

**Decision Maker:** COUNCIL

**Date:** 24th October 2011

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

**Title:** UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2012/13 TO 21015/16

**Contact Officer:** Lynn Hill, Democratic Services Officer  
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**Chief Officer:** Director of Resources

**Ward:** Borough wide

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1. Reason for report

- 1.1 At its meeting on 7<sup>th</sup> September 2011 the Executive considered a report by the Finance Director (attached as Appendix A) updating members on the Council's financial strategy and the various issues that will continue to shape it over the medium and longer term. This is the first in a series of reports leading up to the final budget proposals to be considered in February next year.
- 1.2 The report gives the latest budget projections and highlights the further budget gap identified for 2012/13 to 2014/15. It also looked at various measures to try and bridge this gap a part of which was an ongoing review of the Council's key assets. Arising from this it was proposed to utilise about half (£25m) of the Council's general reserves (totalling £49m) to set up two investment funds – a Regeneration/Investment Fund (see section 10.4 of the Director's report) and an Invest to Save Fund (see section 10.5 of the Director's report).
- 1.3 The Executive having considered the financial situation supported the creation of these two funds as a means of making better use of the Council's assets and yielding higher returns whilst allowing for much needed investment in Town Centres (the full minute of the Executive's discussion is attached at Appendix B). Accordingly Council is being recommended to approve the establishment of these two funds on the basis set out in the report of the Director of Resources.
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2. **RECOMMENDATION(S)**

**Council is recommended to approve:**

- 1) the creation of a Regeneration/Investment Fund (Earmarked Reserve) with £10m set aside from general reserves as detailed in Section 10.4 of the Director's report; and

2) the creation of an Invest to Save Fund (Earmarked Reserve) with £14m set aside from general reserves as detailed in Section 10.5 of the Director's report.

<b>Background Documents</b>	2011/12 Council Tax Report, Executive, February 2011 2011/12 Financial Monitoring Report, Executive, September 2011
Financial Considerations	Covered within overall report at Appendix A
Personnel Considerations	None arising directly from this report
Legal Considerations	None arising directly from this report

## Corporate Policy

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

1. Cost of proposal: N/A
  2. Ongoing costs: Recurring cost. Impact in future years detailed in Appendix 3 of Report RES11075
  3. Budget head/performance centre: Council wide
  4. Total current budget for this head: £132.2m, 2011/12 Budget (excluding GLA precept)
  5. Source of funding: See Appendix 1 for overall funding of Council's budget
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## Staff

1. Number of staff (current and additional): total employees – full time equivalent posts 6,845 of which 4,425 are for delegated budgets to schools (per 2011/12 Budget)
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
  2. Call-in: Call-in is not applicable.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2011/12 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.
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## Ward Councillor Views

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