

**Decision Maker:** EXECUTIVE

**Date:** Thursday 6 October 2022

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

**Title:** BUDGET MONITORING 2022/23

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**Chief Officer:** Director of Finance

**Ward:** Borough Wide

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1. Reason for report

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

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £8,036k is forecast based on information as at July 2022.
- (c) consider the comments from Chief Officers detailed in Appendix 2;
- (d) note the carry forwards being requested for drawdown as set out in para 3.3;
- (e) note a projected reduction to the General Fund balance of £2,177k as detailed in section 3.4;
- (f) note the full year cost pressures of £8.255m as detailed in section 3.5;
- (g) agree to the release of funding from the 2022/23 central contingency as detailed in paragraphs 3.2.2 to 3.2.23;

- (h) agree to the release of £600k from the Growth Fund reserve for the Local Plan review as detailed in para. 3.9;**
- (i) identify any issues that should be referred to individual Portfolio Holders for further action;**
- (j) note the change in General Fund Earmarked Reserves as detailed in para 3.12.**

**2.2 Council are requested to:**

- (k) agree a sum of £2.4m be drawn down from the 2022/23 contingency as detailed in paragraph 3.2.2.**

### Impact on Vulnerable Adults and Children

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

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

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Recurring Cost
  3. Budget head/performance centre: Council wide
  4. Total current budget for this head: £229.8m
  5. Source of funding: See Appendix 1 for overall funding of Council's budget
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### Personnel

1. Number of staff (current and additional): 2,181 fte posts (per 2022/23 Budget) which includes 483 for budgets delegated to schools
  2. If from existing staff resources, number of staff hours: N/A
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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 Local Government Act 2000, the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
  2. Call-in: Applicable
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### Procurement

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

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

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

### 3. COMMENTARY

#### 3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included a target that each service department will spend within its own budget. Current projections show an overall net overspend of £8,036k within portfolio budgets and a £6,324k credit variation on investment income, central items and prior year adjustments.

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

	2022/23 Original Budget £'000	2022/23 Latest Budget £'000	2022/23 Projected Outturn £'000	2022/23 Variation £'000
<b>Portfolio</b>				
Adult Care & Health	79,216	79,316	79,910	594
Children, Education & Families (inc. Schools Budget)	49,594	50,721	56,015	5,294
Environment & Community	34,294	35,878	36,913	1,035
Public Protection & Enforcement	2,645	2,645	2,665	20
Renewal, Recreation & Housing	14,502	15,062	15,655	593
Resources, Commissioning & Contracts Management	43,841	46,183	46,683	500
<b>Total Controllable Budgets</b>	<b>224,092</b>	<b>229,805</b>	<b>237,841</b>	<b>8,036</b>
Capital Charges and Insurance	11,399	11,399	11,399	0
Non General Fund Recharges	Cr 1,461	Cr 1,461	Cr 1,461	0
<b>Total Portfolio Budgets</b>	<b>234,030</b>	<b>239,743</b>	<b>247,779</b>	<b>8,036</b>
Income from Investment Properties	Cr 9,166	Cr 8,666	Cr 8,481	185
Interest on General Fund Balances	Cr 2,841	Cr 2,841	Cr 3,841	Cr 1,000
<b>Total Investment Income</b>	<b>Cr 12,007</b>	<b>Cr 11,507</b>	<b>Cr 12,322</b>	<b>Cr 815</b>
Contingency Provision	18,208	10,424	4,915	Cr 5,509
Other Central Items	Cr 8,901	Cr 8,901	Cr 8,901	0
General Government Grants & Retained Business Rates	Cr 48,395	Cr 48,395	Cr 48,395	0
Collection Fund Surplus	Cr 4,100	Cr 4,100	Cr 4,100	0
<b>Total Central Items</b>	<b>Cr 43,188</b>	<b>Cr 50,972</b>	<b>Cr 56,481</b>	<b>Cr 5,509</b>
<b>Total Variation on Services and Central Items</b>	<b>178,835</b>	<b>177,264</b>	<b>178,976</b>	<b>1,712</b>
Prior Year Adjustments	0	0	0	0
<b>Total Variation</b>	<b>178,835</b>	<b>177,264</b>	<b>178,976</b>	<b>1,712</b>

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

3.1.4 Chief Officer comments are included in Appendix 2.

#### 3.2 Central Contingency Sum

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

3.2.2 Additional staffing capacity in Childrens Social Care - £2.4m

£2.4 million over four years to allow for the initial recruitment of 20 additional Social Worker (SW) posts. We will recruit 20 new posts in year one, and then reduce back down by 5 SWs in

each subsequent year of the additional funding. The initial additional investment will allow a return to lower caseloads, which in turn will assist in making effective interventions with families that can lead to better and safer outcomes and ensure we are not involved in the lives of families for so long. These efficiencies will allow us to work more effectively and so gradually return to the current staffing numbers over the course of the funding.

£700k will be drawn down and used in 2022/23 with the remaining £1.7m set aside in Social Care Staffing Reserve to be utilised in future years.

This is covered in a separate report to the Executive on the same agenda

### 3.2.3 Temporary increase in Children in Need (CIN) social workers - £250k

A one of) figure of £250k to fund the temporary funding of two short-term teams of Social Workers between June and December 2022 to assist in meeting current/immediate demand to reduce caseloads and to strengthen practice. This resource will allow caseloads to reduce in the short/medium term whilst recruitment activity for the larger financial support package can be activated.

### 3.2.4 Environment inflation - £1,084k

The 2022/23 ECS revenue budget allowed for general inflation of 4% for all contract budgets. However, actual indexation for the main Environment contracts (total budget c£39m) this year ranges from just over 6% for the Waste Collection and Street Environment contracts, to 8.6% for the Waste Disposal contract. If Executive were to approve additional funding to fully meet these contractual increases, this would require a drawdown of £1,084k from Central Contingency

### 3.2.5 Libraries - £54k

Similarly, the annual contract indexation for the Libraries contract this year is 5.4%, and if Executive were to approve additional funding to fully meet this contractual increase above the existing budget, a draw down from Central Contingency of £54k would be required.

### 3.2.6 Energy contract - £1,312k

As agreed by the Executive on 29th June 2022, this relates to the anticipated part year increased cost of the Council's energy contract from October 2022, assuming renewably sourced gas and electricity supplies. The full year additional cost is estimated at c£2.5m.

### 3.2.7 Car Park income - £500k

In agreeing the revenue budget for 2022/23, Executive approved a Central Contingency provision which includes an allowance of £500k to reflect continuing uncertainties regarding car parking income recovering post-Covid. As set out in this quarter's monitoring for Environment & Community Services, a further shortfall in income of £750k is projected this year and therefore it is requested to now draw down this allowance.

### 3.2.8 Property Income - £500k

Similarly, an allowance of £500k was made in Central Contingency to reflect continuing uncertainties regarding investment property and rental income. Given that an income shortfall of £675k from investment properties is projected this year, it is requested that this provision is now drawn down.

### 3.2.9 Legal Support - £170k

Part of the review of Legal services reported in November 2020, it was agreed to include a sum of £170k to be held in Central Contingency for locum costs for additional childcare and adults social care legal support. Demand for these services has continued this financial year and the full provision has now been drawn down.

### 3.2.10 Planning application backlog - £90k

A backlog in minor planning applications has arisen as a result of the impact of Covid-19, with around 300 cases currently outstanding. This is an issue faced by many local authorities and consequently recruiting temporary planning staff is extremely challenging. Therefore, the Assistant Director of Planning has explored engaging specialist companies who provide an outsourced option. It is estimated that the backlog could be cleared in around 6 months at a cost of c£90k and Executive are requested to approve one-off funding from Central Contingency for this.

### 3.2.11 Economic Development posts - £109k

A number of posts within the Culture & Regeneration division have historically been part funded by a recharge to the capital programme reflecting the support they provided to a number of regeneration schemes. This support is no longer provided as those staff are now engaged in supporting the Council's post-Covid business support and economic recovery activities. The full year cost of this is £109k and Executive are requested to agree that funding of £109k is drawn down from Central Contingency this year.

### 3.2.12 Norman Park - £151k

Executive agreed on 22 September 2021 to provide a grant contribution of £200k towards the costs of a new clubhouse at the Norman Park athletic track. This would be part funded from a saving in no longer paying the track management fee, with the balance met from Central Contingency. That grant has now been paid and funding of £151k is required from Central Contingency. This will be repaid to Central Contingency from the track management budget saving.

### 3.2.13 IT contract procurement - £989k

The Council's existing IT contracts with BT end in December 2023. At its meeting on 22 September, Executive are considering a report on the future provision of the Council's IT services including procurement options for a new contract. As set out in that report, Executive are requested to approve one-off funding from Central Contingency totalling £989k, of which £653k is required this financial year. This funding is in respect of procurement support costs (£346k in 2022/23) plus a further sum this year of £307k for new posts that are being recommended to implement a revised operating and service support model for IT services.

### 3.2.14 Resources to support GDPR compliance - £80k

To ensure that the Council complies with its statutory obligations and responsibilities under the UK General Data Protection Regulation (GDPR), and avoid the potential of financial penalties and enforcement action from the Information Commissioners Office against the Council for non-compliance, additional resources of 2 FTE at a cost of £80k are requested within the central Information Management Team to deal with:

- (1) All subject access requests (SARs) and coordination of all other GDPR requirements
- (2) Advise on compliance and support for service areas in general information requests
- (3) Maintain proactive disclosure logs and publication scheme on the corporate website.

### 3.2.15 Better Care Fund - £402k

The final Better Care Fund 2022/23 allocation was published in May at a 5.66% increase above 2021/22 levels, which equates to a £402k increase above the 4% assumed in the budget. It is proposed that this allocation is set aside for hospital discharge care packages.

### 3.2.16 IBCF - £227k

For the first time in recent years, the IBCF allocation had an inflationary increase for 2022/23 of 3% which equates to £227k. It is proposed that this is allocated to help offset cost pressures in the portfolio.

### 3.2.17 Public health Grant - £427k

The 2022/23 budget included assumed inflation of £214k on the Public Health Grant. The final allocation was £15,612k, which includes a further £427k increase. The financial forecast currently assumes the use of £259k from the Public Health reserve from 2023/24 onwards to fund growth items. This will be reviewed as part of the 2023/24 budget process will any surplus identified potentially reversing some of the 'core' Council funding for growth pressures.

### 3.2.18 ICS Funding - £3,916k

South East London Integrated Care Board have provided various amounts of funding as detailed below:

- a) Hospital Discharges (£3,308k): This is one-off funding to 'secure the continued provision of social care services in line with presenting need and discharge standards'. It is intended that this is used to fund the cost of hospital discharge packages following the cessation of central funding from NHS England during the Covid-19 pandemic.
- b) LD/Autism (£247k): As part of health and care pandemic recovery arrangements SELCCG awarded each of the six South East London boroughs one-off ringfenced funds to support the development of learning disability and autism services to residents. Funds were to be used to better identify and understand population health needs, enhance day activities and access to employment, reduce waiting times for paediatric support and to raise awareness of autism across universal public services and commercial services. LBB received £247K and through a S256 agreement with SELICB it is planned to spend the funds as follows:

<b>Service/Project</b>	<b>DESCRIPTION</b>	<b>FUNDING To 31<sup>st</sup> MARCH 2023</b>
Demand/management project	Commission of population health intelligence work to collect, create and analyse data to plan for future demand	£35,000
Day Services equipment	The provision of specialist equipment to three day centres for adults with learning disabilities	£40,000
Employment Development Fund	Pump priming to enable the development of social enterprises and other employment opportunities to support people with learning disabilities	£60,000
Autism waiting times reduction	Commission a dedicated family support/community pediatrics pilot to reduce waiting times for children	£62,000
Autism awareness campaign	Commission an autism awareness campaign aimed at universal services	£50,000

- c) Discharge Transformation (£361k): This funding has been used to enable the continuation of 2021/22 Winter Pressures schemes into the 2022/23 financial year in line with continued discharge demand. The fund will also allow the early start to some schemes for the coming winter.

### 3.2.19 Kings Funding - £500k

In response to the Covid pandemic LBB, with then SELCCG (now SELICB), jointly commissioned and developed a range of new and innovative multi-agency hospital discharge arrangements. These arrangements have made a significant contribution to hospital performance at the Princess Royal University Hospital reducing hospital lengths of stay. As part of sustaining these discharge arrangements the Kings College Hospital Trust has agreed to contribute funds to the new discharge arrangements at £500K per annum. Funds are to be spent on enhancing the discharge arrangements through an enhanced hospital to home service offer including assisted technology for discharged patients and additional resources to support post discharge welfare checks.

### 3.2.20 Market Sustainability - £804k

The Department for Health & Social Care (DHSC) has provided funding to support local authorities to prepare their markets for reform of the adult social care system, including the further commencement of Section 18(3) of the Care Act 2014 in October 2023, and to support local authorities to move towards paying providers a fair cost of care. The Council's allocation is £804k, and details of how it is proposed this will be utilised is set out in the Adult Social Care Reform report that will be reported to the October meeting of the Executive.

### 3.2.21 Charging Reform - £104k

Similar to the grant detailed above, DHSC has provided funding to support to local authorities towards expenditure in funding adult social care charging reform implementation. The grant covers the planning and preparation costs associated with charging reform to recruit additional staff to manage the increased demand for assessments and the implementation of the care account module. The Council's allocation is £104k, and details of how it is proposed this will be utilised is set out in the Adult Social Care Reform report that will be reported to the October meeting of the Executive.

### 3.2.22 Rough Sleeping initiative - £455k

The Council receives grant funding from the Department of Levelling Up, Homes and Communities (DLUHC) to enable it to undertake work with vulnerable groups, including rough sleepers and ex-offenders. Following a bid round, the Rough Sleepers Initiative (RSI) funding has been allocated to each local authority on an annual basis, however on this occasion the overall initiatives and project work has been agreed for a 3 year period. The funding is ring fixed to the Housing Options Service and will be spent on initiatives, resources and staffing as detailed in the table below:



	£
Employment support officer (ETE)	34,968
Project Support Officer (ex-offenders) (Ex-AFEO)	53,550
Rough Sleeping Team (Co-ordinator, and support workers)	121,260
Private Rented Sector Incentives	80,000
Personalisation Fund	4,000
Flexible Surge Funding	112,500
Temporary Accommodation and Resettlement Worker (6 months)	20,980
Private Rented Sector Officer (6 months)	20,980
Tenancy Sustainment fund	7,000
<b>Total</b>	<b>455,238</b>

### 3.2.23 Accommodation for Ex-Offenders - £70k

DLUHC has also further funded the Accommodation for Ex-Offenders (AFEO) Scheme for a further six months (1 April 2022 – 30 September 2022), awarding the amount of £70,000 for the role of a Project Support Officer and deposits for securing private rented sector accommodation for ex-offenders. Within the bid submission for RSI-5 funding, Bromley requested and successfully received an additional amount £53,550 for the AFEO Scheme, and this amount was granted for 1 October 2022 – 31 March 2023, and is included in the table above in para 3.2.22.

### 3.3 Carry Forwards from 2021/22 to 2022/23

3.3.1 After allowing for government grant funding, a net sum of £465k has been carried forward into 2022/23 from underspends in 2021/22. This was approved by the Executive on the 29<sup>th</sup> June 2022 subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder.

3.3.2 The carry forwards being requested are summarised in the table below and details will be reported to the relevant PDS Committee as described above. Details of the brought forward balances are also contained in Appx 4. The figures contained in this report assume that these requests will be agreed:

	£'000
Renewal, Recreation and Housing	561
Adult Care and Health	5,144
Children, Education & Families	680
Resources, Commissioning & Contracts	167
	<b>6,552</b>
Government Grant Income	Cr 6,087
<b>Total Net Carry Forwards Requested for Drawdown this Cycle</b>	<b>465</b>

### 3.4 General Fund Balances

3.4.1 The level of general reserves is currently projected to reduce by £2,177k to £17,823k at 31<sup>st</sup> March 2023 as detailed below:

	2022/23
	Projected
	Outturn
	£'000
<b>General Fund Balance as at 1st April 2022</b>	<b>Cr 20,000</b>
Net Variations on Services & Central Items (para 3.1)	1,712
	<u>Cr 18,288</u>
Adjustment to Balances:	
Carry Forwards (funded from underspends in 2021/22)	465
<b>General Fund Balance as at 31st March 2023</b>	<b><u>Cr 17,823</u></b>

### 3.5 Impact on Future Years

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

	2022/23 Budget £'000	2023/24 Impact £'000
<b>Adult Care &amp; Health Portfolio</b>		
Assessment & Care Management - Care Placements	28,203	821
Learning Disabilities - Care Placements & Care Management	42,273	255
Mental Health - Care Placements	6,265	45
		1,121
<b>Environment and Community Portfolio</b>		
Business Support and Markets	Cr 64	50
Waste Services	20,463	Cr 800
Parking	Cr 8,962	1,000
		250
<b>Renewal, Recreation &amp; Housing</b>		
Supporting people	1,070	Cr 94
Housing Needs - Temporary accommodation	5,990	Cr 214
		Cr 308
<b>Children, Education &amp; Families Portfolio</b>		
SEN Transport	6,505	1,282
Children's Social Care	42,446	5,910
		7,192
<b>TOTAL</b>		<b><u>8,255</u></b>

3.5.2 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

3.5.3 Further details are included in Appendix 5.

### Investment Income

### **3.6 Income from Investment Properties**

- 3.6.1 The impact of Covid and changing consumer habits has resulted in pressure on high street retail trading in recent years, with one significant tenant – Arcadia – going into administration resulting in a loss of rent this year of £685k. Although a new lease has recently been agreed for that site, the new reduced rental will only be payable after an initial rent-free period.
- 3.6.2 Generally, rental Income remains under pressure following the impact of COVID on businesses and their ability to pay rents. However, the Council has set aside provision for bad debts against outstanding amounts as at 31 March 2022 to mitigate the financial impact of businesses that may fail over the course of the year.

### **3.7 Interest on Balances**

- 3.7.1 The budget for 2022/23 has been set at £2,841k (2021/22: £3,591k). This reflects an expected reduction in balances available for investment as a result of the utilisation of capital receipts and grants/contributions as well as earmarked revenue reserves. The loss of income from the reduction in balances will be partly offset by anticipated further increases in the Bank of England base rate which will drive improved counterparty rates. New core fixed-interest investments taken out during the first quarter of 2022/23 were at an average rate of 2.15%.
- 3.7.2 Reports to previous meetings have highlighted the fact that options with regards to the reinvestment of maturing deposits had become limited in recent years following bank credit rating downgrades and the prevailing low interest rate environment. Changes to lending limits and eligibility criteria, as well as the introduction of pooled funds and housing associations have alleviated this to some extent.
- 3.7.3 Additionally, the treasury management strategy has previously been revised to enable alternative investments of £100m in pooled investments which generate additional income of approximately £2m compared with lending to banks. and officers continue to look for alternative investment opportunities, both within the current strategy and outside, for consideration as part of the ongoing review of the strategy
- 3.7.4 Owing to base rate increases in May, June and August 2022 counterparty rates have improved considerably and are currently in excess of 3.75%. On this basis, the current projection indicates that outturn will exceed budget by £1m.

### **3.8 The Schools Budget**

- 3.8.1 Expenditure on schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring-fenced and can only be applied to meet expenditure property included in the Schools Budget. Any overspend or underspend must be carried forward to the following year's Schools Budget.
- 3.8.2 The DSG projected to overspend by £4,254k. This will be added to the £7,142k carried forward from 2021/22. There has also been a prior year adjustment to the Early Years element of the DSG which reduced in year funding by £178k causing an additional pressure. This gives an estimated DSG deficit balance to be carry forward of £11,574k into the new financial year. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. Officers are working on a deficit recovery plan ahead of this being required by the DfE.

### **3.9 Local plan review - drawdown from the Growth Fund Reserve - £600k**

- 3.9.1 In order to prepare a robust evidence base to underpin the new Local Plan, additional budget is necessary alongside existing staffing resource in the Planning Policy and Strategy service. A budget of up to £600,000 is sought from the growth fund, based on the following estimated costs:

- Evidence base - £500,000 – this includes costs of essential evidence including a new Employment Land Review and a Local Plan Viability Study; and contingency to allow for preparation of additional evidence base work that may become necessary as we proceed through the Local Plan process. It also includes costs of additional work to support evidence base work that is being prepared in-house, for example, purchasing any necessary third-party data, 'critical friend' work, legal opinions.
- Examination and consultation costs - £100,000 – It is also important to factor in the costs of examination as well, as this can be considerable (depending on the length of the examination process and number of hearing days). The amount sought is based on experience of previous examination costs and factors in potential for specialist support at examination where necessary, for example, it is common to have Counsel support for discussion of technical legal issues.

### **3.10 Investment Fund and Growth Fund**

3.10.1 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring Q1 2022/23 which will be reported to Executive in September 2022. The uncommitted balances stand at £6.5m for the Investment Fund and £12m for the Growth Fund

### **3.11 Financial Context**

3.11.1 The 2022/23 Council Tax report to Executive on 9th February 2022 identified the latest financial projections and a future year budget gap of £19.5m per annum by 2025/26. Since that report, the budget gap will increase due to significant recent financial challenges relating to higher levels of inflation, potential costs of adult social care reform (identified in 2022/23 council tax report) needing to be quantified and potential changes to the statutory override position impacting on funding for Dedicated Schools Grant deficits. An initial update was provided in the Members Finance Seminar in May 2022 and a further update will be provided to a future meeting of the Executive.

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

### **3.12 General Fund Earmarked Reserves**

3.12.1 Appendix 7 sets out the final position of the Council's Earmarked Reserves as at 31st March 2022. This amends the figure of £265,407k reported to Executive on 29th June 2022 as part of the Provisional Final Accounts report. The final position was complicated owing to the treatment of Section 31 grants in relation to Business Rates; these monies flow both to and from reserves creating uncertainty and complexity which required some additional time to clarify the correct accounting treatment. Having made the appropriate changes, the confirmed final balance of Earmarked Reserves is £265,929k, some £522k higher than the figure included in the Provisional Final Accounts report. It should be noted that the final figure includes £45,935k of Section 31 grant that will fall out in 2022/23 when it will be used to offset business rates losses which the Council is required to account for in that period. A further

amount of £4,945k is held in the Collection Fund Deferred Costs Reserve; this represents grants received that will be matched against offsetting spend during 2022/23 and 2023/24.

**4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

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

**5. POLICY IMPLICATIONS**

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

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

**6. FINANCIAL IMPLICATIONS**

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

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