

## **2023/24 COUNCIL TAX – COMMENTS FROM PDS COMMITTEES**

### **Executive, Resources and Contracts PDS Committee**

16 January 2023

The report sought approval of the initial draft 2023/24 Budget including the full year effect of changes agreed as part of the 2022/23 Council Tax report and savings approved during the year with the resultant impact on the Council's medium term "budget gap".

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

PDS Committees views would also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on the 2023/24 Council Tax and Adult Social Care precept levels.

The report provided details of the Provisional Local Government Finance Settlement 2023/24 which was published on 19th December 2022 and represented a one-year settlement only, with limited indication of funding for 2024/25. The awaited Fair Funding Review and changes relating to the devolution of business rates, which could have a significant impact on future funding, had been delayed until at least 2025/26 – more realistically unlikely to be implemented until 2026/27.

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

In response to a question about the budget line for external counsel advice, the Director of Finance confirmed that responsibility for the Legal Service rested with the Portfolio Holder for Resources, Commissioning and Contracts Management. There were recharges but the initiator for counsel advice was through the Legal Service.

Noting that costs for local elections occurred every four years, the Chairman queried whether funds could be set aside annually to spread the cost. In response the Director of Finance agreed that there was a choice and there had possibly been a historical decision not to treat the funds as earmarked reserves by setting aside funds annually. However, there were different approaches that could be taken, and the funding could be reviewed.

The Director of Finance set out the budget process noting that individual PDS Committees would now receive and review portfolio budgets. The PDS contributions would then be reported back to the Executive in February.

The Chairman proposed the following additional recommendation for the Executive to consider:

2.1.12 That the Executive agrees that where possible any identified savings should be taken in year.

The motion was seconded by Councillor Owen.

Noting that Bromley had not had any return from its contributions to the London Boroughs Grant Committee Councillor Tony Owen proposed the following amendment to recommendation 2.1.6:

The proposed contribution of £246,470 in 2023/24 to the London Boroughs Grant Committee not be agreed.

The motion was seconded by Councillor Fawthrop.

The recommendations to the Executive, including the amended recommendation 2.1.6 and the additional recommendation 2.1.12 were put to the vote:

10 in favour

4 against (Councillors Jeal, Adams, McGregor and Ireland requested their votes against be recorded)

**RESOLVED: That the Executive be recommended to**

- 1. Note the initial draft 2023/24 Budget detailed in Appendix 7.**
- 2. Refer the initial draft 2023/24 Budget for each portfolio to the relevant PDS Committees for consideration.**
- 3. Note the financial projections for 2024/25 to 2026/27.**
- 4. Note that there are still areas of financial uncertainty which will impact on the final 2023/24 Budget.**
- 5. Agreed increased rent levels for London Affordable Rents and Social (Formula) Rents by 7% from April 2023 as set out in Section 12.2 of the report.**
- 6. Not agree the proposed contribution of £246,470 in 2023/24 to the London Boroughs Grant Committee (see section 22 of the report).**
- 7. Delegate the setting of the schools' budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 23 of the report).**
- 8. Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive.**

9. **Note the outcome of the Provisional Local Government Financial Settlement 2023/24 as detailed in the report.**
10. **Note the budget gap remaining of an estimated £29.6m per annum by 2026/27 and that any decisions made for the 2023/24 Budget will have an impact on the future year projections.**
11. **Note 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.,**
12. **Agree that where possible any identified savings should be taken in year.**

### **Children, Education and Families Budget Sub-Committee:**

19 January 2023

The report considered the Portfolio Holder's draft 2023/24 Budget which incorporated the future cost pressures and initial draft budget saving options reported to the Council's Executive on 18 January 2023. Members were requested to consider the initial draft budget being proposed and to identify any further action that might be taken to reduce cost pressures facing the Council over the next four years with a view to the Council's Executive making recommendations to Council on the 2023/24 Council Tax levels. There were still outstanding issues and areas of uncertainty remaining and any further updates would be included in the 2022/23 Council Tax report to the meeting of the Council's Executive on 8 February 2023.

In reviewing the report, a Member highlighted a reference to the need to make further savings within the Portfolio in future years. The Head of Finance: Children, Education and Families confirmed that consideration might need to be given to reducing the scope or level of some services in future years, depending on service demand and funding levels. Service transformation would be a key mechanism to deliver such savings via more efficient and cost-effective services, and the recent transformation of SEND transport provided a good example of a service being delivered more efficiently whilst supporting approximately ten young people to build life skills and independence via travel training. Work was also ongoing to establish a new Special Free School in the Borough which was anticipated to provide a much needed in-borough offer to Bromley children whilst reducing the number of costly out-of-borough placements and associated costs such as SEND transport.

With regard to future cost savings, the Local Authority's first priority would always be to its statutory responsibilities; however, it was important to understand the dynamic with discretionary services as these were often key to reducing the pressure on statutory services, such as through early intervention. Recruitment and retention of in-house social workers would remain an area of primary focus including via recruitment fairs and international recruitment, and 8-10 international social workers were due to start at the Local Authority in Spring 2023. A Member suggested that offering a clear career path in the Local Authority would help attract and retain in-house social workers and the Director of Children, Education and Families confirmed that this was one of the options being considered. In response to a question from a Member, the Director of Children, Education and Families advised that work was

underway to explore the potential transformation of Youth Services into a Community Interest Company that would enable the Service to generate an element of commercial income alongside its Local Authority funding stream. Another Member queried the significant budget set aside for Total Excluded Recharges and the Head of Finance: Children, Education and Families explained that these related to services provided by other Local Authority Departments, such as HR or Legal services and that further details would be circulated to Members following the meeting.

**RESOLVED: That:**

- **The update on the financial forecast for 2023/24 to 2026/27 be noted;**
- **The initial draft 2023/24 budget be noted as a basis for setting the 2023/24 budget; and,**
- **The Council's Executive be recommended to note the comments of the Children, Education and Families Budget Sub-Committee on the initial draft 2023/24 budget at its meeting on 8 February 2023.**

**Renewal, Recreation and Housing PDS Committee:**

23 January 2023

The report considered the Portfolio Holder's draft 2023/24 Budget which incorporated the future cost pressures, planned mitigation measures, savings from transformation and other budget options reported to the Council's Executive on 18 January 2023. Members were requested to consider the initial draft budget being proposed and to identify any further action that might be taken to reduce cost pressures facing the Council over the next four years with a view to the Council's Executive making recommendations to Council on the 2023/24 Council Tax levels. There were still outstanding issues and areas of uncertainty remaining and any further updates would be included in the 2022/23 Council Tax report to the meeting of the Council's Executive on 8 February 2023.

In response to a question from a Member, the Director of Housing, Planning and Regeneration confirmed that the Local Authority continued to progress Phase 2 of the Meadowship Homes Scheme which was a joint venture with Orchard and Shipman. The Scheme aimed to acquire approximately 250 properties for use as social rented accommodation to help address homelessness and temporary accommodation pressures and where possible, properties were acquired within or close to the Borough. The Vice Chairman observed that the Scheme was partly funded by a £67m finance facility from Pensions Insurance Corporation (PIC) and asked for further details regarding the loan. The Head of Finance: Adult Social Care, Health and Housing confirmed that although there was limited market data available for this type of transaction, work carried out in relation to Meadowship Homes 2 provided confidence that a competitive rate had been secured and that further details would be circulated to Members following the meeting. Another Member was concerned that the Council's Executive had recently agreed a 7% increase in social housing rent levels for the 2023/24 financial year and the Head of Finance: Adult Social Care, Health and Housing advised that even with this increase, social housing rent levels for Bromley remained well within the local Housing Allowance level.

**RESOLVED: That:**

- **The update on the financial forecast for 2023/24 to 2026/27 be noted;**
- **The initial draft 2023/24 budget be noted as a basis for setting the 2023/24 budget; and,**
- **The Council's Executive be recommended to note the comments of the Renewal, Recreation and Housing PDS Committee on the initial draft 2023/24 budget at its meeting on 8 February 2023.**

**Adult Care and Health PDS Committee:**

24 January 2023

The Committee considered a report setting out the draft Adult Care and Health Portfolio Budget for 2023/24, which incorporated future cost pressures, planned mitigation measures and savings from transformation and other budget options which were reported to the Council's Executive on 18<sup>th</sup> January 2023. Members were requested to provide their comments on the proposed savings and identify any further action to be taken to reduce cost pressures facing the Local Authority over the next four years. It was noted that there were still outstanding issues and areas of uncertainty remaining and further updates would be included in the 2023/24 Council Tax report to the next meeting of the Executive.

The Head of Finance for Adults, Health and Housing advised Members that a balanced draft budget was proposed for 2023/24. However, there were a number of unknowns in the years ahead, relating to levels of government funding and inflation, and a budget gap of approximately £30m was projected in 4 years' time. With regards to Appendix 1 (page 44), it was noted that £5.8m had been added to the budget for increased costs (mainly inflation), and £6.2m of growth. There were also savings targets of £2.5m (mitigation) and £1.8m (Transformation Programme). The Head of Finance for Adults, Health and Housing said there were challenges, but echoed the comments made by the Director of Adult Social Care, regarding the plans that were already in place to achieve these savings and, on balance, considered it to be a fair budget for the portfolio.

A Member highlighted that despite Bromley having the sixth largest borough by population, the report noted that it received the second lowest settlement funding per head. The Head of Finance for Adults, Health and Housing advised that this was a historical issue relating to the level of government funding received. These comments were echoed by another Member, who said that this historic issue related to the funding formula and advised that the London Borough of Bromley had been campaigning for fairer funding for a number of years.

A Member highlighted the reference made in the report regarding the borough's council tax being 'the average of the four other low grant funded boroughs, our income would increase by £30.2m'. It was noted that this figure was similar to the projected budget gap and queried if the average council tax of these other boroughs

was known. The Head of Finance for Adults, Health and Housing advised that this information could be provided to Members following the meeting.

In response to questions, the Head of Finance for Adults, Health and Housing emphasised that the vast majority of savings that were being proposed were not a result of making cuts in services. The Director of Adult Social Care advised that at the last meeting, the transformations made within Adult Social Care had been highlighted. Appendix 2 of the report provided a summary of what had been delivered through the Transformation Programme over the last three years – things were being done in a smarter and more efficient way. However, going forward this would become harder in future years – for example there were significant pressures being seen relating to hospital discharge, which was making it harder to negotiate placements at a realistic rate. With regards to the Local Authority providing the care service themselves, the Director of Adult Social Care advised that this was something that Council's used to provide, but had increasingly moved away from. This had previously been considered, however the knowledge base and opportunity to provide care had been lost. Figures on an earlier prepared business case indicated that the cost for the Council to deliver its own residential care would result in the charges being even higher, partly due to overheads but also due to there not being the expertise within the Directorate. The Council did provide a small resablement service which was working extremely efficiently and was not a service that could be purchased from elsewhere – they were continuing to focus on the areas that they were good at.

A Member noted the reference made in the report to the Council having 'delivered savings of over £120m per annum since 2009/10 and the ability to make savings in lower priority areas becomes more problematic' and enquired if this point had now been reached. The Director of Adult Social Care said that this point had not yet been reached and she was comfortable with the plans proposed for the next financial year – however they may face some difficult decisions in future years. In response to a further question, the Director of Adult Social Care said that by investing in prevention, demand could be reduced. This was something they had been seeking to address locally by using the additional government money for hospital discharge, investing it in more preventative services to prevent hospital admissions.

**RESOLVED that:**

- i) The financial forecast for 2023/24 to 2026/27 be noted;**
- ii) Members' comments on the initial draft Adult Care and Health Portfolio budget 2023/24 as a basis for setting the 2023/24 budget be noted; and,**
- iii) Members' comments on the initial draft Adult Care and Health Portfolio budget 2023/24 be provided to the February 2023 meeting of the Council's Executive.**

**Environment and Community Services PDS Committee:**

25 January 2023

The Committee noted the Environment and Community Services Portfolio Draft Budget for 2023/24.

A Member referenced Line 10 in Appendix 1 of the report—this was the ‘Income on sale of recyclates not inflated in contract’. She asked for an explanation of what this meant. It was explained that this meant that there was no inflation increase on the sale of anything that the Council sold to recycle.

The Committee considered the update on the financial forecast for 2023/25 to 2026/27 and considered the initial draft budget as a basis for setting the 2023/24 budget.

It was agreed that the Committee was content to accept the initial draft budget and had no additional comments to make for the attention of the Executive.

**Public Protection and Safety PDS Committee:**

31 January 2023

The Committee noted the Public Protection and Enforcement Portfolio Draft Budget Report for 2023/24.

The report was presented by the Head of Finance—ECS. He asked if there were any comments that the Committee would like to make for the attention of Full Council. It was advised that with respect to the Out of Hours Noise Service, the funding for this would be fed into the budget from the Contingency Fund.

**RESOLVED:**

**The PPE PDS Committee agreed that the initial draft budget be accepted as a basis for setting the 2023/24 budget and that no further comments for the Executive were required.**