few weeks of the tenancy.
- 5.6.3 Introductory tenants should have formal reviews at 3,6,9 months of their tenancies to ensure they are managing their tenancy and support provided to assist them complete the initial 12 months successfully.
- 5.6.4 All flexible tenancies should be reviewed at 9 months prior to the end of the tenancy.

5.6.5 All social landlords should have a clear tenancy appeals process which is explained to tenants where decisions are being made in relation to their tenancy and the landlord must invest in the resources to undertake these effectively. With introductory and flexible tenancies there is a statutory requirement to allow appeals in the following circumstances:

- Where an introductory tenancy is extended a further 6 months
- Where possession proceedings are commenced for an introductory tenancy
- Where a flexible tenancy is not going to be renewed.

6.0 Tenancy Sustainment

6.1 We are committed to helping tenants to maintain their tenancy in both temporary accommodation, private rented and council accommodation. The council's tenancy management policy sets our remit in relation to tenancy sustainment, and we have the same expectation of our landlords in relation to:

- affordability checks when an offer of accommodation is made and if necessary, offer the support needed to help a tenant maximise their income
- tenancy visits as appropriate throughout the lifespan of a tenancy
- rehousing where financial hardship would lead to tenancy failure
- a support service, covering a range of advice and assistance
- tenant orientated employment opportunities
- tackling anti-social behaviour through a range of measures
- making it easier for tenants to manage their own homes.

6.2 The aim whether delivered by the Council or one of its partner landlords, is to provide the right aid at the right time and at times this may be bespoke to a household. Tenants who have been allocated a general needs property may need supported housing and this will be assessed as one of the measures.

6.3 Possession of a property should be a last resort and every effort should be made to sustain the tenancy where possible. We recognise that may not be possible where the housing needs of the individual may be complex and not suited to the accommodation, or where anti-social behaviour cannot be resolved and all possible measures have been exhausted. We will work with registered landlords and private landlords to find a way to keep tenants in their home and where this is not possible to identify a satisfactory solution which may involve a safe surrender agreement. A surrender is a voluntary agreement between the landlord and tenant that the tenancy has come to an end. It is sometimes known as a mutual surrender. A surrender terminates the tenancy, whether it is fixed term or periodic.

6.4 Where domestic abuse is identified, a solution that looks at the best outcome for the survivors including children will be sought. Where relocation of the perpetrator would provide the best remedy, this may be considered as an option on a case-by-case basis.

7.0 Succession

7.1 Legislation has a provision for statutory succession rights for secure and assured tenants. There is one right to succeed. The law does not grant a further succession right if the successor then dies.

- 7.2 Historically, there were significant differences between the succession rights of assured and secure tenants. The Localism Act 2011 introduced changes to harmonise succession between the two, however there remains significant differences, the Localism Act changes affect tenancies granted from April 2012 onwards, but not those granted before that date.
- 7.3 Some landlords offer more generous succession rights than the statutory legal minimum, allowing tenancy rights to be passed on a second time or to be conferred in circumstances when the tenant would not normally qualify for a statutory succession. The rights may contractual, i.e. written into their tenancy agreement or discretionary and assessed on a case-by-case basis.
- 7.4 The Tenancy Standard governed by the Regulator of Social Housing, requires social landlords to have a policy on succession.

8.0 Tenant Mobility

- 8.1 We need family sized accommodation and recognise the need for all social landlords to provide incentives and assistance to tenants who wish to move to a smaller property. They should be encouraged to join the housing register and their application will be awarded a priority that reflects the demand for larger properties.
- 8.2 Residents who claim benefits in under occupied units are subject to the Spare Room Subsidy (also known as bedroom tax), which can have a negative impact, making affordability an issue and having a detrimental effect on health and wellbeing. Anyone who is a permanent part of the household but not living with them at the time of the application will be taken into account before moving them to a smaller property.
- 8.3 Residents who need adaptations, where their property is unsuitable for the required works will require the landlord to consider all possible ways to meet that need. Where this is not possible, they may join the housing register and will be awarded the relevant priority. Where the Council can assist with grant to allow the tenant to remain in their home, this will be explored.
- 8.4 It is important for tenants who wish to move for employment, or for support and welfare reasons, to be able to do so easily. Applicants on the housing register wishing to transfer for these reasons will be awarded suitable priority and will be considered under our local connection rules.
- 8.5 Social landlords should enable suitable moves to support the recruitment and retention of essential key workers, health and support workers in the borough where this becomes a borough priority.

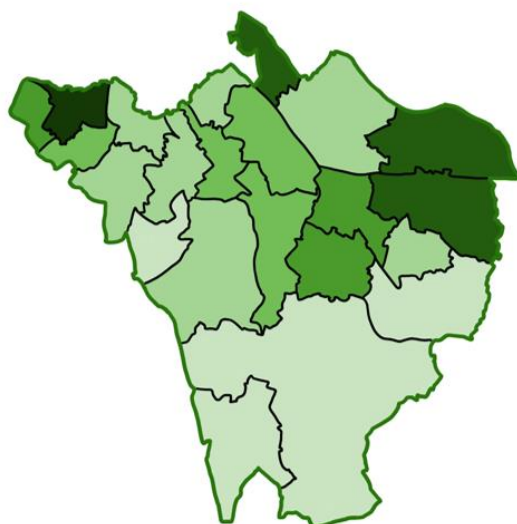
9.0 Home Ownership

- 9.1 We will make every effort to promote the opportunities for low-cost home ownership for residents in the borough. This will involve working with the registered providers who have such stock and where we are approached for rehousing, applicants will be signposted to these landlords as a viable housing solution.
- 9.2 Tenants who are eligible will be able to purchase their home from their landlord through the Right to Buy and Preserved Right to Buy schemes, provided the property they reside in does not hold an exemption. Social landlords are expected to keep the Council informed of any purchases through these schemes.

- 9.3 As part of our working relationship with registered providers, we ask that the following properties be exempt from purchase:
- properties in locations, where there is a shortage of properties by type and or size;
 - designated accommodation for older people; where this accommodation is in short supply;
 - specialist or supported housing;
 - disabled adapted properties secured through planning obligations;
 - shared accommodation.

10.0 Social Housing in the Borough

- 10.1 The map below shows a distribution of social housing within Bromley. Mottingham & Chislehurst, Farnborough & Crofton and Crystal Palace have the highest density of social housing with units in excess of 1,000. The general theme is that they are at their highest where they border other authorities in the north of the borough. Areas such as Biggin Hill and Chelsfield & Pratts Bottom in the south of the borough where it is rural have under a 100.



Ward	Total
Penge & Cator	1,524
St Mary Cray	1,395
St Paul's Cray	1,340
Mottingham	1,302
Crystal Palace & Anerley	843
Petts Wood & Knoll	838
Farnborough & Crofton	663
Bromley Town	498
Clock House	467
Bickley & Sundridge	449
Bromley Common & Holwood	448
Orpington	413
Shortlands & Park Langley	387
Beckenham Town and Copers Cope	329
Chislehurst	304
Hayes & Coney Hall	281
Keisey & Eden Park	281
Plaistow	263
Chelsfield	143
Darwin	104
Biggin Hill	83
West Wickham	73
Total	12,428

- 10.2 We will work with our landlords and community-led housing developers to maximise the opportunities to deliver affordable properties including social rented properties and will seek to leverage funding through Homes England and the GLA to support this where scheme viability is an issue. The priority, driven by the severe affordability issues in areas within our borough, is to protect and increase the supply of social housing in Bromley alongside the provision of other affordable housing options.
- 10.3 We also recognise that our registered providers may have to dispose of stock where it is not cost effective to maintain it to the Decent Homes Standard, or it is hard to let, either because of the type of accommodation or area in which it is located. Where this becomes necessary, particularly where a property has been given in trust, or where Bromley or Homes England have invested in the property, the full gain (less any transaction and ancillary costs) from disposal should be reinvested back into the borough.

- 10.4 Social housing may be repurposed where disposal is not the most effective solutions, and the Council will work with the relevant landlord to obtain the best possible outcome. The partnership between the Council and landlord ensures that adequate notice is given of any proposed disposal, thereby allowing the Council to consider the variety of options available to it. To avoid property disposals as a result of poor property standards, we expect all social landlords to maintain their property portfolios to the Decent Homes Standard or equivalent or higher standard. This will also promote the benefits of better health and wellbeing.
- 10.5 There is growing evidence that by joining up planning for housing with planning for health and wellbeing, significant benefits both to individuals and communities can be seen, helping people to thrive. This is one of the Council's priorities, and our commitment together with social landlords is to:
- Deliver social homes to the Decent Homes Standard or higher.
 - Build genuinely affordable places to live where residents can settle and develop a commitment to their local community.

11.0 Affordability Statement

- 11.1 The government promotes work to reduce dependency on benefits, so it is important that rent levels in Bromley are affordable and do not deter the tenant from entering employment. The table below shows the average weekly rents different providers by bedsize:

Landlord Type	1 bed	2 bed	3 bed	4 bed +
Council	£182	£193	£209	£0
Registered Provider	£118	£136	£148	£164
Private Rented	£312	£485	£577	£600

With private rents being so much higher than social rents it is important to ensure social rented properties are affordable and when new developments are proposed that the rents compare favourably with the local housing allowance. The council rents are new developments within the last 18 months and there are no 4 bedroom or larger properties to compare with registered providers. Average registered provider rents are influenced by the lower averages for the ex-council stock which transferred to Clarion over 10 years ago.

- 11.2 New tenants are unlikely to have sufficient savings to secure a deposit or pay rent in advance. We ask that registered providers reflect the payment of rent in advance at sign up in their policies and have a flexible payment approach to allow the tenant to build the sufficient level of credit over time.
- 11.3 Our housing strategy sets out the delivery aims for an affordable housing programme that has the right mix of social housing products and sets out the measures that we employ to achieve the desired outcomes. We recognise a coordinated approach with registered providers is essential to deliver those outcomes.
- 11.4 We have to consider scheme viability and the cost to the tenant overall in terms of rent and service charge when considering the rent level. However a social rent comparison will be undertaken when undertaking scheme appraisals to ensure the most affordable rent products are considered.

11.5 With property prices high in the borough, first time buyers often seek a low-cost home ownership route to get on the property ladder. Clarion is the largest developer of shared ownership in the borough. The council will work with developers to consider all viable low cost home ownership schemes.

12.0 Delivery and Impact of this Strategy

12.1 The Council and the social landlords operating within the borough will jointly own the strategy. We will produce a delivery plan with our partners, using the aims and the actions identified within the strategy. We have a shared commitment across our key partners and stakeholders to support the delivery of this strategy, as the achievement of our vision is dependent upon their contribution. The Executive will have oversight of the implementation of the strategy and will monitor and review progress.

12.2 Under the Equality Act 2010 and in particular section 149 of the Public Sector Equality Duty, Councils are required to give due regard to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not, when exercising a public function such as a landlord. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This strategy complies with the Council's Equalities Policy March 2021 which sets out our commitments to ensuring in equality in service delivery. An equalities impact assessment was undertaken, before the strategy was adopted.

12.3. This strategy will be reviewed every 5 years – unless legislation, business or sector developments require otherwise – to ensure that it continues to meet the stated objectives and takes account of good practice developments. We aim to mitigate any risk associated with the delivery of this strategy and its implementation by landlord tenancy policies through discussion and negotiation.

12.4 The delivery of this strategy will be monitored as follows:

- Discussions with residents of the borough
- Discussions with social landlords on its effectiveness.
- Tenancy sustainment reviews by social landlords.
- Feedback from the private rented sector.
- Reviews by the council.

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**London Borough of Bromley
Tenancy Management Policy 2024**

Table of Contents

Section	Title	Page
1.0	Introduction	4
1.1	<i>Aim of the Policy</i>	4
1.2	<i>The legal framework</i>	4
1.3	<i>Application of the Policy</i>	4
1.4	<i>Court appointed Deputy</i>	4
1.5	<i>Data Protection</i>	5
1.6	<i>Equalities, access and monitoring</i>	5
2.0	Tenancy Commencement	6
2.1	<i>Housing Applications</i>	6
2.2	<i>Tenancy Start Date</i>	6
2.3	<i>New Tenant Visits</i>	6
2.4	<i>Rent and Service Charges</i>	6
2.5	<i>Household Composition</i>	6
2.6	<i>Tenancy Information</i>	7
3.0	The Tenancy Agreement	8
3.1	<i>Sole and Joint Tenancies</i>	8
3.2	<i>Granting of Tenancies</i>	8
3.3	<i>Tenancy conditions</i>	8
3.4	<i>Tenancy reviews</i>	8
3.5	<i>Tenancy appeals</i>	9
3.6	<i>Right to Buy</i>	9
3.7	<i>Right to Transfer</i>	9
4.0	Tenancy Changes	10
4.1	<i>Sole to Joint</i>	10
4.2	<i>Joint to Sole</i>	10
4.3	<i>Assignments</i>	10
4.4	<i>Successions</i>	11
4.5	<i>Successions & Best use of stock</i>	11
5.0	Decants	12
5.1	<i>Decant Reasons</i>	12
5.2	<i>Permanent Decants</i>	12
5.3	<i>Temporary Decants</i>	12
5.4	<i>Supporting the move</i>	12
5.5	<i>Refusal to move</i>	13
5.6	<i>Homeloss payments</i>	13
5.7	<i>Disturbance payments</i>	13
6.0	Tenancy Sustainment	14
6.1	<i>Sustaining tenancies</i>	14
6.2	<i>Vulnerable residents</i>	14
6.3	<i>Supporting the tenant</i>	14
6.4	<i>Failing tenancies</i>	14

7.0	Tenancy Enforcement	15
7.1	<i>Tenancy audits</i>	15
7.2	<i>Tenancy fraud</i>	15
7.3	<i>Demotion of a Secure Tenancy</i>	15
7.4	<i>Legal action and possession</i>	15
7.5	<i>Anti-social behaviour</i>	16
7.6	<i>Domestic abuse</i>	16
7.7	<i>Pets</i>	16
8.0	Ending a Tenancy	17
8.1	<i>Tenancy End Reasons</i>	17
8.2	<i>Tenancy End Date</i>	17
8.3	<i>Pre – termination visits</i>	17
8.4	<i>Belongings left in the property</i>	17
8.5	<i>Empty property management</i>	17
8.6	<i>Former tenant debt</i>	18

1.0 Introduction

1.1 Aim of the Policy

This aim of the Tenancy Management 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. Bromley owned properties are managed by an agent under a management agreement on behalf of the council.

1.2 The Legal Framework

In developing this policy; the Council has followed and fully considered the following housing legislation, regulations, and statutory guidance:

- The Housing Act 1985, 1988 and 1996
- Localism Act 2011 (England)
- The Housing Act 1996, Part 7 as amended by the Homelessness Reduction Act 2017
- Equality Act 2010.
- Data Protection Act 2018 and contained within the General Data Protection Regulation 2018 (GDPR).
- Regulatory framework for England April 2012
- Defective Premises Act 1972
- Home Loss Payments (Prescribed Amounts) (England) Regulations 2008
- Land Compensation Act 1973
- Landlord and Tenant Act 1985 and 1987
- Human Rights Act 1998
- The Civil Partnerships Act 2004
- Health and Safety at Work Act 1974
- The Gas Safety (Installation & Use) Regulations 1998
- BS 7671 IEE Wiring Regulations
- Control of Asbestos at Work Regulation 2002
- Regulator of Social Housing Compliance.
- Anti-social Behaviour, Crime and Policing Act 2014

1.3 Application of the Policy

This policy will be implemented through a suite of delivery processes designed to provide compliance with regulation, legislation and good practice: The key decisions will be made by the Council with the administration processed by the Council's management agent.

1.4 Court appointed Deputy

Where a tenant has someone appointed by a Court to make decisions on their behalf relating to their finances, property, health or personal care, we will, on sight of the legal paperwork, work with them to ensure all key decisions in relation to their tenancy are made by the Court appointed Deputy.

1.5 Data Protection

The Council will ensure personal information of all tenants (new, existing and deleted) is:

- Stored lawfully
- Processed in a fair and transparent manner
- Collected for specific, explicit and legitimate for the purpose
- The data will be kept up to date and held only until it is no longer required.
- Shared only with other organisations for legitimate processing, the prevention of fraud or with the person's explicit consent.
- All tenancy records will be held intact for a full 6 years post tenancy end in line with good practice guidance on document retention. They will then be anonymised and/or disposed in line with the Council Retention and Disposal Policy August 2021. [URL needed.](#)

A tenant's express consent is obtained to deliver a tenancy management service during the completion of the sign-up process. The Council has a Privacy Notice which can be located at: [URL needed.](#)

1.6 Equalities, Access and Monitoring

The Council is committed to ensuring that the policy is non-discriminatory and that all tenants are able to access the service, taking into account any vulnerability or other specific needs, and also the needs of different groups protected by the Equality Act 2010; the Human Rights Act 1998; and for Children, Section 11 of the Children Act. To identify the needs of our tenants, a new tenant questionnaire is completed at sign up and it contains specific questions relating to vulnerability, ethnic origin, sexual orientation, disability and other relevant criteria. The information obtained will be used to monitor the impact of the policy on minority and specific needs groups and to evidence the need for amendments, as may be required.

Under the Equality Act 2010 and in particular section 149 of the Public Sector Equality Duty, the Council is required to give due regard to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not, when exercising a public function such as a landlord. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This policy complies with the Council's Equalities Policy March 2021. This policy was subjected to an Equalities Impact Assessment (EqIA) before it was adopted.

We reserve the right to change this policy in order to meet changes in regulation, legislation and housing good management practice. All changes will be subject to an Equality Impact Assessment. Where the change is considered to be minor it will be approved by senior management. If the change is major, approval will be by the Executive following statutory consultation with all known stakeholders.

2.0 Tenancy Commencement

2.1 Housing Applicants

Households who need to be rehoused in Bromley need to complete an application form to join the housing register. They will be assessed, awarded a priority based on a category of need as stipulated in the Housing Allocation Scheme. Tenancies are only created when someone on the housing register is successfully offered a permanent home.

2.2 Tenancy Start Date

A tenancy can only commence in Bromley owned stock once a tenancy agreement has been signed by both the tenant and the council or the council's managing agent. Tenancies start on a Monday and end on a Sunday.

2.3 New Tenant Visits

All new tenants will receive a settling in visit within 6 and 8 weeks of their tenancy start date. This is to ensure the tenant has settled in, is managing in the property, identify any support needs and is complying with the terms and conditions of their tenancy agreement.

2.4 Rent and Service Charge

Tenants are expected to pay their rent in accordance with the terms and conditions of their tenancy agreement. Incoming tenants are notified of the rent and service charge of a property prior to sign up. Existing tenants have an annual rent review and are given 28 days' notice before the new rent can be charged. Tenants who have a change in their circumstances which will have an impact on their ability to pay rent, must notify the council. This includes any extended or repeated periods of absence from the property.

2.5 Household Composition

The details of who lives with the tenant, i.e. household composition are gathered when make a housing application and again at sign up. If anything changes, a tenant must notify the council. The household composition must be suitable for the property and the council will not knowingly allow properties to be overcrowded or under occupied. Where someone moves out of the tenant's home, they must inform the council. If they want someone to live with them, they must first seek the council's permission. We will check the household composition when we audit the property and anyone living in the property without consent may be asked to leave.

2.6 Tenancy Management Information

At sign up, it is important to gauge whether the tenant is able to live independently or whether they will need additional support. It is equally important to understand the preferred method of communication, therefore we will collect and store securely, the following:

- Whether they prefer to be called, messaged, emailed or formally written to.
- Their preferred language.
- Any specific requirements to ensure service accessibility
- Details of support workers and advocates.
- Known medical or mental health conditions.
- Known history of violence.

3.0 The Tenancy Agreement

3.1 Sole or Joint Tenancies

Tenancies are granted in the name of the nominee(s) and transferee(s) on the housing application. If it is a joint application, then the tenancy will be joint and if it is sole, the tenancy will be sole. Joint tenancies will not be permitted for anyone other than a spouse or partner.

3.2 Granting of Tenancies

A tenancy determination is undertaken during the allocation of a property. We grant the following tenancies:

Tenancy Type	Description
Introductory Tenancy	If the tenant has not previously held a social tenancy, or where we feel the tenant needs support in the first year of their tenancy. Introductory tenancies convert to a secure tenancy after 12 months provided a Notice of extension has not been served.
Secure Tenancy	If the tenant is already on a lifetime tenancy (secure or assured).
Flexible Tenancy	A short-term tenancy of a fixed period will be granted where the Council needs to make best of stock in larger or adapted properties Where a flexible tenancy is going to be issued the appropriate Notice will be served informing the tenant that the tenancy will be a flexible one.
License to Occupy	Tenants in temporary accommodation will be granted a licence to occupy. This will also be used where a tenant has to be moved temporarily out of their home.

3.3 Tenancy Conditions

A tenancy agreement confers rights and responsibilities to both tenant and landlord. The exact nature of these rights depend on the tenancy type. The right to assign, succeed a tenancy or buy may be restricted for instance. A tenancy may only be ended by serving the appropriate notices. Variation of a tenancy is only with the consent of both parties.

3.4 Tenancy Reviews

A tenancy may be reviewed as required:

- a. A tenancy would benefit from some support to sustain it. This may be short term or for longer periods of time if the tenant is vulnerable.
- b. Tenancy enforcement is needed.
- c. Formal reviews are required as part of the statutory process around introductory tenancies. A notice is required if the introductory period is to be extended for a further 6 months where the Council feels the tenant has failed to meet the conditions of their tenancy but has not met the threshold for possession.

- d. Formal reviews are required as part of the statutory process around flexible tenancies. This will take place 9 months before the tenancy is due to end. At 6 months before the tenancy is due to end, the tenant must be served with a Notice to confirm whether a further tenancy will be granted. If not, the tenant must be sign posted or referred to alternative accommodation where the tenant is not at fault.

3.5 Tenancy Appeals

Where a tenant disagrees with a decision made in accordance in relation to their tenancy, they may request an appeal within 14 days. For decisions in relation to introductory tenancies and flexible tenancies, the tenant has a statutory right of appeal.

3.6 Right to Buy

Under the Right to Buy scheme, a tenant may only apply to buy their council home if:

- a. it's their only or main home;
- b. it's self-contained;
- c. they are a secure tenant;
- d. they have lived in a public sector property for 5 years or more - for example a council, housing association or NHS trust

For details of the scheme please see the government website at:

<https://www.gov.uk/right-to-buy-buying-your-council-home>

3.7 Right to Transfer

The Right to Transfer under Section 34A of the Housing Act 1985 is the right that all council tenants have to come together as a neighbourhood, form a not-for-profit organisation and request to take ownership and control of their own homes. For details of the scheme please see the government website and/or seek independent legal advice.

4.0 Tenancy Changes

4.1 Sole to Joint

We will allow a sole tenant to add their spouse, civil partner or partner to the tenancy where there is evidence of an ongoing relationship. Joint tenancies will not be permitted between parent and child or siblings. A new tenancy will be granted with both partners named on the tenancy. This brings the former tenancy to an end and the sole tenant must be made aware of this prior to termination. Where the new joint tenant has never held a social tenancy, the new tenancy will be introductory.

4.2 Joint to Sole

If a joint tenant wishes to remove their joint tenant from the tenancy, i.e. joint to sole, there are legal implications as a landlord cannot be seen to collude in a breach of rights. Therefore the tenant must do one of the following:

- a. Get the departing joint tenant to assign the tenancy to the remaining tenant.
- b. Obtain a court order to transfer the tenancy.
- c. If there are extenuating circumstances, provide us with details. In cases of domestic abuse, we may award a new tenancy, however the tenant will be required to surrender their existing tenancy, thereby ending it for both tenants.

4.3 Assignments

An assignment can only take place via a deed of assignment and/or a Court order. The table below shows the three main types:

Type	Description
Assignment by mutual exchange	Where two tenants wish to exchange properties, the tenant must obtain permission of the Council. The tenancy must contain the right to assign. As a landlord we cannot withhold permission unreasonable and where we do so it must be in line with the condition set out in schedule 3 of the housing legislation.
Judicial Assignment	Where a Court Order is obtained transferring the tenancy to a named person. If the transfer is due to divorce proceedings a deed of assignment supplied by the remaining party's solicitor is required in addition to the court order.
Assignment to a Potential Successor	If a tenant wishes to transfer their tenancy onto someone while they are alive this is called a living succession or assignment to a potential successor. The same statutory requirements must be met as if the tenant had died. The landlord is obliged to provide the tenant with their change of rights, should they assign their tenancy.

4.4 Successions

A succession can only take place if a tenant dies, and someone who is a permanent household exercises their right to succeed. There are five main types:

Type	Description
Survivorship succession	This is the automatic and immediate transfer of the tenancy to the remaining tenant following the death of the joint tenant. This is a statutory right which is protected in law irrespective of the tenancy type.
Statutory succession	This is the transfer of a sole tenancy to the tenant's partner or other family member following the death of a tenant. For tenancies that predate April 2012 and the Localism Act 2011, the family members who are entitled to succeed are listed in s113 of the Housing Act 1985. They must prove they lived with the deceased during the 12 months immediately before their death. Where there is more than one qualifying member, we would usually expect the family to decide who that would be, although we may make the decision, if necessary, under the s89(2)b of the legislation. Tenancies after April 2012 and the Localism Act, the statutory succession rule stipulates that only a spouse or partner may succeed unless the landlord has conferred a further right in the term of the tenancy agreement.
Contractual Succession	The transfer of a sole tenancy to a qualifying individual following the death of tenant where the landlord has provided enhanced succession rights in the tenancy agreement. Some service tenancies may have a contractual provision on succession.
Devolution by will or intestacy	This is where the tenancy is passed by a sole tenant to a designated individual through their will, or to their next of kin through intestacy. The claimant must meet the succession criteria. Devolution will not transfer the security of tenure of a secure tenancy so there can be no further successions.
Discretionary Succession	This is the grant of a new tenancy to an individual following the death of a sole tenant where there is no right to succeed but where we will consider a discretionary succession due to their circumstances. This can be applied to any of our tenancy types.

4.5 Succession & Best use of stock

Where the accommodation is larger than is reasonably required by a successor who did not previously hold the tenancy or adapted, and the successor has no use for the adaptations, we may seek possession of the property under Ground 15A. We will serve a notice, no earlier than six months, and no later than twelve months, after the original tenant's death. The tenant will be required to complete an application form to allow them to be rehoused into suitable accommodation. We may only apply for legal possession 10 months or more after the original tenant's death. But we will do everything possible to find them suitable accommodation before attending Court application.

5.0 Decants

5.1 Decant Reason

There are occasions when a tenant may have to be relocated from their homes for one of the following reasons:

- a. Major repairs or improvements that cannot be conducted with the tenant in occupation.
- b. Modernisation programmes.
- c. Sale or demolition.
- d. Emergency (e.g. fire, flood) rendering the property uninhabitable.

5.2 Permanent Decants

With a permanent decant, the household moves permanently and is rehoused in a property that suits their household size and need in accordance with the Housing Allocation Scheme. If the property offered belongs to another social landlord, we will advise the tenant of any implications to their tenancy rights where these are likely to change. Where the decant is part of a regeneration programme, the tenant may be given the right to return to a suitable property on the same estate, but only where this is agreed in advance.

5.3 Temporary Decants

With a temporary decant, the household moves out temporarily whilst the work is done. On completion of the works, they return to their home. The tenant continues pay the rent in their principle home as the tenancy remains intact and they will have no legal right to the temporary property. They will sign license to occupy in the temporary property. Every effort will be made to find them a suitable temporary property. If it is smaller, temporary storage of their personal belongings may be considered. If they can stay with friends or family, this will be considered first. The tenant may request to remain in their temporary property this will be considered on a case-by-case basis. If granted it will be treated as a permanent decant however no homelessness payment will be granted as their original home was made available for return.

5.4 Supporting the Move

We understand the need to move can cause disruption and anxiety. We are committed to ensuring that this process runs as smoothly and sympathetically as possible. You will be prepared at length in order to assist the move. Financial and practical assistance will be offered, and a support package agreed in advance.

5.4 Refusal to Move

Every consideration will be given where a tenant refuses to move out of their home. Consideration is also given to temporary decants who refuse to back to their own home once the work is complete. However, we have the right to take legal action to repossess a property where the work is essential and cannot be done with the tenant in situ. This may be possession, injunction or a warrant of entry depending on whether the decant is permanent or temporary.

5.6 Home Loss Payments

Home loss payments are governed by the Land Compensation Act 1973 and the amount payable is fixed by statute. The payments are intended to compensate for the upheaval and personal upset involved in an involuntary move. Money owed to the Council will be deducted from the payment. Payments are made within 3 months of relocation and will only be paid to secure tenants who have held their tenancy for one year or longer as stipulated by the government eligibility rules. Home loss payments apply to permanent decants only.

5.7 Disturbance Payments

Disturbance payments will be made to meet any reasonable moving expenses. These will be agreed in advance. Disturbance payments are paid to permanent decants once and for temporary decants each time they move.

6.0 Tenancy Sustainment

6.1 Sustaining Tenancies

We are committed to helping a tenant to sustain their tenancy and offer a variety of ways to support them to achieve this. This may vary and the list below is just some of the examples:

- affordability checks when an offer of accommodation is made and if necessary, offer the support needed to help a tenant maximise their income
- tenancy visits as appropriate throughout the lifespan of a tenancy
- rehousing to prevent continued financial hardship; where income maximisation support has been offered and exhausted
- a dedicated support service, covering a range of advice and assistance
- tenant orientated employment projects
- using all our powers to tackle anti-social behaviour
- welfare and debt advice to assist with the payment of rent.

6.2 Vulnerable Residents

Many of our residents are vulnerable. This may vary from someone with learning difficulties to someone with issues around mental health, or from someone with a visual impairment to someone who is bed bound. We work with all our vulnerable residents and with their permission, their advocates, supporters, family members and health agencies to ensure they are able to live happily in their homes, and when and if they need to move on to alternative accommodation, we will work with them to make the transition as smooth as possible.

6.3 Supporting the Tenant

We will ensure housing applicants with the need for specific property adaptations or mobility access are identified as part of the assessment process to ensure suitable properties are made available to them during the allocation process. Tenant who find they need aids and adaptations will be assessed by an Occupational Therapist in Adult Social Care to see what they need in order to continue to manage in their home and where this is not possible, we will assist them with their rehousing requirements. As people age or are perhaps diagnosed with physical, mental or medical conditions where there housing is having an impact, they will be assessed for medical priority and where necessary rehoused to suitable accommodation.

6.4 Failing Tenancies

If a tenant is struggling and they identify this themselves and seek assistance, we will explore all avenues to assist them to remain in their home. Where the tenancy is failing but has not yet met the threshold for eviction, and moving is the only way to assist them, we may consider a management transfer. On the rare occasions where this is not possible, we will consider a safe surrender agreement which allows them to end their tenancy on the guarantee that the Council will rehouse them under a homelessness prevention duty, but these will be as a last resort.

7.0 Tenancy Enforcement

7.1 Tenancy Audits

We will visit each property at regular intervals to check the occupants of the property, provide support and inspect the property. This is usually an unannounced visit in order to determine whether the people living there match our records. As the landlord, we are legally obliged to know who is living in our properties at all times, and if an illegal occupant is identified, to take the appropriate remedial action.

7.2 Tenancy Fraud

We are committed to tackling fraud at all levels. We recognise the importance of multi-agency working and use a number of key methods for prevention including; using data analysis, working with our partners, sharing information as appropriate and credit reference agency.

7.3 Demotion of a Secure Tenancy

Legislation allows for the demotion of secure tenancies where security of tenure is suspended by a Demotion Order issued by a court. It is used where a tenant persists in breaching the terms of their agreement but does immediately meet the threshold for possession or where we feel that a period of demotion may assist the tenant in complying with the terms and conditions of their tenancy. It requires substantial evidencing in much the same way as we would need to do if it were processing a case for possession. We undertake consistent and sometimes protracted periods of monitoring as a prerequisite to place before a judge when applying for a Demotion Order.

7.4 Legal Action and Possession

As a landlord we may have to take legal action against tenant. This may take the form of an injunction, prohibition order or as a last resort possession of the home. We cannot simply enter the property; we may only do with a Court order or a warrant following legal action. We will do everything possible to work with the tenant before this happens, including:

- a. Dealing with all complaints.
- b. Practical arrangements to clear rent arrears.
- c. Assistance from our housing support service.
- d. We will take early and preventative action where possible.
- e. We will safeguard vulnerable residents when considering action.

Tenants evicted by us are treated as intentionally homeless under the homeless legislation. They may find it difficult to be considered for rehousing and we would urge the tenant to work with us before this happens.

7.5 Anti – Social Behaviour

Anti-Social Behaviour (ASB) can include a wide range of nuisances, disorder and crimes which affects people's lives on a daily basis. It can feel and look different in every area and to every victim. What might be considered anti-social by one person, might be considered acceptable to another. The Home Office describes ASB as, 'any aggressive, intimidating or destructive activity that damages or destroys another person's quality of life'.

As a Council we are committed to working with our tenants and our partners to address all forms of ASB. Our ASB Policy located at: [URL required](#) lays out our approach to tackling this behaviour, and we will work with the police and other agencies to safeguard victims and take the necessary action against perpetrators.

7.6 Domestic Abuse

Domestic abuse can be defined as: 'Any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 and over who are, or have been, intimate partners or family members regardless of gender and sexuality. The abuse can encompass but is not limited to psychological, physical, sexual, financial, emotional'

For details of our approach to both survivors and perpetrators of domestic abuse, please see our Domestic Abuse Policy. [URL required](#)

7.7 Pets

Our tenancy agreements are clear on whether a tenant may keep a pet in their property. Permission of the Council is required in order to keep a pet and a decision will be made taking into account the property, the type of animal and the tenant's circumstances.

8.0 Ending a Tenancy

8.1 Tenancy End Reason

Tenancies end for a variety of reasons:

- The tenant surrenders their tenancy
- The tenant transfers to another property
- The sole tenant dies
- The sole tenant moves into residential care or a hospice
- An eviction
- The property is abandoned

In all cases, a notice is served either by the tenant or the landlord. The tenancy agreement contains a section on ending a tenancy. We may only serve notice under one of the grounds for possession or serve a notice to quit where the tenancy has been rendered insecure.

8.2 Tenancy End Date

In most cases the tenancy ends the Sunday after the keys have been returned. If entry must be forced, the tenancy will end the Sunday after. If the keys have not been returned and the notice period expires, a use and occupation will be charged.

8.3 Pre-Termination Visits

Tenants who are transferring to another property may receive a pre-termination visit if we have not recently inspected the property. This is to ensure the tenant has not damaged the property. Any damage identified will require rectification by the tenant. If they fail to do so, we will repair it and recharge the cost to the tenant. In some cases where the damage is extensive, we may prevent the tenant from moving to another council property.

8.4 Belongings left in the Property

A tenant is expected to clear their belongings before they return the keys. If the tenant leaves belongings behind, we may serve a notice under the Interference with Goods) Act 1977. This allows us to remove and/or dispose of these belongings. The cost of doing so may be recharged to the tenant.

8.5 Empty Property Management

The Council has an obligation to ensure that empty properties are identified, repaired and relet as soon as possible to those with housing needs with minimal void loss and security and repair costs. The cost of repairing damage caused by the tenant may be recovered through the council's recharge policy.

8.6 Former Tenant Debt

We will make every effort to recover all rent arrears prior to the end of a tenancy. However once the tenancy has ended, any arrears and recharges will be dealt with as former tenant debt.

Report No.
HPR2024/003

London Borough of Bromley

PART ONE – PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 31 January 2024.

Decision Type: Non-Urgent Executive Key

Title: HOUSING MANAGEMENT CONTRACT (AWARD) PART 1 (PUBLIC) REPORT

Contact Officer: Michelle Bowler – Head of Housing Schemes
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Chief Officer: Sara Bowrey, Director of Housing, Planning, Property and Regeneration
Tel 0208 313 4013 E-mail: sara.bowrey@bromley.gov.uk

Ward: All Wards

1. Reason for decision/report and options

- 1.1 In September 2023, the Council's Executive granted approval to proceed to procurement via a compliant open tender for the housing management and associated services contract in relation to the Bromley owned residential portfolio.
 - 1.2 The tender did not secure any suitable bids and so, in compliance with the relevant procurement regulations, a negotiated process was entered into. This report details the outcome of the unsuccessful competitive tender, the subsequent negotiated process and recommends the proposal to proceed to award the contract as detailed in the Part 2 report.
 - 1.3 To allow for an effective handover between the incumbent provider (Pinnacle) and the proposed incoming party, and with due regard to TUPE regulations, officers are seeking approval of an extension of terms with Pinnacle for a period of 12 weeks commencing 1st April 2024 and expiring 30th June 2024.
-

2. RECOMMENDATION(S)

- 2.1 The Renewal, Recreation and Housing PDS Committee is asked to note the report and provide its comments for consideration by the Council's Executive.
- 2.2 The Council's Executive is recommended to:
 - 1) Approve the short extension of terms with Pinnacle for a period of 12 weeks commencing 1st April 2024 and expiring 30th June 2024 at an estimated value set out in the accompanying Part 2 report;
 - 2) Approve award of contract in principle, as detailed in the accompanying Part 2 report;

- 3) Grant delegated authority to the Director of Housing, Planning and Regeneration to finalise the award of contract subject to heads of terms being agreed, in agreement with the Director of Corporate Services and the Director of Finance; and,**
- 4) Grant delegated authority to the Director of Housing, Planning and Regeneration, subject to agreement with the Assistant Director: Governance and Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder for Renewal, Recreation and Housing, to apply the extension option in due course.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The accommodation provided ensures that the Council is able to meet its statutory responsibilities in respect of housing. The Housing Management Contract is to ensure that socially owned stock is managed appropriately and that Bromley residents are able to live in affordable, good quality and well-maintained homes.
-

Transformation Policy

1. Policy Status: Existing Policy: The Housing Management Contract will support existing priorities set out in the Council's Housing Strategy to support Bromley Residents into settled homes.
 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 people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Detailed in part 2 report
 2. Ongoing costs: Detailed in part 2 report
 3. Budget head/performance centre: Operational Housing
 4. Total current budget for this head: £8.4m
 5. Source of funding: LBB General Fund or Housing Revenue Account
-

Personnel

1. Number of staff (current and additional): (insert no.) Three additional as set out in report number FSD24001 draft 2024/2025 budget and update on Council's financial strategy 2025/26 to 2027/28 dated 17th January 2024.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: See section 6 of this report.
-

Property

1. Summary of Property Implications: See section 7 of this report.
-

Carbon Reduction and Social Value

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

Impact on the Local Economy

1. Summary of Local Economy Implications: Not Applicable.
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Not Applicable.
-

Customer Impact

1. Estimated number of users or customers (current and projected): At present there are 76 Beehive units, 15 Bromley owned street properties, 60 HRA units alongside Manorfields multi-unit facility. There are a further 49 units on site and currently in the development phase with a further 78 units identified in the pipeline.
-

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 In September 2023 officers submitted a report to the Executive (HPR2023/048) which outlined the Council's current Housing Management Contract provided by Orchard & Shipman (now Pinnacle) and set out options for future procurement.
- 3.2 This report detailed the significant market engagement undertaken by the Council prior to proceeding to formal tender. In January 2023, officers proceeded with a soft market test exercise seeking to engage with suppliers in an informal discussion to assist the Council in developing appropriate procurement documentation, understand whether the market has experience of delivering similar services and what appetite there is to bid for a contract of this nature and size.
- 3.3 The soft market test questionnaire was published on 6th January 2023 however due to a very low response rate this was considered unsuccessful; this exercise was repeated in May 2023. Whilst again limited responses were received, the content of those responses enabled officers to identify key themes e.g., the desired length of contract, the services currently available in the market and elements of the proposed portfolio that may require more specialist management expertise.
- 3.4 Officers collated a detailed specification identifying the core services to manage the housing stock, as well as providing flexibility to add additional properties or removing sites as they are agreed by the Council for either development or disposal as the Council continues to work through its Transformation Programme.
- 3.5 The intention being, that the Council will remain the statutory landlord responsible for the long-term asset management of the HRA portfolio, with a Contractor appointed as managing agent to provide and deliver a range of operational housing services.
- 3.6 As a provider of Social Housing the Council were seeking to award a contract to a Registered Housing Provider who had no enforcement action against them with the Regulators. In addition to this requirement and given the nature of this contract, the Council were also seeking a provider who could demonstrate the ability to provide the necessary services and who, preferably, would have a local base within or near to the Borough.
- 3.7 On the 2nd October 2023 the Council commenced a formal tender exercise via a 1-stage open process seeking a housing management partner to deliver a wide range of services for the Councils owned housing stock and leased properties.
- 3.8 The formal tender process closed 2nd November 2023, following formal evaluation of bids received, the Council were unable to progress with an award of contract, having assessed the tender responses as being unsuitable and not meeting the necessary threshold for progression. The accompanying part 2 report contains further detail on this process.
- 3.9 Under procurement regulation Section 32 Paragraph 2A, the Council entered negotiated discussions with a selection of registered housing providers identified by the service through prior market engagement. These discussions progressed at a good rate of pace and in December 2023 the Director of Housing, Planning and Regeneration, Assistant Director of Housing alongside the Head of Housing Schemes identified the preferred supplier.
- 3.10 Whilst substantial efforts have been made to expedite the above process, due to the complexity and nuances of the contract and portfolio therein, negotiated discussions are ongoing with the preferred supplier, with officers anticipating to finalise heads of terms in the coming weeks.

- 3.11 In light of this, and with due regard to TUPE regulations and Procurement regulations, the Council have discussed with the incumbent provider to extend the contract for a maximum period of 12 weeks commencing the 1st April 2024 and expiring 30th June 2024. This short extension is to ensure continuation of services to Bromley residents, to allow heads of terms to be agreed and to provide support to the proposed new provider during the mobilisation period.
- 3.12 As referenced in report (HPR 2022/050), (HPR2023/048) and set out in the draft budget report number (FSD24/001) a proposal has been submitted outlining the additional staffing resources required to support this and the other Bromley Housing Schemes, which outlines the requirement to recruit a permanent Head of Service post and at least 2 additional support officers.
- 3.13 Further information relating to the preferred supplier and financial information therein can be found in the accompanying part 2 report.

4. FINANCIAL IMPLICATIONS

- 4.1 This report recommends that Executive approves the short extension of terms with Pinnacle for a period of 12 weeks commencing the 1st April 2024 and expiring 30th June 2024 at an estimated value detailed in Part 2 of this report. This contract extension will be funded from the 2024/25 Operational Housing revenue budget.

5. LEGAL IMPLICATIONS

- 5.1 This report seeks approval to:
- i) Approve the short extension of terms with Pinnacle for a period of 12 weeks commencing 1st April 2024 and expiring 30th June 2024 at an estimated value as set out in the accompanying Part 2 report to allow for an effective handover between the incumbent provider (Pinnacle) and the proposed incoming party;
 - ii) Approve award of contract in principle for the housing management and associated services contract in relation to the Bromley owned residential portfolio, as detailed in the accompanying Part 2 report;
 - iii) Grant delegated authority to the Director of Housing, Planning and Regeneration to finalise the award of contract subject to heads of terms being agreed, in agreement with the Director of Corporate Services and the Director of Finance.
 - iv) Grant delegated authority to the Director of Housing, Planning and Regeneration, subject to agreement with the Assistant Director Governance and Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder for Renewal, Recreation and Housing, to apply the extension option in due course.
- 5.2 The background to this is set out in report (HPR2023/048). In September 2023 Executive granted approval to proceed to procure via a compliant open tender for the housing management and associated services contract in relation to the Bromley owned residential portfolio. Following evaluation of bids received, the Council were unable to progress with an award of contract, having assessed the tender responses as being unsuitable and not meeting the necessary threshold for progression. The accompanying part 2 report contains further detail on this process. The council utilised Regulation 32 2A of the Public Contracts Regulations 2015 (PCR) and entered negotiated discussions with a selection of registered housing providers and in December 2023 a preferred supplier was identified.
- 5.3 The Council has certain legal duties and powers towards persons to whom the council provides housing tenancies to under the Housing Act 1985 and must comply the regulatory

requirements and standards set by the Regulator of Social Housing under the Housing & Regeneration Act 2008 and the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2010. The Council therefore have the legal power to manage those tenancies and to enter a contract with a provider for the provision of general housing management services.

- 5.4 Regulation 72 of the PCR allows contracts to be modified during their term provided the requirements in regulation 72 are met. A contract extension of this value may be authorised in accordance with the requirements set out in CPR 13.1.
- 5.5 This is a services contract for the purposes of the PCR and as the estimated value exceeded the relevant threshold under the Regulations, the Council was required to carry out a fully compliant Procurement exercise. As the report states, the tender responses received were not suitable and did not meet the council's threshold for progression. Two of the three responses received did not meet the minimum requirements and did not provide sufficient information and were therefore deemed to be non-compliant. The third tender response was evaluated but, based on the information submitted did not meet the minimum quality evaluation scoring threshold and was therefore deemed to be a failed bid.
- 5.6 Regulation 32 2 (a) of the PCR allows contracting authorities to award public contracts by a negotiated procedure without prior publication where no suitable tenders have been submitted in response to an open procedure. 32 (3) (b) of the PCR states a request to participate shall be considered not to be suitable where the economic operator concerned (ii) does not meet the selection criteria.
- 5.7 The Council Procedure Rules (CPR's) allow for a direct award to be made provided it is in compliance with the PCR's. For a contract award of this value Chief Officer approval is required in Agreement with the Director of Corporate Services, Assistant Director Governance & Contracts and Director of Finance and the approval of the Executive.
- 5.8 Procurement colleagues have confirmed 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.

6. PROCUREMENT IMPLICATIONS

- 6.1 This report seeks permission for a short extension of terms for a period of 12 weeks commencing the 1st April 2024 and expiring 30th June 2024 at a value set out in Part 2 of this report.
- 6.2 This report further seeks to award a contract to a preferred supplier for a period of ten Years with an option to extend for a further period of 5 Years, at an estimated value set out in Part 2 of this report.
- 6.3 The Council undertook an Open process, that was unsuccessful, receiving no suitable bids. Under Regulation 32 of the Public Contract Regulations, the Council has negotiated with a suitable provider for the provisions of this service.
- 6.4 This is a services contract and the value of this procurement falls above the thresholds set out in Part 2 of the Public Contracts Regulations 2015, and was undertaken in compliance with the Regulations.
- 6.5 The Council's requirements for authorising an award of contract are covered in CPR 16. For a contract of this value, the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the

Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

- 6.6 Following the decision, a Find A Tender Award Notice will be issued and, as the contract value is over £30,000 including VAT, an award notice will need to be published on Contracts Finder. A mandatory standstill period will need to be observed.
- 6.7 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.

7. PROPERTY IMPLICATIONS

- 7.1 Strategic Property have been consulted as part of this process and confirm that they support the recommended approach. Strategic Property will work with the Provider and the wider Council to develop/implement Asset Management Strategy, subject to the necessary approvals. There will also need to be future consideration given to resource implications as part of the agreement of the Asset Management Strategy

8. CUSTOMER IMPACT

- 8.1 At present there are 76 Beehive units, 15 Bromley owned street properties, 60 HRA units alongside Manorfields multi-unit facility. There are a further 49 units on site and currently in the development phase with a further 78 units identified in the pipeline.

Non-Applicable Headings:	Ward Councillor Views, Impact on the local economy, Impact on health and wellbeing, Carbon reduction/social value, Personnel Implications
Background Documents: (Access via Contact Officer)	Housing Management Procurement option HPR 2022/050 Housing Management Contract (Approval to proceed to tender) HPR2023/048 Draft 2024/2025 budget FSD24/001

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