

## SUMMARY OF DRAFT 2019/20 REVENUE BUDGET – PORTFOLIO

2018/19 Final Budget £'000	Portfolio/Item	2019/20 Draft Budget £'000	2019/20 Band "D" Equivalent £
82,546	Education	84,310	641.49
Cr 76,771	Less costs funded through Dedicated Schools Grant	Cr 77,644	Cr 590.77
5,775	Sub total	6,666	50.72
34,493	Children's Social Care	37,286	283.70
67,267	Adult Care and Health	69,448	528.41
30,546	Environment & Community Services	31,644	240.77
2,424	Public Protection and Enforcement	2,425	18.45
13,971	Renewal, Recreation and Housing	15,932	121.22
32,916	Resources, Commissioning & Contracts Management	31,822	242.12
3,907	Non Distributed Costs & Corporate & Democratic Core	3,986	30.33
191,299	Total Controllable Budgets	199,209	1,515.72
12,056	Total Non Controllable Budgets	11,768	89.54
Cr 759	Total Excluded Recharges	Cr 792	Cr 6.03
202,596	Portfolio Total	210,185	1,599.23
Cr 10,646	Reversal of Net Capital Charges	Cr 10,265	Cr 78.10
Cr 3,491	Interest on General Fund Balances	Cr 3,291	Cr 25.04
Cr 2,256	New Homes Bonus - Support for Revenue Budget	-	-
2,210	Utilisation of Prior Year Collection Fund Surplus/Set Aside	-	-
14,278	Central Contingency Sum	11,669	88.79
	Levies		
455	- Local Pension Partnership*	469	3.57
248	- London Boroughs Grants Committee	249	1.89
245	- Environment Agency *	252	1.92
314	- Lee Valley Regional Park *	323	2.46
203,953	Sub Total	209,591	1,594.72
Cr 41,960	Business Rate Retention	Cr 39,810	Cr 302.90
-	Business Rate Levy	Cr 600	Cr 4.57
Cr 7,852	Collection Fund Surplus	Cr 6,800	Cr 51.74
Cr 3,534	New Homes Bonus	Cr 2,530	Cr 19.25
150,607	Bromley's Requirement (excluding GLA)	159,851	1,216.26

\* Final allocations awaited

\*\* There may be further amendments to reflect any changes to the Portfolio structure for 2019/20

### 3. Earmarked Reserves

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

Description	Balance at 1/4/18 £'000	Estimated Net Movement £'000	Balance at 31/3/19 £'000	Estimated Movement £'000	Estimated Balance at 31/3/20 £'000
<b>EARMARKED BALANCES</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
LPSA/LAA Reward Grant Investment Fund	231	-	231	-75	156
Technology Fund	1,755	3528	5,283	-2286	2,997
Town Centre Improvement Fund (LABGI)	55	-	55	-	55
Transformation Fund	2,796	-672	2,124	-700	1,424
Investment to Community (Resources)	468	-26	442	-	442
Works to Property	100	-	100	-	100
Planning Services Charging Account	193	-27	166	-	166
Government Grants (c/fwd from previous years)	5,137	750	5,887	-3,625	2,262
Invest to Save Fund	15,972	1027	16,999	940	17,939
One off Member Initiatives	1,167	-243	924	-	924
Infrastructure Investment Fund	1,868	-1439	429	-	429
Commissioning Authority Programme	555	-174	381	-126	255
Health & Social Care Initiatives – Promise Programme	3,953	-1,500	2,453	-2453	0
Housing Strategy Trading Account	25	-	25	-	25
Community Right to Bid & Challenge	46	-	46	-	46
Investment Fund	6,197	-199	5,998	-1,527	4,471
Winter Pressures Reserve	2,010	-	2,010	-	2,010
Refurbishment of War Memorials	13	-	13	-	13
Key Health & Social Care Initiatives	1,700	-	1,700	-1047	653
Integration of Health & Social Care Initiatives	864	750	1,614	-	1,614
Collection Fund Surplus Set Aside	11,313	-5,642	5,671	-	5,671
Healthy Bromley Fund	3,815	-	3,815	-	3,815
Glaxo Wellcome Endowment	143	-13	130	-7	123
Cheyne woods & Cyphers Gate	153	-10	143	-10	133
Public Halls Fund	7	-	7	-	7
Future Repairs of High Street Properties	43	12	55	12	67
Parallel Fund	2,700	-	2,700	-	2,700
Growth Fund	23,152	-138	23,014	-5,588	17,426
Health & Social Care Integrated Commissioning Fund	4,550	-1250	3,300	-	3,300
Financial Planning & Risk Reserve	10,000	-	10,000	-	10,000
Bromley Welfare Fund	860	-134	726	-125	601
Payment in Lieu Reserve for Temporary Accommodation	122	27	149	27	176
Business Rate Risk Reserve	4,200	-	4,200	-	4,200
<b>Sub Total B/fwd</b>	<b>106,163</b>	<b>-5,373</b>	<b>100,790</b>	<b>-16,590</b>	<b>84,200</b>

Description	Balance at 1/4/18	Estimated Net Movement	Balance at 31/3/19	Estimated Movement	Estimated Balance at 31/3/20
<b>EARMARKED BALANCES</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Sub Total C/fwd</b>	<b>106,163</b>	<b>-5,373</b>	<b>100,790</b>	<b>-16,590</b>	<b>84,200</b>
One Off Expenditure 2016/17 (inc. TFM contract)	97	-	97	-	97
Crystal Palace Park Improvements	82	-82	0	-	0
Various Joint Schemes and Pump Priming Investments	4,145	-955	3,190	-124	3,066
Transition Fund	2,590	-30	2,560	-30	2,530
Children's Social Care Transition Fund	750	-750	0	-	0
Environmental Initiatives	500	-36	464	-	464
Planning/Planning Enforcement	197	-97	100	-100	0
Apprenticeship Scheme	200	-34	166	-94	72
Civic Centre Development Strategy	257	-	257	-100	157
CSC Recruitment & Retention	422	-422	0	-	0
Future Professional Advice for Commissioning	147	-	147	-50	97
Utilisation of New Homes Bonus	2,256	-2,256	0	-	0
Future Pensions Risk on Outsourcing	203	349	552	352	904
West Wickham Leisure Centre & Library Development	993	-993	0	-	0
Income Equalisation Reserve	1,086	-	1,086	-	1,086
<b>Sub Total</b>	<b>120,088</b>	<b>-10,679</b>	<b>109,409</b>	<b>-16,736</b>	<b>92,673</b>
<b>PROVISIONS</b>					
Insurance Fund	3,717	30	3747	295	4,042
<b>OTHER</b>					
School Budget Share Funds	2,219	-130	2089	-2,089	0
<b>Total Estimated Reserves</b>	<b>126,024</b>	<b>-10,779</b>	<b>115,245</b>	<b>-18,530</b>	<b>96,715</b>

3.2 The report highlights the ongoing 'budget gap' (see 5.1 of main report) which results in the Council, on an ongoing basis, having a "structural deficit". To respond to this, Members have agreed over the last six years to create new earmarked reserves to support longer term investment and provide a more sustainable longer term financial position. This includes setting aside resources to support the Council's future transformation programmes (invest to save), support acquisition of investment properties to generate sustainable income and the growth fund to support economic development and employment within the borough whilst generating income opportunities. Further opportunities will be explored to provide invest to save to mitigate against the significant cost pressure of homelessness. These measures are important to provide sustainable solutions in the longer term.

3.3 A summary of other significant areas are:

- School Balances - these are unspent balances of budgets delegated to individual schools and these are legally only available to schools.
- Insurance Reserves – self-insurance is a mechanism used by a number of local authorities including Bromley. In the absence of any other statutory basis, sums held to meet potential and contingent liabilities are reported as earmarked reserves or provisions.