

Labour's Budget Amendment: Notes and explanation for members

Budget Meeting 26th February 2024

All members are well aware of the mounting budget pressures today, notably in children's care, adult care and housing. The pressures stem from both rising demand and rising costs per user from external providers.

This is a budget amendment designed to tackle these pressures head on. We propose combining cuts with substantial investment – with the council in a position to benefit by £4.6m per year from 2027-28.

Investing in housing, childcare and adult care

The amendment seeks to invest now to both improve services and reap long term gains to the council's budget. These investments are in three areas – housing, children's care and adult care.

The amendment proposes retaining the Civic Centre site and building social housing on it. With temporary accommodation costs on course from £8,200 per unit a year, past £9,000 in the year ahead, we have projected turning a fast-mounting annual cost into a £1.4 million a year budget gain from 2027-28.

Securing this benefit requires a project of scale and we have modelled a 320-unit project of social housing – funded by £54m of GLA grants, a loan of £58m and £11.2 million of contingencies from Invest to Save.

The amendment applies the same principle to Children's Care and Adult Care. Investing now, at scale, would allow the children's placement saving from new children's homes and the adult placement savings from new care homes each to save the council £1m a year.

We understand council officers have begun feasibility work in these three areas – and our proposals would be subject to their due diligence. But this amendment is about injecting purpose and scale – to maximise both the benefits to residents in securing better services closer to home – and creating more long-term financial stability for Bromley Council.

Council tax relief for Bands A-C and care leavers

At the same time the amendment seeks to shield those most likely to feel the pain of council tax payments from further rises as the cost-of-living crisis continues – this is achieved by freezing council tax in bands A-C for 2024-25, via council tax support, at a cost of £1.387 million.

The amendment also extends 100% council tax support to care leavers (at a cost of £109,000).

Protecting charities

This amendment protects charity tenants of the council from paying market rent levels that they cannot afford. It proposes restricting all charity sector tenant rent reviews to inflation increase for two years before applying a 40% social value discount from market valuations from 2026-27 at a cost of £490,000 per year.

Savings in Youth Services

External third sector organisations have shown they can operate youth centres with greater success and at lower costs. The amendment seeks to commission services for six youth centres at an annual cost of £100k each per year – with a saving of £284,000 a year from 2025-26.

Additional Savings

We have identified further savings including:

- Reduction in the growth budget from 3.5% to 3% (£1.4 million per year)
- Central budget cuts (£250,000 per year)
- Providing skips to reduce fly tipping costs (£200,000 per year)