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DIRECT LINE: 020 8461 7638 DATE: 9 January 2026

To: Members of the  
**EXECUTIVE**

Councillor Colin Smith (Chairman)  
Councillor Kate Lymer (Vice-Chairman)  
Councillors Yvonne Bear, Nicholas Bennett J.P., Angela Page, Will Rowlands and Diane Smith

A meeting of the Executive will be held at Bromley Civic Centre, Churchill Court, 2 Westmoreland Road, Bromley, BR1 1AS on **WEDNESDAY 21 JANUARY 2026 AT 7.00 PM**

TASNIM SHAWKAT  
Director of Corporate Services & Governance

***Copies of the documents referred to below can be obtained from  
<http://cds.bromley.gov.uk/>***

## A G E N D A

### 1 APOLOGIES FOR ABSENCE

### 2 DECLARATIONS OF INTEREST

### 3 QUESTIONS

In accordance with the Council's Constitution, members of the public may submit one question each on matters relating to the work of the Committee. Questions must have been received in writing 10 working days before the date of the meeting.

Questions seeking clarification of the details of a report on the agenda may be accepted within two working days of the normal publication date of the agenda – by **5pm on Thursday 15 January 2026.**

### 4 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 26 NOVEMBER 2025 AND 12 DECEMBER 2025 (Pages 3 - 12)

### 5 DRAFT BUDGET AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY (Pages 13 - 136)

### 6 TRANSFORMATION REPORT 2024-2028 TWO YEAR PROGRESS REPORT 2025-26 (Pages 137 - 148)

7 **HOUSING SCHEMES PROGRESS COMMITTEE REPORT - PART 1 (PUBLIC) - INCLUDING AWARD OF MAIN WORKS CONTRACT (Pages 149 - 158)**

8 **NOTICE OF THE URGENT AWARD OF A CONTRACT FOR THE DIRECT PAYMENT SUPPORT SERVICE (Pages 159 - 164)**

9 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

10 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

	<u>Items of Business</u>	<u>Schedule 12A Description</u>
11	<b>HOUSING SCHEMES PROGRESS COMMITTEE REPORT - PART 2 (EXEMPT), INCLUDING AWARD OF MAIN WORKS CONTRACT (Pages 165 - 170)</b>	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
12	<b>PART 2: NOTICE OF THE URGENT AWARD OF A CONTRACT FOR THE DIRECT PAYMENT SUPPORT SERVICE (Pages 171 - 176)</b>	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

# Agenda Item 4

## EXECUTIVE

Minutes of the meeting held on 26 November 2025 starting at 7.00 pm

### Present:

Councillor Kate Lymer (Vice-Chair, in the Chair),  
Councillors Yvonne Bear, Nicholas Bennett J.P.,  
Angela Page and Will Rowlands

### Also Present:

Councillor Simon Jeal

## 79 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Colin Smith and Councillor Diane Smith.

(The Vice-Chairman, Cllr Kate Lymer, assumed the Chair for the duration of the meeting)

## 80 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

## 81 QUESTIONS

2 written questions were received and are attached at Appendix A.

## 82 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 15 OCTOBER 2025

**RESOLVED: That the minutes of the meeting held on 15 October 2025 be agreed and signed as a correct record.**

## 83 BUDGET MONITORING 2025/26 Report FSD25078

The report provided the second budget monitoring position for 2025/26 based on expenditure and activity levels up to the end of September 2025. The report also highlighted any significant variations which would impact on future years as well as any early warnings that could impact on the final year end position.

The Executive noted that an updated report with updated recommendations had been circulated in advance of the meeting.

The Director of Finance confirmed that a briefing had been circulated to all Members following the Chancellor of the Exchequer's Budget earlier in the day.

The updated report had been considered by the Executive Resources and Contracts (ERC) PDS Committee at its meeting on 24 November 2025, and the Committee supported the proposals. The Executive noted that at ERC PDS concerns had been raised around the mitigations within the Environment Portfolio budget and these would be discussed in more detail at the Environment and Community Services PDS in January 2026. The Director of Finance agreed to arrange a more detailed response to be sent to Members in advance of that meeting.

**RESOLVED: That**

- 1. The latest financial position be noted;**
- 2. It be noted that a projected net overspend on services of £16,672k is forecast based on information as at September 2025.**
- 3. The comments from Chief Officers detailed in Appendix 2 be noted.**
- 4. A projected reduction to the General Fund balance of £14,373k as detailed in section 4.4 of the report be noted;**
- 5. The full year cost pressures of £19.128m as detailed in section 4.5 of the report be noted;**
- 6. The release of £587k from the central contingency to cover additional legal expenditure as detailed in section 4.3 and Appendix 7 of the report be agreed;**
- 7. The release of funding from the 2025/26 central contingency as detailed in paragraphs 4.2.2 to 4.2.9 of the report be agreed;**
- 8. It be agreed that any issues identified should be referred to individual Portfolio Holders for further action.**

**84            CAPITAL PROGRAMME MONITORING - QUARTER 2 2025/26**  
**Report FSD25078**

The report summarised the current position on capital expenditure and receipts following the conclusion of the second quarter of 2025/26 monitoring exercise.

The report also included details of proposed new schemes and additions to existing schemes, as well as the removal of various schemes that were now either complete or no longer being progressed.

The report had been considered by the Executive Resources and Contracts PDS Committee at its meeting on 24 November 2025, and the Committee supported the proposals.

**RESOLVED: That**

- 1. The contents of the report, including a total rephasing of £14.9m from 2025/26 and 2027/28 into future years as detailed in section 4.7 of the report be noted, and a revised Capital Programme be agreed.**
- 2. The following amendments to the Capital Programme be agreed:**
  - (a) A increase of £70k to an existing scheme as detailed in paragraph 4.5.1 of the report; and**
  - (b) A addition of £105k to a new scheme as detailed in paragraph 4.8.2 of the report.**

**85 COUNCIL TAX SUPPORT/REDUCTION SCHEME  
Report FSD25081**

The report sought approval for the 2026/27 Council Tax Support Scheme.

The report had been considered by the Executive Resources and Contracts PDS Committee at its meeting on 24 November 2025, and the Committee supported the proposals.

**RESOLVED: That**

- 1. It be agreed to maintain the existing Council Tax Support Scheme in 2026/27; and**
- 2. The Council Tax Support Scheme for 2026/27 be recommended to Council.**

**86 OPTIONS APPRAISAL - FUTURE OF THE LIBRARY SERVICE  
Report HPR2025/048**

The Greenwich Leisure Limited (GLL) Library Service Contract commenced on 1st November 2017 with an option of a five-year extension by mutual consent until 2032. The value of the contract over a ten-year period was currently £43,327,274. The report set out options for the future of the libraries service contract in Bromley the end of the initial ten-year term ended on 31st October 2027. The options explored whether to extend the contract with the current service provider (GLL) for the five-year extension period or seek an alternative option for library provision.

The report had been considered by the Renewal Recreation and Housing PDS Committee at its meeting on 18 November 2025, and the Committee supported the proposals.

**RESOLVED: That**

- 1. It be agreed that officers seek mutual agreement with Greenwich Leisure Limited (GLL) to extend the existing libraries service contract for five years until 31st October 2032. Based on like-for-like conditions, the guideline five-year Contract Price is estimated at £27.26m. This figure is subject to change based on contract extension negotiations and market forces/inflation.**
- 2. Authority be delegated to the Portfolio Holder for Renewal, Recreation and Housing to agree the final contract terms following officer negotiation.**

**87 HOUSING DELIVERY UPDATE  
Report HPR2025/043**

This report formed part of the Council's Housing Delivery Programme, Bromley Homes for Bromley People, and outlined recommendations for the Portfolio Holder for Renewal, Recreation and Housing and the Executive that would permit the continued development of plans for the proposed Castlecombe housing development.

The report had been considered by the Renewal Recreation and Housing PDS Committee at its meeting on 18 November 2025, and the Committee supported the proposals.

**RESOLVED: That**

- 1. The appropriation for planning purposes of the land surplus to operational need at Castlecombe Youth Centre Car Park for the purposes of Housing, shown edged green in Appendix A to this report pursuant to section 203 of the Housing and Planning Act 2016 ("HPA") be authorised; and**
- 2. Authority be delegated to the Director of Corporate Services and Governance to sign and execute all legal documentation in the HPA in relation to Castlecombe Youth Centre Car Park and any ancillary legal documentation arising thereto.**

**88 PROCUREMENT STRATEGY FOR EDUCATION CAPITAL WORKS  
Report CEF25059**

The Council required capital works to be undertaken at schools to discharge its statutory duties with regards the sufficiency of school places and in order to

maintain local authority-maintained schools. The report updated the strategy by which the Council would tender works contracts to undertake these works.

The report had been considered by the Children Education and Families PDS Committee at its meeting on 11 November 2025, and the Committee supported the proposals.

**RESOLVED: That**

- 1. The analysis undertaken into the procurement options contained within this report be noted.**
- 2. The Procurement strategy for the delivery of construction contracts as part of the delivery of the Council's Education Programme for the period 2025-31, whilst reflecting the impact of the Procurement Act 2023 be agreed.**
- 3. The continued use of the Open Procedure and introduction of Competitive Flexible Procedure for the procurement of education capital projects be agreed.**
- 4. On occasion and where economically advantageous the use of frameworks, in agreement with Corporate Procurement be agreed.**
- 5. The Regulated Below Threshold Closed Tender procedure be agreed as an alternative to the Open procedure, as appropriate, for Regulated Below Threshold Works contracts.**
- 6. It be agreed that the Council may on occasion pass funds to schools to deliver capital projects when it represents the most efficient means of delivery.**
- 7. It be agreed that capital schemes agreed for delivery with the Council's Basic Need Capital Programme and Education Planned Maintenance Programme can proceed to procurement in line with the Procurement Strategy detailed within this Report.**
- 8. It be agreed that the annual Basic Need Programme Report and Schools Capital Maintenance Report continue to act as Proceeding to Procurement Reports for individual schemes. These annual Programme Reports, agreed by the Executive and Children Education and Families Portfolio Holder respectively, determine which the schemes are allocated funding to proceed to the procurement of work contracts.**
- 9. It be noted that works will primary be undertaken through JCT and NEC contracts with London Borough of Bromley amendments.**

**89 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

The Chairman of the Executive, Resources and Contracts PDS Committee had sent his apologies. Whilst there were no additional items referred from Executive, Resources and Contracts PDS Committee, a visiting Member reported that the Committee had requested further information regarding a property issue. In response, the Portfolio Holder for Renewal, Recreation and Housing provided a brief update to the Member.

90 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE  
LOCAL GOVERNMENT (ACCESS TO INFORMATION)  
(VARIATION) ORDER 2006 AND THE FREEDOM OF  
INFORMATION ACT 2000

**RESOLVED** that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries  
refer to matters involving exempt information**

**91 EXEMPT MINUTES OF THE MEETING HELD ON 15 OCTOBER  
2025**

**RESOLVED:** That the Part 2 (exempt) minutes of the meeting held on 15 October 2025 be agreed and signed as a correct record.

92 PART 2 APPENDIX - CAPITAL PROGRAMME MONITORING - QUARTER 2 2025/26

## **RESOLVED: That the appendix be noted.**

The Meeting ended at 7.14 pm

## Chairman

## **EXECUTIVE**

Minutes of the meeting held on 12 December 2025 starting at 10.30 am

### **Present:**

Councillor Colin Smith (Chairman)  
Councillors Kate Lymer (Vice-Chairman), Yvonne Bear,  
Nicholas Bennett J.P., Angela Page and Diane Smith

### **93 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Will Rowlands.

### **94 DECLARATIONS OF INTEREST**

Cllr Yvonne Bear, Cllr Kate Lymer and Cllr Diane Smith declared historic personal or family use of the Bromley Valley Gymnastics Club.

### **95 LOCAL AUTHORITY HOUSING FUND - ROUND 4**

#### **Report HPR 2025/058**

The Council had received an indicative allocation of £27.6m funding from the Local Authority Housing Fund 4 (LAHF4) grant programme. This fund was designed to support the Council with permanent measures to reduce the burdens and cost pressures of Temporary Accommodation. This report set out proposals for making use of this grant, which must be applied for by the 19 December 2025.

The report has not appeared on the Council's Forward Plan, due to the tight turn around given the MHCLG announcement was made on Wednesday 19 November. However, the Report had been published 5 clear working days before the Decision was to be taken and the Chairman of the Renewal, Recreation and Housing PDS Committee (the relevant PDS Chairman) had been informed.

The report had been considered by the Renewal Recreation and Housing PDS Committee at a special meeting on 11 December 2025, and the Committee supported the proposals.

#### **RESOLVED: That**

- 1. Full Council be recommended to agree to the addition of Chipperfield Road Site to the Capital Programme.**
- 2. The submission of the Chipperfield scheme to the Local Authority Housing Fund 4 programme be approved.**

- 1. In principle the acceptance of Ministry of Housing, Communities and Local Government's Local Authority Housing Fund (LAHF) Round 4 funding estimated to be £27.633m, for the Chipperfield Road scheme as set out in para 4, be approved and the Assistant Director of Legal Services be authorised to sign and execute all relevant legal documents arising in connection with the acceptance of the LAHF grant including any increase in the amount secured and any ancillary legal documentation thereto.**

**On the basis of the Council's request for funding being approved:**

- 2. The addition of Chipperfield Road to the Capital Programme at a value of £71.417m be approved. The funding will be met from at least £27.633m from LAHF (agreement to add further funding if applicable), and £43.784m from Borrowing.**
- 3. The submission and acceptance of any other grants that become available that either improve the scheme or reduce the Council's contribution and resultant borrowing required be approved.**
- 4. The following procurement actions be approved:**
  - (i) In principle proceed to procurement for a Multi-Disciplinary Design Team, at an estimated cost of £4m (contained within the total budget envelope for the scheme), with delegated authority to the Director of Housing, Planning, Property and Regeneration to agree the detailed procurement strategy;**
  - (ii) Delegate authority to the Director of Housing, Planning, Property and Regeneration to approve award of contract for the Multi-Disciplinary Design Team, noting this will not be finalised until LAHF funding is secure and will also be subject to suitable break clauses at the appropriate RIBA stages;**
  - (iii) Subject to securing grant funding and planning applications, in principle proceed to procurement for the main Chipperfield Road Works contract at an estimated cost of £59m (the Works to include the housing development, new gymnastic centre, ancillary landscaping and other necessary works) with delegated authority to the Director of Housing, Planning, Property and Regeneration to agree the detailed procurement strategy;**
  - (iv) Note that the delegated authority to the Director of Housing, Planning, Property and Regeneration set out above is subject to consultation with the Portfolio Holder, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance.**

5. The public consultation of the designs and the submission of a Planning Application – noting the indicative timeline in para 4 – be agreed,
6. It be noted that the Council will be foregoing an estimated Capital receipt of circa £5m by developing the Chipperfield Road site.
7. The appropriation for planning purposes of the land surplus to operational need at the Chipperfield Road site, for the purposes of Housing, shown edged red in Appendix A to this report pursuant to section 203 of the Housing and Planning Act 2016 (“HPA”) be authorised.
8. Authority be delegated to the Director of Corporate Services to sign and execute all legal documentation relating to the appropriation for Planning purposes pursuant to the HPA in relation to the Chipperfield Road site, and any ancillary legal documentation arising thereto.
9. The cost of the planned appointment of two FTE Project Managers within the Regeneration team to support the delivery of the scheme, which is reflected in the total cost of the scheme, be approved.
10. It be noted that this scheme will be progressed subject to a Secretary of State Direction to either a) hold the properties outside the Housing Revenue Account (HRA) or b) by Secretary of State's Direction to allow the transfer of an appropriate sum from the General Fund to the HRA as set out in section 5.

The Meeting ended at 10.32 am

Chairman

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# Agenda Item 5

**Report No.**  
FSD26001

**London Borough of Bromley**

## **PART 1 – PUBLIC**

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<b>Title:</b>	<b>DRAFT BUDGET 2026/27 AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2027/28 to 2028/29</b>		
<b>Decision Maker:</b>	<b>Executive</b>		
<b>Date:</b>	<b>21<sup>st</sup> January 2026</b>		
	<b>For pre-decision scrutiny by the ERC PDS Committee on 19<sup>th</sup> January 2026</b>		
<b>Decision Type:</b>	Non-Urgent	Executive	Non-Key
<b>Contact Officer:</b>	Peter Turner, Director of Finance Tel: 0208 313 4338 E-mail: peter.turner@bromley.gov.uk		
<b>Chief Officer:</b>	Peter Turner, Director of Finance		
<b>Ward(s):</b>	Borough Wide		

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### **1. REASON FOR REPORT**

- 1.1 This report seeks approval of the initial draft 2026/27 Budget and to note the latest finance projections for future years, with the resultant impact on the Council's medium term 'budget gap'.
- 1.2 A key part of the financial strategy is to highlight the budget issues that will 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. More details of the capital programme and the impact on the revenue budget will be reported to the next meeting of the Executive.
- 1.3 PDS Committees views will also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on the 2026/27 Council Tax and Adult Social Care precept levels.
- 1.4 The report provides details of the Provisional Local Government Finance Settlement 2026/27 which was published on 17th December 2025. Although this provides funding over the next three years, the Government's Provisional Local Government settlement 2026/27 has been very disappointing for Bromley and the cash reductions in funding of £22m per annum by 2028/29 has been reflected in the forecast projections (£30.5m per annum in real terms by 2028/29). This significant funding reduction reflects the outcome of the Government's Fair Funding 2.0 review.

- 1.5 The impact of the Government funding reductions, impact of fall out of one-off reserves to support the revenue budget and significant cost/growth pressures are the main contributors to the Council's significant budget gap. This has been partly offset by transformation savings but still leaves a significant budget gap remaining requiring further drawdown of one-off reserves (which is not sustainable in the medium term) to meet the statutory requirement to balance the budget.
- 1.6 In addition, there remains a need to address the cumulative Dedicated Schools Grant (DSG) funding deficits up to 2027/28 (assuming the Government meets its commitment to address the ongoing deficit issues beyond 2028/29).
- 1.7 It remains essential to continue to progress with the Transformation Programme and finding ways to reduce the continuing cost/growth pressures contributing to the 'budget gap' as well as finding ways to address the cumulative DSG deficit as well as the ongoing deficit. Funding the future capital programme adds to the challenges for the Council.
- 1.8 The report provides an update on the local authority landscape and the implications of a deteriorating financial position for many local authorities. These challenges remain over the funding period of three years and the situation beyond that period is not expected to improve.
- 1.9 There are still outstanding issues and areas of uncertainty remaining, including various grant allocations and associated grant conditions, which could impact on the final revenue budget. Any significant changes will be reported at the meeting and further updates will be included in the 2026/27 Council Tax report to the next meeting of the Executive.

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## **2. RECOMMENDATION(S)**

- 2.1 Agree the initial draft 2026/27 Budget detailed in Appendix 9.**
- 2.2 Refer the initial draft 2026/27 Budget for each portfolio to the relevant PDS Committees for consideration.**
- 2.3 Note the financial projections for 2027/28 to 2028/29.**
- 2.4 Note that there are still areas of financial uncertainty which will impact on the final 2026/27 Budget.**
- 2.5 Agree to increase rent levels for London Affordable rents and Social (Formula) rents by 4.8% from April 2026 as set out in section 4.13.**
- 2.6 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 in section 4.14.**
- 2.8 Agree the proposed contribution of £248,047 in 2026/27 to the London Boroughs Grant Committee in section 4.17.**
- 2.9 Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive.**
- 2.10 Note the outcome of the Provisional Local Government Financial Settlement 2026/27 as detailed in the report.**

**2.11 Note the budget gap remaining of an estimated £61.1m per annum by 2028/29 and that any decisions made for the 2026/27 Budget will have an impact on the future year projections.**

**2.12 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.**

### **3. KEY SUMMARIES**

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#### Financial

1. Cost of proposal: Not Applicable
2. Ongoing costs: Recurring cost – impact on future years detailed in Appendix 7
3. Budget head/performance centre: Council wide
4. Total current budget for this head: £225m (Draft Budget 2026/27, excluding GLA precept)
5. Source of funding: See Appendix 9 for overall funding

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#### Legal

1. Legal 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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<b>Background Documents:</b> (Access via Contact Officer)	Transformation Bromley Year 2 Progress Report, Executive 21 <sup>st</sup> January 2026 Housing Scheme Award Progress Report, Executive 21 <sup>st</sup> January 2026 Capital Programme Monitoring – Quarter 2 2025/26, Executive, 26th November 2025 Budget Monitoring 2025/26, Executive, 26th November 2025 Provisional Final Accounts 2024/25, Executive, 21st May 2025 2025/26 Council Tax, Executive 12th February 2025
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## 4. BACKGROUND/OPTIONS

### 4.1 Approach to Budgeting, Financial context and Economic Situation which can impact on funding the Council's Budget

4.1.1 The Draft 2026/27 Budget reflects the Council's key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting 'Making Bromley Even Better' priorities.

4.1.2 The Council continues to deliver key services and will need to work to 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next three years (reflecting new funding timeline) and includes the outcome of the Provisional Local Government Finance Settlement 2026/27. It is important to note that some caution is required in considering any projections for 2027/28 to 2028/29 as this partly depends on the outcome of the Government's next Spending Review in 2027, although no significant change is currently expected.

4.1.3 A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty had previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on funding available for local government over the medium and longer term including, for example, government debt, impact on tax revenues, GDP growth and inflation. The Provisional Local Government Finance Settlement 2026/27 provides a three-year settlement which does create a higher degree of financial certainty compared with previous one-year settlements. Local government remains an 'unprotected area' in the Government's priorities for funding.

4.1.4 Local Government bore the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 to 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21, 2021/22 and 2022/23. For 2023/24 to 2025/26 the Council has received a more generous settlement which includes additional core funding and support for social care. However, this needs to be considered in the context of the significant increases in inflation since 2022/23 and the considerable cost pressures across service areas facing local government, which exceeds any additional government funding available. The situation, for Bromley, will deteriorate with the outcome of the Fair Funding 2.0 review.

4.1.5 An update on the economic situation which can impact on public finances is provided in Appendix 1. The full details of the final grant settlement for 2026/27 relating to all the grants received by the Council are awaited. Details of the Provisional Local Government Settlement 2026/27 are shown in Appendix 2. The final Local Government Settlement 2026/27, which may include further changes, is due in mid-February 2026.

4.1.6 The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.

4.1.7 Bromley has the lowest net expenditure per head for London, being a low-cost authority limits the Council's ability to realise significant savings compared with high-cost authorities. Bromley has the third lowest settlement funding per head of population in 2026/27 for the whole of London. Despite this, Bromley has retained the fourth lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). Further

details are provided in Appendix 3. Using 2026/27 funding information, if Bromley received the average grant funding for London, its annual income would increase by £112m. If the council tax was the average of the four other low grant funded boroughs, our income would increase by £26.5m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council has expressed concerns with the current and previous governments about the fairness of the funding system and will continue to lobby for a fairer deal for our residents. Further details are provided in Appendix 4. Despite being a low-cost authority, Bromley has achieved general savings of around £180m since 2011/12 but it becomes more challenging to achieve further savings with a low-cost base.

4.1.8 Background information of the future local authority landscape, which also highlights the financial challenges, that are not unique to Bromley, is provided in Appendix 5, with the implications of not being able to address the financial challenges shown in Appendix 6.

## 4.2 Summary of Financial forecast

4.2.1 Two of the Council's main activities which are grant funded are schools and housing benefits. Both areas of spend continue to be ring-fenced.

4.2.2 A high proportion of the Council's spend relates to third party payments, mainly contracts, which can limit flexibility to change spend levels as well as providing greater inflationary pressures (e.g. the impact of the National Living Wage).

4.2.3 As reported in previous years, the majority of the Council's spend relates to just a few service areas.

4.2.4 Even if general fund reserves, which are one off in nature, were used to balance the draft budget next year, the future year's budget gap is projected to increase to £61.1m per annum by 2028/29. Without any action to address the budget gap in future years additional reserves will need to be used with the risk of the budget gap increasing in future years and being unsustainable.

4.2.5 The reasons for the budget gap by 2028/29 of £61.1m include:

- (a) General Inflation allowance offset by assumed council tax increase/adult social care precept of 4.99% per annum leaving a balance of Cr £7.8m;
- (b) Growth/cost pressures of £94m, partly offset by mitigation of £39.6m resulting in a net additional cost of £54.4m;
- (c) Transformation Savings (Cr £35.5m);
- (d) Increase in council tax base (Cr £3.2m);
- (e) Reduction in interest on balances (£6m);
- (f) Fall out of use of collection fund and other earmarked reserves to support revenue budget (£13.5m);
- (g) Real reductions in Government's new core grants £30.5m;
- (h) Cost of freedom passes (£2.5m);
- (i) Other variations ( £0.7m).

4.2.6 The above variations assume that the transformation savings and planned mitigation of growth pressures above is realised.

4.2.7 The cost growth pressures total £54.4m per annum (see (b) above) by 2028/29. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. There is a need to consider what level of growth the Council can afford and the need for significant mitigation or alternative transformation options.

#### **4.3 Draft 2026/27 Budget and Financial Forecast**

4.3.1 Details of the latest forecast, including the Draft 2026/27 Budget, are shown in Appendices 7 to 9 and the main variations, compared with 2025/26 Budget, are summarised in the table overleaf:

Variations Compared with 2025/26 Budget	2026/27 £m	2027/28 £m	2028/29 £m
<b>Changes in Government Core Funding</b>			
Fair funding allocation	-1.9	-1.9	-1.9
Cash reduction in grant funding	6.4	14.4	22.2
Real Reduction in Grant Funding (foregone inflation increase)	3.5	6.1	8.3
<b>Total Changes in Government Core Funding</b>	<b>8.1</b>	<b>18.7</b>	<b>28.6</b>
<b>Cost Pressures</b>			
Increased costs (3.5% 2026/27, 2.5% in 2027/28 and 2% per annum future years)	10.8	18.7	25.8
<b>Income / Savings</b>			
Transformation Programme Savings	-29.3	-33.4	-35.5
Increase in Waste Packaging Grant	-0.1	-0.1	-0.1
Capitalisation net of financing costs	0.2	0.4	0.5
Variation in freedom pass costs	0.8	1.7	2.5
Reduction in interest on balances	3.4	4.5	6.0
<b>Total Income / Savings</b>	<b>-25.0</b>	<b>-27.0</b>	<b>-26.6</b>
<b>Other Changes</b>			
Running Costs of Churchill Court (net after income)	0.3	-0.2	0.0
Variations on Revenue Impact of Funding the Capital Programme	-1.8	-0.4	0.8
Real Changes and other Variations	0.9	0.2	0.3
<b>Total Other Changes</b>	<b>-0.6</b>	<b>-0.4</b>	<b>1.1</b>
<b>Council Tax/Business Rates</b>			
Collection fund surplus fall out	3.0	3.0	3.0
Future years collection fund surplus	-4.0	-2.0	-0.5
Estimated increase in council tax base	-1.0	-2.1	-3.2
Increase in business rates base share	-3.0	-3.0	-3.0
Business rates retention surplus fall out	2.5	1.5	1.5
<b>Total Council Tax/Business Rates</b>	<b>-2.5</b>	<b>-2.6</b>	<b>-2.2</b>
<b>Growth/Cost Pressures including mitigation (see Appendix 8)</b>			
- Adults Social Care	16.8	21.1	25.4
- Children's Social Care	6.0	10.0	13.7
- Education	3.1	4.9	6.7
- Housing	2.3	2.8	3.5
- RRH (CIL and Planning)	1.9	1.4	1.1
- Environment	1.4	2.8	2.8
- Resources	1.1	1.0	0.9
- Public Protection	0.3	0.2	0.2
<b>Total growth/cost pressures</b>	<b>32.8</b>	<b>40.2</b>	<b>46.4</b>
<b>Sub-total</b>	<b>23.5</b>	<b>51.7</b>	<b>81.1</b>
<b>Increase in ASC precept and Council Tax (assume 4.99% per annum)</b>	<b>-10.6</b>	<b>-21.8</b>	<b>-33.6</b>
<b>Fall out of use of Covid earmarked reserve towards funding Covid cost pressures</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
<b>Fall out of prior year collection fund surplus earmarked reserve to support the revenue budget</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>
<b>Budget Gap</b>	<b>26.4</b>	<b>43.4</b>	<b>61.1</b>
<b>Funding the Budget Gap from earmarked reserves (to balance the budget)</b>	<b>-26.4</b>		
<b>Remaining "Budget Gap"</b>	<b>0.0</b>	<b>43.4</b>	<b>61.1</b>

- 4.3.2 The updated forecast is aligned to the latest quarterly budget monitoring report and the existing capital programme.
- 4.3.3 Appendix 7 highlights that the Council, in the medium term will have an underlying budget gap and will need to take action to ensure a statutory balanced budget is realised in future years.
- 4.3.4 Despite the significant levels of transformation savings, the budget gap remaining in 2026/27 is £26.4m which would need to be balanced through the funding from the Council's one-off earmarked reserves, in order to meet the Council's statutory obligation to deliver a balanced budget. The ongoing significant level of growth/cost pressures combined with the significant reduction in Government funding have contributed to the remaining budget gap. This is after allowing for an assumed increase in council tax/ adult social care precept by an illustrative 4.99%. It is essential to continue with prudent financial management and ensuring the Council 'spends within its means' in considering not just next year's budget but the impact on future years. The projections for 2026/27 estimate a 'budget gap' of £26.4m, £43.4m in 2027/28 and £61.1m per annum from 2028/29. These projections exclude the impact of the annual DSG deficit (see section 4.15).
- 4.3.5 In considering action required to address the medium term 'budget gap', the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer-term solutions. The Council has to balance between the needs of service users and the burden of council tax on council taxpayers. With the Government not providing adequate grant funding to meet the increasing cost/growth pressures, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.

#### **4.4 Changes Since the 2025/26 Budget that impact the Draft 2026/27 Budget and Financial Forecast 2027/28 to 2028/29**

##### **4.4.1 Provisional Local Government Finance Settlement 2026/27 – Outcome of Fair Funding 2.0**

- 4.4.1.1 The Fair Funding Review 2.0 has been completed, subject to final consultation on the draft finance settlement for 2026/27 and will lead to significant funding reductions for Bromley. The review effectively related to a redistribution of funding rather than a full comprehensive 'Fair Funding' review. Key metrics of the review are shown in Appendix 10.
- 4.4.1.2 Without transitional protection over 3 years the Council would have lost £22.2m (22% of total consolidated funding) per annum with the new formula from 2026/27. Due to 'floors' there will be 'cash' funding reductions phased over three years of £6.5m in 2026/27, £14.5m in 2027/28 and £22.2m per annum from 2028/29, compared with 2025/26. Such losses of funding are in addition to reduced additional funding of £3m in 2025/26 from revised grant formulas. Another impact from this change is that the Council will not receive inflationary increases for annual funding in the future until the Council moves above the 'floor'. This results in real terms funding reductions of around £10.1m in 2026/27 increasing to £30.5m per annum by 2028/29. Although a three-year timescale for funding is provided there may be revisions for 2028/29 following the Spending Review in 2027. In summary the Council faces a reduced spending power due to inflation and rising service demand.
- 4.4.1.3 The Council will receive additional funding of £1.3m per annum (£0.8m in 2028/29) for Families First Partnership which is expected to be ringfenced to cover new preventative costs.

#### 4.4.2 Inflation

4.4.2.1 Historically, the main measure of inflation for annual price increases for the Council's contracted out services was the Retail Price Index (excluding mortgage interest rates) i.e. RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally at least 1% above the Consumer Price Index (CPI) level. The Draft 2026/27 Budget assumes overall price increases, including a cash limit, of 3.5% in 2026/27 reducing to 2.5% in 2027/28 and 2% per annum from 2028/29, which compares with the existing CPI of 3.2% (3.7% for RPIX). The assumptions reflected in the 2026/27 Budget considers the Office of Budget Responsibility (OBR) projections of inflation (CPI) for future years. It is important to note that even the rate of 3.5% in 2026/27 does create a challenge during a period of cost pressures across services - the alternative is more savings to address the alternative increased budget gap.

#### 4.4.3 Variations on revenue impact of funding the capital programme

4.4.3.1 A sum of £2.5m was included in the 2025/26 budget for the revenue impact of capital financing. Due to changes in the phasing of expenditure and projected levels and timing of capital receipts in the capital programme, this has been reduced by £1.8m for the 2026/27 budget although this is projected to subsequently increase by £2.6m (i.e. to £3.3m) by 2028/29.

#### 4.4.4 Reduction in interest on balances £3.4m in 2026/27 (rising to £6m per annum from 2028/29).

4.4.4.1 The draft budget for 2026/27 has been set at £4.96m which represents a reduction in income of £3.4m compared with the 2025/26 budget. This reflects anticipated further reductions in the Bank of England base rate during 2026/27, combined with the expected reduction in balances available for investment as a result of the projected utilisation of capital receipts, grants and other contributions, as well as projected use of the Council's earmarked revenue reserves as detailed in Section 10, and the increasing DSG deficit balance.

4.4.4.2 Further details will be included in the Treasury Management Strategy 2026/27 report to be considered at the Executive, Resources and Contracts Policy Development and Scrutiny Committee meeting on the 9<sup>th</sup> February 2026 and subsequent full Council meeting.

#### 4.4.5 Transformation Savings

4.4.5.1 Transforming Bromley 2024–28 programme represents the Council's central vehicle for improving services, strengthening financial sustainability, and managing rising demand across statutory services. Covering a four-year period, the programme is designed to modernise operations, reduce costs, and create long-term efficiencies while maintaining high-quality services for residents. A Year Two Progress Report (2025/26) presented elsewhere on this agenda outlines achievements to date, planned savings, and forthcoming changes required to sustain momentum.

4.4.5.2 Progress in Year One (2025/26): Year One delivery has been highly successful, achieving 95% of its £18.9m savings target. Out of 85 transformation projects planned, 82 were delivered. Digital and technology-enabled initiatives contributed £3.3m of the overall savings, demonstrating early benefits from AI, system improvements, and modernised

processes. A strong governance structure, led by the Corporate Transformation Hub, enabled transparent oversight, early intervention where delivery risks emerged, and effective escalation to the Transformation Board, Chaired by the Chief Executive. Year One has provided a strong platform, organisational confidence, and essential learning for future phases.

4.4.5.3 Year Two Savings and Programme Direction (2026/27): The total savings compared with 2025/26 Budget includes proposals totalling £29.3m of transformation savings rising to £35.5m per annum by 2028/29. Savings stem from service redesigns, demand management, operational efficiencies, and corporate reviews. Growth reduction initiatives designed to curb long-term demand remain central. These include redesigning domiciliary care, expanding housing-with-care capacity, integrating Children and Family Centres into Family Hubs, and reducing reliance on expensive temporary accommodation. Staff-generated ideas continue to play a significant role in shaping efficiency actions, including centralised consumables, procurement, and automation through AI. Three major Corporate Reviews—in Housing, Transition to Adulthood, and Business Support—have identified recurring savings of £3.5m, rising to £6m. These reviews have strengthened operational resilience and introduced more efficient models of practice. Overall, the Transformation Programme has achieved strong early results and provides a credible foundation for future transformation. As Bromley approaches the end of Year Two, the focus is on sustaining delivery, addressing inflationary pressures, and developing new proposals for Year Three.

4.4.5.4 More background on the proposals are provided in the Transformation report elsewhere on this agenda

#### 4.5 Variation in overall cost of Freedom Passes

4.5.1 This reflects the latest estimates provided by London Councils. The cost of freedom passes is calculated taking into account the average number of journeys and costs of the previous two years for residents of pensionable age who use their freedom passes. A combination of inflation and increasing use of public transport results in the Draft 2026/27 Budget including an increase of £845k rising to an estimated increase of £2,472k per annum from 2028/29, compared with the 2025/26 Budget.

#### 4.6 Real Changes and Other Variations

4.6.1 The real changes in 2026/27 totalling £940k (with additional costs for local elections of £910k in 2026/27) reducing to £235k in 2027/28 and £16k in 2028/29. The changes are reflected in the policy sheets in Appendix 9.

#### 4.7 Collection Fund

4.7.1 It is a statutory requirement to maintain a Collection Fund at arm's length from the remainder of the Council's accounts.

4.7.2 The 2026/27 Budget includes fall out of one off 2023/24 Collection Fund surplus (£3m) and £1.5m business rate collection fund surplus which were both allocated to fund the 2025/26 Budget. Estimated income from 2025/26 collection fund surplus (£4m) has been included in the Draft 2026/27 Budget along with a one off £1m business rate deficit.

4.7.3 For the purpose of Collection Fund accounting, the treatment of council tax and business rate surpluses and deficits is determined in the same way. Before the beginning of each financial year, billing authorities calculate their council tax requirement (including

precepts) and their business rate income, and such payments are fixed and paid over the year towards the revenue budget. Any surplus or deficit on the collection fund as a result of income from council tax/ratepayers being more or less than originally estimated, are shared between the Council and the GLA (and in the case of business rates with central government). Any surplus/deficit generated is normally paid over the course of the second year. The financial forecast assumes that the surplus will be used towards reducing the Council's budget gap in 2026/27.

4.7.4 The financial forecast assumes further surplus would be generated allocating an estimated £2m in 2027/28 and £0.5m in 2028/29.

## 4.8 Council Tax Base

4.8.1 The Council's tax base has been updated to reflect changes in properties compared with the previous year. The latest position indicates a tax base of 138,104 "Band D" equivalent properties for 2026/27, which assumes an allowance of 1.66% for non-collection. The increasing tax base has generated additional income of £1m in 2026/27 rising to £3.2m per annum from 2028/29.

## 4.9 Cost/Growth Pressures and Mitigation

4.9.1 Updated forecasts have been provided by the relevant Directors and details are provided in Appendix 8. There remain significant cost/growth pressures impacting on education, high needs transport, housing, adults and children's social care partly offset by some mitigation of costs. Since the 2025/26 Council Tax report was published the updated position has deteriorated significantly. The overall increase in cost/growth pressures, are summarised in the table below:

Net Growth/cost pressures less mitigation compared with 2025/26 Budget	2026/27 £'000	2027/28 £'000	2028/29 £'000
Council Tax Report Feb '25	6,913	14,099	21,215
Latest position	32,759	44,237	54,375
Increase compared with Feb '25	25,846	30,138	33,160

4.9.2 The above table shows an overall increase in growth/cost pressures of between £26m to £33m per annum since the Council Tax report was produced. The main increase for 2026/27 relates to adult's social care (£16.8m), Education (£1.4m), children's social care (£2.0m), housing (£1m), environment (£1.4m) and across other service areas (£3.2m).

4.9.3 Directors have included in the updated forecast an allowance for future cost increases above inflation, after mitigation action, in order to reduce volatility in future updates (this ensures greater confidence in projections and avoids volatility in determining savings targets). This will assist in 'ownership' at Director level of the financial forecast.

4.9.4 The overall net cost/growth pressures, including mitigation, are summarised below with more details in Appendix 8.

	2026/27 £'000	2027/28 £'000	2028/29 £'000
Growth/cost pressures	56,089	75,423	93,964
Mitigation	-23,330	-31,186	-39,589
Net additional costs	32,759	44,237	54,375

4.9.5 Action will be required in year to address additional costs exceeding this target increase to mitigate against overspends during 2026/27 which would otherwise require funding from the further drawdown of reserves. It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

#### 4.10 **Other Budget Considerations**

4.10.1 Details of other budget considerations which impact on the financial forecast are shown in Appendix 11.

#### 4.11 **Use of reserves – fall out from 2025/26 Budget and additional funding for 2026/27**

4.11.1 The 2026/27 Draft Budget includes the fall out of one-off reserves used to support the 2025/26 revenue budget totalling £13.6m.

4.11.2 After allowing for the significant cost/growth pressures and loss of government funding whilst assuming a 4.99% overall council tax increase and significant transformation savings there remains a budget gap of £26,354k for 2026/27. The Draft 2026/27 Budget assumes, at this stage, that one-off earmarked reserves, which will need to be redesignated for this purpose, will have to be utilised to meet the budget gap. Full details relating to redesignation of reserves, will be reflected in the 2026/27 council tax report to the next meeting of the Executive.

#### 4.12 **Detailed Draft 2026/27 Budget**

4.12.1 Detailed draft 2026/27 Budgets are attached in Appendix 9 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets will now be forwarded to PDS Committees for scrutiny and comment prior to the next Executive meeting in February. Further updated information will also be available for individual PDS Committees.

4.12.2 Appendix 9 sets out the draft 2026/27 budget for each Portfolio as follows:

- A summary of the Draft 2026/27 Revenue Budget per Portfolio;
- A high-level subjective summary for each Portfolio showing expenditure on employees, premises etc;
- 2026/27 Draft Contingency Sum;
- A summary sheet per Portfolio showing 2025/26 budget and 2026/27 budget and overall variations in planned spending between 2025/26 and 2026/27;
- A summary of the main reasons for variations per Portfolio in planned spending between 2025/26 and 2026/27 together with supporting notes.

#### 4.13 **Housing Rent Setting**

4.13.1 Background to the Council's housing provision and future arrangements for a Housing Revenue Account are provided in Appendix 12.

4.13.2 As the Council is a Social Landlord in respect of the homes that have been built on Council owned sites, it is required to set the rent levels each year. The rents for these properties are set at a range of affordable rental levels in line with the GLA funding requirements for affordable homes. Rent increases are reviewed each year in line with the inflationary requirements.

4.13.3 In addition, the Council owns a small number of properties which were previously used as tied accommodation for caretakers. As these units become vacant or the employment ceases, the rents are set as social rents (formula rents) with 1999 valuations.

4.13.4 The Government proposed in June 2025 that a rent settlement for social housing that would remain in place for 10 years, from 1 April 2026 to 31 March 2036 and which would generally permit social housing rents to increase each year by up to CPI plus 1 percentage point ('CPI+1%'), applying both to Social Rent and Affordable Rent. For 2026/27, under the existing rent settlement, an increase of 4.8% will apply (based on September 2025 CPI), which will set weekly London Affordable Rents in line with the table below:

	2025/26	2026/27
1 bed	£199.23	£208.79
2 bed	£210.94	£221.07
3 bed	£222.65	£233.34

4.13.5 Temporary Accommodation rent levels will remain the same at 90% of the relevant 2011 London Housing Allowance levels. The Council has reviewed the rental levels charged in light of the increased costs and raised rent levels by 10% in 2025/26 and is looking to phase increases towards Local Housing Allowance levels, with analysis and benchmarking currently underway.

4.13.6 It is proposed that the rents for social (formula) rents are increased by 4.8% which is the maximum permissible.

#### 4.14 The Schools Budget

4.14.1 Executive are requested to agree to 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. Further details are provided in Appendix 13.

4.14.2 Officers are working with DfE and are in discussions with them regarding recovery plans and action that can be taken to reduce the deficit position.

#### 4.15 General and Earmarked Reserves – Drawdown of Reserves to meet the Budget Gap

4.15.1 It is important to recognise that the 2025/26 already included the drawdown of revenue reserves totalling £14,150k.

4.15.2 The Council also has an ongoing DSG deficit (see Appendix 13) and this effectively results in a 'negative reserve'. A £27.3m deficit ('negative reserve') has been created as at 31/3/25 (estimated to increase to a cumulative total of £58.9m by 31/3/27). Without the statutory override, members will be required to directly consider meeting the DSG deficit budget gap as part of delivery of a balanced annual budget.

4.15.3 The Council has a statutory duty to deliver a balanced budget, and reserves provided a one-off option to meet any remaining 'budget gap' whilst not providing a sustainable financial solution to budget deficits. A summary of the future projection on the Council's reserves and the impact of further drawdown is shown below.

	Balance 31/3/25 £'m	Estimated 31/3/26 £'m	Estimated 31/3/27 £'m	Estimated 31/3/28 £'m	Estimated 31/3/29 £'m
Unearmarked reserves	20.0	20.0	20.0	20.0	20.0
Earmarked reserves (excludes schools and insurance fund)	185.9	122.6	109.4	98.7	98.7
<b>Q2 Budget Monitoring (updated)</b>		<b>(14.4)</b>	<b>(14.4)</b>	<b>(14.4)</b>	<b>(14.4)</b>
Total Reserves Remaining	205.9	128.2	115.0	104.3	104.3
<b>Impact of using reserves to support the 2026/27 Budget</b>			<b>(26.4)</b>	<b>(26.4)</b>	<b>(26.4)</b>
<b>Net position</b>	<b>205.9</b>	<b>128.2</b>	<b>88.6</b>	<b>77.9</b>	<b>77.9</b>
Dedicated Schools Grant Deficit	(27.3)	(42.3)	(58.9)	(77.5)	(77.5)*
Net Position	178.6	85.9	29.7	0.4	0.4
<b>Budget Gap cumulative (from 2027/28)</b>				<b>43.4</b>	<b>104.5</b>

\*Assumes DSG deficits beyond 2027/28 will be met by DfE.

4.15.4 It is important to note that there remains a further cost in retaining the DSG deficit through foregone investment income whilst holding the cumulative deficit. This equates to income losses of £2m in 2026/27 rising to £2.6m per annum by 2028/29.

4.15.5 Without action to address the budget gap and reflecting the accumulating deficit on the Dedicated Schools Grant, the Council could have negative reserves by 2027/28. This means that the s151 Officer would have to instigate progressing to Exceptional Financial Support (EFS) and ultimately be required to issue a s114 report. However, to mitigate this position, which is a problem nationally, the government issued a DSG Statutory Override by way of a statutory instrument (SI) which became law at the end of November 2020 and has been extended up to 2027/28. This means the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist within the council's accounts and is disregarded from a balance sheet perspective. The Government have announced the ending of the Statutory Override period and that the annual Special Educational Needs (SEN) Deficit from 2028/29 will be met by Government – this equates to an estimated £22m per annum from 2028/29 for Bromley. The arrangements for the cumulative deficit up to 2027/28 remains unresolved. Without further significant savings being delivered through transformation, excluding DSG impact, the reserves would be exhausted by 2029/30. If further cost/growth pressures materialise with any non-delivery of savings the deterioration could be brought forward even further.

4.15.6 Any significant deterioration in retained reserves is not financially sustainable and therefore action is needed to ensure the Council's budget gap is addressed and the next phase of the

Transformation Programme remains essential. It is important to note that the earmarked reserves are also needed to support services and deal with future budget risks as well as income volatility.

- 4.15.7 Without any retained reserves the Council would face the inherent risk of a Section 114 notice or seeking government approval for Exceptional Financial Support, particularly if overspends continue or cost pressures in future years increase (see Appendix 6 for more background)
- 4.15.8 The reasons for retaining an adequate level of reserves were highlighted in Appendix 4 of the 2025/26 Council Tax report to Executive in February 2025. The Council Tax report refers to the level of reserves needs to be adequate to ensure the longer-term stewardship of the Council's finances remain effective and the Council maintains 'sustainable' finances in the medium term. The Council also has general reserves of £20m. Full details are included in the Provisional Final Accounts 2024/25 report to Executive on 21<sup>st</sup> May 2025.
- 4.15.9 If the existing general reserves are released now to fund service initiatives, delay savings or reduce council tax there would be a resultant "opportunity cost" relating to a corresponding loss in interest earnings/investment opportunities and further acceleration of the anticipated exhaustion of reserves which is not recommended. Any increase in service levels or initial protection would only be very short term. Reserves can only be used as a one-off contribution to revenue spending and would not provide a sustainable solution to maintaining local government services.

#### **4.16 Capital Programme and Borrowing**

- 4.16.1 Details of the latest capital programme monitoring position was reported to Executive on 26th November 2025. More background non the funding of the capital programme, impact on Council's finances and approach to borrowing is provided in Appendix 14. An updated capital programme will be reported to the Executive on 11<sup>th</sup> February 2026.

#### **4.17 London Boroughs Grants Committee**

- 4.17.1 London Councils require formal notification of the Council's agreement to their contribution for 2026/27. The London Councils Grants Committee has proposed a Budget for 2026/27 comprising total expenditure of £6.734m.
- 4.17.2 Bromley's contribution to this committee was £248,444 in 2025/26. The proposed contribution for 2026/27 is £248,047, a reduction of £397 (0.16% reduction).
- 4.17.3 The approval of at least two thirds of the constituent Councils of the London Boroughs Grants Scheme is required for the proposed 2026/27 budget. If it is not agreed this month, the overall level of expenditure is deemed to be the same.

#### **4.18 Council Tax Level Including GLA Precept**

- 4.18.1 The final GLA precept for 2026/27 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 26th February 2026.
- 4.18.2 For 2026/27 every £1m change in income or expenditure causes a 0.5% variation in the 'Bromley element' of the Council Tax. Each 1% council tax increase generates ongoing annual income of £2.1m.
- 4.18.3 As part of the Localism Act, any council tax increase of 3% or above (excludes ASC precept) in 2026/27 will trigger an automatic referendum of all registered electors in the

borough. If the registered electors do not, by a majority, support the increase then the Council would be required to meet the cost of rebilling of approximately £300k. The one-off cost of a referendum is estimated to be £900k.

- 4.18.4 The Government has continued to allow Councils for 2026/27 to have a council tax precept of up to 2% per annum to specifically fund social care (a 2% increase in council tax equates to £4.2m additional income per annum) – this has been reflected in the funding from Government. Councils are able to levy the precept on top of the existing freedom to raise council tax by up to 2.99% without holding a referendum. Therefore, the Council could potentially have a council tax increase of just below 5% without the need for a council tax referendum. Members will be requested to consider applying the precept as part of the 2026/27 Council Tax report to the Executive on 11<sup>th</sup> February 2026.
- 4.18.5 The Government has indicated that any authority with lower than average Band D council tax levels facing ‘significant local financial difficulty and views additional council tax increases as critical to managing financial risk’ could request that the Government agrees ‘flexibilities;’ to council tax increases. Previously this option was only available to Council’s receiving Exceptional Financial Support (EFS).
- 4.18.6 Members will need to consider the level of council tax and adult social care precept increases towards funding the Draft 2026/27 Budget and the medium-term financial forecast.

#### 4.19 **Consultation**

- 4.19.1 It is proposed that this report is considered by individual PDS Committees, and their comments and considerations will be reported back to the 11th February 2026 meeting of the Executive. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 26th February 2026 where the 2026/27 Budget and Council Tax will be agreed.
- 4.19.2 Prior to finalising the ‘School’s Budget’ the Education, Children and Families Portfolio Holder will consult with the Schools’ Forum.
- 4.19.3 Consultation papers will also be sent to local business representatives for their views and comments. Other examples of consultation will include consultation on specific budget proposals.
- 4.19.4 The Council has continued to engage with residents through various channels about the ongoing challenges around council finances and maintaining services within the much-publicised national context of rising costs across local government. This includes the recent Council Tax special in the Council’s Our Bromley magazine, which was delivered to households across the borough before Christmas. The article again highlighted the government funding disparities faced by Bromley and the Council’s ongoing call for ‘fairer funding’ as a result. This year’s council tax is being set against this challenging context and residents are being given further opportunity, as usual, to comment about their priorities for council services through the budget consultation as part of the council tax setting process, with feedback being reported back to the next meeting of the Executive to help support decision-making.

#### 4.20 Position by Department – Key Issues/Risks

4.20.1 There remain risks in meeting the 'budget gap' arising from budget savings, mitigation options to address cost pressures, as well as ongoing cost pressures arising from new burdens and the impact of Government policy changes. Action will need to be taken to contain, where possible these cost pressures, managing the implementation of savings, generate income or seeking alternative savings where required. The Council's Corporate Risk Register shows that 'Failure to deliver a sustainable financial strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget' is the highest risk the Council is facing.

4.20.2 In addition to the issues shown above, a further list provided by Directors of the potential risks which will be faced in future years that Members should consider arising from the assumptions made are shown in Appendix 15. The level of balances held, and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures

#### 4.21 Balancing the Budget over the Financial Forecast Period

4.21.1 Despite the Council being well run financially, the Fair Funding review 2.0 effectively penalises authorities with low council tax levels. The funding assumptions assume that councils have the average national level of council tax. This leaves Bromley potentially down in funding of up to £61m compared to government assumptions on national average council tax rates (using 2025/26 council tax levels). The significant loss of funding which equates to around £30.5m in real terms by 2028/29 moves the council towards a less financially sustainable position. The funding also reflects heavier weighting on deprivation levels which have reduced in Bromley, compared with other councils, but as shown in the cost/growth pressures reflected in this report this is not the only driver of service need/demand.

4.21.2 If the budget gap cannot be addressed over the next few years, then Exceptional Financial Support (EFS) would be required. EFS is not financially sustainable in the long term as with limited ability to identify capital receipts from property disposals it would simply add to borrowing costs which would increase the underlying budget gap even further.

4.21.3 EFS is used as an alternative to a Section 114 notice needing to be issued on a local authority if it cannot balance its revenue budget. Even a Section 114 notice would not resolve the Council's financial position if the underlying financial issues cannot be resolved with the statutory obligations remaining.

4.21.4 The Government proposal to absorb all SEND spending within DfE departmental budgets, thus removing future DSG deficits beyond 2027/28 is really needed but it could potentially leave a cumulative DSG deficit built up to 2027/28 that needs to be funded. Latest projections indicate a potential cumulative deficit of £77.5m and without any government support a EFS option would simply result in borrowing costs at an estimated £6.5m per annum which would increase the future years budget gap further.

4.21.5 These challenges highlight the importance with continuing with transformation savings and containing, where possible cost/growth pressures to help address the budget gap – there remains a statutory duty to balance the budget. The key issue to consider is the need to ensure long term sustainable finances to help ensure the Council can provide priority services in the longer term. Any final proposals as part of the 2026/27 Council Tax report in February will need to enable the Council to achieve a legally and financially

balanced budget in 2026/27 but to also deal with the medium-term financial position as well. Even allowing for the options in this report a budget gap of £26.4m per annum remains for 2026/27. The final outcome will also depend on the final decisions made on council tax levels.

4.21.6 The Council has been better placed than many other authorities because of the history of robust financial management and ensuring best use of resources. The financial strategy needs to remain flexible and the Council's reserves resilient to respond to the impact of volatile external events and addressing budget deficits during this uncertain period.

4.21.7 The Council will need to seek primarily to balance its revenue budget over the financial forecast period and it remains essential to contain Council spending within original budget estimates to mitigate against further cost pressures. However, the Council could continue to utilise reserves, where necessary, to smooth the impact of the savings requirement throughout the period.

4.21.8 The scale of savings required in future years is unlikely to be met by efficiency alone – there may need to be a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The key work from the Council's Transformation Programme is highlighted in a report elsewhere in the agenda (see section 4.4.5).

4.21.9 This report also refers to the Council's capital programme with funding of schemes impacting on the Council's overall budget position.

4.21.10 The Council will continue to seek a fairer financial settlement on behalf of the residents of the Borough. The contribution of local MPs will also assist in this arrangement.

4.21.11 Stewardship and delivering sustainable finances are increasingly important whilst cost pressures coupled with Government funding reducing. The strategy needs to remain flexible and the Council's reserves resilient to respond to the impact of volatile external events and the structural budget deficit.

## **5. FINANCIAL IMPLICATIONS**

5.1 Detailed in the report.

## **6. LEGAL IMPLICATIONS**

6.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council, following recommendation from the Executive. Under the Local Government Finance Act 1992, the Council must estimate its income and expenditure, determine its budget requirement, and set a balanced budget that enables it to meet statutory duties and financial obligation.

6.2 Schedule 72 to the Localism Act 2011 amended the Local Government Finance 1992 Act to require councils to determine whether their proposed council tax increase is "excessive". If so, a local referendum must be held.

6.3 All Members share statutory responsibility for approving the budget. The Council should be

satisfied that the proposals represent a prudent use of resources in both the short and long term, balancing the interests of tax payers, ratepayers and service users.

- 6.4 The Council is legally required to discharge a range of statutory duties, with some discretion over the level of service provision. It also delivers a range of discretionary services. Unlike statutory duties, the Council is not legally obliged to provide these discretionary services; however, it may be contractually bound to do so in certain cases. Any decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public/administrative law decision making principles, including consultation and equality impact assessment.
- 6.5 The Council must also comply with the Public Sector Equality duty under section 149 of the Equality Act 2010. The Council must have due regard to eliminating discrimination, harassment and victimisation, advancing equality of opportunity and fostering good relations between persons who share protected characteristics.
- 6.6 This report sets the budget for the forthcoming financial year. Where reductions are proposed, further decisions may be required (or have already been taken) to implement initiatives achieving those budget reductions. Such decisions will be subject to any applicable consultation, equality impacts analysis, and other legal requirements as part of the implementation process.
- 6.7 Detailed decisions on service delivery and implementation are, by law, for the Executive or delegated officers. These considerations will be assessed by the relevant decision-makers in due course and are therefore not set out in this report. These decisions may result in amendments to proposed savings. Agreeing the budget does not constitute approval of the detailed arrangements for service delivery. Decision-makers (typically the Executive, Portfolio Holders, or Chief Officers) retain flexibility to make adjustments, such as virements or use of reserves, where appropriate. However, the overarching requirement to maintain a balanced budget continues to apply.
- 6.8 The Local Government Act 2003 requires the Director of Finance to report on the robustness of budget estimates and adequacy of reserves. The Council must also comply with the CIPFA Prudential Code when making financial decisions. Further details to support these obligations will be reflected in the 2026/27 Council Tax report to be reported to the February 2026 meeting of the Executive.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2026/27 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

## **8. PROCUREMENT IMPLICATIONS**

- 8.1 The Draft 2026/27 Budget reflects the Council's key plans and priorities and there are no significant procurement implications arising directly from this report.

## **9. PROPERTY IMPLICATIONS**

- 9.1 The Draft 2026/27 Budget reflects the Council's key plans and costs relating to properties across the Council.

## **10. IT IMPLICATIONS**

10.1 The Draft 2026/27 Budget reflects the Council's key plans and costs relating to IT services across the Council.

## **11. RISK MANAGEMENT**

11.1 One of the most significant risks facing the Council is Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget. This report highlights that risk and the medium-term approach, which remains challenging given the cost/growth pressures facing the Council coupled with funding reductions.

## **12. TRANSFORMATION/POLICY IMPLICATIONS**

12.1 Making Bromley Even Better Priority: The Draft 2026/27 Budget enables the Council to continue to deliver on its 'Making Bromley Even Better' key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium- term financial plan. The Council continues to deliver key services within the financial constraints. This report includes the impact of the Transformation Savings (see also report elsewhere on this agenda).

## **13. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

13.1 The Draft 2026/27 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people. Significant changes will be reported to the relevant PDS committee.

## **14. IMPACT ON HEALTH AND WELLBEING**

14.1 The Draft 2026/27 Budget reflects the cost implications and budget required to reflect the Council's Health and Wellbeing Plans.

## **15. IMPACT ON THE LOCAL ECONOMY**

15.1 The budget proposals reflect the cost implications and budget required to reflect the Council's planned support to the Local Economy.

## **16. CARBON REDUCTION/SOCIAL VALUE IMPLICATION**

16.1 The budget proposals reflect the cost implications and budget required to meet the Council's Carbon Reduction ambitions.

## **17. CUSTOMER IMPACT - CONSULTATION AND PUBLIC ENGAGEMENT**

17.1 The report reflects the budgetary implications of all the services provided by the Council as well as obligations/duties to support residents, users and businesses in the borough.

## **18. WARD COUNCILLOR VIEWS**

18.1 Boroughwide

## APPENDIX 1

### UPDATE ON ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES AND ECONOMIC CONTEXT

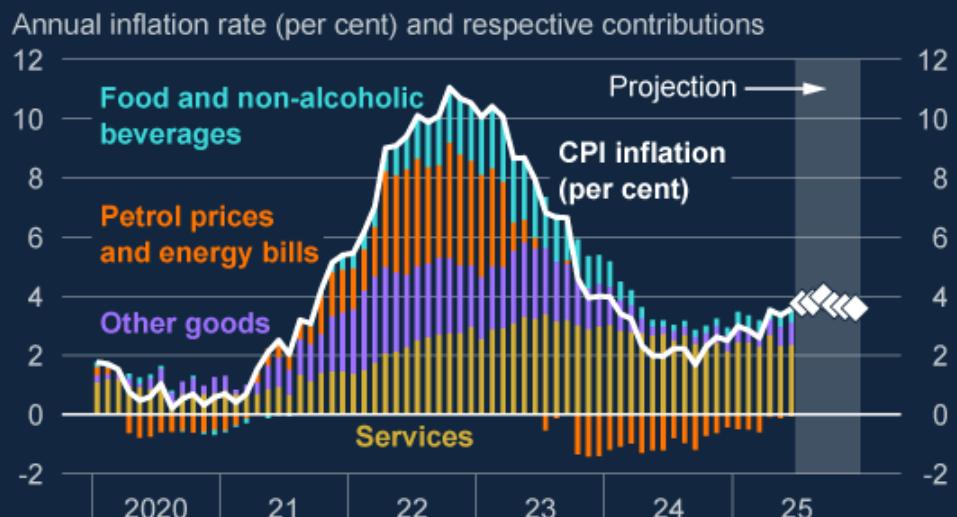
1. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. Many sources of uncertainty have previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next three years. The next few years remain uncertain economically and fiscally, given that GDP is expected to remain at or below 1.5% up to 2027/28. Wider geopolitical issues clearly contribute to the economic uncertainty. These factors could ultimately impact on the funding available for local government. The Provisional Local Government Finance Settlement 2026/27 provides indicative funding over three years, updated with subsequent spending reviews which provides greater financial certainty. Given the three-year funding timeframe the financial forecast has been revised from a four year to three year forecast period.

2. The key economic and fiscal headlines, for the UK, from the Chancellor's Budget 2025, which will be key factors in consideration of future funding for public services, are summarised below:

- Annual increase in inflation (CPI) is projected to be on average 3.5% in 2025/26, 2.2% in 2026/27 and 2% in 2027/28;
- Annual increase in Gross Domestic Product (GDP) is projected to be 1.3% in 2025/26, 1.5% in 2026/27 and 1.5% in 2027/28;
- Borrowing is projected to fall from 4.5% of GDP in 2025/26 to 1.9% of Gross Domestic Product (GDP) in 2030/31;
- Overall debt is projected to increase to 96% of GDP by 2029/30 (95% in 2025/26), which is twice the debt level of the average advanced economy;
- All the above factors will be considerations for future funding of public services.

3. The Bank of England's Monetary Policy report (November 2025) provides two charts that indicates their view on the direction of inflation for the future.

**Inflation is much lower now than it was a few years ago, but needs to fall further to reach the 2% target**

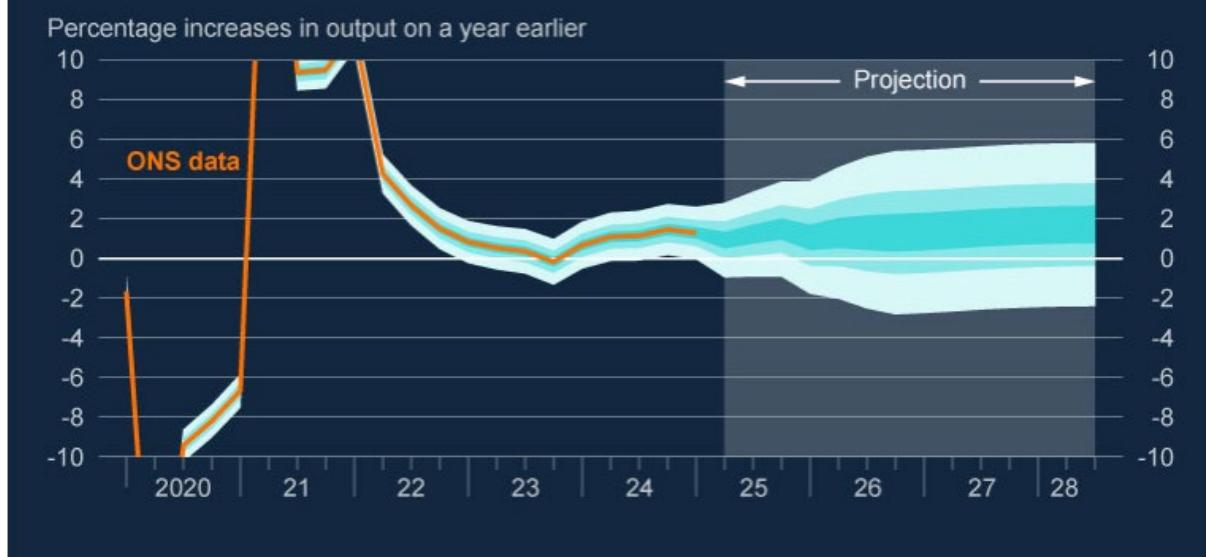


4. The CPI annual inflation rate is expected to be on a downward path in 2026. The average forecast among economists surveyed by the Treasury in December 2025 was for inflation to be 3.5% in Q4 2025 and 2.2% in Q4 2026. In its November 2025 forecasts released alongside the Budget, the Office for Budget Responsibility (OBR) expects an inflation rate of 3.6% in Q4 2025, before falling to 2.1% in Q4 2026. In its early November 2025 meeting to set interest rates, the Bank of England's Monetary Policy Committee said that inflation is "judged to have peaked". Bank staff, in their accompanying assessment of the economy, forecast inflation "to fall close to 3% in the coming quarters" and then down to 2.5% in Q4 2026, before falling just below the 2% target in Q2 2027.

5. It remains important to consider the direction of inflation and its impact on the Council's revenue budget and financial forecast. Many of the Council's contracts have annual price review clauses linked to CPI, RPIX and other inflation indices with many reviewed using January and February indices each year. Therefore, for example, even if there was a sharp fall in inflation during 2026/27 the key annual price increase period for the Council, relating to contracts, will be determined by January and February indices. The Draft 2026/27 Budget assumes overall inflation allowance of 3.5% for 2026/27, 2.5% in 2027/28 and 2% per annum thereafter.

6. The Bank of England's Monetary Policy report (November 2025) provides a 'fan' chart that indicates their view on the direction of growth projections for the future.

**Chart 1.2: GDP growth projection based on market interest rate expectations, other policy measures as announced**



7. Economic growth is expected to continue to be low as indicated in the Bank of England fan chart above with OBR forecasts within the range 1.3% to 1.5% between 2025/26 to 2027/28.
8. Recessions are defined as at least two consecutive quarters of negative GDP growth. The UK economy grew just 0.2% in Q2 2025 and 0.1% in Q3 2025.
9. The Bank of England have previously warned of a potential 'forceful downturn' due to high borrowing costs and weak demand which could increase the risk of moving to a recession. A recession risk therefore remains which can have a negative impact on the availability of Government funding for local government services.
10. Local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services in the future could result in a likely real term funding reductions remaining for local government or creating a situation where costs and demographic pressures facing local government are not matched fully by changes in government funding.
11. The next Spending Review will be during 2027. Inflation, economic growth, tax revenues, borrowing costs and priorities for funding will be key considerations in the next spending review which will determine funding for 2028/29 and future years.

**CHANCELLOR'S BUDGET AND PROVISIONAL LOCAL GOVERNMENT SETTLEMENT  
2026/27**

1. The Chancellor's Budget was announced on 26<sup>th</sup> November 2025 and a link to the detailed report below:

**Budget 2025 - GOV.UK**

Although not comprehensive, some key points affecting local government below.

**2. Issues Affecting Local Government (from 2026/27)**

- After the Statutory Override period, which ends in 2027/28, annual Special Educational Needs (SEN) Deficit from 2028/29 to be met by Government (much welcomed news) – this equates to an estimated £20m per annum from 2028/29 for Bromley. This will be contained within overall DfE monies rather than shown as growth in Department of Education's allocated spend which could have implications for other school services;
- The SEN cumulative deficit for Bromley is estimated at £77.5m at end of 2027/28. Local authorities will need to access government on how to address their deficit. This could result in permission to sell assets, use reserves or borrowing to fund the outstanding deficit. No details available but further announcement with the final local government finance settlement 2026/27. There is still the awaited White Paper which is looking at changes for SEN;
- Visitor Levy to be introduced – collection administered through the respective billing authorities i.e. Council and spending to be directed through Mayor, although some monies may be considered for local spend within billing authority. Await consultation paper to determine views on this before concluded;
- Council Tax Surcharge - for properties with value of £2m plus. This would be an additional charge of £2,500 per annum (value £2-£2.5m); £3,500 (value £2.5m-£3.5m); £5,000 (value £3.5m-£5m); £7,500 (value £5m+). Valuation to be determined through Valuation Office and monies collected by Council. Where reference to Band F,G and H the key determinant is the value rather than banding i.e. £2m plus. These monies will be collected through individual local authorities and the income redistributed to Government and monies may be used in the future to support local government. However, monies collected will not be retained locally;
- Integrated settlements through strategic Mayors, including Mayor of London (£13bn of Spending Review 2025 funding for period 2026/27 to 2029/30). Details of what is included is awaited;
- Efficiency savings of 0.1% on core spending power in local authorities to be delivered in 2028/29 – this is post Existing Spending review period;
- Government will provide a further £1.5bn capital investment through Warm Homes Plan (intended to tackle fuel poverty);
- Reaffirm commitment to provide £2bn per annum for local authorities to fix potholes by 2029/30;
- National Living Wage will increase by 4.1% (increase of 8.5% for 18-20 year olds) and 6% for 16-17 year olds);

- Allocation of £100m to local authorities and public bodies to accelerate installation of charge points;
- The Government is adjusting how earnings are treated for Housing Benefit and Universal Credit claimants in supported housing and temporary accommodation, so that most claimants will not be subject to reductions in income for working more hours;
- The administration of pensioner Housing Benefit and Pension Credit will be brought together from Autumn 2026;
- Properties transferred through Local Government Pension Schemes will not be subject to Stamp Duty;
- The Government will provide additional funding to enhance Trading Standards capabilities to support action against money laundering and organised criminality;
- Government will provide MHCLG £48m over three years to boost capacity and capability in the planning system;
- The Budget announced funding will be provided to refurbish and improve up to 200 playgrounds in England but unclear if this will be routed through local authorities;
- Office for Budget Responsibility have assumed annual council tax increase of 5%;
- Various changes to business rate charges (reliefs, multipliers etc.) from 2026/27. Please note that Valuation Office have completed the full business rate revaluation which will be implemented from 2026/27 and there will be 'winners and losers' among businesses;

Initial key headlines from the Provisional Local Government grant settlement 2026/27 published on 17<sup>th</sup> December 2025 are shown below.

From a consolidated grant figure of £100.4m (baseline for 2025/26) the Council **will lose** the following funding (in cash terms)

2026/27 £6.5m

2027/28 £14.5m (a further £8m compared with 2026/27)

2028/29 £22.2m (a further £7.7m compared with 2027/28).

The Council will receive additional funding of £1.3m per annum (£0.8m in 2028/29) for Families First Partnership which is expected to be ringfenced to cover new preventative costs.

3. If you allow for inflation (real terms) the reduction in core funding for Bromley equates to around £10m in 2026/27 increasing to around £30.5m per annum by 2028/29.

4. The grant system assumes that Councils raise income based on average national council tax levels and the grant funding is reduced to reflect this – the grant funding also assumes an increase in new council tax banded properties each year and council tax increases of 5% per annum in the grant calculations. If Bromley had the average council tax (Band D equivalent) it would generate additional income of around £61m per annum (based on 2025/26 levels). The grant system clearly does not work for Bromley and is heavily weighted to reflect deprivation measures which has contributed to the reduction in funding for Bromley.

5. The Government's response to authorities significantly impacted by the grant changes includes:

'We understand that some local authorities may be in a challenging financial position. To strike the right balance between protecting taxpayers and supporting local authorities, the government will consider local requests for council tax flexibility where a local authority is facing significant local financial difficulty and views additional council tax increases as critical to managing financial risk. This is similar to the approach taken by the previous government. As set out in the policy statement, in considering requests the government will carefully consider a local authority's specific circumstances and will take account of an authority's Band D council tax level in relation to the average council tax levels. Unlike the previous government, this government would not agree to requests for additional flexibilities from authorities where council taxpayers are already paying more than average.'

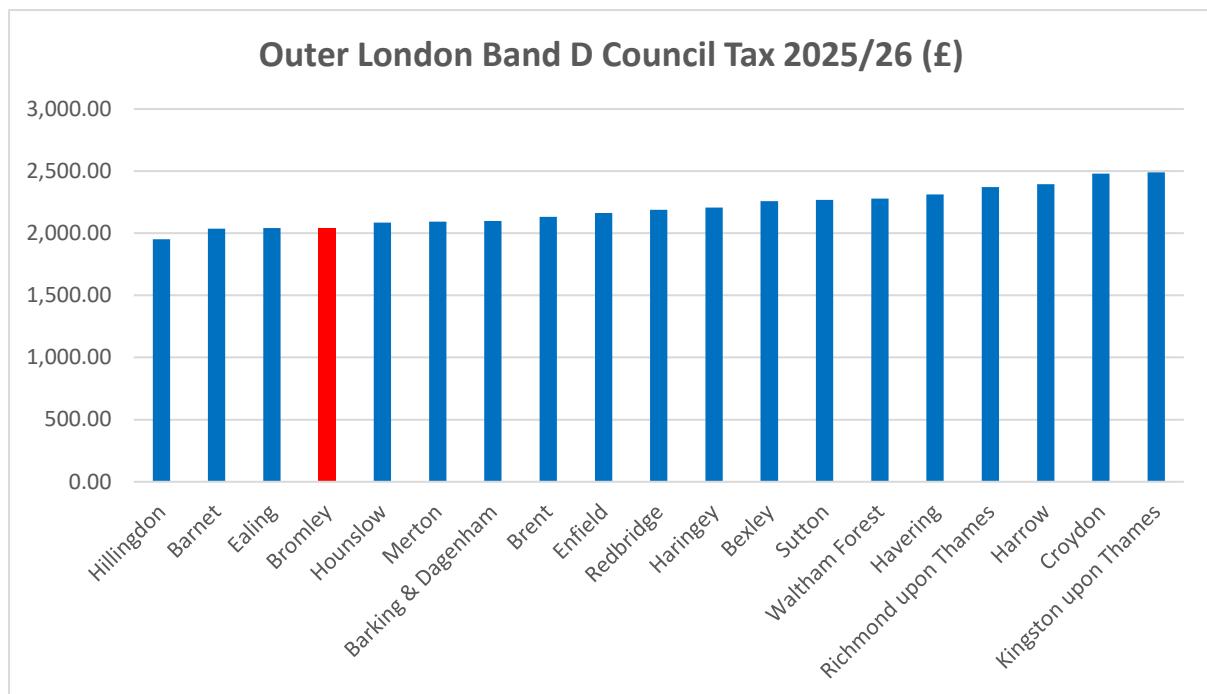
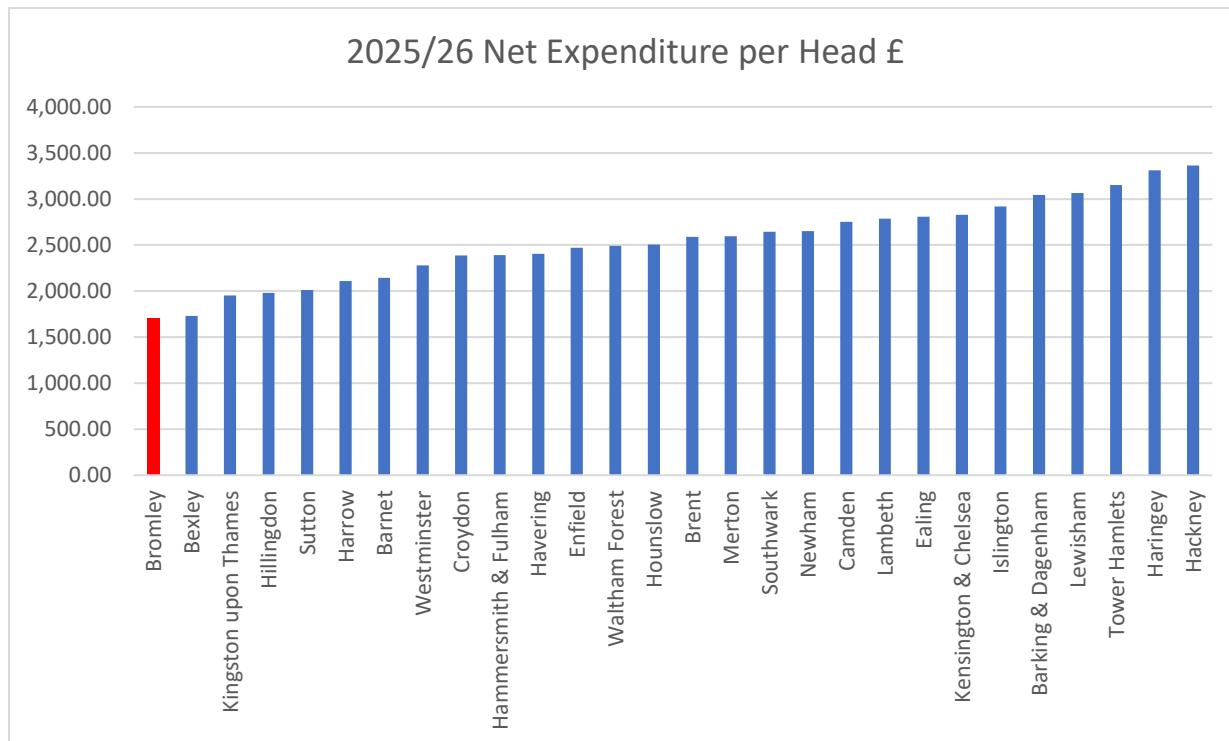
6. The Government has exempted, during the spending review period, 6 boroughs (including 5 London boroughs) from the council tax referendum limits as part of 'rebalancing' funding to more deprived boroughs. The boroughs are Kensington and Chelsea, City of London, Hammersmith and Fulham, Westminster, Windsor and Maidenhead and Wandsworth.

7. As overall core funding reduces the Council will receive no inflationary increases on a 'marking time' basis. Councils, such as Bromley, are still expected to receive future new burdens funding but we risk new funding being lost under the commencement of the new grant regime. For example has the Government already factored in the headlines of additional social care funding for Fair Pay Agreement (national allocation of £500m). Details are awaited.

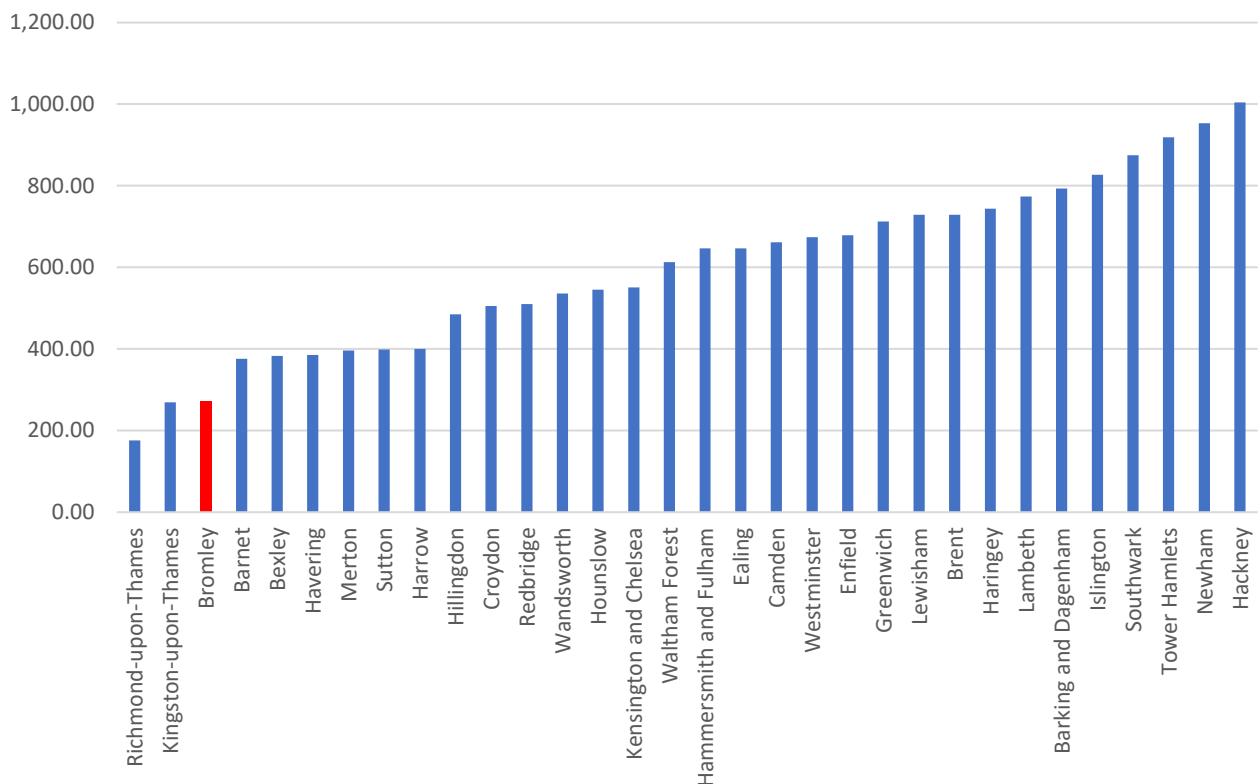
8. Although funding is geared towards deprivation levels that may not necessarily reflect the need for higher funding of this scale but it is difficult to evidence the impact, particular in boroughs like Bromley. This change represents a redistribution of funding and not a 'Fair Funding' review. It does not reflect the considerable cost/growth pressure facing local government.

## APPENDIX 3

### GOVERNMENT FUNDING, COMPARATIVE NET EXPENDITURE AND COUNCIL TAX LEVELS



## Provisional Settlement Funding per Head 2026-27 (£): All London Boroughs



The above graphs illustrate that the Council has achieved a low council tax level despite low levels of Government funding. This has been achieved by retaining below average spending levels.

Using 2026/27 funding information, if Bromley's received the average grant funding per head (core funding) for London, its annual income would increase by £112m.

If Bromley were to set its Council Tax at the average level of the lowest four settlement recipients, then it would receive additional income of £26.5m

Ministry of Housing, Communities and Local Government

Sent via [lgfcorrespondence@communities.gov.uk](mailto:lgfcorrespondence@communities.gov.uk)

15 August 2025

Dear Sir/Madam

**Consultation Response: The Fair Funding Review 2.0**

**Financial Context**

Bromley has the 2nd lowest level of settlement funding in the whole of London despite having the 7th highest population. Bromley has the second lowest net expenditure per head for London and an article in Telegraph Money section dated 15<sup>th</sup> December 2023 considered various key local authority indicators and concluded that Bromley came second place for value for money out of 127 authorities reviewed.

From 1997/98 to 2024/25 our net budget has reduced by 27% in real terms and 37% per capita due to reductions in Government funding. Significant detrimental changes were made to funding for Bromley, including changes to core funding in 2003/04, with further changes since. If Bromley received the average grant funding for London per head of population in 2025/26, this would result in an increase in grant funding of £80.4m

There are significant growth/cost pressures facing the Council and the 2025/26 budget report [BUDGET REPORT 2025-26.pdf](#) included growth/cost pressures of £32.4m (£46.9m less mitigation of £14.5m) which has only partly been met by increases in government funding levels. In addition to the mitigation savings, the Council has also delivered £19m transformation savings and yet still has to rely on the drawdown of reserves totalling £14.1m which is not sustainable. The future years 'budget gap' will increase significantly without adequate additional funding to reflect the ongoing cost pressures for adults and children's social care, special educational needs and temporary accommodation for the homeless. It is important to recognise that the cost pressures on these statutory services remain and the Council received lower levels of additional funding in 2025/26 due to revised formulas relating to additional grants.

The further impact of the new funding proposals for 2026/27 and future years would effectively increase the Council's 'budget gap' and future years would create an unsustainable financial position for the Council. To match the formula used by the funding proposals to cover the average national council tax would require an equivalent increase in Bromley's council tax of 29%. This has to be considered against a referendum limit of 5%. In addition, the funding for the DSG deficit, which reflects a wider national issue adds to the unsustainable financial position for the future.

other higher cost authorities. The combination of all these factors could result in the Council fully exhausting its revenue reserves within 2 years and seeking Exceptional Financial Support or worse. Hence, we would be facing an unsustainable financial position with no recognition of the fair level of funding required by the Council.

It is important to recognise that many services will continue to face cost pressures considerably higher than general inflation. Council tax increases, with referendum limits in place, can meet general inflation and other changes but not the scale of cost/growth pressures facing the Council. There should be more Government funding provided rather than a reliance on local taxpayers to meet the significant costs or the need to find savings on key services that matter to residents.

We are disappointed that rather than a full 'fair funding' assessment, the proposals mainly reflect a redistribution of mainly existing funding which does not recognise the financial challenges facing local authorities.

The funding proposals are detrimental to the financial resilience of the Council. This highlights the need for significant fiscal and legislative reform beyond the existing proposals to ensure that Bromley can continue to deliver effective services whilst remaining financially sustainable.

### **Key Asks for 2026/27 and future local government settlements for Bromley**

Key asks for Bromley are summarised below:

- The funding should reflect a mechanism to reward low-cost and efficient authorities like Bromley (2<sup>nd</sup> lowest cost among 'nearest neighbours' group and 6<sup>th</sup> lowest out of 113 unitary, metropolitan and London boroughs, using 2023/24 estimate data).
- Recognition of the cost increases exceeding general inflation increases across many Council's services together with the revenue impact of Council's Capital programme with cost increases arising from the implications of high building inflation, supply availability issues and higher financing costs (compared to low-interest rate period).
- Funding needs to recognise higher London costs which impacts on service costs and the financial impact of need. This has not been adequately recognised in settlements for Bromley.
- Remove restrictions that prevent local authorities from raising or spending their own resources - we need more flexibility in place to make the best use of our resources for our residents.
- Introduce more flexibility to Councils allowing statutory charges to increase, as a minimum, to match increases in costs.
- The 2026/27 settlement, together with the future Spending Reviews should recognise Bromley's cost pressures whilst remaining a low cost authority and facing a substantial budget gap. The majority of the Council's spending is directed towards statutory services. Years of annual budget cuts, combined with a low cost base, mean there are limited options available to achieve further savings.
- Bromley is the largest London borough by geography at 58 square miles. The borough has over 330,000 residents (2024), projected to increase to 350,000 by 2028 and to 395,000 (19%) by 2038. Future funding should more accurately

recognise the existing demographics as well as the financial impact of projected demographic changes.

- There should have mechanisms in place to ensure all new burdens are fully funded. New burdens doctrine was expected to be transparent in recognising and funding additional cost pressures for local authorities arising from changes in government policy. There are many examples of additional burdens without adequate funding being provided. There are also further potential new burdens in the medium term including, for example, expansion of the UK Emissions Trading Scheme to cover energy from waste which could have a detrimental impact on costs to Bromley.
- Benefits data which is used in determining needs assessment does not reflect low level of take up (can it be adjusted to reflect lower take up compared with rest of country?) or the impact of higher housing costs in London. Measuring deprivation levels after housing costs gives a more realistic assessment of disposable income. We therefore urge government to update deprivation measures to reflect “income after housing costs” or, where that is not feasible, to supplement existing indices with an additional factor to capture this reality. Without such a change, areas facing the greatest housing pressures will remain structurally underfunded and less able to meet demand.
- We have previously raised our concerns about the complexity and lack of transparency within the current local government finance system. We appreciate the announced move to multi-year settlements from 2026/27 and some action already taken on the removal of ring-fencing of some funding streams to enable flexibility to re-divert resources according to local priorities. However, the changes being proposed need to be fully transparent and the comments raised in response to the questions (attached) addressed. It remains essential that any whole solution that provides a sustainable platform for the future includes resource equalisation and transitional arrangements.
- We ask that the Government completes the SEND review and provide adequate funding to eliminate existing DSG deficits as well as prevent the medium-term funding shortfall and avoid a potential financial impact on the Council’s general fund – the Council faces a cumulative deficit of £85m by 2028/29. The significant deficit is partly a consequence of extending the age range for eligibility for support without additional funding being provided (new burden). The longer-term impact of COVID-19 is also likely to have contributed towards additional cost pressures without adequate funding being provided. Any decision to continue with the extension of the statutory override in place is not sustainable and effectively delays the need to deal with the root cause of the funding problem identified above. The anomaly should also be addressed where the council taxpayer is required to fund special educational needs transport costs of around £17m per annum which should logically be funded through education funding as it is part of the overall SEN package of costs.
- We welcomed the review of children’s social care launched by the previous Government in January 2021 which ‘will set out to radically reform the system’ and hoped that this would have thoroughly considered the costs pressures on children’s social care and the need for adequate funding to improve children’s lives. The outcome did not address the funding challenges for children’s social care and costs continue to increase to reflect societal changes, demographic changes, improved healthcare and high-cost increases amongst the limited number of residential care providers. The proposed children’s formula would result in significant losses of funding for Bromley despite the ongoing cost/growth pressures. This formula has not

been sufficiently tested with the local government sector, and uses measures that do not fully and accurately reflect the drivers of need and deprivation, particularly given London's high housing costs. We urge the government to work with Bromley and others on revisiting and refining this formula before it is implemented. This proposal is particularly challenging given the recent communication from Department for Education proposing to introduce new statutory targets from August 2025 as part of its "Giving every child the best start in life" programme. These targets will require increased investment in early help, safeguarding, and specialist services. It is more challenging to expect the Council to deliver improved outcomes against new statutory requirements while removing a substantial proportion of the resources needed to achieve them. The funding is not realistically matching the required statutory level of spend.

- Recognises the true financial impact of essential highways maintenance and repair in a geographically large borough with an extensive road network. There should also be the direct allocation of pothole funding to individual local authorities and early indication of additional funding available, to enable effective planning of essential works.
- On adult social care there is still a need for a fundamental solution to address long term funding. There remains an interdependency between social care and NHS services and with high level hospital waiting lists and its impact of adult social care, there is a need for diverting some of NHS funding towards adult social care to ensure the NHS can deliver its key requirements. We recognise the recent announcement of an independent commission into social care to inform reforms but this is not scheduled to be published until 2028 which is too long given the state of the Council's level of inadequate funding towards such services. This should be brought forward recognising the significant financial challenges facing local authorities.
- There needs to be further improvement for funding to meet homelessness and prevention costs. Although we have been successful in developing innovative opportunities with external partners to deliver temporary accommodation and affordable/social housing to help meet increasing demand, this is still not enough. Government must consider how this serious and increasing pressure is managed and funded in the long-term including consideration of scaling back statutory duties. Although we recognise that there is some additional provision for such costs within the Fair Funding 2.0 it does not go far enough to meet the cost/growth pressures facing the Council. There should also be an increase in local housing allowances for all types of social housing through the Council together with a review of funding for new homes including more financial incentives to build housing stock. Unless the formula fully accounts for the scale and distribution of the local housing allowance subsidy loss and increasingly high temporary accommodation costs, there will be underfunding and the financial impact of TA will continue to erode our ability to invest in prevention and other vital services.
- The Council continues to seek to increase in the de minimus level of housing units required to open a Housing Revenue Account (HRA), from 200 to 1,000 units. Some councils face an unsustainable financial position on their HRAs and until the necessary reforms are in place we are seeking the flexibility to enable us to have the choice of when to reopen the HRA and work towards a higher de minimis limit.
- *We previously welcomed the additional funding relating to the extended producer responsibility towards the significant costs relating to the responsibility for waste*

*collection and disposal as well as other factors. There needs to be separate consideration of funding for any new financial burden arising from any extension of the UK Emissions Trading scheme to cover energy from waste.*

- Future Spending Reviews needs to consider any implications arising from pension reforms (LGPS) and ensure that such reforms do not have a detrimental effect (or unintended consequence) or reducing overall investment performance which could increase the ultimate costs to local council tax payers.
- There were 1,335 statutory duties as at June 2011, identified by the National Audit Office. There has been no overall reduction in statutory duties to date despite overall significant funding reductions. This highlights the importance of considering the full impact of any new burdens affecting local government. Without additional funding or freedoms, the Government should consider reviewing the role and duties of local government to match the potential resources available. Fundamental reform is required to deliver sustainable finances for Bromley and other boroughs

## **Working with Government**

We note the response from Mr McMahon to a LGA councillor forum that he has commissioned a government wide review to look at reforms that could better support local government and he also referred to “system failures” in housing and adult social care that were to blame for rising council costs and is “why reform is so important” He also referred to these failures “have become your financial burden.”

You will be aware that London boroughs already face a growing financial crisis following years of underfunding and rising demand for services with London more reliant on emergency borrowing and asset sales to balance their budgets than any other part of the country - nearly a quarter of boroughs reliant on Exceptional Financial Support (EFS), the highest rate of any region in England. These proposals do not provide a sustainable financial solution for the Council and without improved funding the Council will face a similar situation in the future.

EFS was supposed to be a temporary solution but is now becoming more widespread and less sustainable. In effect, a growing number of councils are running structural deficits from year-to-year. The existing EFS regime is not supporting councils to get out of financial distress, as evidenced by the two boroughs in London who have been in receipt of it for several years seeing their amounts increase significantly this year. Once any viable surplus assets have been sold and capital receipts exhausted, support comes in the form of additional borrowing which simply leads to growing financing costs and, ultimately, the need to borrow even more. There is an inequity in relying on asset sales to fund these gaps as different councils will have different asset bases due to historic factors. This approach, similar to the DSG statutory override, goes against standard accounting practice straying into the territory of funding revenue pressures with capital funding.

We welcome the opportunity to respond to the Fair Funding 2.0 review. After more than a decade under the existing funding formulae, there is a clear need to reform the local government funding system and ensure funding is distributed on the basis of need. We would want to contribute further to ensure the Fair Funding Review 2.0 can be a success and would want to contribute to all the Government announced reviews and any future reviews.

**Yours faithfully**



Peter Turner  
Director of Finance  
London Borough of Bromley

**FUTURE LOCAL AUTHORITY LANDSCAPE**

1. Florence Eshalomi MP, Chair of UK Parliament's cross-party Housing Communities and Local Government Committee referred to a case now for councils to go 'back to basics' as part of a fundamental review in the face of overwhelming financial pressures. She also said if local authority finances did not improve in the next few years, 'honest discussions' should be had with government over whether councils were being asked too much for the funding they received. She also stated, 'obviously we want things to be delivered locally but... demand is going to continue to increase, the population is rising, we are living longer, and disabilities are more complex'. These are areas that many councils are grappling with so we have to be honest – are we going to make sure that this area is protected in terms of funding or do we look at the day-to-day role of councils in carrying out these functions'.
2. Around one in four London Boroughs are relying on EFS support which indicates an underlying problem relating to local government finances.
3. 6 Councils have been given permission to increase council tax levels beyond the referendum limits of 5% in 2026/27. The Institute of Fiscal Studies referred to the local government finance settlement 2026/27 being based on an assumed 'very large increase in council tax bill indeed' for those six boroughs.
4. The Local Government Information Unit Chief Executive stated, 'instead of tinkering at the edges of council's fiscal powers, we need wholesale reform of local government finance across the country – capable of addressing immediate pressures as well as long term sustainability'.
5. In the early part of 2025, the Local Government Association (LGA) referred to councils in England could face a £8bn funding gap by 2028/29 without adequate government support.
6. Separately, the LGA referred to emergency government bailout agreements for councils being at risk of becoming "normalised" as costs continue to outstrip available resources and push many to the financial brink. Analysis by LGA revealed that councils across England are at risk of substantial budget overspends in 2025/26 across adult social care, children's social care and homelessness services. The LGA indicated that the country cannot deliver growth, reform public services or improve life chances without fixing local government finances. They referred to overspending in demand-led services means councils are increasingly being forced to rely on emergency measures such as in-year cuts to spend for other services and drawing on depleting reserves to balance their books. This is not financially sustainable. The LGA said that 29 councils (including nearly one in six of all councils with social care duties) needed Exceptional Financial Support (EFS) agreements this year to borrow, sell assets or increase council tax above national limits simply to keep essential services running. This is a substantial increase on the number last year and a clear warning sign of systemic failure. The LGA said current EFS arrangements, which allow capitalisation of revenue costs, should be reviewed to ascertain whether they are achieving the objective of supporting councils in returning to financial sustainability.
7. Through Society of County Treasurers/Association of Local Authority Treasurers (SCT/ALATS) survey local authorities were asked to report their 2024/25 financial year expenditure and to project forward their predicted high-needs expenditure to 2028/29.

Future expenditure projections only cover high needs expenditure and exclude expenditure from local authority core budgets. The outcome of the survey indicated that scaling up these responses to be representative of the national picture it can be estimated that expenditure in 2024/25 was £12.2 billion and will rise to £16.8 billion by 2028/29. Based on the most recent survey returns it was estimated that the national cumulative deficit, for 2024/25, sits at £4 billion. This will rise to £6.6bn by the end of March 2026, higher than our previous estimates. Local authorities project that if no changes are made to government SEND policy, then this will rise to a financial 'black hole' of £17.8 billion by 2028/29. Although the cumulative SEND deficit does not 'count' in a local authority's balance sheet at the end of the financial year, due to the continuation of the statutory override, it still has real world implications for local government's cash flow and spending power. The cumulative deficit is real money that has already been spent. As such, this is money that local authorities no longer hold in their bank accounts. This can have two implications. Either local authorities (if their financial reserves are in credit overall) will be foregoing interest that they could have earned on the positive balance, or (if their financial position is in debit overall) they will be paying interest to service a loan to cover the deficit. In their survey SCT/ALATS asked local authorities to estimate the impact of the cumulative deficit on their financial position.

8. The IFS referred to outcome of Fair Funding Review 2.0. They stated 'these reforms are welcome: for arguably 20 years, England has lacked a rational system for allocating funding between councils. But after so long without such a system, reintroducing one will mean a significant redistribution of funding around the country. And there are different options for key elements of the system, which could have significant effects on the financial impacts of the final package of reforms.

9. The National Audit Office (NAO) in February 2025, referred to despite funding for local government increasing in recent years, such funding has not kept pace with population growth or the demand for services, the complexity of need, or the cost of delivering services to people most in need of support. Some services are showing the strain, and more local authorities are requesting financial support. Despite short term measures to address acute funding shortfalls, there has been insufficient action to address the systematic weaknesses in local government financial sustainability.

10. The Local Government Information Unit (LGIU) 12th annual *State of Local Government Finance in England* survey (March 2025), illustrated a sector that remained in crisis. It referred to councils continuing to struggle under inflation, workforce shortages, high debt burdens, the local authority audit backlog, and ring-fencing constraints; however, local government reorganisation and rises in National Insurance Contributions represent new, additional pressures on council finances. Of the 150 councils that the LGIU surveyed, 6% said it was likely that they would issue a section 114 notice in the next financial year, with 35% indicating a likelihood of doing so in the next five years. Extrapolating these findings to the 317 councils in England, this suggests that 19 councils could fail to pass a balanced budget by March 2026, rising to 111 by 2030. Surging service demand remains the greatest threat to the sustainability of local government finance, with over 90% of councils identifying it as a major issue.

The most critical areas of concern include:

- Temporary accommodation: as councils face unprecedented demand for supported housing.
- Children's services: where rising caseloads and intervention costs are stretching budgets, particularly in relation to SEND provisioning.
- Adult social care: which remains a persistent financial challenge due to demographic pressures and rising care costs.

Nearly two-thirds of councils will reduce spending on services (63%), although many will make savings through efficiencies arising from the restructuring of services (47%).

Alarmingly, most councils will draw from their reserves this year (56%) – the second successive year for nearly half of our survey (49%). Nevertheless, these measures will still fail to drastically improve the situation facing councils, and more radical reform is needed.

11. Local authorities will exist in the same perpetual state of financial uncertainty as they did in the 2010s – and there are signs that many are still in danger of collapse – without substantial funding increases, warns a Institute for Government paper.

- Report includes reference to:
- One in six upper-tier local authorities relied on emergency funding to balance their books in 2025/26, selling assets and borrowing to meet in-year pressures.
- Between 2009/10 and 2024/25, local authorities increased per-person spending on adult and children's social care by 19.3% in real terms; per-person spending on other services declined by more than a third (-38.1%) in real terms in that time.

12. During 2025 (prior to outcome of Fair Funding Review 2.0, a survey of 33 London local authorities organised by Society of London Treasurer's indicated that between 2025/26 to 2028/29 the funding gap is expected to rise to £4.7bn for London, based on current trends in service demands and expected funding levels. This four-year gap has more than doubled since 2024/25, when boroughs forecast a £21.2bn gap.

## APPENDIX 6

### INTERVENTIONS ON FINANCIAL SUSTAINABILITY

#### 1. Section 25 Report

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Authority on setting its council tax each year on:

- The robustness of then estimates included in the budget, and
- The adequacy of financial reserves in the budget.

The Council has a statutory requirement to agree a balanced budget and all members are required to record their vote as part of the annual budget setting meeting to emphasise its importance.

The Authority is required to have regard to the Section 25 comments/report in approving the budget and council tax.

In summary the Section 25 focuses on the risk, uncertainty and robustness of the budget and is included with the annual Council Tax report. Changes were made through CIPFA requiring the Section 25 requirement from 2025/26 Budget to include explicit consideration of the Housing Revenue Account (HRA) financial position as well as the impact of the Council's Dedicated Schools Grant (DSG) deficit.

#### 2. Section 114 Notice

The ultimate 'nuclear option' is a Section 114 Notice.

The issue of a Section 114 Notice by the Council's Chief Financial Officers (Section 151 Officer) is an extremely serious matter and will impact on the Council in terms of its ability to deliver services to residents as well as wider reputation.

A Section 114 Notice leads to:

- Escalation of intervention by MHCLG in the Council's management and administration;
- Results in new spending being stopped immediately with the exception of statutory services- including safeguarding vulnerable people;
- Only existing contracts and commitments will be honoured;
- It is also likely to lead to the need to increase council tax levels beyond existing capped levels (permission for higher increase determined by Government);
- Once the notice has been issued, the Council is required to discuss the implications at a full Council meeting within 21 days include the need to develop and deliver a council-wide financial recovery plan.

Although many highly published Section 114 Notices related to poor governance and financial mismanagement, there will be better- run authorities risking a Section 114 Notice in the future, due to service pressures, inflation and lack of adequate funding.

### **3. Capitalisation Direction (Exceptional Financial Support)**

Part of the action taken by some local authorities to avoid a Section 114 Notice is to seek a Capitalisation Direction which is Exceptional Financial Support (EFS). The Direction, which was originally intended to be a temporary measure, requires approval by the Government. The Direction effectively provides permission to borrow (now at Public Work Loan Board rates) or to utilise income from disposals/capital receipts to fund any revenue deficit (limit set by Government). Any borrowing repayment period cannot exceed 20 years. Councils in receipt of EFS can also request dispensation to increase their council tax rates above the referendum threshold for that year without conducting a referendum – this flexibility has been extended in 2026/27 for authorities experiencing financial distress but not requesting EFS. The option to use 'capital' resources to fund annual revenue costs is not sustainable, increases ongoing borrowing costs and undermines funding for future capital programmes by using council's remaining capital receipts. EFS was intended to give time for a Council to put its finances on a more sustainable path. 30 authorities have received Exceptional Financial Support for 2025/26 (19 in 2024/25 and 8 in 2023/24). The Ministry of Housing, Communities and Local Government (MHCLG) said the support was "provided on an exceptional basis, and where relevant, on the condition that a local authority may be subject to an external assurance review", which covers their financial position and governance arrangements. The authority affected will be required to work towards a sustainable long-term financial plan. EFS is considered a short-term measure to address immediate pressures, not a sustainable solution to structural funding issues within local government finance.

### **4. External Commissioners**

In the event that the Government is not satisfied that the Council (Officers and Members) are taking adequate action, then the Secretary of State can intervene which normally results in the appointment of Commissioners who will have powers over certain Council functions (governance, finance and recruitment) and the issuing of Directions that require the Council to take specific actions to the satisfaction of Commissioners – the Commissioners are funded by the local authority (£750k to £1m per annum). The Council will still need to continue to find proposals to balance the budget and these would need to be reported through the Commissioners who may direct for other options to be implemented.

### **5. External Auditors Work on Value for Money**

New arrangements have been introduced by the National Audit Office partly in response to inadequate early warnings from external auditors on failing authorities. The future reporting requirements with their annual report to now more fully consider the following main criteria:

- Financial Sustainability: how the body plans and manages its resources to ensure it can continue to deliver services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks;
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

As part of their annual audit report 2023/24 the external auditors (EY) made key recommendations relating to the budget arrangements as follows:

1. The Council needs to ensure that the Transformation programme delivers in line with the business plan timetable for 2024/25;
2. The Council needs to ensure savings plans are identified within each department instead of relying on the single use of reserves as part of the budget setting process for the medium-term delivery plan.

The above provides a further public reporting assessment on a borough's financial sustainability and adequacy of arrangements in place. If the external auditor is not satisfied with the Council's financial arrangements to deliver a balanced budget they could seek a qualified audit opinion on the annual Value for Money review which is expected to be published in February of each year and make statutory recommendations which are reported, with the Council's response, to full Council and referred to MHCLG who may consider any action they deem necessary.

## DRAFT 2026/27 BUDGET AND FINANCIAL FORECAST 2027/28 TO 2028/29

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
<b>Bromley's Budget Requirement in 2025/26 (before funding from Formula Grant)</b>	266,709	266,709	266,709	266,709
Fair Funding Allocation	-92,601	-94,466	-94,466	-94,466
Grants consolidated into Fair Funding Allocation	39,288	39,288	39,288	39,288
Cash reduction in grant funding	6,449	14,449	22,189	
Real Reduction in Grant Funding (foregone inflation increase)	3,500	6,100	8,300	
	213,396	221,480	232,080	242,020
<b>Cost pressures</b>				
Net increase in costs (3.5% 2026/27, 2.5% in 2027/28 and 2% per annum future years)		10,756	18,723	25,804
<b>Income/Savings</b>				
Transformation Programme Savings	-29,328	-33,396	-35,458	
Increase in Waste Packaging Grant	-101	-101	-101	
Fall out of remaining New Homes Bonus	10	10	10	
Capitalisation option net of financing costs	154	359	514	
Variation in freedom pass costs to reflect impact of post Covid usage	845	1,669	2,472	
Reduction in interest on balances	3,400	4,500	6,000	
	-25,020	-26,959	-26,563	
<b>Other changes</b>				
Variations on Revenue Impact of Funding the Capital Programme	-1,800	-400	800	
Running Costs of Churchill Court (net after income)	256	-244	-44	
Real Changes and other Variations (includes elections in 2026/27)	940	235	316	
	-604	-409	1,072	
<b>Council Tax/Business Rates</b>				
Collection fund surplus fall out	3,000	3,000	3,000	
Future years collection fund surplus	-4,000	-2,000	-500	
Estimated increase in council tax base	-1,000	-2,100	-3,200	
Increase in business rates base share	-3,003	-3,003	-3,003	
Business rates retention surplus fall out	2,500	1,500	1,500	
	-2,503	-2,603	-2,203	
<b>Growth/Cost Pressures including mitigation</b>				
- Adults Social Care	16,776	21,087	25,402	
- Children's Social Care	5,973	10,047	13,711	
- Education	3,057	4,858	6,659	
- Housing	2,320	2,825	3,509	
- RRH (CIL and Planning)	1,897	1,397	1,146	
- Environment	1,367	2,777	2,777	
- Resources	1,087	1,012	937	
- Public Protection	282	234	234	
<b>Total growth/cost pressures</b>	32,759	44,237	54,375	
<b>Budget Requirement</b>				
2025/26 Council Tax Income	-213,396			
Increase in ASC precept and Council Tax (assume 4.99% per annum)		-213,396	-213,396	
<b>Budget Gap before use of one off collection fund surplus and Covid reserve</b>		-10,648	-21,828	-33,566
		<b>12,824</b>	<b>29,845</b>	<b>47,543</b>
<b>Use of earmarked reserves</b>				
Fall out of use of Covid earmarked reserve towards funding Covid cost pressures	1,065	1,065	1,065	
Fall out of prior year collection fund surplus earmarked reserve to support the revenue budget	12,465	12,465	12,465	
Funding Budget Gap from Earmarked Reserves	-26,354	0	0	
	-12,824	13,530	13,530	
<b>Budget Gap</b>		<b>0</b>	<b>43,375</b>	<b>61,073</b>

The above assumes council tax increase of 4.99% per annum. If further income or savings are not identified the Council's reserves will be exhausted within 3 years (by 2028/29). This assumes no further increases in cost/growth pressures compared with above assumptions.

The cumulative DSG deficit by the end of 2027/28 is estimated at £77,455k. Assuming the Council will receive EFS to fund outstanding deficit, reflecting end of statutory override period, there will be additional revenue costs (assume borrowing over 20 years) of £6.6m.

**FINANCIAL FORECAST 2026/27 TO 2028/29****GROWTH AND MITIGATION****SUMMARY**

GROWTH (excel DSG)

MITIGATION

NET

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Budget</b> <b>£'000</b>	<b>2026/27</b> <b>£'000</b>	<b>2027/28</b> <b>£'000</b>	<b>2028/29</b> <b>£'000</b>
	56,089	75,423	93,964	
	<b>-23,330</b>	<b>-31,186</b>	<b>-39,589</b>	
	<b>32,759</b>	<b>44,237</b>	<b>54,375</b>	

**CHILDREN'S SOCIAL CARE****GROWTH**

Placements - full year effect of 2025/26	47,199	2,053	2,053	2,053
National Living Wage	1,322	100	100	100
Additional Placements in CSC	47,199	1,230	2,870	4,100
Learning Disabilities growth	9,047	1,827	3,654	5,481
Additional staffing for new model of working	29,565	<b>-725</b>	<b>-725</b>	<b>-725</b>
Increased costs in CSC	47,199	707	1,414	2,121
Childrens Social Care Prevention Grant	0	881	881	881
		6,073	10,247	14,011

**MITIGATION**

Additional CCG Contribution	<b>-2,811</b>	<b>-100</b>	<b>-200</b>	<b>-300</b>
	<b>-100</b>	<b>-200</b>	<b>-300</b>	

**NET GROWTH****5,973 10,047 13,711****EDUCATION - DSG****GROWTH**

Placements including post 16 (includes current reserve)	39,304	21,000	28,260	36,246
CSBG/SBSG/NIC's grant put into core funding		2,000	2,000	2,000
		23,000	30,260	38,246

**MITIGATION**

Additional high needs grant announced/estimated	<b>-138,799</b>	<b>-4,500</b>	<b>-9,000</b>	<b>-13,500</b>
Introduction of High Cost Placement panels	39,304	<b>-95</b>	<b>-95</b>	<b>-95</b>
Universal, Targeted and Specialist Speech and Language Model	9,445	<b>-400</b>	<b>-400</b>	<b>-400</b>
Recommissioning of SEN tuition packages	1,420	<b>-200</b>	<b>-200</b>	<b>-200</b>
Review of all EOTAS/EOTISC packages	213	<b>-146</b>	<b>-250</b>	<b>-250</b>
Increase capacity of local specialist provision – primary ARPs	9,445	<b>-114</b>	<b>-227</b>	<b>-227</b>
Cessation of EHCPs	9,445	<b>-200</b>	<b>-343</b>	<b>-343</b>
SEN additional in borough placements	39,304	<b>-479</b>	<b>-479</b>	<b>-479</b>
Reduce Alternative Provision top up funding	2,975	<b>-125</b>	<b>-125</b>	<b>-125</b>
In house Home tuition service	2,975	<b>-236</b>	<b>-537</b>	<b>-596</b>
Estimated c/forward of DSG	<b>-4,274</b>	<b>-16,505</b>	<b>-18,604</b>	<b>-22,031</b>
		<b>-23,000</b>	<b>-30,260</b>	<b>-38,246</b>

**NET GROWTH****0 0 0**

Cumulative DSG deficit (estimated deficit 31/3/26 £42,346k)	58,851	77,455	99,486
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	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Budget</u> <u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b><u>EDUCATION - RSG</u></b>				
<b>GROWTH</b>				
SEN Transport FYE 2025/26	15,134	1,396	1,396	1,396
SEN Transport additional demand	15,134	606	1,817	3,028
Decrease in Central DSG allocation	660	50	100	150
Additional costs above inflation	15,134	540	1,080	1,620
Contract overspends - impact of increased demand		115	115	115
Education Psychologists	1,107	350	350	350
	3,057	4,858	6,659	

### ADULT SOCIAL CARE

Assessment & Care Management - Full Year Effect	44,081	12,578	12,578	12,578
Learning Disabilities - Full Year Effect	52,238	1,633	1,633	1,633
Mental Health - Full Year Effect	9,120	876	876	876
National Living Wage	0	241	248	255
First Point of Contact Team	0	399	399	399
Mental Health - Qtrs 3 and 4 Effect	9,120	730	730	730
Nursing Placements	10,095	319	623	931
Forecast of additional cost/growth pressure		0	4,000	8,000
	16,776	21,087	25,402	

### HOUSING

#### Growth

Temporary Accommodation - 2025-26 Q2 Full Year Effect	32,342	304	304	304
Temporary Accommodation - growth from 26/27	32,342	1,001	2,002	3,003
More Homes Bromley shortfall payments	258	356	356	356
More Homes Bromley additional subsidy	296	289	289	289
More incentives required to make net savings in TA	195	200	200	200
Provision for doubtful debts	193	400	400	400
	2,550	3,551	4,552	

#### Mitigation (excluded from Transformation savings)

Housing Management Contract	430	0	0	-159
Additional PRS lettings	32,342	-206	-412	-618
Fall out of Household support fund to partly offset housing growth		-121	121	121
Housing development programme (net of operational and financing costs)	32,342	-145	-435	-387
	-230	-726	-1,043	

#### Net growth

<b>2,320</b>	<b>2,825</b>	<b>3,509</b>
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	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Budget</u> <u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b><u>ENVIRONMENT</u></b>				
Temp Loss of Income due to West Wishkam Car Park Closure	-158	80	0	0
Other Various Car Park Closures	-2,408	124	124	124
Arboriculture Contract (Glendale)	178	0	250	250
Grounds Maintenance Contract (ID Verde)	4,353	0	250	250
New Burdens of the Food Waste Collection	1	113	113	113
Highways Contract Rineys	2,495	600	800	800
Parking Contract (APCOA)	3,018	0	250	250
Enforcement Income Shortfall	-6,961	450	450	450
Loss of Ringo Fee	-558	0	540	540
	1,367	2,777	2,777	2,777
<b><u>PUBLIC PROTECTION</u></b>				
Coroners and Mortuary	1,165	282	234	234
<b><u>RESOURCES</u></b>				
Legal Services	587	587	587	587
Tilgate Business Park (report to Executive Sept. '25)	-5,117	500	425	350
	1,087	1,012	937	937
<b><u>RENEWAL &amp; RECREATION</u></b>				
CIL	-2,602	1,147	647	396
Lower planning income compared with 2025/26 Budget	750	750	750	750
	1,897	1,397	1,146	1,146

## SUMMARY OF DRAFT 2026/27 REVENUE BUDGET - PORTFOLIO

2025/26		Portfolio/Item	2026/27
	Final Budget		Draft Budget
	£'000		£'000
Cr	154,247	Education	163,821
Cr	138,800	Less costs funded through Dedicated Schools Grant *	146,128
	<b>15,447</b>	<b>Sub total</b>	<b>17,693</b>
	61,324	Childrens Social Care	80,859
	94,348	Adult Care and Health	132,701
	31,355	Environment & Community Services Portfolio	31,769
	3,605	Public Protection and Enforcement	3,604
	24,857	Renewal, Recreation and Housing	32,153
	46,277	Resources, Commissioning & Contracts Management	47,573
	1,441	Non Distributed Costs & Corporate & Democratic Core	1,491
	<b>278,653</b>	<b>Total Controllable Budgets</b>	<b>347,844</b>
Cr	10,032	Total Non Controllable Budgets	18,332
Cr	959	Total Excluded Recharges	1,011
	<b>287,727</b>	<b>Portfolio Total</b>	<b>365,164</b>
Cr	7,775	Reversal of Net Capital Charges	Cr 15,877
Cr	8,241	Interest on General Fund Balances	Cr 4,841
	8,452	Central Contingency Sum	4,832
	2,500	Contingency Provision for Revenue Impact of Capital Financing	700
	Levies		
	428	- London Pensions Fund Authority *	440
	248	- London Boroughs Grants Committee	248
	276	- Environment Agency *	284
	359	- Lee Valley Regional Park *	369
	<b>283,974</b>	<b>Sub Total</b>	<b>351,319</b>
Cr	50,950	Fair Funding Allocation	Cr 93,921
Cr	2,363	Business Rate Retention (core funding)	
Cr	3,000	Funding for National Insurance increase	
	3,000	Collection Fund Surplus (previous years)	Cr 1,600
	12,465	Estimated Collection Fund Surplus 25-26	Cr 5,400
Cr	12,465	Contribution from Collection Fund Surplus Earmarked Reserve	
Cr	1,500	Business rate retention surplus/ deficit	1,000
Cr	290	Use of Earmarked reserve to fund additional social work posts	
Cr	10	New Homes Bonus	
	Use of Earmarked Reserves to fund budget gap	Cr 26,354	
	<b>213,396</b>	<b>Bromley's Requirement (excluding GLA)</b>	<b>225,044</b>

\* The highlighted budgets above are still in draft with final allocations still awaited.

DRAFT REVENUE BUDGET 2026/27

	Education, Children & Families	Adult Care & Health	Environment & Community Services	Public Protection and Enforcement	Renewal, Recreation & Housing	Resources, Commissioning & Contracts Management	Portfolio Total
	£000	£000	£000	£000	£000	£000	£000
<b>Employees</b>	42,023	19,955	6,688	2,824	10,843	17,004	<b>99,336</b>
<b>Premises</b>	884	219	7,526	38	1,436	6,325	<b>16,429</b>
<b>Transport</b>	17,653	1,166	121	13	51	43	<b>19,047</b>
<b>Supplies and Services</b>	24,623	8,254	19,457	609	2,079	9,918	<b>64,940</b>
<b>Third Party Payments</b>	93,809	165,238	33,797	2,124	46,580	17,952	<b>359,500</b>
<b>Transfer Payments</b>	118,143	17,403			63,539	12,360	<b>211,445</b>
<b>Government Grants</b>	Cr 3,082	Cr 18,272	Cr 5,692	Cr 328	Cr 69,091	Cr 1,349	<b>Cr 97,814</b>
<b>Other Grants Reimbursements and Contributions</b>	Cr 168,731	Cr 39,453	Cr 317		Cr 565	Cr 7,864	<b>Cr 216,930</b>
<b>Customer and Client Receipts</b>	Cr 4,118	Cr 22,703	Cr 28,553	Cr 683	Cr 23,209	Cr 3,247	<b>Cr 82,513</b>
<b>Controllable Recharges</b>	Cr 3,596	4,494	Cr 1,243	Cr 992	2	Cr 1,890	<b>Cr 3,226</b>
<b>Net Interest Income</b>	Cr 277		Cr 2			Cr 5,268	<b>Cr 5,546</b>
<b>Transfers to/from Earmarked</b>	Cr 18,779	Cr 3,601	Cr 14		488	240	<b>Cr 21,666</b>
<b>Total Controllable Budgets</b>	<b>98,553</b>	<b>132,701</b>	<b>31,769</b>	<b>3,604</b>	<b>32,153</b>	<b>44,223</b>	<b>343,003</b>
<b>Premises Related Expenditure</b>	279	347	947		245	936	<b>2,754</b>
<b>Insurance Charges</b>	514	173	1,121	5	416	225	<b>2,455</b>
<b>Property Rental Income</b>	Cr 92	Cr 150	Cr 216		Cr 1,108	3,339	<b>1,774</b>
<b>Investment Property Income</b>						Cr 4,528	<b>Cr 4,528</b>
<b>Capital Charges /Financing</b>	Cr 2,249	603	11,005		3,001	3,517	<b>15,877</b>
<b>Total Non Controllable</b>	<b>Cr 1,548</b>	<b>973</b>	<b>12,857</b>	<b>5</b>	<b>2,554</b>	<b>3,490</b>	<b>18,332</b>
<b>Excluded Recharges</b>	9,838	2,771	2,343	816	5,121	Cr 21,901	<b>Cr 1,011</b>
<b>Total Net Budget</b>	<b>106,843</b>	<b>136,444</b>	<b>46,970</b>	<b>4,425</b>	<b>39,829</b>	<b>25,812</b>	<b>360,323</b>

**2026/27 CENTRAL CONTINGENCY SUM**

	<b>£000</b>
<b>Renewal and Recreation</b>	
Planning appeals - changes in legislation	60
Property Valuations & Inspections	150
<b>Grants included within Central Contingency Sum</b>	
Additional income from grants (reduce revenue spend)	Cr 100
Provision for unallocated inflation	2,189
General provision for risk/uncertainty	3,536
Provision for real reduction in grants to be allocated	609
Transformation Savings 2026/27: Commercial and Income Generation	Cr 112
Transformation Savings 2026/27: Staff Realignment	Cr 1,500
<b>Total Central Contingency</b>	<b>4,832</b>
<b>Contingency Provision for Revenue Impact of Capital Financing</b>	<b>700</b>

There may be further changes to the Central Contingency to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget.

CHILDREN, EDUCATION AND FAMILIES PORTFOLIODRAFT REVENUE BUDGET 2026/27 - SUMMARY

2024/25 Actual	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£		£	£	£	£
Cr 348,615	<b>Education Division - Core Funding</b>	Cr 392,780	Cr 14,130	Cr 231,310	Cr 638,220
425,000	Adult Education Centres	631,060	20,010	Cr 214,540	436,530
2,530,138	Early Years Commissioning & QA	2,342,275	89,090	178,350	2,609,715
233,419	SEN and Inclusion	345,050	19,590	Cr 114,800	249,840
654,229	Strategic Place Planning	902,365	33,600	Cr 76,780	859,185
14,714,611	Education Effectiveness	16,560,410	570,840	1,558,030	18,689,280
507,122	Access & Inclusion	382,310	2,460	334,650	719,420
Cr 48,236	Other Strategic Functions	Cr 61,340	960	Cr 6,790	Cr 69,090
18,667,669	Central School Costs	20,709,350	720,500	1,426,810	22,856,660
	<b>Children's Social Care</b>				
1,885,210	Bromley Youth Support Programme	1,258,970	44,090	Cr 152,050	1,151,010
1,290,437	Early Intervention and Family Support	240,321	88,420	615,860	944,601
933,606	Therapeutic Hub	1,728,880	74,590	172,430	1,975,900
8,451,741	Permanency	8,406,875	283,250	Cr 454,755	8,235,370
6,539,300	0-25 Children Service (Disability Services)	8,750,987	319,260	676,680	9,746,927
12,697,295	CLA and Care Leavers	12,665,620	445,040	Cr 356,450	12,754,210
24,370,140	Children's Placement	26,284,180	953,840	2,523,000	29,761,020
556,669	Virtual School	495,778	22,880	97,212	615,870
5,994,299	Referral and Assessment Service	5,080,790	182,340	Cr 575,920	4,687,210
5,552,081	Safeguarding and Care Planning East	4,299,970	183,970	638,230	5,122,170
2,437,430	Safeguarding and Care Planning West	2,538,290	96,590	Cr 236,190	2,398,690
1,780,945	Safeguarding and Quality Improvement	1,698,690	55,560	Cr 387,180	1,367,070
Cr 11,929,066	CEF Management & Performance	Cr 12,147,859	138,330	14,108,753	2,099,224
60,560,089		61,301,492	2,888,160	16,669,620	80,859,272
	<b>Education Division - DSG Funding</b>				
38,976,639	Early Years Commissioning & QA	54,152,680	1,892,700	10,998,000	67,043,380
49,366,095	SEN and Inclusion	42,797,470	1,491,220	18,269,630	62,558,320
3,664,192	Access & Inclusion	4,038,550	145,030	Cr 215,700	3,967,880
Cr 420	Strategic Place Planning	11,780	410	0	12,190
741,323	Educational Effectiveness	801,260	33,540	Cr 4,640	830,160
233,084	Other Strategic Functions	289,980	11,980	289,360	591,320
Cr 130,126,595	Schools Budgets	Cr 143,440,280	Cr 4,841,800	Cr 25,424,150	Cr 173,706,230
20,199,186	Special Schools and Alternative Provision	21,100,250	740,840	Cr 1,445,020	20,396,070
9,199,176	Primary Schools	10,657,650	373,010	Cr 2,389,440	8,641,220
4,241,958	Secondary Schools	4,350,580	152,270	Cr 360	4,502,490
Cr 3,505,362	Charge to Reserves	Cr 5,240,080	Cr 800	77,680	Cr 5,163,200
75,722,396	<b>TOTAL CONTROLLABLE</b>	76,770,762	3,607,860	18,174,110	98,552,732
604,018	<b>TOTAL NON CONTROLLABLE</b>	5,896,020	16,410	Cr 7,461,340	Cr 1,548,910
11,100,267	<b>TOTAL EXCLUDED RECHARGES</b>	10,877,980	0	Cr 1,039,850	9,838,130
87,426,681	<b>PORTFOLIO TOTAL</b>	93,544,762	3,624,270	9,672,920	106,841,952

**Figures should be in £ (not £'000) and rounded to zero**

**CHILDREN, EDUCATION AND FAMILIES PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref	VARIATION IN 2026/27	ORIGINAL BUDGET			
		£'000	2025/26 £'000		
<b>1 2025/26 BUDGET</b>			93,546		
<b>2 Increased Costs</b>			3,090		
<b>Full Year Effect of Allocation of Central Contingency</b>					
Removal of Drawdown of Contingency for Additional Social Worker					
<b>3 Posts in 2023/24</b>	<u>Cr</u> 290	<u>Cr</u>	290		
<b>Movements Between Portfolios/Departments</b>					
<b>4 Removal of COVID funding</b>	1,065				
<b>5 Strategy - Controllable</b>	<u>530</u>		1,595		
<b>Real Changes</b>					
<i>Savings identified for 2026/27 as part of the 2025/26 Budget process</i>					
<b>6 ENCOMPASS Hub 3 &amp; 4</b>	<u>Cr</u> 496		47,199		
<b>7 Commissioning own Childrens home</b>	<u>Cr</u> 260		47,199		
<b>8 Commissioning Alliance</b>	<u>Cr</u> 50				
<b>9 Use of PH reserve through operational efficiency (one off)</b>	357		<u>Cr</u> 3,370		
<b>10 Use of Ukraine funding (one off)</b>	200		<u>Cr</u> 200		
<b>11 Review savings from Extended Property Review</b>	<u>Cr</u> 181	<u>Cr</u>	430		
<i>Other Real Changes</i>					
<b>12 Contract Savings</b>	<u>Cr</u> 14				
<b>13 NNDR for Care Leavers Service Re-location</b>	19		0		
<b>14 Centralisation of Consumables and ICT Budgets</b>	<u>Cr</u> 64		64		
<b>15 Centralisation of Cleaning Contract Budgets</b>	<u>Cr</u> 85		85		
<b>16 Digitalisation Work</b>	100				
<b>17 Reversal of Digitalisation Work</b>	<u>Cr</u> 104		0		
<b>18 Grants now funded by Core Government settlement</b>	16,232		16,232		
<b>19 Real Reduction in Grant Funding - Social Care Grant</b>	<u>534</u>	<u>16,618</u>	<u>Cr</u> 15,267		
<i>Growth</i>					
<b>20 Placements - full year effect of 2025/26</b>	2,053		47,199		
<b>21 National Living Wage</b>	100		1,322		
<b>22 Additional Placements in CSC</b>	1,230		47,199		
<b>23 Learning Disabilities growth</b>	1,827		9,047		
<b>24 Increased costs in CSC</b>	707		47,199		
<b>25 Childrens Social Care Prevention Grant</b>	881		0		
<b>26 SEN Transport FYE 2025/26</b>	1,396		15,134		
<b>27 SEN Transport additional demand</b>	606		15,134		
<b>28 Decrease in Central DSG allocation</b>	50		660		
<b>29 SEN Transport - additional costs above inflation</b>	540		15,134		
<b>30 Contract increases</b>	115				
<b>31 Education Psychologists</b>	350		1,107		
<b>32 Placements including post 16 (includes current reserve)</b>	21,000		39,304		
<b>33 CSBG/SBSG/NIC's grant put into core funding</b>	<u>2,000</u>	<u>32,855</u>	<u>2,000</u>		

<i>Mitigation</i>				
34 Staffing for new model of working	Cr 725		29,565	
35 Additional CCG Contribution	Cr 100	Cr	2,811	
36 Additional high needs grant announced/estimated	Cr 4,500	Cr	138,799	
37 Cost Placement panels	Cr 95		2,000	
38 Universal, Targeted and Specialist Speech and Language Model	Cr 400		9,445	
39 Recommissioning of SEN tuition packages	Cr 200		1,420	
40 Review of all EOTAS/EOTISC packages	Cr 146		213	
41 Increase capacity of local specialist provision – primary ARPs	Cr 114		9,445	
42 EHCP review	Cr 200		9,445	
43 SEN additional in borough placements	Cr 479		2,000	
44 Review AP top up funding	Cr 125		2,975	
45 In house home tuition service	Cr 236		2,975	
46 Estimated c/forward of DSG	Cr 16,505	Cr 23,825	Cr 4,274	
<i>Transformation Programme Savings</i>				
47 Review of Early Years	Cr 90		212	
48 Education Digitalisation	Cr 154			
49 Capitalisation of project management salaries	Cr 60	Cr	214	
50 Reduction in SEN Transport Growth	Cr 200		15,134	
51 SEN Transport - 16+ offer limited to Personal Transport Budget	Cr 250		15,134	
52 Merging of THRIVE and Staying Together	Cr 310		642	
53 Review of 0-25 Service	Cr 1,000		9,047	
54 Review PSW Post	Cr 98		98	
55 Centralisation and Reduction of Data and Performance Roles	Cr 200			
56 Review of BSOs	Cr 300			
57 Closure of Royston Contact Centre	Cr 40		40	
58 Increase in house fostering arrangements	Cr 150		47,199	
59 Reduction in CLA	Cr 1,380		12,666	
60 Energy Savings 2026/27	Cr 50			
61 Reduction in Pension Contribution	Cr 3,527	Cr 7,809		
62 Variations in Capital Charges		Cr	7,677	
63 Variations in Recharges		Cr	1,039	
64 Variations in Building Maintenance				
65 Variations in Insurances			212	
66 Variations in Rent Income		Cr	4	
<b>67 2026/27 DRAFT BUDGET</b>			<b>106,842</b>	

## CHILDREN, EDUCATION AND FAMILIES PORTFOLIO

### Notes on Budget Variations in 2026/27

Ref	Comments
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#### Full Year Effect of Allocation of Central Contingency

3 Removal of Drawdown of Contingency for Additional Social Worker Posts in 2023/24 (Cr £290k)  
Executive agreed a package of £2.4m to cover additional social workers over a four year period. 2025/26 was the last year of additional funding

#### Movements Between Portfolios/Departments

4 Removal of COVID funding (Dr £1,065k)  
General COVID grant funding was set aside over a three year period to cover costs in CEF. This funding has now ended and this removes the remaining budget.

5 Strategy - Controllable (Dr £530k)  
During 2025/26 the Strategy service was dissolved and split over a number of divisions. This is the controllable costs that were allocated to CEF

#### Real Changes

*Savings identified for 2026/27 as part of the 2025/26 Budget process*

6 ENCOMPASS Hub 3 & 4 (Cr £496k)  
Following the successful implementation of Hub 1 and 2, the programme will be expanded to create two further hubs

7 Commissioning own Children's home (Cr £260k)  
Reduction in placement costs compared to spot placements with the introduction of a Council managed Children Home

8 Commissioning Alliance (Cr £50k)  
Reduction in costs on the Commissioning Alliance Contract

9 Use of PH reserve through operational efficiency (one off) (Dr £357k)  
Reversal of a non-recurrent use of the brought-forward balance of Public Health grant used in 2025/26 to support core Council services

10 Use of Ukraine funding (one off) (Dr £200k)  
Removal of £200k allocated from the carry forward of HFU grant to cover costs of social workers and Early Help. Funding was for one year only

11 Review savings from Extended Property Review (Cr 181k)  
Savings in the CEF budgets from the Property Review in relation to 2026/27

### ***Other Real Changes***

12 Contract Savings (Cr £14k)  
Saving on contracts that have been re-negotiated as part of the Commissioning Board

13 NNDR for Care Leavers Service Re-location (Dr £18k)  
Funding for the NNDR' at the New LCT Home

14 Centralisation of Consumables and ICT Budgets (Cr £64k)  
CEF budget relating to ICT and Consumables that were centralised during 2025/26

15 Centralisation of Cleaning Contract Budgets (Cr £85k)  
Centralisation of the budget for the Cleaning Contract from CSC to Facilities Management.

16 Digitalisation Work (Dr £100k)  
This covers a range of digitalisation projects are currently underway aimed at optimise processes by using new digital processes that will result in operational savings.

17 Reversal of Digitalisation Work (Dr £104k)  
This money was for one year only. Digitalisation has now been absorbed across all departmental services

18 Grants now funded by Core Government settlement (£16,232k)  
Some grants that were once separate standalone grants have now been absorbed into the core government grant settlement

19 Real Reduction in Grant Funding - Social Care Grant (Dr £354k)  
This grant has reduced from the 2025/26 levels

### ***Growth***

20 Placements - full year effect of 2025/26 (Dr £2,053k)  
This is the full year effect of 2025/26 pressures on Children Social Care across the service, but mainly in placements. This is mainly due to cost pressures emerging in the service. Within this figure are some assumed management actions to reduce the overall growth position.

21 National Living Wage (Dr £100k)  
The cost of the rise in the National Living Wage will have an impact on some costs of social care and in particular direct payments. This funding will offset this.

22 Additional Placements in CSC (Dr 1,230k)  
There is a predicted growth in placement numbers over the next few years. Growth has been added to the budget to reflect this movement

23 Learning Disabilities Growth (Dr £1,827k)  
This covers the predicted growth in the numbers of clients covered by the 0-25 Service within CEF. This covers the clients transitioning Children Service to Adult Social Services

24 Increased costs in CSC (Dr £707k)  
Additional budget required to support the predicted above inflation cost increases within the CSC  
Placement budget

25 Children's Social Care Prevention Grant (Dr £881k)  
Additional costs in relation to the DfE requirements for the council to have a Family Hubs within the council

26 SEN Transport FYE 2025/26 (Dr £1,396k)  
SEN Transport has seen increases in demand and cost. This reflects the full year effect position of 2025/26

27 SEN Transport additional demand (Dr £606k)  
Additional funding agreed to cover predicted increases in the numbers of clients using the service in 2026/27.

28 Decrease in Central DSG allocation (Dr £50k)  
There is an expected reduction in the Central Services Block of the Dedicated Schools Grant (DSG) funding. The growth covers the loss of grant and maintains the current service levels.

29 SEN Transport - additional costs above inflation (Dr £540k)  
Additional funding to cover the expected above inflation price increases in SEN Transport

30 Contract increases (Dr £115k)  
Additional budget for contracts that have had additional ongoing pressures in year

31 Education Psychologists (Dr £350k)  
To cover the increased costs of providing the Education Psychologists service for the council. The increasing number of EHCP's is putting pressure on the service - even more so with the difficulty in employing Education Psychologists

32 Placements including post 16 (includes current reserve) (£21,000k)  
This funding relates to the DSG and is needed to offset the pressures within the SEN Placement budgets. The increase in the numbers of EHCP's and increase in the costs of the placements. This figure includes the current in year deficit projection

33 CSBG/SBSG/NIC's grant put into core funding (£2,000k)  
In-year grants from DfE to support various schools during the year, that have been rolled into the DSG for 2026/27

***Mitigation***

34 Staffing for new model of working (Cr £725k)  
Children Social Care were given growth in 2025/26 to provide a particular service arrangement. In year this was decided that this was not the route to be taken and therefore, some of the growth will be returned

35 Additional CCG Contribution (Cr £100k)  
Additional funding assumed above and beyond current budgeted levels.

36 Additional high needs grant announced / estimated (Cr £4,500)  
Additional DSG grant allocation for 2026/27

37 Introduction of High Cost Placement panels (Cr £95k)  
Modelled on the CSC model of regularly reviewing the most expensive placements and reducing costs where possible

38 Universal, Targeted and Specialist Speech and Language Model (Cr £400k)  
Following successful trial, wider rollout proposed to all Bromley schools. Key early help and preventative offer, noting Speech, language and communication needs is the most prevalent SEN in Bromley

39 Recommissioning of SEN tuition packages (Cr £200k)  
All SEN tuition packages to be reviewed and recommissioned under the DPS. New, more efficient and specialised tuition providers to be added to the DPS to increase choice and reduce costs

40 Review of all EOTAS/EOTISC packages (Cr £146k)  
All packages to be reviewed for appropriateness and with a view to seeking school placements for the majority of CYP where applicable.

41 Increase capacity of local specialist provision – primary ARPs (Cr £114k)  
SEN Capital funding maximised to provide additional specialist places at existing Bromley mainstream schools. A number of ARPs are in development at primary schools. Secondary schools ARP's will also be developed.

42 EHCP review (Cr £200k)  
The focus on reviewing plans will be maintained, with both the PfA work and review of EOTISC contributing to plans which can be safely ceased.

43 SEN additional in borough placements (Cr £479k)  
Saving in the DSG SEN Placements budget due to the service placing pupils in the borough instead of sending the outside the borough to more expensive independent placements

44 Review AP top up funding (Cr £125k)  
CEF will be looking at ways to purchase these placements in a more cost effective manner.

45 In house home tuition service (Cr £236k)  
CEF will be looking at ways to provide this service in a more cost effective manner, embedding the service within existing similar arrangements in the service

46 Estimated c/forward of DSG (Cr £16,505k)  
This is the budgeted increase in the amount of money we expect to add to the unusable DSG Reserve at the end of 2026/27

***Transformation Programme Savings***

47 Review of Early Years (Cr £90k)  
A consolidation of Early Years teams and functions. Savings would be achieved through a review of staffing and contractual costs and maximisation of Government grants.

48 Education Digitalisation (Cr £154k)  
A range of digitalisation projects are currently underway, including implementation of modules; optimisation & roll-out of AI to optimise processes and release operational savings.

49 Capitalisation of project management salaries (Cr £60k)  
The Education Sufficiency Service is proposing increasing the amount of management time associated with the project management of DfE funded capital schemes is capitalised. This would directly reduce pressure on the Council's RSG.

50 Reduction in SEN Transport Growth (Cr £200k)  
A significant shift is that if the council has identified a nearer suitable school and made an offer for this place to be available, if parents choose a school further away, they can have this named on the understanding that the council will not be obliged to provide transport assistance as parents have foregone the offer which was appropriate and most cost effective for the council. This change has now commenced and forms standard operating procedures for the SEN service. This change is now becoming embedded as we approach the start of the new academic year.

51 SEN Transport - 16+ offer limited to Personal Transport Budget (Cr £250k)  
 Changes in operational practice relating to the basis of the Post 16 offer. Transport no longer continues beyond statutory school age automatically, and all learners must re-apply separately for any Post16 transport assistance that may be required for their the next phase of education. Families are informed that there is no entitlement to free transport Post 16 and the PTB is how Bromley Council continues to help young adults with accessing their ongoing Post 16 education.

52 Merging of THRIVE and Staying Together (Cr £310k)  
 This proposal recommends merging the THRIVE service and Staying Together Team into a single, streamlined therapeutic support model. The integration aims to enhance service continuity, reduce duplication, whilst maintaining high-quality outcomes for children, families, and carers.

53 Review of 0-25 Service (Cr £1,000K)  
 Following the Corporate Review of the 0–25 Service we are reshaping the service into a more effective, efficient, and person-centered system. The proposed transformation aims to ensure that services operate within a financially sustainable framework while delivering conscientious and proactive support for young people with learning disabilities.

54 Review PSW Post (Cr £98k)  
 The PSW role is not a statutory requirement.

55 Centralisation and Reduction of Data and Performance Roles (Cr £200k)  
 This proposal outlines a strategic approach to centralising and reducing data and performance roles across CSC by consolidating functions within the centralised Strategy and Performance Team.

56 Review of BSOs (Cr £300k)  
 This proposal recommends the reduction of Business Support Officer (BSO) roles across the Children, Education & Families (CEF) department. The aim is to streamline administrative support functions by leveraging digital tools, including Microsoft Copilot, and promoting self-service capabilities.

57 Closure of Royston Contact Centre (Cr £40k)  
 Closure of the Royston Contact Centre will enable the sale of the building, reduce overhead costs, and streamline service delivery by relocating operations to the newly established Blenheim Contact Centre and utilizing additional Family Hubs as needed.

58 Increase in house fostering arrangements (Cr £150k)  
 There is a national shortage of foster carers currently but LBB have a new robust digital marketing strategy. This proposal seeks to recruit five additional in-house foster carers to reduce reliance on Independent Fostering Agencies (IFAs), improve placement stability, and enhance outcomes for children looked after (CLA).

59 Reduction in CLA (Cr £1,380k)  
 With the implementation of Bromley's DfE grant-funded Families First model—designed to strengthen early support through multi-agency teams embedded in communities across the borough—and the opening of the Council's own children's residential home, alongside our block contract with a local residential provider, we are taking decisive steps to reshape our placement strategy.

60 Energy Savings 2026/27 (Cr £50k)  
 Efficiencies in the procurement of the Utility Supply Contracts - Gas and Electricity.

61 Reduction in Pension Contribution (Cr £3,527k)  
 Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation

62 Variations in Capital Charges (Cr £7,677k)  
 The variation in capital charges is due to a combination of the following:  
 (i) Depreciation – the impact of revaluations or asset disposals in 2024/25 (after the 2025/26 budget was agreed) and in the first half of 2025/26;  
 (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the budgeted expenditure in 2026/27 of schemes in the Capital Programme that do not add value to the Council's fixed asset base.  
 (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2026/27 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

63 Variations in Recharges (Cr £1,039k)  
 Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

64 Variations in Building Maintenance (Dr £0k)  
Variations in Insurance (Dr £212k)  
 Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

65 Variations in Rent Income (Cr £4k)  
 A realignment of investment and other rental property income budgets across all portfolios, to ensure budgets reflect rental agreements

**CHILDREN, EDUCATION AND FAMILIES PORTFOLIO**  
**DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Education Division - Core Funding</b>													
Adult Education Centres	1,518,460	61,790	1,640	216,130		1,350	11,020	Cr 1,857,780				0	Cr 638,220
Early Years Commissioning & QA	890,130	50,090	3,680	115,280			46,370		Cr 590,830		0	0	Cr 436,530
SEN and Inclusion	1,878,765		2,290	390,840	301,240		36,580		Cr 669,020				Cr 2,609,715
Strategic Place Planning	488,630			35,390									249,840
Education Effectiveness	934,835	4,630	190	65,170	768,120		Cr 29,480	Cr 836,760				0	859,185
Access & Inclusion	1,622,880		16,822,100	207,310	608,420		Cr 10,730	0	Cr 47,520		0	0	18,689,280
Other Strategic Functions	70,360			535,900	0		Cr 197,930	Cr 84,770	Cr 423,610		0	0	719,420
Central School Costs		90					Cr 33,750		Cr 35,430				Cr 69,090
	<b>7,404,060</b>	<b>116,600</b>	<b>16,829,900</b>	<b>1,566,020</b>	<b>1,677,780</b>	<b>1,350</b>	<b>217,940</b>	<b>Cr 2,779,310</b>	<b>Cr 137,090</b>	<b>Cr 1,766,410</b>	<b>Cr 274,180</b>	<b>0</b>	<b>22,856,660</b>
<b>Children's Social Care</b>													
Bromley Youth Support Programme	1,351,810	133,070	5,910	47,960	51,640							0	1,151,010
Early Intervention and Family Support	4,081,691	334,210	35,010	2,783,440	245,210		Cr 2,064,490	Cr 4,069,490				0	944,601
Therapeutic Hub	510,400			504,020	1,111,580		Cr 0	Cr 150,100					1,975,900
Permanency	1,314,080		50,080	1,287,700	5,582,690	820		0					8,235,370
0-25 Children Service (Disability Services)	1,596,020		154,780	2,580	2,501,580	6,533,060	Cr 428,320		Cr 612,773				9,746,927
CLA and Care Leavers	3,622,430	19,970	34,060	1,602,340	1,503,680	8,059,190	Cr 3,680	1,325,070	0	Cr 758,710			12,754,210
Children's Placement			201,520	190,890	31,761,320	685,726		Cr 69,106					29,761,020
Virtual School	665,930		9,110	10,850	244,250	485,555	8,430	Cr 808,255				0	615,870
Referral and Assessment Service	4,476,560		7,420	8,890	0	194,340		0					4,687,210
Safeguarding and Care Planning East	2,843,880		9,400	1,672,670	554,230	41,990	Cr 41,170	Cr 92,880					5,122,170
Safeguarding and Care Planning West	2,583,130	Cr 60,200	27,140	20,630	3,480								2,398,690
Safeguarding and Quality Improvement	1,503,570		10,480	7,100	Cr 0								1,367,070
CEF Management & Performance	2,173,582		1,600	892,282			Cr 559,470	Cr 406,300					2,099,224
	<b>26,723,083</b>	<b>427,050</b>	<b>546,510</b>	<b>9,031,352</b>	<b>43,559,660</b>	<b>16,041,851</b>	<b>Cr 3,140,410</b>	<b>Cr 7,174,551</b>	<b>Cr 3,980,633</b>	<b>Cr 1,172,170</b>	<b>Cr 2,470</b>	<b>0</b>	<b>80,859,272</b>
<b>Education Division - DSG Funding</b>													
Early Years Commissioning & QA													
SEN and Inclusion	4,043,950	340,600	22,100	12,099,630		54,943,750							67,043,380
Access & Inclusion	2,710,250	0	250,670	195,560	47,239,070	11,028,970	Cr 56,880	Cr 49,870					62,558,320
Strategic Place Planning				316,560	1,192,140		Cr 174,710						3,967,880
Educational Effectiveness	950,410		3,300	12,190									0
Other Strategic Functions	190,930	110	970	65,530			Cr 161,440	Cr 16,030					12,190
Schools Budgets				358,690			40,620						830,160
Special Schools and Alternative Provision				312,900		20,190,400		Cr 155,240,130					591,320
Primary Schools				6,210	140,530	79,110		Cr 20,180					173,706,230
Secondary Schools				658,000				Cr 286,040					20,396,070
Charge to Reserves						7,667,710		Cr 3,165,220					8,641,220
	<b>7,895,540</b>	<b>340,710</b>	<b>277,040</b>	<b>14,025,270</b>	<b>48,571,740</b>	<b>102,100,090</b>	<b>Cr 159,540</b>	<b>Cr 158,777,470</b>	<b>0</b>	<b>Cr 657,580</b>	<b>0</b>	<b>Cr 18,779,000</b>	<b>Cr 5,163,200</b>
	<b>42,022,683</b>	<b>884,360</b>	<b>17,653,450</b>	<b>24,622,642</b>	<b>93,809,180</b>	<b>118,143,291</b>	<b>Cr 3,082,010</b>	<b>Cr 168,731,331</b>	<b>Cr 4,117,723</b>	<b>Cr 3,596,160</b>	<b>Cr 276,650</b>	<b>Cr 18,779,000</b>	<b>98,552,732</b>

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
<b>Education Division - Core Funding</b>								
Adult Education Centres	74,200	23,190				97,390	268,070	Cr 272,760
Early Years Commissioning & QA	20,330	12,220				32,550	125,800	594,880
SEN and Inclusion		3,490				3,490	332,370	2,280,835
Strategic Place Planning		15,370				15,370	Cr 232,020	33,190
Education Effectiveness		2,020				2,020	71,030	932,235
Access & Inclusion		2,920				2,920	Cr 88,210	18,603,990
Other Strategic Functions		6,540				6,540	107,070	833,030
Central School Costs	78,180	18,030				96,210	Cr 71,750	Cr 44,630
	<b>172,710</b>	<b>83,780</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256,490</b>	<b>Cr 152,380</b>	<b>22,960,770</b>
<b>Children's Social Care</b>								
Bromley Youth Support Programme	19,180	24,470	Cr 81,350			Cr 37,700	222,060	1,335,370
Early Intervention and Family Support	42,090	28,610	Cr 1,370			69,330	460,450	1,474,381
Therapeutic Hub		610				610	4,090	1,980,600
Permanency		2,980				2,980	247,100	8,485,450
0-25 Children Service (Disability Services)	35,190	2,840	Cr 9,660			28,370	267,750	10,043,047
CLA and Care Leavers		6,890				6,890	390,550	13,151,650
Children's Placement		318,230				318,230	1,175,430	31,254,680
Virtual School		1,230				1,230	74,860	691,960
Referral and Assessment Service		8,480				8,480	326,760	5,022,450
Safeguarding and Care Planning East		5,030				5,030	310,050	5,437,250
Safeguarding and Care Planning West		11,300				11,300	301,030	2,711,020
Safeguarding and Quality Improvement		3,090				3,090	184,690	1,554,850
CEF Management & Performance		3,360				3,360	885,890	2,988,474
	<b>96,460</b>	<b>417,120</b>	<b>Cr 92,380</b>	<b>0</b>	<b>0</b>	<b>421,200</b>	<b>4,850,710</b>	<b>86,131,182</b>
<b>Education Division - DSG Funding</b>								
Early Years Commissioning & QA	1,350	7,070				0	764,380	67,807,760
SEN and Inclusion		3,850				8,420	1,623,340	64,190,080
Access & Inclusion		2,120				3,850	499,750	4,471,480
Strategic Place Planning	8,910	100				0	0	12,190
Educational Effectiveness						11,030	39,750	880,940
Other Strategic Functions						100	484,070	1,075,490
Schools Budgets						0	0	Cr 173,706,230
Special Schools and Alternative Provision						0	1,728,510	22,124,580
Primary Schools						0	0	8,641,220
Secondary Schools						0	Cr 0	4,502,490
Charge to Reserves						0	0	0
	<b>10,260</b>	<b>13,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,400</b>	<b>5,139,800</b>	<b>Cr 0</b>
<b>Children Education &amp; Families CIES Adjustments</b>								
Children Education & Families CIES Adjustments						Cr 2,249,000	Cr 2,249,000	Cr 2,249,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 2,249,000</b>	<b>Cr 2,249,000</b>	<b>0</b>	<b>Cr 2,249,000</b>
	<b>279,430</b>	<b>514,040</b>	<b>Cr 92,380</b>	<b>0</b>	<b>Cr 2,249,000</b>	<b>Cr 1,547,910</b>	<b>9,838,130</b>	<b>106,842,952</b>

ADULT CARE & HEALTH PORTFOLIODRAFT REVENUE BUDGET 2026/27 - SUMMARY

2024/25 Budget	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£	£	£	£	£	£
24,677,040	<b>Adult Social Care</b>				
3,480	Assessment and Care Management	26,182,120	2,194,570	23,086,600	51,463,290
116,000	Carers	Cr 0	2,440	Cr 13,790	Cr 11,350
51,714,600	Direct Services	325,480	65,680	78,660	469,820
8,995,770	Learning Disabilities Services	52,814,360	1,982,890	973,450	55,770,700
0	Mental Health Services	10,975,160	391,970	916,460	12,283,590
2,708,850	Other	202,290	102,970	Cr 52,430	252,830
688,190	Quality Assurance & Safeguarding	3,031,170	124,360	119,920	3,275,450
	Placement and Brokerage	794,310	41,835	Cr 116,310	719,835
88,903,930		94,324,890	4,906,715	24,992,560	124,224,165
	<b>Integrated Commissioning Service</b>				
Cr 20,320	Better Care Fund	Cr 544,160	Cr 785,690	2,329,840	999,990
0	Improved Better Care Fund	4,380	0	7,730,240	7,734,620
202,550	Information & Early Intervention	Cr 645,300	142,240	Cr 197,030	Cr 700,090
1,444,650	Integrated Commissioning Service	1,474,210	58,830	Cr 98,180	1,434,860
1,626,880		289,130	Cr 584,620	9,764,870	9,469,380
	<b>Public Health</b>				
245,395	Public Health	Cr 265,705	Cr 177,230	Cr 550,110	Cr 993,045
245,395		Cr 265,705	Cr 177,230	Cr 550,110	Cr 993,045
90,776,205	<b>TOTAL CONTROLLABLE</b>	94,348,315	4,144,865	34,207,320	132,700,500
554,480	<b>TOTAL NON CONTROLLABLE</b>	738,990	12,240	221,500	972,730
3,518,470	<b>TOTAL EXCLUDED RECHARGES</b>	3,514,680	0	Cr 743,580	2,771,100
94,849,155	<b>PORTFOLIO TOTAL</b>	98,601,985	4,157,105	33,685,240	136,444,330

**ADULT CARE & HEALTH PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref		VARIATION IN 2026/27	ORIGINAL BUDGET 2025/26
		£'000	£'000
<b>1</b>	<b>2025/26 BUDGET</b>		98,602
<b>2</b>	<b>Increased Costs</b>		3,169
	<b>Real Reduction in Grant Funding</b>		
<b>3</b>	Social Care Grant Exemptions	366	Cr 23,434
<b>4</b>	IBCF Grant Exemptions	264	Cr 7,730
<b>5</b>	Market Sustainability Fund	182	Cr 5,208
<b>6</b>	Inflation Adjustment on Movement in Reserves Codes (82311/ 82312)	176	
<b>7</b>	Inflation Adjustment due to Grant Consolidation	21	1,009
	<b>Full Year Effect of Allocation of Central Contingency</b>		
<b>8</b>	Discharge Fund Inflation	83	83
	<b>Movements Between Portfolios/Departments</b>		
	Controllable		
<b>9</b>	Performance and Strategy staff	386	
	Non-controllable		
	Performance and Strategy recharge	Cr 726	
<b>10</b>	Investment and other rental property budget realignment	4	Cr 149
<b>11</b>	Allocation of Public Health Funding from Contingency - Grant Income	Cr 629	Cr 16,774
	Allocation of Public Health Funding from Contingency - Expenditure	629	16,774
<b>12</b>	Centralisation of Consumables and ICT Budgets	Cr 29 Cr	365 29

## Real Changes

*Savings identified for 2026/27 as part of the 2025/26 Budget process*

<b>13</b>	Disabled Facility Grant (DFG)	Cr	20	0
<b>14</b>	Reversal of 2025/26 utilisation of public health reserve		25	Cr 25
<b>15</b>	Home Share Service	Cr	8	0
<b>16</b>	Community Sector Contracts review	Cr	109	2,510
<b>17</b>	Mental Health Housing and Support		71	1,737
<b>18</b>	Extra Care Housing - Norton Court	Cr	70	576
<b>19</b>	Apsley Court conversion	Cr	34	528
<b>20</b>	Durham House conversion	Cr	49	521
<b>21</b>	Digital Transformation Programme		336	
<b>22</b>	BCF Inflation		275	29,167
<b>23</b>	Contribution to community equipment		550	3,830
<b>24</b>	Reversal of 2025/26 utilisation of public health reserve		893	Cr 893

*Transformation Programme Savings 2026-27*

<b>25</b>	Right Sizing Domiciliary Care Programme	Cr	5,000	13,866
<b>26</b>	Support in the Community for Learning Disabilities Adults	Cr	215	52,238
<b>27</b>	Hospital Discharge Redesign	Cr	1,000	2,971
<b>28</b>	Deprivation of Liberty Safeguards & BI Assessors	Cr	48	919
<b>29</b>	Increase Reablement to Adults	Cr	188	5,868
<b>30</b>	Scaling down Primary and Secondary Intervention Service contract	Cr	55	2,510
<b>31</b>	Transfer Learning Disabilities Employment Support to Connect2Work	Cr	55	55
<b>32</b>	Additional Public Health Grant	Cr	400	0
<b>33</b>	Energy savings	Cr	3	13
<b>34</b>	Pension Fund Contributions	Cr	1,919	19,754
<b>35</b>	Grants Consolidated to Core Funding (Income)		23,994	23,994

*Growth*

<b>36</b>	Assessment & Care Management - Full Year Effect		12,578	44,081
<b>37</b>	Learning Disabilities - Full Year Effect		1,633	52,238
<b>38</b>	Mental Health - Full Year Effect		876	9,120
<b>39</b>	National Living Wage		241	107,870
<b>40</b>	Funding for ASC Front Door service		399	0
<b>41</b>	Mental Health - Qtrs 3 and 4 Placements		730	9,120
<b>42</b>	Nursing Placements - Adult Social Care		319	10,095

<b>43</b>	Variations in Recharges -Insurance		4	4
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<b>44</b>	Variations in Capital Charges			
	Depreciation		196	196

**2026/27 DRAFT BUDGET**

**136,445**

## **ADULT CARE & HEALTH PORTFOLIO**

### **Notes on Budget Variations in 2026-27**

<b>Ref</b>	<b>Comments</b>
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**Full Year Effect of Allocation of Central Contingency**

8 Discharge Fund Inflation (Dr £83k)  
Full Year Effect of the allocation of Central Contingency relating to the Hospital Discharge Fund inflation.

**Movements Between Portfolios/Departments**

9 Performance and Strategy Recharge (Cr £340k)  
During 2025/26 the Strategy service was allocated out to a number of divisions. This is the controllable costs that were allocated to CEF department.

10 Investment and other rental property budget realignment (Dr £4k)  
A realignment of investment and other rental property income budgets across all portfolios, to ensure budgets reflect rental agreements

11 Allocation of Public Health Funding from Contingency - Grant Income/Expenditure (Net £nil)  
Additional Public Health grant income in 2025/26 of £629,000 has been added to the 2026/27 budget, together with an equivalent expenditure budget allocation.

12 Centralisation of Consumables and ICT Budgets (Cr £29k)  
Departmental budgets relating to equipment, stationery and - IT hardware have now been centralised across the Council.

**Transformation Programme Savings**

13 Disabled Facilities Grant (DFG) (Cr £20k)  
Review care and support to identify where DFG could be used to help residents remain at home and maintain independent living.

14 Reversal of 2025/26 utilisation of public health reserve (Dr £25k)  
An amount of £25k was allocated to the 2025/26 budget as a one year one-off adjustment to mitigate against inflation increases. This adjustment removes that entry for 2026/27.

15 Home Share Service (Cr £8k)  
Older people may be supported at home with low level support, at nil cost to the Council, thus saving money on care packages.

16 Community Sector Contracts review (Cr £109k)  
The Primary and Secondary Intervention Service contract service delivers 9 service pathways. This proposal looks to review all services and pathways with the intention of redesigning for improved impact and value for money.

17 Mental Health Housing and Support (Dr £71k)  
MH service post procurement Review, prior year saving adjustment

18 Extra Care Housing - Norton Court (Cr £70k)  
In 2025/26 the Extra Care Housing Scheme at Norton Court was converted to a Retirement Living provision. This is the following year saving arising from that change.

19 Apsley Court conversion (Cr £34k)  
The conversion of Extra Care Housing Scheme Apsley Court to a Sheltered Housing provision. Apsley Court is one of three ECH properties in the borough which do not meet all of the required standards for Extra Care Housing. A change in registration would result in a saving for Bromley against the current block care contract model as well as delivering long term benefits including ensuring the sustainability of Bromley's diverse Housing with Care offer.

20 Durham House conversion (Cr £49k)  
The conversion of Extra Care Housing Scheme Durham House to a Sheltered Housing provision. Durham House is one of three ECH properties in the borough which do not meet all of the required standards for Extra Care Housing. A change in registration would result in a saving for Bromley against the current block care contract model as well as delivering long term benefits including ensuring the sustainability of Bromley's diverse Housing with Care offer.

21 Digital Transformation Programme (Dr £336k)  
Reduction in the Digital Transformation in Adult Social Care budget saving from 2025/26 to contribute to the new Front Door team

22 BCF Inflation (Dr £275k)  
Reversal of Better Care Fund settlement for 2025/26, that was estimated amount of grant uplift not awarded to mitigate the level of growth in the Adult Social Care budget

23 Contribution to community equipment (Dr £550k)  
Removal of a non-recurrent use of the brought-forward balance of Better Care Fund grant applied in 2025/26 to support the Community Equipment budget.

24 Use of PH reserve through operational efficiency (one off) (Dr £893k)  
Removal of a non-recurrent use of the brought-forward balance of Public Health grant applied in 2025/26 to support core Council services, including Adult Social Care.

25 Right Sizing Domiciliary Care Programme (Cr £5,000k)  
This programme will bring together a series of service development initiatives that will each contribute to reducing the current average costs per person of the Council's £24m p.a. spend on domiciliary care services. Workstreams will include - retendering the contract framework, reviewing the proportionality of packages of care and systematically using remote monitoring and other digital products.

26 Support in the Community for Learning Disabilities Adults (Cr £215k)  
The new Learning Disabilities Strategy sets out how we will put in place new support and services to enable an increasing number of people with learning disabilities to be supported in the community, in their own home, promoting independence and delivering against aspirational outcomes. This sees a shift away from out of borough residential care and includes a new younger adults Day Services offer and increased capacity in our Shared Lives Service. Savings will arise as community based services offer better value for money, as well as better outcomes, when compared to more traditional residential <sup>settings</sup>

27 Hospital Discharge Redesign (Cr £1,000k)  
This project will redesign the service structures and care pathways for hospital discharge into supported community settings. Costs and services are integrated with the ICB and other NHS partners.

28 Deprivation of Liberty Safeguards & Best Interest Assessors (Cr £48k)  
This project assumes that £48k can be saved by in-housing more assessment activity, much of which is currently undertaken by independent Best Interest Assessors.

29 Increase Reablement to Adults (Cr £188k)  
The proposal is to increase capacity to the point where Reablement is the default for anyone being discharged from hospital, where appropriate.

30 Scaling down Primary and Secondary Intervention Service contract (Cr £55k)  
The Primary and Secondary Intervention Service contract service delivers 9 service pathways. This proposal looks to review all services and pathways with the intention of redesigning for improved impact and value for money.

31 Transfer Learning Disabilities Employment Support to Connect2Work (Cr £55k)  
Savings achieved through utilisation of new government programme Connect2Work, which will allow us to rationalise current arrangements.

32 Additional Public Health Grant (Cr £400k)  
One off use of Public Health reserves to contribute to Public Health schemes.

33 Energy savings (Cr £3k)  
Efficiencies in the procurement of the Utility Supply Contracts - Gas and Electricity.

34 Pension Fund Contributions (Cr £1,919k)  
Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation

35 Grants Consolidated to Core Funding (Income) (Dr £23,994k)  
In-year grants from DHSC to support social care services during the year, that have been rolled into the DSG for 2026/27

### ***Growth***

36 Assessment and Care Management - Placements Full Year Effect - (Dr £12,578k)  
The full year effect of the 2025-26 overspend on Assessment and Care Management placements is £12,578k and this has been funded in the 2026/27 budget.

37 Learning & Development Full Year Effect ( Dr £1,428k)  
The full year effect of the 2025-26 overspend on Learning Disabilities services is £1,633k and this has been funded in the 2026/27 budget.

38 Mental Health Full Year Effect - ( Dr £876k)  
The full year effect of the 2025/26 overspend on Mental Health services is £876k and this has been funded in the 2026/27 budget.

39 National Living Wage - ( Dr £241k)  
Provision of £241k has been included in the 2026/27 budget to fund the impact of the increase to the National Living Wage (from £12.21/hour to £12.71/hour).

40 Front Door Hub funding - (Dr £399k)  
Funding has been provided for the new Front Door Hub staffing to support the transformation of Adult Care services.

41 Mental Health Growth Q3- Q4 placements - ( Dr £703k)  
Expected increase in Mental Health packages of care in quarters 3 and 4 of 2025/26, impacting on the 2026/27 budget.

42 Nursing Care placements - ( Dr £319k)  
Funding has been provided to cover expected growth in social care Nursing placements.

43 Variations in Insurance (Dr £4k)  
Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

44 Variations in Capital Charges (Dr £196k)  
The variation in capital charges is due to a combination of the following:  
(i) Depreciation – the impact of revaluations or asset disposals in 2024/25 (after the 2025/26 budget was agreed) and in the first half of 2025/26:

**ADULT CARE & HEALTH PORTFOLIO**  
**DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
												£	£
<b>Adult Social Care</b>													
Assessment and Care Management	9,102,390	202,050	109,280	4,735,290	68,024,260	8,828,315	Cr 18,600	Cr 724,850	Cr 17,195,610	Cr 21,599,235	0	0	51,463,290
Carers	0	0	0	0	0	96,495	0	0	0	0	0	0	Cr 11,350
Direct Services	2,129,300	0	88,350	92,810	50,760	0	0	0	Cr 482,950	Cr 1,408,450	0	0	469,820
Learning Disabilities Services	1,311,530	16,630	940,900	31,210	56,045,060	7,900,090	0	Cr 2,074,130	Cr 4,523,700	Cr 3,876,890	0	0	55,770,700
Mental Health Services	115,730	0	16,920	0	16,349,200	577,960	0	Cr 4,051,690	Cr 501,140	Cr 223,390	0	0	12,283,590
Other	467,440	0	0	2,344,250	181,120	0	0	0	0	0	0	0	252,830
Quality Assurance & Safeguarding	2,444,170	0	3,110	908,890	0	0	0	0	0	Cr 80,720	0	0	3,275,450
Placement and Brokerage	1,022,435	0	500	2,070	0	0	0	0	0	Cr 305,170	0	0	719,835
	<b>16,592,995</b>	<b>218,680</b>	<b>1,159,060</b>	<b>8,114,520</b>	<b>140,650,400</b>	<b>17,402,860</b>	<b>Cr 18,600</b>	<b>Cr 6,850,670</b>	<b>Cr 22,703,400</b>	<b>Cr 27,601,700</b>	<b>0</b>	<b>Cr 2,739,980</b>	<b>124,224,165</b>
<b>Integrated Commissioning Service</b>													
Better Care Fund	0	0	0	0	8,973,360	0	0	Cr 32,207,260	0	24,233,890	0	0	999,990
Improved Better Care Fund	0	0	0	0	194,910	0	0	0	0	7,539,710	0	0	7,734,620
Information & Early Intervention	0	0	0	0	4,485,440	0	Cr 151,010	Cr 253,640	0	Cr 4,780,880	0	0	700,090
Integrated Commissioning Service	1,397,810	0	3,540	40,460	307,180	0	0	Cr 133,250	0	Cr 180,880	0	0	1,434,860
	<b>1,397,810</b>	<b>0</b>	<b>3,540</b>	<b>40,460</b>	<b>13,960,890</b>	<b>0</b>	<b>Cr 151,010</b>	<b>Cr 32,594,150</b>	<b>0</b>	<b>Cr 26,811,840</b>	<b>0</b>	<b>Cr 0</b>	<b>9,469,380</b>
<b>Public Health</b>													
Public Health	1,964,350	0	3,200	99,295	10,627,050	0	Cr 18,101,900	Cr 7,820	0	5,283,780	0	Cr 861,000	Cr 993,045
	<b>1,964,350</b>	<b>0</b>	<b>3,200</b>	<b>99,295</b>	<b>10,627,050</b>	<b>0</b>	<b>Cr 18,101,900</b>	<b>Cr 7,820</b>	<b>0</b>	<b>Cr 5,283,780</b>	<b>0</b>	<b>Cr 861,000</b>	<b>Cr 993,045</b>
<b>Adult Care and Health CIES Adjustments</b>													
Adult Care and Health CIES Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>19,955,155</b>	<b>218,680</b>	<b>1,165,800</b>	<b>8,254,275</b>	<b>165,238,340</b>	<b>17,402,860</b>	<b>Cr 18,271,510</b>	<b>Cr 39,452,640</b>	<b>Cr 22,703,400</b>	<b>Cr 4,493,920</b>	<b>0</b>	<b>Cr 3,600,980</b>	<b>132,700,500</b>

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
	£						£	
<b>Adult Social Care</b>								
Assessment and Care Management	173,970	106,020	Cr 114,500	0	0	165,490	4,095,610	55,724,390
Carers	0	0	0	0	0	0	0	11,350
Direct Services	0	5,080	0	0	0	5,080	Cr 2,900	472,000
Learning Disabilities Services	147,000	34,880	0	0	0	181,880	Cr 2,792,890	53,159,690
Mental Health Services	25,900	90	Cr 26,050	0	0	Cr 60	Cr 1,514,510	10,769,020
Other	0	930	0	0	0	930	0	253,760
Quality Assurance & Safeguarding	0	3,810	0	0	0	3,810	Cr 1,026,470	2,252,790
Placement and Brokerage	0	2,500	0	0	0	2,500	Cr 690,160	32,175
	<b>346,870</b>	<b>153,310</b>	<b>Cr 140,550</b>	<b>0</b>	<b>0</b>	<b>359,630</b>	<b>Cr 1,931,320</b>	<b>122,652,475</b>
<b>Integrated Commissioning Service</b>								
Better Care Fund	0	0	0	0	0	0	20,320	1,020,310
Improved Better Care Fund	0	0	0	0	0	0	0	7,734,620
Information & Early Intervention	0	0	Cr 9,500	0	0	Cr 9,500	Cr 64,880	Cr 774,470
Integrated Commissioning Service	0	1,950	0	0	0	1,950	4,457,900	5,894,710
	<b>0</b>	<b>1,950</b>	<b>Cr 9,500</b>	<b>0</b>	<b>0</b>	<b>Cr 7,550</b>	<b>4,413,340</b>	<b>13,875,170</b>
<b>Public Health</b>								
Public Health	0	17,650	0	0	0	17,650	289,080	Cr 686,315
	<b>0</b>	<b>17,650</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,650</b>	<b>289,080</b>	<b>Cr 686,315</b>
<b>Adult Care and Health CIES Adjustments</b>								
Adult Care and Health CIES Adjustments					603,000	603,000	0	603,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>603,000</b>	<b>603,000</b>	<b>0</b>	<b>603,000</b>
	<b>346,870</b>	<b>172,910</b>	<b>Cr 150,050</b>	<b>0</b>	<b>603,000</b>	<b>972,730</b>	<b>2,771,100</b>	<b>136,444,330</b>

## ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO

## DRAFT REVENUE BUDGET 2026/27- SUMMARY

2024/25 Actual	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£	<b>Street Scene &amp; Green Spaces</b>	£	£	£	£
1,155,000	Arboriculture Management	866,170	30,540	158,170	1,054,880
183,000	Business Support and Markets	85,890	2,990 Cr	40,210	48,670
1,409,000	Senior Management	1,393,650	47,560 Cr	245,140	1,196,070
231,000	Performance Management and Business Support	234,470	7,980 Cr	69,590	172,860
114,000	Carbon Management	164,030	5,740 Cr	52,900	116,870
7,039,000	Parks and Green Space	7,043,570	256,110 Cr	139,620	7,160,060
7,197,000	Neighbourhood Services	7,427,890	261,210 Cr	104,690	7,584,410
21,549,000	Waste Services	16,682,520	585,940 Cr	10,410	17,258,050
38,877,000		33,898,190	1,198,070 Cr	504,390	34,591,870
Cr	<b>Traffic, Parking &amp; Highways</b>				
9,929,000	Highways (Including London Permit Scheme)	7,387,633	260,128 Cr	347,036	7,300,725
8,595,000	Parking	10,385,770	160,660 Cr	125,400 Cr	10,350,510
116,000	Traffic & Road Safety	182,464	22,938 Cr	184,974 Cr	344,500
1,450,000		Cr 3,180,601	443,726 Cr	657,410 Cr	3,394,285
556,000	<b>Transport Operations and Depot Management</b>	637,210	22,270 Cr	87,810	571,670
556,000	Transport Operations and Depot Management	637,210	22,270 Cr	87,810	571,670
40,883,000	<b>TOTAL CONTROLLABLE</b>	31,354,799	1,664,066 Cr	1,249,610	31,769,255
1,384,000	<b>TOTAL NON CONTROLLABLE</b>	11,007,015	72,190	1,778,289	12,857,494
2,249,000	<b>TOTAL EXCLUDED RECHARGES</b>	2,343,260	0	0	2,343,260
44,516,000	<b>PORTFOLIO TOTAL</b>	44,705,074	1,736,256	528,679	46,970,009

**ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref		VARIATION IN 2026/27		ORIGINAL BUDGET 2025/26 £'000
		£'000	£'000	
<b>1</b>	<b>2025/26 BUDGET</b>		44,705	
<b>2</b>	<b>Increased Costs</b>		1,736	
	<b>Full Year Effect of Allocation of Central Contingency</b>			
<b>3</b>	Contingency Allocation 2025-26 Budget Monitoring FYE	<u>110</u>	110	47
	<b>Movements Between Portfolios/Departments</b>			
<b>4</b>	Centralisation of Consumables and ICT Budgets	Cr <u>22</u> Cr	22	22
	<b>Real Changes</b>			
	<i>Other Real Changes</i>			
<b>5</b>	Capitalisation Option	154		699
<b>6</b>	Waste Packaging Grant	Cr 101		Cr 5,402
<b>7</b>	Increase in refuse/recycling collection & Disposal Budgets	129		Cr 8,973
<b>8</b>	Income on sale of recyclates	Cr 50		Cr 525
<b>9</b>	Street lighting - LED programme	Cr <u>62</u>	70	1,310
	<i>Growth</i>			
<b>10</b>	Temp Loss of Income due to West Wishkam Car Park Closure	80		Cr 158
<b>11</b>	Other Various Car Park Closures	124		Cr 2,408
<b>12</b>	New Burdens of the Food Waste Collection	113		1
<b>13</b>	Highways Contract Rineys	600		2,495
<b>14</b>	Enforcement Income Shortfall	<u>450</u>	1,367	Cr 6,961
	<i>Transformation Programme Savings</i>			
<b>15</b>	Parking Fees and Charges Increase (Various Schemes)	Cr 87		Cr 5,761
<b>16</b>	Change limited time waiting to cashless in Parking	Cr 14		Cr 329
<b>17</b>	Dedicated Neighbourhood Enforcement Taskforce	Cr 25		Cr 30
<b>18</b>	Introduction of midi-static advertising boards on roadside verges	Cr 16		0
<b>19</b>	Crossover application fee increase	Cr 60		Cr 15
<b>20</b>	Lane rental scheme	Cr 50		0
<b>21</b>	Reduction in street lighting minor improvements	Cr 200		2,374
<b>22</b>	Traffic regulation Orders	Cr 100		0
<b>23</b>	Deployment of CCTV Traffic Enforcement Cameras	Cr 451		Cr 2,351
<b>24</b>	Purchase of additional ANPR vehicle to detect unpaid parking	Cr 27		650
<b>25</b>	Commercial Waste Recycling - Expansion of Business Offer	Cr 100		1,634
<b>26</b>	EPP Staffing reorganisation	Cr 512		3,816
<b>27</b>	Location specific responsive parking fees	Cr 40		329
<b>28</b>	Energy savings	Cr 363		1,661
<b>29</b>	Pension Fund Contributions	Cr <u>729</u>	Cr 2,774	7,675
<b>30</b>	<u>Variations in Capital Charges / Financing</u>		2,060	8,945
<b>31</b>	<u>Variations in Insurances</u>		Cr 331	1,403
<b>32</b>	<u>Variations in Recharges</u>		49	256
<b>33</b>	<b>2026/27 DRAFT BUDGET</b>		<b><u>46,970</u></b>	

## **ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO**

### **Notes on Budget Variations in 2026/27**

Ref	Comments
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#### **Full Year Effect of Allocation of Central Contingency**

3 Parks Business rate pressure (Dr £110k)

The non domestic rate demands have been recalculated for properties within the open space portfolio and it has been determined that these accounts no longer qualify for transitional or discretionary rate relief, creating an unavoidable growth pressure of £110k.

#### **Movements Between Portfolios/Departments**

4 Centralisation of Consumables and ICT Budgets (CR £22k)

Centralised with greater oversight and efficiency of General Consumables budget, to FM to manage. The move to Churchill Court presented the Council with an opportunity to review its spend and allocation of budgets.

#### **Real Changes**

##### ***Other Real Changes***

5 Capitalisation of Highway Maintenance budget (Dr £154k)

Revenue Highways Maintenance costs are now capitalised and will be funded via external borrowing. The Highways Maintenance Revenue budget will no longer be required as the costs are being met from the Capital programme.

6 Waste Packaging Grant (Cr £101k)

From 2025, some organisations and businesses will have to pay a fee for the packaging they supply to or import into the UK, the fee is called extended producer responsibility (EPR) for packaging. The money will go to local authorities that are waste disposal, waste collection, unitary or statutory waste disposal authorities. The money will cover the net costs of collection, managing, recycling and disposing of household packaging waste.

7 Increase in refuse/recycling collection & Disposal Budgets (Dr 129k)

Increased In refuse / Recycling Collection , Residual Waste and Recyclate waste to reflect addionla units.

8 Income on sale of recyclates (Cr £50k)

Increased income from the sale of recyclates to reflect additonal housing units.

9 Street lighting - LED programme (Cr £62k)

This is related to savings coming to fruition in 2025-2026 for the programme funded from the Invest to Save reserve to replace all remaining street lights with low energy LED lamps.

***Growth***

- 10 Temp Loss of Income due to West Wichkam Car Park Closure ( Dr £80k)  
Growth has been awarded on a temporary basis whilst car park remains closed, this will be reversed in future years once the car park is fully operational.
- 11 Other Various Car Park Closures (Dr £124k)  
Growth was awarded on a permanent basis due to car park closures
- 12 New Burdens of the Food Waste Collection (Dr 113k)  
The introduction of new statutory requirements for food waste collection has resulted in additional financial burdens. These costs primarily relate to compliance with updated waste management regulations,
- 13 Highways Contract Rineys (Dr £600k)  
Estimated significant increase in the projected cost of the new highways contract scheduled to commence in mid-2026.
- 14 Parking Enforcement Income Shortfall Dr £450k)  
Parking enforcement income has experienced a significant shortfall. This is primarily driven by reduced penalty charge notice (PCN) volumes due to increased compliance among motorists.

### ***Transformation Programme Savings***

15,16 Parking fees and charges increases and change limited time waiting to cashless, (Cr £87k)  
This represents the full year impact of several parking transformation savings proposals from the current and previous years. This is predominantly made up of uplifts to our on-street, off-street car parks and Multi-Storey Car Park tariffs. This also includes changes to evening and Sunday charging hours.

17 Dedicated Neighbourhood Enforcement Taskforce (Cr £25k)  
The Dedicated Neighbourhood Enforcement Taskforce will generate income via more stringent enforcement for commercial waste

18 Introduction of midi-static advertising boards on roadside verges (Cr £16k)  
Introduction of advertising boards on roadside verges.

19 Crossover application fee increase (Cr £60k)  
Increase in Vehicle Crossover Applicant fees.

20 Lane rental scheme (Cr£50k)  
Introduction of a highways Lane Rental Scheme for utility companies occupying a lane or road in LB Bromley. Aim to further reduce congestion and traffic disruption by incentivising works to be done outside busy times.

21 Reduction in street lighting minor improvements (CR £200k)  
Following the recent completion of the invest to save project, future spend on maintaining the street lighting assets can be reduced.

22 Traffic regulation Orders (Cr £100k)  
When utility companies, and other commercial organisations, require a road closure to facilitate their works, fees are charged to arrange the required traffic regulation orders. These fees were last increased in August 2024 to the same level as LB Bexley. Following benchmarking with other boroughs fees could be increased.

23 Deployment of CCTV Traffic Enforcement Cameras (Cr £451k)  
Monitoring of known traffic hotspots to improve safety, reduce congestion and improve traffic flow.

24 Purchase of additional ANPR vehicle to detect unpaid parking (Cr £27k)  
Purchase and deployment of additional ANPR vehicle to monitor unsafe and congested highways locations to support reduction in congestion and improve traffic flow.

25 Commercial Waste Recycling - Expansion of Business Offer (Cr £100k)  
Amendments to Commercial Waste service offer to increase market share and revenue.

26 EPP Staffing reorganisation (Cr £512k)  
Reduction in posts within the Network Management Admin Team - workloads to be consumed within team.  
Deletion of Street works inspectors - work to be carried out by Highway inspection Officers  
Reduction in two Neighbourhood Management Officers - work to be contained within remaining officers.  
Reorganisation of Carbon Management Team - work to be reprioritised

27 Reorganisation of Business Support Services - including deletion of vacant posts.  
Location specific responsive parking fees (Cr £40k)  
Location-specific parking review to implement minor improvements

28 Energy savings (Cr £363k)  
To recognise savings made with the new Energy Contract for the Council, which has seen energy prices reduce.

29 Pension Fund Contributions (Cr £729k)  
Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation

30 Variations in Capital Charges (Dr £2,060)  
The variation in capital charges is due to a combination of the following:  
(i) Depreciation – the impact of revaluations or asset disposals in 2024/25 (after the 2025/26 budget was agreed) and in the first half of 2025/26;  
(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the budgeted expenditure in 2026/27 of schemes in the Capital Programme that do not add value to the Council's fixed asset base.  
(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2026/27 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.  
These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

31 Variations in Insurances (Cr £331k)  
Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

32 Variations in Recharges (Dr 49K)  
A realignment of investment and other rental property income budgets across all portfolios, to ensure budgets reflect rental agreements"

ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO  
DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
<b>Street Scene &amp; Green Spaces</b>													
Arboriculture Management	232,530		8,220	820,720								Cr 6,590	1,054,880
Business Support and Markets	336,360	50,940	850	186,520									48,670
Senior Management	1,187,430		4,040	4,600									1,196,070
Performance Management and Business Support	172,530		330	0									172,860
Carbon Management	88,320		480	28,070									116,870
Parks and Green Space	93,580	4,941,320	5,930	56,970	2,624,590								7,160,060
Neighbourhood Services	619,440		13,850	43,420	133,380								7,584,410
Waste Services	0	19,300	0	10,851,400	21,254,030								17,258,050
	<b>2,730,190</b>	<b>5,025,410</b>	<b>63,270</b>	<b>12,081,660</b>	<b>30,720,950</b>	<b>0</b>	<b>Cr 5,692,070</b>	<b>Cr 64,850</b>	<b>Cr 9,932,740</b>	<b>Cr 333,360</b>	<b>0</b>	<b>Cr 6,590</b>	<b>34,591,870</b>
<b>Traffic, Parking &amp; Highways</b>													
Highways (Including London Permit Scheme)	1,365,210	1,006,865	28,470	6,440,570									7,300,725
Parking	808,270	1,126,415	300	797,478	3,076,280								10,350,510
Traffic & Road Safety	1,553,310		5,890	100,300									344,499
	<b>3,726,790</b>	<b>2,133,280</b>	<b>34,660</b>	<b>7,338,348</b>	<b>3,076,280</b>	<b>0</b>	<b>0</b>	<b>Cr 164,370</b>	<b>Cr 18,620,293</b>	<b>Cr 909,890</b>	<b>Cr 1,600</b>	<b>Cr 7,490</b>	<b>Cr 3,394,284</b>
<b>Transport Operations and Depot Management</b>													
Transport Operations and Depot Management	231,030	367,620	23,230	37,280									571,670
	<b>231,030</b>	<b>367,620</b>	<b>23,230</b>	<b>37,280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 87,490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>571,670</b>
<b>Environment and Community CIES Adjustments</b>													
ECS Technical Adjustments													0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>6,688,010</b>	<b>7,526,310</b>	<b>121,160</b>	<b>19,457,288</b>	<b>33,797,230</b>	<b>0</b>	<b>Cr 5,692,070</b>	<b>Cr 316,710</b>	<b>Cr 28,553,033</b>	<b>Cr 1,243,250</b>	<b>Cr 1,600</b>	<b>Cr 14,080</b>	<b>31,769,255</b>



**DRAFT REVENUE BUDGET 2026/27 - SUMMARY**

2024/25 Actual	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£		£	£	£	£
	<b>Public Protection</b>				
1,292,000	Safer Communities (Community Safety and	1,391,965	52,563	Cr 176,253	1,268,275
1,259,000	Mortuary & Coroners Service	1,164,670	40,760	220,000	1,425,430
53,000	Environmental Health & Licensing ( Public	310,015	41,390	Cr 297,680	53,725
855,000	Public Protection Strategic (Public Protection)	737,950	25,070	93,320	856,340
3,459,000		3,604,600	159,783	Cr 160,613	3,603,770
3,459,000	<b>TOTAL CONTROLLABLE</b>	3,604,600	159,783	Cr 160,613	3,603,770
3,000	<b>TOTAL NON CONTROLLABLE</b>	4,006	140	820	4,966
996,000	<b>TOTAL EXCLUDED RECHARGES</b>	816,100	0	0	816,100
4,458,000	<b>PORTFOLIO TOTAL</b>	4,424,706	159,923	Cr 159,793	4,424,836

**PUBLIC PROTECTION AND ENFORCEMENT PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref		<b>VARIATION IN 2026/27</b>		ORIGINAL BUDGET	
		£'000	£'000	2025/26	£'000
<b>1</b>	<b>2025/26 BUDGET</b>				4,425
<b>2</b>	<b>Increased Costs</b>				160
<b>3</b>	<b>Movements Between Portfolios/Departments</b>				
	Centralisation of Consumables and ICT Budgets			Cr	32
					32
	<b>Real Changes</b>				
	<i>Other Real Changes</i>				
	<i>Growth</i>				
<b>4</b>	Mortuary and Coroners				282
<b>5</b>	Grants rolled into core funding				2
	<i>Mitigation</i>				
	<i>Transformation Programme Savings</i>				
<b>6</b>	Increase income target for Housing Enforcement breaches	Cr	25	Cr	96
<b>7</b>	Mortuary charges	Cr	62		0
<b>8</b>	Energy savings	Cr	10		47
<b>9</b>	Pension Fund contributions	Cr	315	Cr	412
					3,177
<b>10</b>	<u>Variations in Insurances</u>				1
<b>11</b>	<b>2026/27 DRAFT BUDGET</b>				<b>4,424</b>

## **PUBLIC PROTECTION AND ENFORCEMENT PORTFOLIO**

### **Notes on Budget Variations in 2026/27**

<b>Ref</b>	<b>Comments</b>
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#### **Movements Between Portfolios/Departments**

3 Centralisation of Consumables and ICT Budgets (Cr £32k)

Centralised with greater oversight and efficiency of General Consumables budget, to FM to manage. The move to Churchill Court presented the Council with an opportunity to review its spend and allocation of budgets.

#### **Real Changes**

##### ***Other Real Changes***

###### ***Growth***

4 Mortuary and Coroners (Dr £282k)

The Mortuary and Coroners Service has received a total growth of £282k due to known pressures in the area; this is a joint contract with Croydon Council.

5 Grants rolled into core funding (Dr £2k)

Change in Grant allocation stream now to be included in Core funding for the following :-

- (i) Enforcement of OOH Calorie Labelling Regulations Grant
- (ii) Enforcement of Location and Volume Price Promotions Restrictions Grant

###### ***Mitigation***

###### ***Transformation Programme Savings***

5 Increase income target for Housing Enforcement breaches (Cr £ 25k)

This proposal aims to increase revenue by issuing civil penalties for housing enforcement breaches as an alternative to prosecution. The goal is to enhance compliance with housing standards. Ability to do this introduced in 2025 but requires an initial year to implement and then further regulations proposed in parliament will likely permit wider application and use.

6 Mortuary charges

New fees aimed to reduce mortuary costs through a 10-day grace period for funeral directors and a 42-day limit for Public Health Funerals, ensuring both financial efficiency and dignity for the deceased.

7 Energy savings

To recognise savings made with the new Energy Contract for the Council, which has seen energy prices reduce.

8 Pension Fund Contributions

Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation

9 Variations in Insurances (Dr £1k)

Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

**PUBLIC PROTECTION AND ENFORCEMENT PORTFOLIO**  
**DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
<b>Public Protection</b> Safer Communities Mortuary & Coroners Service Environmental Health & Licensing Public Protection Strategic	673,230	37,580	7,300	466,805	528,010 1,487,430		Cr 328,240			Cr 116,410			1,268,275 1,425,430 53,725 856,340
	1,446,370	790	5,550	73,475 0 68,310	24,590 84,700				Cr 62,000 Cr 621,040	Cr 876,010			
	<b>2,822,930</b>	<b>38,370</b>	<b>12,850</b>	<b>608,590</b>	<b>2,124,730</b>	<b>0</b>	<b>Cr 328,240</b>	<b>0</b>	<b>Cr 683,040</b>	<b>Cr 992,420</b>	<b>0</b>	<b>0</b>	<b>3,603,770</b>
	<b>2,822,930</b>	<b>38,370</b>	<b>12,850</b>	<b>608,590</b>	<b>2,124,730</b>	<b>0</b>	<b>Cr 328,240</b>	<b>0</b>	<b>Cr 683,040</b>	<b>Cr 992,420</b>	<b>0</b>	<b>0</b>	<b>3,603,770</b>

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
<b>Public Protection</b> Safer Communities Mortuary & Coroners Service Environmental Health & Licensing Public Protection Strategic		1,464				1,464 0	478,160 82,060	1,747,899 1,507,490
		2,573				2,573 929	588,580 332,700	644,878 524,569
	<b>0</b>	<b>4,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,966</b>	<b>816,100</b>	<b>4,424,836</b>
	<b>0</b>	<b>4,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,966</b>	<b>816,100</b>	<b>4,424,836</b>

**RENEWAL, RECREATION AND HOUSING PORTFOLIO****DRAFT REVENUE BUDGET 2026/27 - SUMMARY**

2024/25 Actual	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£		£	£	£	£
1,417,532	<b>Culture and Regeneration</b>	1,455,673	49,160	Cr 389,230	1,115,603
5,820,658	Culture	5,853,751	204,260	Cr 25,610	6,032,401
44,887	Libraries and Museums	46,150	1,600	Cr 910	46,840
7,283,077	Town Centre Management and Business Support	7,355,574	255,020	Cr 415,750	7,194,844
	<b>Planning</b>				
221,361	Building Control	62,210	1,800	113,840	177,850
Cr 46,272	Local Land Charges	Cr 143,094	Cr 5,140	71,560	Cr 76,674
2,231,408	Planning	1,864,767	64,960	7,600	1,937,327
Cr 1,052,314	Community Infrastructure Levy (CIL)	Cr 2,529,959	Cr 88,540	1,129,250	Cr 1,489,249
1,354,182		Cr 746,076	Cr 26,920	1,322,250	549,254
	<b>Operational Housing</b>				
1,734,859	Housing Strategy, Advice and Enabling	1,666,910	59,810	83,520	1,810,240
Cr 4,361,611	Housing Benefits	Cr 1,622,210	Cr 56,780	0	Cr 1,678,990
Cr 32,746	Housing Improvement	820	40	Cr 44,400	Cr 43,540
17,557,326	Allocations and Accommodation	14,333,030	686,590	4,990,308	20,009,928
973,292	Supporting People	742,520	25,990	0	768,510
1,962,246	Housing Options and Support	1,751,100	73,080	Cr 326,250	1,497,930
1,866,751	Housing Schemes	1,375,560	32,410	637,110	2,045,080
19,700,116		18,247,730	821,140	5,340,288	24,409,158
	<b>TOTAL CONTROLLABLE</b>	<b>24,857,228</b>	<b>1,049,240</b>	<b>6,246,788</b>	<b>32,153,256</b>
1,318,000	<b>TOTAL NON CONTROLLABLE</b>	Cr 8,931,710	Cr 18,760	11,504,750	2,554,280
5,749,000	<b>TOTAL EXCLUDED RECHARGES</b>	5,669,600	0	Cr 548,110	5,121,490
35,404,375	<b>PORTFOLIO TOTAL</b>	21,595,118	1,030,480	17,203,428	39,829,026

**RENEWAL, RECREATION AND HOUSING PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref		VARIATION IN 2026/27	ORIGINAL BUDGET	
			£'000	£'000
<b>1</b>	<b>2025/26 BUDGET</b>			21,595
<b>2</b>	<b>Increased Costs</b>			1,030
	<b>Full Year Effect of Allocation of Central Contingency</b>			
<b>3</b>	Allocation of central contingency sum re Homelessness Prevention Grant			400
	<b>Movements Between Portfolios/Departments</b>			
<b>4</b>	Centralisation of Consumables and ICT Budgets	Cr 44		44
<b>5</b>	Contingency Allocation 2025-26 Budget Monitoring FYE		1,000	32,342
<b>6</b>	Performance and Strategy Division reorganisation	Cr 447		509
	<b>Real Changes</b>			
	<i>Growth</i>			
<b>7</b>	CIL		1,147	Cr 2,602
<b>8</b>	Temporary Accommodation - 2025-26 Q2 Full Year Effect		304	32,342
<b>9</b>	Temporary Accommodation - growth from 26/27		1,001	32,342
<b>10</b>	More Homes Bromley shortfall payments		356	258
<b>11</b>	More Homes Bromley additional subsidy		289	296
<b>12</b>	More incentives required to make net savings in TA		200	195
<b>13</b>	Provision for doubtful debts		400	193
<b>14</b>	Additional PRS lettings	Cr 206		32,342
<b>15</b>	Household support fund to partly offset housing growth		121	Cr 121
<b>16</b>	Housing development programme (net of operational and financing costs)	Cr 145		32,342
<b>17</b>	Grant rolled into core funding		2,995	
<b>18</b>	Planning Services		750	7,212

	<i>Mitigation</i>				
<b>19</b>	Energy savings		Cr	66	313
	<i>Other real changes</i>				
<b>20</b>	Expenditure changes for diminution of Grant Funding below	Cr	2,104	Cr	5,085
<b>21</b>	Income funding changes for Crisis and Resilience Grant Funding		2,104		5,085
	<b><u>Transformation Programme Savings</u></b>				
	<i>2023/24 &amp; 2024/25 Transformation Savings expected in 2026/27</i>				
<b>22</b>	Allocation Scheme Review	Cr	372	Cr	32,342
<b>23</b>	Identify and reduce numbers of high cost TA placements	Cr	100	Cr	32,342
<b>24</b>	Social Housing Nominations		93		32,342
	<i>2025/26 Transformation Savings expected in 2026/27</i>				
<b>25</b>	Increasing Planning income	Cr	25	Cr	1,954
<b>26</b>	TA occupation including fraud prevention to reduce number in TA	Cr	110	Cr	32,342
<b>27</b>	Block booking arrangements for NPA	Cr	105	Cr	32,342
<b>28</b>	Housing frontline services review - reducing inflow	Cr	82	Cr	32,342
<b>29</b>	TA Rent realignment (subsidy)	Cr	130	Cr	12,801
<b>30</b>	Use of Ukraine funding (one off)		2,000	Cr	2,000
	<i>Transformation savings currently projected for 26/27</i>				
<b>31</b>	Planning charges	Cr	50	Cr	1,954
<b>32</b>	Savings found in 2025/26 ongoing into 2026/27	Cr	234		
<b>33</b>	Pension Fund Contributions	Cr	1,181		11,241
<b>34</b>	Corporate Review of Housing Action Plan (additional for 2025)	Cr	1,300		32,342
<b>35</b>	15 Year Lease Arrangement TA (c.300 unit) - 15 years.	Cr	500		32,342
<b>36</b>	CHAP - Bromley Homes for Bromley People	Cr	100		32,342
<b>37</b>	Negotiate lower TA/NP (£2)	Cr	160	Cr	2,356
<b>38</b>	Variations in Capital Charges			11,397	Cr
<b>39</b>	Variations in Recharges			Cr	55
<b>40</b>	Variations in Insurances				162
<b>41</b>	<b>2026/27 DRAFT BUDGET</b>				<b><u>39,829</u></b>

## RENEWAL, RECREATION AND HOUSING PORTFOLIO

### Notes on Budget Variations in 2026/27

Ref	Comments
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#### Full Year Effect of Allocation of Central Contingency

3 Allocation of central contingency sum re Homelessness Prevention Grant (Dr £400k)  
This reflects the fact that as grants flux in terms of the allocation and timing of confirmation from Government, this value of grant was released from the contingency for 2025-26 into the frontline service budgets

#### Movements Between Portfolios/Departments

4 Centralisation of Consumables and ICT Budgets (Cr £44k)  
Centralised with greater oversight and efficiency of General Consumables budget, to FM to manage. The move to Churchill Court presented the Council with an opportunity to review its spend and allocation of budgets.

5 Contingency Allocation 2025-26 Budget Monitoring FYE  
The Temporary Accommodation service was facing a volatile demand lead pattern and this reflects that need.

6 Performance and Strategy Division reorganisation  
Strategy division split into the departments/portfolios with an element sitting under Chief Executive division.

#### Real Changes

##### *Growth*

7 CIL (Dr £1,147k)  
Income from the Borough Community Infrastructure Levy (BCIL) has not achieved anticipated forecasted levels due to economic factors, this growth has been requested to re-align the budgets to reflect current projections.

8 Temporary Accommodation - 2025-26 Q2 Full Year Effect (Dr £304k)  
This is the full year effect of the 2025-26 overspend on Temporary Accommodation and this is now funded in the 2026-27 budget.

9 Temporary Accommodation - growth from 26/27 (Dr £1,001k)  
This is an average growth figure for Temporary Accommodation households based on past trends and analysis to give the most reasonable estimate of the number of households and the average net nightly cost of accommodation.

- 10 More Homes Bromley shortfall payments (Dr £356k)  
To reflect the necessary budget uplift on the More Homes Bromley scheme.
- 11 More Homes Bromley additional subsidy (Dr £289k)  
To reflect the necessary budget uplift on the More Homes Bromley scheme.
- 12 More incentives required to make net savings in TA (Dr £200k)  
This is to reflect the necessary requirement to offer amounts to the private rented sector as part of mitigating new households entering nightly paid accommodation.
- 13 Provision for doubtful debts (Dr £400k)  
This is to reflect the nature of the arrears caseload of temporary accommodation and the rent increase in 2025-26 as well as any planned rent increase in the future
- 14 Additional PRS lettings (Cr £206k)  
This reflects the saving in nightly paid accommodation when existing households in temporary accommodation are assisted into the private rented sector.
- 15 Household support fund to partly offset housing growth (Dr £121k)  
This is to reflect efficiencies in the use of this funding during in a previous year as a one-off and which now needs to be written out.
- 16 Housing development programme (net of operational and financing costs) (Cr £145k)  
This is the estimated saving from the differential in costs between placing households into Nightly Paid Accommodation versus placing them in Bromley owned/built dwellings.
- 17 Grant rolled into core funding (Dr £2,995k)  
Change in Grant allocation stream now to be included in Core funding for the following :-  
(i) Biodiversity Net Gain Planning Requirement Grant.  
(ii) Homelessness Prevention Grant - Temporary Accommodation
- 18 Planning Services (Dr £750k)  
Growth to correct shortfall in income across Planning services.

*Mitigation*

19 Energy savings (Cr £66k)

Efficiencies in the procurement of the Utility Supply Contracts - Gas and Electricity.

*Other real changes*

20 Expenditure changes for diminution of Crisis & Resilience Grant funding (Cr £2,104k)

To reflect Government's reduction in the quantum of grant and therefore the spending power available

21 Income funding changes for Crisis and Resilience Grant Funding (Dr £2,104k)

To reflect Government's reduction in the quantum of grant, formerly composed of DHP and Household Support Fund

**Transformation Programme Savings**

*2023/24 & 2024/25 Transformation Savings expected in 2026/27*

22 Allocation Scheme Review (Cr £372k)

Measures to target move-on for long stayers in Temporary Accommodation and to secure alternatives for these households.

23 Identify and reduce numbers of high cost TA placements (Cr £100k)

Reduction in temporary accommodation costs specifically considering the highest net cost placements.

24 Social Housing Nominations (Dr 93k)

This reflects continued potential to nominate to housing associations rather than accommodating in Nightly Paid Accommodation.

*2025/26 Transformation Savings expected in 2026/27*

25 Planning Charges (Cr 25k)

Increase in Planning Application Income

26 TA occupation including fraud prevention to reduce number in TA (Cr £110k)

Fraud prevention work underway.

27 Block booking arrangements for NPA (Cr £105k)

Savings through making block bookings.

28 Housing frontline services review - reducing inflow (Cr £82k)  
 Enhanced prevention work to reduce inflow into Nightly Paid Accommodation.

29 TA Rent realignment (subsidy) (Cr £130k)  
 Work with Exchequer Services to increase rental income.

30 Use of Ukraine funding (one off) (Dr 2,000)  
 This is to reflect use of this funding during in a previous year and which now needs to be written out.

*Transformation savings currently projected for 26/27*

31 Planning charges (Cr £50k)  
 Increase in Planning Application Income

32 Savings found in 2025/26 ongoing into 2026/27 (Cr £234k)  
 Efficiencies associated inflationary pressures management associated to libraries no impact on service level.

33 Pension Fund Contributions (Cr £1,181k)  
 Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation.

34 Corporate Review of Housing Action Plan (additional for 2025) (Cr £1,300k)  
 Reducing the inflow and outflow from TA, this includes ensuring a robust housing front line for prevention and increased housing options to manage the through flow from TA into settled solution. The approved plan included addition of 3 staff, plus an additional AD role for greater oversight.

35 15 Year Lease Arrangement TA (c.300 unit) - 15 years (Cr £500k)  
 The acquisition of up to 300 temporary accommodation units, within or very close to Borough, to be acquired on commercial long leases for typical periods of 10-25 years. This will provide certainty of cost for a significant proportion of required TA and limit the Council's exposure to the costly and volatile nightlv paid accommodation model which it currentlv has.

36 CHAP - Bromley Homes for Bromley People (Cr £100k)  
 Proposal to purchase 50 homes to be managed by the LBB Housing team to provide more cost effective Temporary Accommodation. Part-funded MHCLG.

37 Negotiate lower TA/NP (£2) (Cr £160k)  
 Negotiations with TA housing providers to achieve reductions in TA costs. For example block booking arrangements.

38 Variations in capital charges (Dr £10,870k)  
 The variation in capital charges is due to a combination of the following:  
 (i) Depreciation – the impact of revaluations or asset disposals in 2024/25 (after the 2025/26 budget was agreed) and in the first half of 2025/26;  
 (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the budgeted expenditure in 2026/27 of schemes in the Capital Programme that do not add value to the Council's fixed asset base.  
 (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2026/27 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.  
 These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

39 Variations in Recharges (Cr £54k)  
 A realignment of investment and other rental property income budgets across all portfolios, to ensure budgets reflect rental agreements

40 Variations in Insurances (Dr £162k)  
 Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

**RENEWAL, RECREATION AND HOUSING PORTFOLIO**  
**DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
	£	£	£	£	£	£	£	£	£				£
<b>Culture</b>													
Culture	991,645	23,320	6,700	157,000	264,380	0	0	0	59,960	Cr 151,495	0	Cr 115,987	1,115,603
Libraries and Museums	142,791	364,600	0	3,830	5,299,070	0	0	0	0	0	0	222,110	6,032,401
Town Centre Management and Business Support	2,660	23,590	1,120	24,530	44,510	0	0	Cr 44,510	5,060	0	0	0	46,840
	<b>1,137,096</b>	<b>411,510</b>	<b>7,820</b>	<b>185,360</b>	<b>5,607,960</b>	<b>0</b>	<b>0</b>	<b>Cr 44,510</b>	<b>65,020</b>	<b>Cr 151,495</b>	<b>0</b>	<b>106,123</b>	<b>7,194,844</b>
<b>Planning</b>													
Building Control	835,560	0	7,050	79,250	0	0	0	0	744,010	0	0	0	177,850
Local Land Charges	176,786	0	110	12,080	0	0	0	0	265,650	0	0	0	76,674
Planning	3,604,847	3,760	20,180	233,730	0	0	0	0	1,857,490	Cr 0	0	Cr 67,700	1,937,327
Community Infrastructure Levy (CIL)	158,211	0	0	9,710	19,920	0	0	0	1,677,090	0	0	0	1,489,249
	<b>4,775,404</b>	<b>3,760</b>	<b>27,340</b>	<b>334,770</b>	<b>19,920</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 4,544,240</b>	<b>Cr 0</b>	<b>0</b>	<b>Cr 67,700</b>	<b>549,254</b>
<b>Operational Housing</b>													
Housing Strategy, Advice and Enabling	1,470,970	0	600	359,830	0	2,927,680	Cr 3,034,350	0	0	85,510	0	0	1,810,240
Housing Benefits	0	0	0	120,940	0	60,611,210	Cr 62,411,140	0	0	0	0	0	1,678,990
Housing Improvement	393,700	0	4,980	3,530	0	0	0	Cr 445,750	0	0	0	0	43,540
Allocations and Accommodation	1,443,940	0	4,240	721,350	36,219,550	0	Cr 2,195,542	Cr 75,060	Cr 16,176,960	68,410	0	Cr 0	20,009,928
Supporting People	0	0	0	0	768,510	0	0	0	0	0	0	0	768,510
Housing Options and Support	1,551,090	60,050	5,800	44,540	970,800	0	Cr 906,820	0	Cr 227,530	0	0	0	1,497,930
Housing Schemes	70,390	960,970	0	309,100	2,993,380	0	Cr 542,770	0	Cr 2,195,210	0	0	449,220	2,045,080
	<b>4,930,090</b>	<b>1,021,020</b>	<b>15,620</b>	<b>1,559,290</b>	<b>40,952,240</b>	<b>63,538,890</b>	<b>Cr 69,090,622</b>	<b>Cr 520,810</b>	<b>Cr 18,599,700</b>	<b>153,920</b>	<b>0</b>	<b>449,220</b>	<b>24,409,158</b>
<b>R R &amp; H Technical Adjustments</b>													
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>10,842,590</b>	<b>1,436,290</b>	<b>50,780</b>	<b>2,079,420</b>	<b>46,580,120</b>	<b>63,538,890</b>	<b>Cr 69,090,622</b>	<b>Cr 565,320</b>	<b>Cr 23,208,960</b>	<b>2,425</b>	<b>0</b>	<b>487,643</b>	<b>32,153,256</b>

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
	£	£	£	£	£	£	£	£
<b>Culture</b>								
Culture	141,400	266,350	Cr 1,107,500	0	0	Cr 699,750	138,400	554,253
Libraries and Museums	103,320	76,410	0	0	0	Cr 179,730	59,390	6,271,521
Town Centre Management and Business Support	0	Cr 0	0	0	0	Cr 0	254,210	301,050
	<b>244,720</b>	<b>342,760</b>	<b>Cr 1,107,500</b>	<b>0</b>	<b>0</b>	<b>Cr 520,020</b>	<b>452,000</b>	<b>7,126,824</b>
Building Control								
Local Land Charges	0	1,480	0	0	0	1,480	193,510	372,840
Planning	0	540	0	0	0	540	181,640	105,506
Community Infrastructure Levy (CIL)	0	6,600	0	0	0	6,600	776,190	2,720,117
	<b>0</b>	<b>8,720</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,720</b>	<b>74,700</b>	<b>Cr 1,414,449</b>
<b>Operational Housing</b>								
Housing Strategy, Advice and Enabling	0	2,330	0	0	0	2,330	1,075,160	2,887,730
Housing Benefits	0	0	0	0	0	0	1,779,440	100,450
Housing Improvement	0	780	0	0	0	780	265,870	223,110
Allocations and Accommodation	0	3,130	0	0	0	3,130	15,740	20,028,798
Supporting People	0	0	0	0	0	0	0	768,510
Housing Options and Support	0	3,590	0	0	0	3,590	288,070	1,789,590
Housing Schemes	0	54,750	0	0	0	54,750	19,170	2,119,000
	<b>0</b>	<b>64,580</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,580</b>	<b>3,443,450</b>	<b>27,917,188</b>
<b>R R &amp; H Technical Adjustments</b>								
	0	0	0	0	3,001,000	3,001,000	0	3,001,000
	0	0	0	0	3,001,000	3,001,000	0	3,001,000
	<b>244,720</b>	<b>416,060</b>	<b>Cr 1,107,500</b>	<b>0</b>	<b>3,001,000</b>	<b>2,554,280</b>	<b>5,121,490</b>	<b>39,829,026</b>

RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIODRAFT REVENUE BUDGET 2026/27 - SUMMARY

2024/25 Actual	Service Area	2025/26 Budget	Increased costs	Other Changes	2026/27 Draft Budget
£		£	£	£	£
601,494	<b>Financial Services</b>	786,290	34,440	63,080	757,650
283,112	Audit	279,890	9,830	25,020	264,700
2,677,101	Director of Finance and Other	2,586,690	92,560	182,210	2,497,040
6,396,729	Exchequer - Payments & Income	7,030,050	245,810	1,162,130	6,113,730
1,447,989	Exchequer - Revenue & Benefits	1,989,130	75,990	92,725	2,157,845
1,624,294	Financial Accounting	1,705,970	62,530	Cr 173,110	1,595,390
13,030,719	Management Accounting & Systems	14,378,020	521,160	Cr 1,512,825	13,386,355
181,505	<b>Corporate Services</b>	194,820	6,750	Cr 12,380	189,190
1,636,794	Mayoral	1,594,799	55,590	Cr 45,070	1,605,319
545,573	Democratic Services	540,630	18,930	871,670	1,431,230
7,754,517	Electoral	7,001,617	260,870	33,679	7,296,166
3,381,837	Information Systems and Telephony	2,938,860	112,020	242,130	3,293,010
245,901	Legal Services	244,920	8,570	Cr 24,830	228,660
556,027	Management and Other (Corporate Services)	344,190	17,040	34,020	395,250
14,302,155	Procurement and Data Management	12,859,836	479,770	1,099,219	14,438,825
397,554	<b>Contact Centre, Registrars and Human Resources</b>	296,960	10,340	Cr 76,660	230,640
1,750,028	Comms	1,744,470	65,640	Cr 46,071	1,764,039
2,560,967	Contact Centre	2,360,405	81,360	Cr 793,103	1,648,662
Cr 222,978	HR	Cr 214,053	Cr 8,320	Cr 99,410	Cr 321,783
4,485,570	Registration of Birth Death and Marriage	4,187,782	149,020	Cr 1,015,244	3,321,558
1,237,686	<b>Chief Executive</b>	1,179,380	38,530	Cr 170,373	1,047,537
973,969	Management and Other (C.Exec)	1,109,950	33,110	Cr 290,679	852,381
2,211,656	Corporate Transformation Hub	2,289,330	71,640	Cr 461,052	1,899,918
0	<b>PEOPLE DEPT</b>	0	0	0	0
823,094	<b>Strategy and Corporate Projects</b>	800,840	0	Cr 800,840	0
823,094	Commissioning	800,840	0	Cr 800,840	0
	Strategy, Performance and Engagement				
	<b>PEOPLE DEPT</b>				
5,537,844	<b>Total Facilities Management</b>	1,937,350	116,950	1,340,520	3,394,820
2,618,254	Facilities and Support	926,170	31,860	Cr 40,550	917,480
86,136	Investment and Non Operational Property	1,078,510	33,400	Cr 43,180	1,068,730
2,741,371	Strategic & Operational Property	1,858,218	70,380	Cr 194,220	1,734,378
Cr 5,209,911	TFM Client Monitoring Team	Cr 6,079,310	Cr 212,780	504,760	Cr 5,787,330
Cr 1,731,000	-Investment Income	Cr 1,508,100	Cr 52,780	4,760	Cr 1,565,640
3,218,000	- Other Rental Income - Other Portfolios	2,661,110	93,140		2,754,250
7,260,694	- Repairs & Maintenance (All LBB)	873,948	80,170	1,562,570	2,516,688
527,326	<b>CENTRAL ITEMS</b>	1,441,020	50,420	Cr 0	1,491,440
9,104,992	CDC & Non Distributed Costs	10,900,000	381,500	845,000	12,126,500
Cr 13,601,226	Concessionary Fares	Cr 8,254,140	10,890	3,285,000	Cr 4,958,250
Cr 3,968,908	Interest on General Fund Balances	4,086,880	442,810	4,130,000	8,659,690
38,144,980		39,476,636	1,744,570	3,001,828	44,223,034
	<b>TOTAL CONTROLLABLE</b>				
Cr 902,000	<b>TOTAL NON CONTROLLABLE</b>	1,565,460	5,500	2,171,300	3,742,260
Cr 23,992,000	<b>TOTAL EXCLUDED RECHARGES</b>	Cr 24,180,880	0	2,279,540	Cr 21,901,340
Cr 1,306,000	<b>Less R &amp; M allocated across other Portfolios</b>	Cr 1,756,320	Cr 61,470	0	Cr 1,817,790
1,731,000	<b>Less Rent allocated across other Portfolios</b>	1,508,100	52,780	4,760	1,565,640
13,675,980	<b>PORTFOLIO TOTAL</b>	16,612,996	1,741,380	7,457,428	25,811,804

**RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO**

**SUMMARY OF BUDGET VARIATIONS 2026/27**

Ref		VARIATION IN 2026/27	ORIGINAL BUDGET 2025/26	
			£'000	£'000
<b>1</b>	<b>2025/26 BUDGET</b>			16,613
<b>2</b>	<b>Increased Costs</b>			1,741
	<b>Full Year Effect of Allocation of Central Contingency</b>			
<b>3</b>	Churchill Court running costs		1,176	1,176
	<b>Movements Between Portfolios/Departments</b>			
<b>4</b>	Contract Savings	14		
<b>5</b>	NNDR for Care Leavers Service Re-location	Cr 19		1,003
<b>6</b>	Centralisation of Consumables and ICT Budgets	92		
<b>7</b>	Correcting adjustment for Digitalisation Work and Consumables Budget S	104		
<b>8</b>	Centralisation of Cleaning Contract Budgets	85		32
<b>9</b>	Performance and Strategy Division reorganisation	1,293		1,569
	<b>Real Changes</b>			
	<i>Other Real Changes</i>			
<b>10</b>	Cost of local elections in 2026/27	910		40
<b>11</b>	Legal CMS and Bundling software licensing	13		68
<b>12</b>	Churchill Court running costs 2026/27	256		0
<b>13</b>	Decrease in Interest on Balances	3,400	4,579	Cr 8,649
	<i>Growth</i>			
<b>14</b>	Increase in freedom pass costs	845		10,891
<b>15</b>	Tilgate Business Park (report to Executive Sept. '25)	500		Cr 5,117
<b>16</b>	Legal Services	587	1,932	549
	<i>Mitigation</i>			
<b>17</b>	Energy contract savings	Cr 142		649

## Transformation Programme Savings

### 2025/26 Transformation Savings expected in 2026/27

<b>18</b>	Process efficiencies across finance function	Cr	185		
<b>19</b>	Digitalisation		678	Cr	934
<b>20</b>	Restructure	Cr	327		627

### Transformation savings currently projected for 26/27

<b>21</b>	Digital advertising on investment portfolios	Cr	65		0
<b>22</b>	Centralisation of general consumables	Cr	100		0
<b>23</b>	Digitalisation to reduce printing and postage	Cr	185		296
<b>24</b>	Realignment	Cr	370		803
<b>38</b>	Pension Fund recharges	Cr	20	Cr	212
<b>39</b>	Bad debt adjustment	Cr	100	Cr	158
<b>40</b>	Pension Fund Contributions	Cr	<u>1,504</u>	Cr	<u>3,878</u>
<b>41</b>	Variations in Capital Charges			2,126	1,391
<b>42</b>	Variations in Insurances			90	346
<b>43</b>	Variations in Recharges			5	Cr 6,079
<b>44</b>	<b>2026/27 DRAFT BUDGET</b>			<b><u>25,811</u></b>	

## **RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO**

### **Notes on Budget Variations in 2026/27**

<b>Ref</b>	<b>Comments</b>
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#### **Full Year Effect of Allocation of Central Contingency**

**3 Churchill Court running costs (Dr £1,176k)**

Contingency allocation to cover additional costs for operating the new Civic Centre.

#### **Movements Between Portfolios/Departments**

**4 Contract Savings (Dr £14k)**

Transformation savings aimed at reducing contract costs through renegotiation of renewals or new contracts at a lower price, savings will be allocated to services when these are achieved throughout the year.

**5 NNDR for Care Leavers Service Re-location (Cr £19k)**

The Care Leavers House relocated as part of the Civic Centre reorganisation from the old Civic Centre to Market Square, Bromley. The budget is to cover costs of the NNDR that once would have been part of the Civic Centre site.

**6 Centralisation of Consumables and ICT Budgets (Dr £92k)**

Centralised with greater oversight and efficiency of General Consumables budget, to FM to manage. The move to Churchill Court presented the Council with an opportunity to review its spend and allocation of budgets.

**7 Correcting adjustment for Digitalisation Work and Consumables Budget Savings (Dr £104k)**

Correction of historical budget virement between portfolios

**8 Centralisation of Cleaning Contract Budgets (£85k)**

Centralisation of the budget for the Chequer's Cleaning Contract from CSC to Facilities Management.

**9 Performance and Strategy Division reorganisation (Dr £1,296k)**

Strategy division split into the departments/portfolios with an element sitting under Chief Executive division

#### **Real Changes**

##### *Other Real Changes*

**10 Cost of local elections in 2026/27 (Dr £910k)**

One-off budget increase to cover the costs of local elections in 2026/27.

**11** Legal CMS and Bundling software licensing (DR £13k)  
 Annual licensing costs of Legals Iken Case Management and Time Recording System.

**12** Churchill Court running costs 2026/27 (Dr £256k)  
 Contingency allocation to cover additional costs for operating the new Civic Centre.

**13** Decrease in Interest on Balances (Dr £3,400k)  
 As a result of the projected reduction in the levels of investments held due of the utilisation of earmarked reserves and other balances, coupled with expected further reductions in the Bank of England base rate, there is a projected reduction in income generated from treasury management investments of £3.4m in 2026/27 compared with the 2025/26 budget.

*Growth*

**14** Freedom Passes (Dr £845k)  
 An increase in the budget for concessionary fares to match the indicative settlement figure agreed at London Councils' Transport and Environment Committee in December 2025.

**15** Tilgate Business Park (Dr £500k)  
 As outlined in the report to the Executive in September 2025, growth funding has been allocated to

**16** Legal Services (Dr £587k)  
 To address the overspend in Legal Services, particularly within the Children's Legal Team, and to support the associated growth bid aimed at meeting service demands and reducing expenditure.

*Mitigation*

**17** Energy Contract Saving (Cr £142k)  
 Efficiencies in the procurement of the Utility Supply Contracts - Gas and Electricity.

**Transformation Programme Savings**

*2025/26 Transformation Savings expected in 2026/27*

**18** Process efficiencies across finance function (Cr £185k)  
 This represents savings opportunities across the finance division, with £150k coming from the Exchequer Service, this relates to contract cost efficiencies, improved collection fund and non general fund recharges. There is also a further £15k savings relating to reducing use of money market funds and seeking higher returns (and risks). rationalising the number of accounts and users. There is a £20k in 2026/27 in the form of reduction of professional fees.

**19** Digitalisation (Dr £678k)  
 2025/26 Digitalisation saving reversed.

**20** Restructure (Cr £327k)  
 Full-year effect of the Chief Executive's restructure.

*Transformation savings currently projected for 26/27*

**21** Digital advertising on investment portfolios (Cr 65k)  
Offering digital advertising space for rental income.

**22** Centralisation of general consumables (Cr £100k)  
Centralised with greater oversight and efficiency of General Consumables budget, to FM to manage. The move to Churchill Court presented the Council with an opportunity to review its spend and allocation of budgets.

**23** Digitalisation to reduce printing and postage (Cr £185k)  
Reduce the level of physical printing and postage through digitalisation and online channels.

**24** Realignment (Cr £370k)  
HR, Customer Services and Public affairs, Realignment

**25** Transformation use of AI (Cr £130k)  
HR, Customer Services and Public affairs, Transformation use of AI

**26** Corporate Services Staff Budget Savings Proposal (IT) (Cr £ 263k)  
With the emergence of Generative and Agentic AI technologies and the implementation of the Security Operations Centre (SOC) via the BT contract, two vacant roles as well as a Cyber Security position and an Information Architect position have been identified as potential savings. A restructuring process will be required, subject to staff consultation.  
The budget within D&IT Services is staff and contracts budget. The contract is consumption-based contract, hence this proposal to reduce staffing. The service is also looking at reducing Licensing costs through robust governance and processes for Starters and Leavers.

**27** Corporate Services Staff Budget Savings Proposal (Legal) (Cr 115k)  
The budget within Legal Services is mainly staff budget, thus this proposal is to reduce staffing. The service is also looking at reducing external legal spend through in-house advocates as well converting qualified lawyer posts with paralegal posts. It is seeking to manage the demand and exploring sharing parts of the service with neighbouring boroughs.

**28** Payments (Oxygen Finance) (Cr £150k)  
Make arrangements for faster payments to suppliers where we then receive discounted rates on the payment, thus achieving a saving.

**29** Automation and digital (Billing) (Cr £25k)  
Increase in electronic billings/statements ceasing manual statements and associated postage costs, etc

**30** HBOP (Cr £100k)  
Improvement in HB overpayment processes attracting additional grant funding enabling recovery.  
Looking at the processes in place to maximise net income received

**31** Improved collection rates (Cr £300k)  
Significant review of process areas in Exchequer services to improve collection rates and reduce write offs

**32** Treasury Management income (Cr £100k)  
Improving/tightening cashflow projections so that less cash is held in overnight money market funds to cover e.g. significant unexpected items of expenditure or shortfall in income receipts. This will allow more cash to be placed on longer term fixed term deposits and therefore increasing treasury management investment income and/or minimising borrowing costs.

**33 AP review (Cr £300k)**

In January 2025, we entered into a contract with a provider to undertake a review of the Council's historical Accounts Payable transactions (transactions that are 5 months - 6 years old). The objective is to identify and recover monies due to the Council through overpayments, unclaimed credits or missed VAT recoveries. The review started in April 2025 and by September 2025 had already recovered c.£500K. The amounts recoverable will decrease after the initial review.

**34 Non General Fund recharges (Cr £75k)**

Review of recharges to non general fund areas to ensure maximise the attribution. Non general fund areas will pick up the costs thus releasing general fund funding as a saving.

**35 Delete post in restructure (Cr £40k)**

Following the minor restructure in the technical finance team in response to the statutory recommendation issued by the external auditor in the 2023/24 audit, a 0.5 FTE vacant post can be deleted.

**36 More proactive Fraud work (Cr 52k)**

An invest to save proposal, to increase counter fraud resource specifically to focus on pro active counter fraud initiatives (as opposed to investigations).

**37 Overheads recharges to HRA (Cr 50k)**

The Housing Revenue Account is a ringfenced account within the General Fund. If Bromley creates an HRA, it must ringfence rents and service charges income (credits) to the HRA and allow specific costs (debits) to the HRA. Once such cost/debit is called SERCOP recharges and essentially represents the HRA's share of support functions and other frontline costs ranging from democratic services, legal and finance through to ICT and certain aspects of waste. If an HRA comes into being, a portion of existing services and costs would be ascribed to it and therefore represents a cost transfer (saving) to the General Fund.

**38 Pension Fund Contributions (Cr 20k)**

Maximising non-General Fund recharges of existing technical finance team costs to the Pension Fund which will result in a reduction in costs attributable to the General Fund.

**39 Bad debt adjustment (Cr 100k)**

Improving debt collection processes leading to increased collection rates and therefore bad debt provision levels required can be reduced.

**40 Pension Fund Contributions (Cr 1,629k)**

Estimated Saving in Employer Pensions Contributions as a result of 2025 Triennial Valuation

**41 Variations in capital charges (Dr £2,126k)**

The variation in capital charges is due to a combination of the following:

- (i) Depreciation – the impact of revaluations or asset disposals in 2024/25 (after the 2025/26 budget was agreed) and in the first half of 2025/26;
- (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the budgeted expenditure in 2026/27 of schemes in the Capital Programme that do not add value to the Council's fixed asset base.
- (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2026/27 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

**42 Variations in Insurances (Dr £94k)**

Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

**43 Variations in Recharges (Dr £5k)**

A realignment of investment and other rental property income budgets across all portfolios, to ensure budgets reflect rental agreements

**RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO**  
**DRAFT REVENUE BUDGET 2026/27 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Financial Services</b>													
Audit	557,530	0	500	20,450	385,680	0	0	8,250	0	198,260	0	0	757,650
Director of Finance and Other	225,250	0	1,890	43,020	0	0	0	3,860	0	0	0	0	264,700
Exchequer - Payments & Income	276,380	0	590	32,400	2,530,110	0	0	0	132,040	Cr 210,400	0	0	2,497,040
Exchequer - Revenue & Benefits	435,700	0	2,280	604,230	6,748,510	242,820	Cr 227,550	0	1,692,260	0	0	0	6,113,730
Financial Accounting	986,850	0	620	1,455,455	82,140	0	0	92,930	Cr 61,890	Cr 242,400	0	30,000	2,157,845
Management Accounting & Systems	1,538,690	0	1,920	21,730	115,870	0	0	0	Cr 82,000	Cr 820	0	0	1,595,390
	<b>4,020,400</b>	<b>0</b>	<b>7,800</b>	<b>2,177,285</b>	<b>9,862,310</b>	<b>242,820</b>	<b>Cr 227,550</b>	<b>Cr 105,040</b>	<b>Cr 1,887,010</b>	<b>Cr 733,060</b>	<b>Cr 1,600</b>	<b>30,000</b>	<b>13,386,355</b>
<b>Corporate Services</b>													
Mayoral	105,620	0	27,840	55,730	0	0	0	0	0	0	0	0	189,190
Democratic Services	341,229	0	0	1,264,090	0	0	0	0	0	0	0	0	1,605,319
Electoral	341,770	0	590	1,095,220	0	0	0	0	0	0	0	0	1,431,230
Information Systems and Telephony	1,331,101	0	110	927,110	5,555,035	0	0	0	0	Cr 593,070	0	75,880	7,296,166
Legal Services	2,785,500	0	1,670	938,410	0	0	0	25,030	Cr 102,470	Cr 216,410	0	Cr 88,660	3,293,010
Management and Other (Corporate Services)	226,800	0	700	1,160	0	0	0	0	0	0	0	0	228,660
Procurement and Data Management	597,080	0	1,000	Cr 161,740	1,850	0	0	0	0	Cr 42,940	0	0	395,250
	<b>5,729,100</b>	<b>0</b>	<b>31,910</b>	<b>4,119,980</b>	<b>5,556,885</b>	<b>0</b>	<b>0</b>	<b>Cr 25,030</b>	<b>Cr 108,820</b>	<b>Cr 852,420</b>	<b>0</b>	<b>Cr 12,780</b>	<b>14,438,825</b>
<b>Contact Centre, Registrars and Human Resources</b>													
Comms	229,740	0	180	720	0	0	0	0	0	0	0	0	230,640
Contact Centre	521,219	0	0	151,850	1,117,740	0	0	0	0	Cr 26,770	0	0	1,764,039
HR	1,609,442	6,540	560	1,202,800	274,800	0	Cr 1,121,500	Cr 36,240	Cr 287,740	0	0	0	1,648,662
Registration of Birth Death and Marriage	553,667	0	290	15,000	0	0	0	0	Cr 89,360	Cr 801,380	0	0	Cr 321,783
	<b>2,914,068</b>	<b>6,540</b>	<b>1,030</b>	<b>1,370,370</b>	<b>1,392,540</b>	<b>0</b>	<b>Cr 1,121,500</b>	<b>Cr 125,600</b>	<b>Cr 1,089,120</b>	<b>Cr 26,770</b>	<b>0</b>	<b>0</b>	<b>3,321,558</b>
<b>Chief Executive</b>													
Management and Other (C.Exec)	560,247	0	960	486,330	0	0	0	0	0	0	0	0	1,047,537
Corporate Transformation Hub	801,971	0	110	107,920	71,430	0	0	0	0	Cr 88,430	Cr 40,620	0	852,381
	<b>1,362,218</b>	<b>0</b>	<b>1,070</b>	<b>594,250</b>	<b>71,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 88,430</b>	<b>Cr 40,620</b>	<b>0</b>	<b>0</b>	<b>1,899,918</b>
<b>PEOPLE DEPT</b>													
<b>Strategy and Corporate Projects</b>													
Commissioning													0
Strategy, Performance and Engagement													0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PEOPLE DEPT</b>													
<b>Total Facilities Management</b>													
Facilities and Support	40,480	3,109,200	0	276,030	21,690	0	0	0	0	Cr 52,580	0	0	3,394,820
Investment and Non Operational Property	1,080	286,410	0	680,120	240	0	0	0	Cr 65,000	0	0	14,630	917,480
Strategic & Operational Property	0	168,410	0	0	1,039,610	0	0	0	Cr 255,480	Cr 8,280	0	0	124,470
TFM Client Monitoring Team	1,444,878	0	710	466,850	6,940	0	0	0	0	Cr 185,000	0	0	1,734,378
-Investment Income	0	0	0	0	0	0	0	0	0	0	0	0	5,787,330
- Other Rental Income - Other Portfolios	0	0	0	0	0	0	0	0	Cr 1,565,640	0	0	0	1,565,640
- Repairs & Maintenance (All LBB)	0	2,754,250	0	0	0	0	0	0	0	0	0	0	2,754,250
	<b>1,486,438</b>	<b>6,318,270</b>	<b>710</b>	<b>1,423,000</b>	<b>1,068,480</b>	<b>0</b>	<b>0</b>	<b>Cr 7,608,450</b>	<b>Cr 73,280</b>	<b>Cr 237,580</b>	<b>0</b>	<b>139,100</b>	<b>2,516,688</b>
<b>CENTRAL ITEMS</b>													
CDC & Non Distributed Costs	1,491,440	0	0	0	0	0	0	0	0	0	0	0	1,491,440
Concessionary Fares	0	0	0	9,180	0	12,117,320	0	0	0	0	0	0	12,126,500
Contribution to Insurance Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on General Fund Balances	0	0	0	224,200	0	0	0	0	0	Cr 5,266,430	83,980	Cr 4,958,250	
	<b>1,491,440</b>	<b>0</b>	<b>0</b>	<b>233,380</b>	<b>0</b>	<b>12,117,320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 5,266,430</b>	<b>83,980</b>	<b>8,659,690</b>
	<b>17,003,664</b>	<b>6,324,810</b>	<b>42,520</b>	<b>9,918,265</b>	<b>17,951,645</b>	<b>12,360,140</b>	<b>Cr 1,349,050</b>	<b>Cr 7,864,120</b>	<b>Cr 3,246,660</b>	<b>Cr 1,890,450</b>	<b>Cr 5,268,030</b>	<b>240,300</b>	<b>44,223,034</b>

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
<b>Financial Services</b>	£	£	£	£	£	£	£	£
Audit	0	770	0	0	0	770	Cr 623,080	135,340
Director of Finance and Other	0	100	0	0	0	100	Cr 252,010	12,790
Exchequer - Payments & Income	0	510	0	0	0	510	Cr 1,421,340	1,076,210
Exchequer - Revenue & Benefits	0	900	0	0	0	900	Cr 3,653,380	2,461,250
Financial Accounting	0	1,380	0	0	0	1,380	Cr 1,093,530	1,065,695
Management Accounting & Systems	0	2,320	0	0	0	2,320	Cr 1,426,000	171,710
	<b>0</b>	<b>5,980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,980</b>	<b>Cr 8,469,340</b>	<b>4,922,995</b>
<b>Corporate Services</b>								
Mayoral	0	250	0	0	0	250	Cr 86,830	102,610
Democratic Services	0	1,210	0	0	0	1,210	Cr 977,880	628,649
Electoral	0	770	0	0	0	770	694,160	2,126,160
Information Systems and Telephony	0	3,290	0	0	0	3,290	Cr 7,653,490	354,034
Legal Services	0	3,750	0	0	0	3,750	Cr 2,185,500	1,111,260
Management and Other (Corporate Services)	0	100	0	0	0	100	Cr 167,370	61,390
Procurement and Data Management	0	960	0	0	0	960	Cr 542,640	Cr 146,430
	<b>0</b>	<b>10,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,330</b>	<b>Cr 10,919,550</b>	<b>3,529,605</b>
<b>Contact Centre, Registrars and Human Resources</b>								
Comms	0	510	0	0	0	510	Cr 203,120	28,030
Contact Centre	0	990	0	0	0	990	Cr 1,169,920	595,109
HR	0	3,170	0	0	0	3,170	Cr 1,766,420	114,588
Registration of Birth Death and Marriage	0	1,400	0	0	0	1,400	327,600	7,217
	<b>0</b>	<b>6,070</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,070</b>	<b>Cr 2,811,860</b>	<b>515,768</b>
<b>Chief Executive</b>								
Management and Other (C.Exec)	0	820	0	0	0	820	Cr 801,950	246,407
Corporate Transformation Hub	0	1,300	0	0	0	1,300	27,130	880,811
	<b>0</b>	<b>2,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,120</b>	<b>Cr 774,820</b>	<b>1,127,218</b>
<b>PEOPLE DEPT</b>								
<b>Strategy and Corporate Projects</b>								
Commissioning						0		0
Strategy, Performance and Engagement						850		850
	<b>0</b>	<b>850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>0</b>	<b>850</b>
<b>PEOPLE DEPT</b>								
<b>Total Facilities Management</b>								
Facilities and Support	471,710	175,320	0	0	0	647,030	Cr 3,047,970	993,880
Investment and Non Operational Property	294,610	19,060	Cr 1,259,390	Cr 4,527,940	0	5,473,660	1,431,450	Cr 3,124,730
Strategic & Operational Property	84,760	1,580	0	0	0	86,340	Cr 1,057,990	97,080
TFM Client Monitoring Team	85,410	3,820	0	0	0	89,230	Cr 1,633,490	190,118
-Investment Income	0	0	5,787,330	0	0	5,787,330		0
- Other Rental Income - Other Portfolios	0	0	1,565,640	0	0	1,565,640		0
- Repairs & Maintenance (All LBB)	0	0	Cr 2,754,250	0	0	Cr 2,754,250		0
	<b>936,490</b>	<b>199,780</b>	<b>3,339,330</b>	<b>Cr 4,527,940</b>	<b>0</b>	<b>Cr 52,340</b>	<b>Cr 4,308,000</b>	<b>Cr 1,843,652</b>
<b>CENTRAL ITEMS</b>								
CDC & Non Distributed Costs	0	0	0	0	0	0	5,382,230	17,508,730
Concessionary Fares	0	0	0	0	0	0	0	0
Interest on General Fund Balances	0	0	0	100	0	100	Cr 5,382,230	4,958,150
	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>5,382,230</b>	<b>14,042,020</b>
<b>Resources- Commissioning &amp; Contract Management</b>								
<b>Capital Charges</b>								
	0	0	0	0	3,517,000	3,517,000	0	3,517,000
	0	0	0	0	3,517,000	3,517,000	0	3,517,000
	<b>936,490</b>	<b>225,130</b>	<b>3,339,330</b>	<b>Cr 4,527,840</b>	<b>3,517,000</b>	<b>3,490,110</b>	<b>Cr 21,901,340</b>	<b>25,811,804</b>

## APPENDIX 10

### FAIR FUNDING REVIEW 2.0

1. The Fair Funding Review 2.0 has been completed, subject to final consultation on the draft finance settlement for 2026/27 and will lead to significant funding reductions for Bromley. The review effectively related to a redistribution of funding rather than a full comprehensive 'Fair Funding' review. Key metrics of the review are shown below:

#### 2. Redistribution of Funding

The review aimed to reallocate central government grants based on updated assessments of local needs and councils' ability to raise revenue.

The review also aimed to simplify grants.

The review has resulted in a redistribution of funding, with more weighting on deprivation factors – Bromley has had a significant reduction in deprivation (using government measures) which has significantly reduced funding.

#### Impact of Band D Assumption

Councils with historically low Council Tax rates are penalised under the notional Band D assumption, which assumes a national average rate of £1,998 (Band D, based on 2025/26 information)) which compares with Bromley's current rate of £1,552.08. – Bromley would raise additional income of £61.3m if its council tax was at that higher rate (increase of 28.7% but remains subject to referendum limits). The Government have assumed ongoing increases of 5% per annum on the formula.

#### 3. Service-Specific Funding Formulas

The government has revised funding formulas relating to:

- Adult social care
- Children's services
- Temporary accommodation
- Home-to-school transport
- Highways maintenance

#### 4. Transitional Protection

Without transitional protection over 3 years the Council would have lost £22.2m (22% of total consolidated funding) per annum from the new formula. Due to 'floors' there will be funding reductions phased over three years of £6.5m in 2026/27, £14.5m in 2027/28 and £22.2m per annum from 2028/29, compared with 2025/26. Such losses of funding are in addition to reduced additional funding of £3m in 2025/26 from revised grant formulas.

Another impact from this change is that the Council will not receive inflationary increases for annual funding in the future until the Council moves above the 'floor'. This results in real terms funding reductions of around £10m in 2026/27 increasing to over £30.5m per annum by 2028/29. Although a three-year timescale for funding is provided there may be revisions for 2028/29 following the Spending Review in 2027. In summary the Council

faces a reduced spending power due to inflation and rising service demand.

## 5. Other considerations

Separate to the above, the Council will receive additional funding of £1.3m per annum (£0.8m in 2028/29) for Families First Partnership which is expected to be ringfenced to cover new preventative costs.

## **OTHER BUDGET CONSIDERATIONS**

### **1. Future Operational Property Review**

Members have previously been advised of the challenges facing the Council's capital programme and any ongoing repair liabilities or need for new capital scheme as well as reduction in estimated proceeds from sales of assets and lack of future capital receipts. These factors are likely to add to the impact of the 'budget gap' whether through use of reserves (not recommended and reduces investment income) or the cost of borrowing. An ongoing review of the capital programme schemes and 'value engineering' will be required to reflect this.

### **2. Building Maintenance Framework**

The FM repairs and maintenance budget covers necessary expenditure across the Council's property estate for reactive repairs, cyclical maintenance, planned repairs and maintenance, and compliance testing, certification and remedials. Expenditure on the estate is limited to the budget envelope and is allocated based on a prioritisation methodology, with works relating to compliance and health and safety taking priority.

There will be a review of the building maintenance across the estate in 2026/27, including a review of inspection policies and procedures, to ensure a sustainable and transparent budget is in place as the Council's estate develops (e.g. through the self-development and acquisition of affordable homes and children's homes etc.)

### **3. Fees and Charges**

Over the past 2 years the Council has been successful in generating just under £1.9m in additional fees and charges income through an extensive review of existing charges with the support of the services. This work continues to take place and this year as part of the overall transformation programme a further £996k has been generated. The success of this project can be seen in the cultural shift the organisation has taken to regularly update these charges, which is something that was lacking in the past. Chief Officers will continue to review fees and charges for 2027/28 and beyond to identify opportunities to reduce the future years 'budget gap' with the support of the transformation team.

### **4. Investment Income**

The 2026/27 Draft budget for income includes properties purchased to date from the Investment Fund and the Growth Fund and there is further income relating to other investment properties (including Walnuts, Biggin Hill Airport and other sundry properties). This provides a budgeted income of £5.8m. Income from treasury management investments of £4.8m combined with income from investment properties, potentially provides a total investment income of £10.6m. The strategy of generating additional investment income has helped reduce the budget gap by an equivalent amount.

A prudent approach to budgeting and the front-loading of savings has enabled a longer-term approach to generate further income and deliver spend to save from the additional resources available, as well as mitigate against significant risks, to provide a more sustainable financial position in the longer term. Given the significant benefits of achieving sustainable investment income/savings, which protects key services, this approach should continue, where possible.

## **5. Commissioning and Procurement**

The Council will continue to identify opportunities for contract savings including the review of inflation provision and repackaging of contracts and re-negotiation to secure the best value for the Council.

In the last few years significant savings have been delivered through commissioning of services. There are cost pressures identified in the financial forecast but all opportunities to identify commissioning savings whilst protecting key services will be explored to assist in reducing the Council's "budget gap".

It remains key that commissioning plans, through the transformation programme are in place across services to identify options for most effective service delivery, identifying future changes, evidence any necessary cost pressures, provide mitigation options for addressing cost pressures and identifying demographic pressures. This will include options around innovative service delivery, providing key services at a lower cost and exploring partnership, external funding and commercial income opportunities.

## **6. Managing Rising Demand**

Apart from supply side improvement there remains the need to manage future demand by ensuring there is a focus on outcomes rather than service delivery which includes the need to rethink the relationship between the citizen and the service. More collaborative working with other public agencies will help to ensure that the most effective outcomes can be delivered whilst resources are reducing.

## **7. Integration with Health**

The Council continues to work closely with the Southeast London Integrated Care Board and the mechanism for exploring opportunities for any further local integration of health and social care are in place through good governance structures, including the Bromley Local Care Partnership, which is co-chaired by the Leader of the Council. The close interdependencies between health and social care continue to be recognised by the Government through the ongoing provision of the Better Care Fund.

Advice from Chartered Institute of Public Finance and Accountancy (CIPFA) states that Councils have a duty to their own council taxpayers as well as their clients and need to ensure that their council taxpayers are not, in effect, being asked to underwrite a portion of NHS costs.

The Integrated Care System (ICS) formed from June 2022 created the combined Southeast London ICS. Risks and opportunities to delivering the 'Making Bromley Even Better Priorities' as a result of this also have the careful oversight of the Local Care Partnership to ensure that

decisions made are to the benefit of Bromley residents and ensure that the council does find itself in the position of effectively underwriting NHS provision.

## **8. Review of Adult Social Care**

The Government launched an independent commission on adult social care in January 2025. It is chaired by Baroness Louise Casey and the commission is tasked with recommending reforms to rebuild the adult social care system and inform the development of a National Care Service. It will operate in two phases:

- Phase 1 (by mid-2026): Diagnose current system issue and propose medium term reforms;
- Phase 2 (by 2028): Outline long-term transformation, including models of care, organisation and funding structure

## **9. General**

The above list, including issues raised in the report is by no means comprehensive but illustrates the multiple and complex considerations in producing a three-year financial forecast.

## APPENDIX 12

### HOUSING UPDATE

#### 1. PROVISION OF HOUSING

The Council continues to face increased pressure from those presenting as homeless and, without a sufficient supply of accommodation, the Council faces no alternative but to utilise costly nightly rate accommodation. Despite all efforts to increase the supply of accommodation coming through housing association partners and private sector options this supply continues to be insufficient to meet the level of need. This position is exacerbated by the loss of access to housing from other schemes, such as: the withdrawal of many providers for private rented and leasing schemes; reduced relets for housing association accommodations; and increased decants on housing association regeneration schemes which offer benefit in the longer term but mean less accommodation in the short term and increased disposal of housing assets by social housing providers. This means that despite the increased supply achieved the net impact is still insufficient to reduce the overall upward trend in housing need. Demand is also forecast to increase following financial pressures on households and reductions in availability of private rented accommodation in the current market.

Projecting forward, this pressure looks set to continue meaning that without new affordable housing supply, numbers and the length of stay in temporary accommodation will continue to rise and the proportion of placements into nightly paid accommodation. The housing transformation programme takes a three-strand approach to tackling homelessness: prevention homelessness, increasing access to affordable housing solutions and making the best use of all options to drive down the cost of temporary accommodation provision.

During the current year this approach has slowed and achieved a reduction in the number of households entering nightly paid placements. This has been achieved through a robust front door assessment process, increased access to private rented solutions to prevent or relieve homelessness, negotiations with housing providers to contain or reduce costs and the acquisition and new build schemes to provide sustainable move-on solutions from temporary accommodation.

The housing transformation plan sets out the need for increased affordable housing supply. The Council has developed a self-build programme with c.300 social rented units developed or in pipeline across 9 housing schemes. The second phase of acquisition through Meadowship is now nearing completion achieving a further 201 units to add to the previous acquisitions secured through Meadowship Phase 1, More Homes Bromley and the Beehive which totalled approximately 680 units. The Council is also currently refurbishing Manorfieds, acquiring a small number of street properties and seeking up to 300 leased units as self-contained good quality affordable temporary accommodation to further reduce the reliance on nightly paid accommodation.

All of these initiatives seek to maintain a downward trend in the use of costly nightly paid provision to meet statutory homelessness need.

## 2. HRA AND RESPECTIVE FUTURE BUDGET PLANNING

In July 2020 Council approved the setting up of a Housing Revenue Account (HRA) for the provision of affordable housing. Although there is no longer a requirement to submit an HRA business plan to the government, it is not only good practice for authorities to prepare HRA business plans but under self-financing there is a need for the HRA to have a detailed business plan for service and financial planning, and to sustain the assets and ensure that debts can be serviced. Officers worked on a draft 30-year HRA business plan in readiness. Reports were presented for the consideration of business cases for individual sites and the adoption of the HRA business plan.

The Council currently has an exemption from the Secretary of State to hold up to 199 properties in the General Fund rather than in the HRA. The Council is expected to cross the threshold of 200 social housing units by 2027/28. The Council is currently intending to re-open the HRA from a point in 2026/27, with 2025/26 being a dry-run or 'shadow' HRA where the Council accounts separately for the income and expenditure relating to social housing as it would do under the HRA ring-fencing requirement. The 2025/26 shadow HRA budget is set out in the table below:

	£'000
Dwelling rents	(1,072)
Service charge income	(98)
<b>Total income</b>	<b>(1,170)</b>
Repairs and Maintenance	75
Management costs	1,072
Bad debts	4
Depreciation	146
<b>Total costs</b>	<b>1,297</b>
Interest payable	600
Interest income	(109)
<b>(Surplus) / deficit</b>	<b>618</b>

The HRA is forecast to run a deficit of £618k in 2025/26 before making a surplus in 2028/29. Because the HRA cannot legally budget for a deficit (including HRA reserves), if temporary borrowing is not allowable, the Council will need to allocate the HRA an opening reserve balance as at 1 April 2026 by 'carving out' this sum from the Council's General Fund earmarked reserves, which will also require Secretary of State approval. The Council's indicative HRA business planning is assuming a sum of £3m may be required to create the HRA opening reserve balance as at 1 April 2026, and future Finance reports to members will advise of any changes to this assumption as the business plan development progresses.

## APPENDIX 13

### THE SCHOOLS BUDGET

1. Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring-fenced grant, more recently through the Dedicated Schools Grant (DSG).
2. The implementation of the National Funding Formula (NFF) began in 2018/19. Funding has been split into four blocks, Schools, High Needs, Early Years and Central spend DSG. The funding splits are detailed in the table below:-

<b><u>PROVISIONAL DSG FUNDING</u></b>					
	<b>Schools</b> £'000	<b>High Needs</b> £'000	<b>Early Years</b> £'000	<b>Central</b> £'000	<b>Total</b> £'000
2025/26	288,560	82,351	57,921	2,192	431,024
2026/27 (provisional)	299,023	87,128	68,574	2,330	457,055
Variation	<b>10,463</b>	<b>4,777</b>	<b>10,653</b>	<b>138</b>	<b>26,031</b>

The figures in the table above are provisional and subject to change once DfE issue any updates in due course. In particular the Early Years figures and High Needs DSG figures will be subject to change via the latest census data returns.

3. The Schools Block has risen by £10.5m. This is due to an increase in the per pupil unit of funding, partially offset by a reduction in pupil numbers in both Primary and Secondary sectors. This also includes the previous year NICs grant and Schools Budget Support Grant (SBSG) which has been amalgamated into the DSG but was paid as a separate grant in 2025/26. The figure amounts to £7.4m. Allowing for the £10.5m grant the funding increase is £3.1m or a 1% increase. The majority of this funding will be top sliced and returned to DfE to fund Academy Schools.
4. The High Needs Block is continuing to see pressures coming through the system. Nationally, authorities are building up high levels of deficit reserves.
5. The DSG allocation has resulted in an increase in high needs block funding of £4.8m for Bromley. This is a 5.8% increase in cash terms. This is due to increases in pupil numbers and increases in per pupil funding across the various funding factors. However the NICs grant and Schools Budget Support Grant (SBSG) have been added to the DSG for 2026/27. The estimated figure for this is £2m. Therefore the real term increase is more in the region of 3.4%.
6. Although there are increases in funding, predictions for expenditure are rising at a faster rate. This is due to growth in pupil numbers in this area, Government extending the scope of the High Needs Block from ages 5 to 19 to 0 to 25 and historical baseline funding adjustments. It is predicted that without further management

intervention, there will be a deficit of c£22m+ per annum by 2028/29.

7. There is an estimated DSG deficit at the end of the 2025/26 financial year of £42.3m.

8. Although additional grant been given by DfE, demand continues to outstrip funding. Bromley was one of the last authorities in London to fall into a deficit position regarding its DSG. The overspends are in the main in the high needs block area and are related to the cost of placements in all types of education settings.

9. The unsustainability of the SEN system is a national issue and there are high expectations being set for the DfE's SEND Review. Nevertheless, officers are seeking to further reduce costs, within the tight constraints of the legal framework. Officers are working with DfE and are in discussion with them regarding recovery plans and actions that can be taken to reduce the deficit position.

10. Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

11. The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However, funding will ultimately need to be identified

12. In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils resources. On that basis the budget monitoring report identifies a deficit of £14,960k which has to ultimately may have to be funded from the Councils reserves.

13. Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term.

14. The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances.

15. In terms of presentation of the estimated DSG deficit of £42.3m up to 31/3/2026, there will need to be adequate funding from the Councils reserves unless alternative savings can be found.

16. The Government have announced changes to the High Needs including taking control of the funding directly from the end of 2027/28. This will form part of the SEND reforms that are due at some point in 2026. Further details of the exact proposals will be issued by Government in due course.

17. Early Years funding has increased significantly in 2026/27. The increase in DSG in this area is estimated at £10.7m. This is in the main due to the full year effect expansion of working aged parent hours (2 year olds and under 2 funding) from 15 hours to 30 hours from September 2025. There have also been hourly increases of the rates between 2.7% and 8.4% across the whole sector. The numbers are based on DfE's latest estimates and will be subject to change during the 2026/27 financial year based on census data.

18. The Central Block has increased by £138k. The per pupil rate rose by 7.5%. However, there were increases due to separate grants being included in the baseline of £188k (Schools Budget Support Grant (SBSG) and NICs Grant. There has been a decrease in pupil numbers from 2025/26 which has reduced the grant by £28k. With these factors taken into account there has been a net decrease of £78k in the grant, which is broadly a 3% reduction.

19. There continues to be pressures in the Central Schools DSG due to funding shortfalls. Last year the Council used £610k of core LBB funding to underpin this expenditure. A further £50k is being proposed for 2026/27 bringing the total Council core funding to £660k.

## APPENDIX 14

### CAPITAL PROGRAMME AND BORROWING

1. Details of the latest capital programme monitoring position was reported to Executive on 26th November 2025. The report referred to capital receipts being fully exhausted to fund the current capital programme during 2027/28 and any new schemes not funded by grants or other income will need to be financed through borrowing which will add to the Council's budget gap unless they are self-financing schemes. If new capital schemes were financed through the remaining revenue reserves the Council would simply bring forward the exhaustion of reserves
2. Allowing for the Castlecombe housing project approved by Executive on 26<sup>th</sup> November and being reported to Council on 8<sup>th</sup> December 2025, the total borrowing requirement for all schemes included in the Council's capital programme up to 2029/30 is £215m.
3. The majority of this borrowing requirement is for housing schemes (£132m). The Council is using internal lending at present given the expectation that long term borrowing interest rates will reduce in medium term.
4. Reflecting changes to the approved capital programme for 2025/26 to 2029/30 agreed at Executive in November 2025, the Council's current projected capital financing requirement is £215m (excluding finance lease liabilities). This consists of £132m for housing schemes (including £35m loans to the Meadowship Homes LLPs), £32m for other schemes where borrowing has been agreed, £9m assumption for new schemes over this period e.g. IT schemes, and £42m for other schemes (essentially a shortfall in capital receipts) that will need to be financed over the long term through external borrowing unless further disposal options are identified. Current internal borrowing to fund capital schemes is £54m, as many of the schemes are not yet completed.
5. Any new schemes not funded by grants or other income will need to be financed through borrowing which will add to the Council's budget gap unless they are self-financing schemes. If new capital schemes were financed through the remaining revenue reserves the Council would simply bring forward the exhaustion of reserves.
6. The above financial challenges for the capital programme highlight the importance of an ongoing Property Review to enable opportunities to generate capital receipts and reduce capital spend. There needs to be an ongoing review of the capital programme schemes and 'value engineering' will be required to contain the costs where possible.
7. Progress will be reported on the move to external borrowing in each half yearly treasury management report to ER&C PDS Committee and full Council. We work with MUFG (our advisers) and latest indications are that long term borrowing rates (PWLB 50 year) are expected to take some time to fall with the first significant fall around March 2026 (5.91% to 5.4%) with further reduction to 5.3% from Sept 2026 which will then stabilise for some time. On that basis we would consider moving to external borrowing from Sept 2026. It is not always get the timing right but there will

be a need to lock into long-term borrowing once treasury management resources are no longer available in sufficient scale. However, that date may have to be brought forward if significant new changes such as the following occur which will mean that internal borrowing resources no longer become available:

- Impact of increase in DSG deficit;
- Using significant additional reserves to balance the future years annual revenue budget;
- Further housing or other new capital schemes, not yet approved, which will need to be funded through borrowing (as no capital receipts are available and net of grants);
- Significant overspends in future years requiring funding from reserves.

8. The Council can use temporary borrowing in the short term if there are expected to be future reductions in borrowing rates and there are no longer sufficient internal resources available for financing purposes (internal lending/borrowing). That may need to be an option if interest rates are still expected to fall but movement in interest rates feels less predictable now – even the markets can't get it right.

9. An updated capital programme will be reported to the Executive on 11<sup>th</sup> February 2026.

**DIRECTORS COMMENTS ON RISKS FOR THEIR RESPECTIVE SERVICES****RISK AREAS WITHIN ADULT SOCIAL CARE PORTFOLIO FOR 2026/27 ONWARDS**

The budget proposals for Adult Social Care are based on the successful delivery of current mitigations aimed at reducing the projected overspend, alongside achieving substantial future savings through the Digital Transformation Programme and other initiatives. While this position is considered achievable, it is dependent on the full-year impact of 2025/26 assumptions. If in-year demand or costs exceed these assumptions, the budget will be breached. For example, the plan relies on care homes accepting new placements only at the agreed rates established during the fee uplift at the start of the 2025.

The budget proposals do not account for the continued impact of the increased costs to care providers resulting from the rise in employers' National Insurance contributions. While this increase is reflected in the council's own staffing budget, providers have faced similar pressures. This is being partly mitigated by a nuanced approach to fee reviews with a focus on providing more support for those providers least able to afford the increase. However, there remains a residual risk of package handbacks and difficulties in securing new care packages. This risk is further compounded by heightened expectations around fee levels following the Fair Cost of Care exercise. In Bromley, growth is primarily driven by unit price rather than the number of individuals supported, reflecting the dynamics of a largely self-funder market.

A key priority remains the successful delivery of the Digital Transformation Programme. Following the procurement of SCIE, our delivery partner, implementation is now progressing at pace, with early changes already being embedded. This programme aims to transform the Council's approach to supporting residents, helping more people remain independent in their homes for as long as possible by leveraging emerging technologies to benefit both residents and staff. The outcome will be a more efficient, sustainable operating model.

New savings proposals focus on increased utilisation of the Better Care Fund (BCF) and other management actions to drive efficiencies in care and support provision. These measures address proportionality, ensure best value for money, and secure appropriate contributions from partner agencies. Key initiatives include:

- Recommissioning of domiciliary care services
- Recommissioning employment schemes
- Reprocurement of extra care housing, including a transformed delivery model with a new landlord
- Housing-with-care savings
- Expanding supported housing as an alternative to residential care

The cost of supporting working aged adults is increasing. The 0-25 service transformation project is supporting people through transition from children to adult services and is interrogating both the quality of outcomes for individuals and the effectiveness of the service in achieving value for money. This work is helping to quantify the financial impact on

adult services of decisions taken about care and support during the transition period. The project will inform the development of more in borough community-based services for younger adults with support to unpaid carers.

The cost of Discharge to Assess (D2A) showed a significant projected overspend in Q1 2025/26, which reduced substantially in Q2 following targeted management action. However, there remains a risk that the Council could assume greater financial exposure under this model. This risk is mitigated through timely and accurate Care Act assessments. A comprehensive review of D2A arrangements is scheduled for Spring 2026 to assess the robustness of current processes and identify opportunities for further efficiencies.

We continue to see a pressure relating to Mental Health care provision, with management action in place to contain and reduce. There is a risk of continued increased demand for mental health care provision moving forwards that these actions can only partly address.

The provider failure in 2025/26 created significant pressure on the provision of community equipment. A new provider has since been commissioned and is currently in the mobilisation phase. We anticipate remaining within budget for the upcoming year, with potential opportunities for cost savings.

### **Public Health**

Public Health Recurring cost pressures of annual NHS pay awards and inflation continue to put pressure on the new and existing public health contracts, specifically Sexual Health and 0-19 Services. However, these are being managed through careful budget monitoring and contract management during 25/26. A statement setting out how Public Health departments will approach negotiations with providers over annual NHS pay awards has been agreed across SEL Public Health departments. This statement limits the amount of funding of the NHS pay awards depending on the size of the Public Health uplift that year. In the case of Sexual Health, there are ongoing developments in clinical procedures and treatments, and agenda for change uplifts that will be incorporated into the London Integrated Sexual Health Tariffs in 26/27.

There is likely to be an increase therefore above 25/26 budget levels, depending on residents' use of services. There is modest growth in the online sexual health service activity in 25/26 and a new specification for the London online service will be introduced with additional services in 26/27. Therefore, total online spend is likely to rise in 26/27. Current forecasts suggest that the cost implication could potentially be absorbed by the current Public Health Grant budget.

Due to a sustained rise in referrals to the community substance misuse service and a steady increase in residents engaging in treatment, there is a projected need to raise the 2026/27 budget. Additionally, the number of clients continuing treatment after prison release has grown consistently over the past year and is expected to keep rising, placing further strain on capacity and resources. To address these pressures, an additional £50,000 allocation is required, which will be covered through the uplift in the 2026/27 Public Health Grant.

A new contract will commence with Oxleas NHS Foundation Trust to continue delivering COMHAD (Co-occurring Mental Health and Alcohol/Drug) support. To reflect the 2026/27 costs associated with the two Band 7 posts that form this contract, the total contract value will increase by £21,000.

The Local Stop Smoking Service contract commenced 1 April 2025. Varenicline, the most effective and NICE (National Institute for Health and Care Excellence) approved pharmacotherapy for smoking cessation, was originally budgeted based on an estimated 30% uptake among service users. However, current data shows that 50% of individuals engaging in cessation treatment now use this medication. To meet this increased demand, an additional £11,260 is required to fund treatment. For 2026–27, £38,740 is needed to expand the Smoke Free Digital App Programme, which improves accessibility and flexibility for Bromley residents who require treatment for smoking cessation. Its popularity is expected to grow further with the planned introduction of varenicline via this digital route.

## **RISK AREAS WITHIN RENEWAL & RECREATION HOUSING PORTFOLIO FOR 2026/27 ONWARDS**

### **Housing**

Significant increases in inflation, housing, and utility costs are placing increased pressure on individuals and households' finances and ability to cover housing costs. Whilst work to prevent homelessness has been a key focus to stem the increase in the number of homeless households needing to be placed in temporary accommodation, options are limited, particularly in light of the freeze in local housing allowance levels over recent years and increasing gap between LHA and market rents. As a result, the Council has seen a sustained increase in the number of individuals and households approaching for housing support and requiring temporary accommodation.

Over recent months the Council has seen many landlords withdrawing from the market due to rising costs. This, coupled with increased demand for placements across London, has seen a reduction in the availability of accommodation able to be secured and significant increases in costs for accommodation which can be found. As such the Council has faced increased pressures through the number of placements required and increased placement costs.

The Council has also seen a reduced number of lettings from housing association partners as the level of churn in the stock has decreased with more limited options for move-on of existing tenants. In addition, several providers are reviewing assets and increasing the level of property disposals which thus reduces the number of properties coming forward for letting.

Housing partners continue to report increased maintenance and repair costs due to inflation, and this is also reflected within the Council's management contracts for temporary accommodation and the cost in relation to the travellers site for repairs and maintenance required to maintain health and safety standards.

A transformation programme is underway in housing which is seeking to reduce the level of households in temporary accommodation and seek alternative more cost-effective Temporary accommodation where needed to reduce the reliance on nightly paid placements. This work is starting to have a positive however there are a few factors which may place added pressures in future years. This includes the new inter-borough accommodation agreement which in response to market pressure has recently increased the rental formula boroughs offer to TA providers, the new renters reform act and also the proposed new homelessness legislation and launch of the governments new Ending Homelessness Programme and Action Plan.

## **Planning Services**

A substantial part of Planning Services' work attracts income for the Council, from planning application fees. The fee income and volume of work reflect the wider economic circumstances affecting development pressures in the Borough and there is a risk of income variation beyond the Council's immediate control. The property economy has been slow since COVID-19 and this has affected income levels across the team with a reduced number of applications received, major planning applications which can make a significant contribution to income. While trends are regularly monitored in order that appropriate action can be taken, there remains the risk that ongoing national and local economic factors could adversely affect these budgets in 2026/27 and beyond and it is unlikely that the market will return to the levels experienced before COVID. However, due to recent national planning policy changes relating to green belt development, there is a possibility of an increase in major applications and pre-applications over the new few years which could provide a positive income trend for the team in the short term.

Nationally set Planning application fees were increased by 25% for non-major and 35% for major planning applications in December 2023 and this increase has helped offset the reduction in applications being received.

There is a risk that Section 106 developer contributions are not spent per the legal agreements, for example in the right location or timescale. Regular monitoring is undertaken and reported periodically and is aligned with the requirements of the Community Infrastructure Levy Regulations 2010 to produce an annual Infrastructure Funding Statement.

## **Borough CIL**

The Council introduced a local Community Infrastructure Levy (CIL) which came into effect in June 2021, with income raised from developers undertaking new building projects. Proceeds from CIL are allocated in accordance with the Council's Infrastructure Development Plan statement. As the liability to pay CIL is only triggered on commencement of development, income generated is affected by the wider economic situation.

As the level and scope of future development is subject to local and regional economic and other factors, the actual level of future income each year will not necessarily be consistent with first forecasts and inevitably will fluctuate from year to year. Overall, the reduction in the level of planning applications received, as detailed above, also flows through to a reduced CIL income from initial reductions.

## **Regeneration**

Regeneration is crucial to enabling economic growth and supporting community wellbeing. The Council continues to progress well meeting the targets set out in the adopted Regeneration Strategy, and the new Growth Plan creates a focus on the industries and interventions, such as digital, that will have the greatest impact on the borough. These strategic work strands have enabled the Council to successfully leverage in a large amount of grant funding.

However, there are still key risks to this area of work. The construction industry continues to be unstable, and material and labour costs are high. Large capital projects, such as the

leisure centre major works, take many years to develop and go through planning and are therefore particularly affected by national economic changes such as inflation, as well as extensions of time and unforeseen delays. Where housing schemes are reliant on grants, capital receipts, or private housing sales, as well as the viability in terms of TA rates, the affordability of these schemes fluctuates. A key part of progressing regeneration as well as mitigating risk to the Council, will be to continue to review the impact of schemes and their cost to the Council. Continual review also looks to maximise all grant funding and income generations opportunities that may be available.

## **Strategic Property**

### **Operational Property**

On 12<sup>th</sup> December 2022, the Council's Full Council Meeting considered and approved the Operational Property Review (OPR). This followed a review of the Council's operational property which had been undertaken to find the optimal operational estate and understand the liability of it over a 10-year period together with the potential to undertake minor refurbishments where appropriate to minimise future liability. As part of this a programme of repair works totalling circa £80m is in the course of being implemented across the Council's operational estate. This is at risk to building cost and inflationary pressures together with general uncertain economic conditions.

The costs of these works identified as part of the OPR are proposed to be funded through the disposal of non-operational property assets and these have an indicative sales value of £60m. The receipt of these funds as envisaged is at risk to uncertain economic conditions and the prevailing property market, in particular interest rate changes. Thus far, net disposal receipts have varied with some disposals above expected values and some falling below anticipated values, with additional operational requirements being identified that have removed some assets from the disposal list adding additional pressure to potential capital receipts. There is a risk that further market deterioration and/or assets having to be removed from the disposal list will further increase that deficit. The programme is continually reviewed and has also been supported by the subsequent extended review which has sought to maximise the use of buildings through multiple use thus freeing up additional buildings and land to complete the programme within budget. Value engineering also takes place as part of the design process to contain costs.

### **Other Rental Income**

Most of the Council's leased property has periodic rent reviews, the frequency of which is set in the individual property lease. Most rent reviews are five yearly. Thus, annual rental increases across all properties cannot be achieved. Whilst some reviews are based on movements in RPI, most are to market level and there is a risk that increases in the properties where there are reviews will not match the assumed inflationary increase in income. A large element of the Council's income is received from retail units, and this class of asset has suffered significantly with little or zero growth.

The changes to business rates under the updated rateable values list came into effect from 1<sup>st</sup> April 2023, preventing any further retrospective rates appeals and, in most cases, significantly increasing the business rates liabilities of our tenants, as well as across our

operational estate. This increased property related financial pressure further increases risk of tenant defaults and dilution of market rental growth.

The property portfolio is constantly reviewed to look at all opportunities to maintain and increase the rental yield which may include recommendations for redesign, repair and or disposal and reinvestment.

## **Energy Tariff**

The Government CCL tax (climate change levy tax) is adjusted each April and stays at the same level this year 2025/26 at £0.00775 / kwh for both gas and electricity. For FY 2026/27 there is an increase on 1st April 2026 to £0.00801 /kwh.

The Council's Gas supply contract was secured in September 2025 on a 3-year fixed rate basis. This fixed unit price was secured as we followed the markets and delayed the tender process by a few months due to prices continuing to fall. Market was at a 16-month low when we secured these rates on Gas, which is a saving of 61% against the adjusted budget.

The Council's Electricity supply contract is a fixed supply contract and was secured in September 2025 and was fixed for 2 years. Due to market volatility, we extended the supply contract while we watched wholesale prices. We were then able to tender this out at the right time as prices dipped to secure a fixed rate with a start date of 1st October 2025 with excellent savings of 8.9% for the year against the adjusted budget.

This contract is a 100% renewable tariff, supported by REGO'S.

Our overall weighted savings for both Gas and Electricity was £0.677 M per annum with 22.92 % savings vs the adjusted budget.

The tendering process was conducted with a small collective PPA using the United Learning Trust compliant framework. It had been suggested that we use a larger PPA, but this would carry risks, so we avoided this as other Councils have been caught out over the last year in this process.

In the next year we will look to see which framework we can use going forward and may even decide to look at securing contract rates for electricity a year in advance of the renewal date if the market falls.

## **Transformation**

### **Transforming strategic property**

The primary aim of the transformation work is to deliver and fully integrate a corporate landlord model for the strategic, effective, and efficient management of the Council's estate and assets. The corporate landlord model of management was fully launched this year to enable the Council to use its estate to deliver corporate goals and strategic priorities, including those identified in the following:

- Housing Strategy
- Regeneration Strategy
- Local Plan

- Transforming Bromley Programme
- Corporate Plan
- Revenue budget and capital investment strategies

To make the most of the corporate landlord model, the Council will identify and deliver its optimal operational estate to:

- Bring services to customers through the channels and in the places that they want.
- Facilitate improved service delivery and unlock service transformation potential through fit for purpose buildings.
- Modernise the working environment for the benefit of customers, staff, elected members and our partners.
- Implement a long-term commitment to agile working practices, reflecting the lessons learned from the response to the impact of coronavirus.
- Consolidate and optimise the council's operational estate to reduce revenue costs and release surplus land for disposal, generating capital receipts.
- Use the process of identifying the optimal operational estate to support the recovery of the local economy and meeting the council's housing targets.

The implementation of the corporate landlord model will enable cohesive management of the Council's estate by bringing together the property team and other key functions together with Council's Service users. This will allow the Council's to consider how it can best manage and operate its estate moving forward to generate further savings and consider disposals where appropriate.

The key risk to this objective is corporate buy-in across service teams, robust adoption of new processes for managing the Council's estate, and a properly resourced property team to be able to meet the needs of service users expediently and to streamline and maximise efficiencies across the operational estate.

## **RISK AREAS WITHIN CHILDREN EDUCATION AND FAMILIES' PORTFOLIO FOR 2026/27**

### **Overall Demand Pressures**

Children, Education and Families Service continue to experience a significant level of demand which has not diminished and unfortunately does not show any major changes which is witnessed across the Children's sector nationally and within London. Not only is this the level of demand, but the complexity in terms of family dynamics and parental pressures. A merging theme is violence by young people towards their parents resulting in safeguarding for both, and parents unable to feel safe to manage the behaviour especially when other younger siblings are in the home. We also continue to see issues around the mental health element of young people together with criminal exploitation and the use of weapons.

We continue to see high demand for SEN services in the borough with the highest number of EHCP plans across London. We are continuing to work in relation to ensuring that partners within the EHCP plans are supporting young people and that this is partnership not just the LA responsibility although the statutory duty does sit with us.

We have very recently had a review of SEND with a GLA SEND specialist in preparation for imminent inspection.

Placements do continue to be a cost and quality pressure due to market forces which is recognised by Ofsted along with the quality of some of the placements.

There are also the costs associated with SEN school transport and support provision makes up a significant proportion of these pressures.

Key Areas of Pressure:

### **SEN Transport**

The LA has had an external scrutineer (no cost) to consider if we were covering all bases and if there was anything we could learn or change. We had to wait for the data to be formulated following September for this to be secure – the scrutineer has returned his findings in that Bromley is doing all it can. The areas we have taken a stance are travel training and those parents who choose a school that is different from an appropriate school that the LA has named, who will need to fund their own transport rather than relying on the LA. We have recently recruited to the 2 posts of travel trainers that have been vacant for some while, and this should assist with moving forward those young people who can and should be more independent in their travel arrangements. The optimisation that occurred in readiness for September has brought some changes, but the budget issues remain large – this is down to a few children with exceptional needs having to travel independently which we will continue to review. The cost of taxis and driver recruitment and wages have increased and this cost will be passed onto the LA. Proportionally more children have been moved away from taxi transport and the overall number of routes have reduced again to ensure more efficient route optimisation.

We will continue to move greater numbers of young people onto public transport and double efforts for family provided transport. In addition we continue to communicate with parents who are eligible to consider personalised budgets and enable them to make arrangements themselves. This along with other initiatives in trying to shift demand by creating more in borough placements through creation of special schools and increasing the local school places should help in mitigating costs.

We must continue to work towards reducing the rate of new EHCP's and provide earlier intervention options for children with emerging special needs through a wider screening programme of speech and language support as this will reduce future demand for transport. These initiatives are showing a slower rate of increase, but the underlying pressure remains significant.

### **DSG**

This is a significant area of pressure for us and all LA's and we know this requires a national response and change. The National Audit office referred, as has others now, as a system 'broken' The key driver to reducing overspend will be to find alternative support to families which means that we can offer alternatives to assessing for an EHCP. For example, we have developed SaLT screening in schools. In addition, we continue to develop initiatives that contribute to the overall reduction of EHCP's and associated support

packages that impact the High Needs Block of the DSG. We have restructured, albeit this took many months following HR advice, increased capacity to front line teams undertaking assessments. These posts have been recruited to although we are waiting for some of the incumbents to come into post. The early green shoots have shown signs of impact in reducing the rate of plans being agreed but also reducing the numbers of EHCP applications by diverting requests towards other types of early support. The data shows an increase in the overall numbers, but these new pathways are beginning to slow the rate of increase. In the next 12 months we need to maintain this focus to further reduce the rate of increase despite the forecast indicating that it will grow.

## **Residential Placements**

As set out above this is an area that continues to be the main focus of financial pressure for the department due to market forces, shortage of good quality placements, complexity of children needing placements and continued rise in unit cost. We continue to compete with other LA who are also experiencing more complex children coming into care and we are all chasing a finite number of placements which in turn gives the provider the upper hand. The price of residential care has continued to rise as have the number of children coming into public care. Ofsted in the AEM ratified that our thresholds were safe and appropriate.

## **Action to reduce costs**

Over the past 12 months there has been a development of a number of initiatives which are bearing fruit and positively impacting on the overall unit cost. An example is the Encompass fostering service which provides additional support and guidance to specially trained foster carers in return for caring for some of our most complex children who we have moved from expensive residential placements often out of area back to Bromley. The procurement and extension of the 10 block beds at a reduced rate have been used to bring existing expensive placements back home but also have been utilised to prevent children being placed outside the borough when needing to be looked after. The purchase and the partnership with Barnardo's for Solace Rise is coming to the final stages with an opening ceremony in January and this will be cost effective when children are placed in this home. However, a caveat is that Ofsted are delayed in their capacity to issue a registration and this is being pursued. This would have an adverse effect on the predictions of savings if this does not happen in a timely manner, but we have contingencies being planned.

## **CSC Staffing**

The pressure in this area relates to staffing and using agency staff. Currently the LA has 94% permanent staff but there are a number of barriers to reducing this – However this is reliant on various factors through sickness and HR issues that need to be resolved as quickly as possible to prevent backfilling for longer than is necessary. We have continued to increase the number of trainee social workers through Front Line and Step up – We have in the past recruited social workers from overseas and will continue to review this if necessary but if we can resolve some of the long-standing issues this would diminish the issue and deliver savings.

## **Actions to mitigate pressures**

We continue to approach mitigation through the transformation programme and are using the workforce efficiently whilst ensuring that children are safeguarded. The move to bring children back in house and the development of a further children's home; increasing the Encompass carers, along with recruitment of foster carers which is currently higher than previous years and with more enquiries being made. The new social care reforms whilst in very early stages – currently we have one pilot running in Penge – should reduce the numbers of children coming into care, divert some of the Child In Need numbers and subsequently reduce the numbers of staff required. This pilot is in its initial stages and Bromley are being cautious in ensuring that this is done in a measured and safe way leaving our front door in operation. We will be in a position to introduce 4 superhubs in total and align them with the ICB spokes which should ensure that partners are taking their full responsibility in working with children in these areas and supporting families rather than relying on the LA. This is work in progress and will be full operational nationally by 2027. The purpose of this is not only to prevent children coming into care but ensuring that the families have contingencies when there are issues through a family network plan rather than relying on the LA.

We are still awaiting the White Paper which should have been produced and has been pushed back several time and now likely to be in the Autumn. This will need a brave and robust approach to educational services for children within schools to meet needs and again an intention to review the 'broken' system for SEND and the DSG.

## **RISK AREAS WITHIN RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO FOR 2025/26 ONWARDS**

### **Corporate Services**

#### **Legal Services**

The legal team provides legal advice and guidance and conducts cases on behalf of the Council in the Magistrates Court, County Court, and High Court. Whilst there are marginal increases in caseload across all areas, the main area of concern is around statutory childcare cases. The childcare cases are usually complex due to the nature of the harm suffered by the children, the need for expert assessments (including consultant, paediatrician, psychiatrist, and psychologist), the number of parties, the volume of evidence and the length of the final hearing.

As stated in previous years, in line with national trends, the Council is still seeing an increase in the workloads in this area of work, with increased numbers of cases and increased number of hearings for each case. Following the Ofsted inspection and the implementation of the Children's Service improvements, there has been a significant increase in workloads. Historically childcare proceedings had been constant at around forty-eight cases per annum. Members recognised this increase in work and additional resources were approved by the Executive on 20th November 2020. However, the situation continues to be a budget pressure with an average of seventy-six cases per annum.

The complex adults' social care cases and Deprivation of Liberty Safeguard (DOLS) applications have also increased demand on legal resources and corresponding increase in spend on counsel. The service also deals with complex planning enforcement cases and planning enquiries which could also result in increased expenditure on counsel.

The legal team supports a range of other functions including property work, procurement, and contracts. The in-house team is structured to deliver business as usual and some project work. However, the work is demand led which means that from time-to-time demand for work will exceed the resource available to deliver it. Failure to provide adequate resources (either through internal or external lawyers) will mean that there will be insufficient resource to deliver key Council services, income generation and savings priorities. The Council's ambitious property and regeneration approach as well as education capital projects continues to require additional legal resource, and it has been agreed that this will be funded through the various schemes.

However, we are constantly looking to reduce legal cost and increase our external income where possible. We continue to liaise with services to discuss their legal spend and ways of reducing demand. In addition to that we are finding more efficient ways of delivering our services using technology and resourcing work at various levels experience. More recently we have trialled in-house advocacy for childcare cases to reduce external counsel's costs.

### **Procurement Services**

The Procurement Act 2023 came into force in February 2025. The new Regulations introduced several new requirements, particularly around transparency (including a significant increase in formal Notices) and changes in process which require additional time and resource for procurement planning, design, and implementation. Several of the new Notice requirements will go live in 2026, adding to the admin burdens.

The new requirements have added to the resource pressures on the Procurement team at a time where the volume of procurement projects managed through the Procurement Team has been continually increasing. In the short term (2026/2027) it is anticipated that any pressures will be contained within the existing procurement resources. But this will need to be kept under review as the long-term impact of the Procurement Act becomes better understood, together with the sustained increase in demand.

Further requirements under the Regulations are currently under consultation; these are expected to place further requirements on to the Procurement Team.

### **Digital and IT Services**

The new Council Chambers (Town Hall) and all committee room in new Churchill Court Offices were fitted with easy-to-use new MS Teams meeting room Technologies early 2025 and some upgrades have been implemented more recently. Having completed the work with the Accommodation Program to deploy Wi-Fi, new monitors and MS Teams meeting rooms on all floors occupied with LBB Staff, the services started work on Windows Upgrade and issuing new laptops. This followed on from the approval of the council's Digital and IT Strategy by the Executive. The roll out of new laptops and Windows 11 will commence in

the summer of 2025 and is now complete. The services are now supporting innovation around Artificial Intelligence and automation working with other services.

## **Electoral Services**

The previous UK Government made significant changes to the electoral system through the Elections Act 2022.

The first tranche of these changes (including the introduction of showing photo ID at polling stations, the issue of a free Voter Authority Certificate to eligible residents without valid photo ID, and new accessibility requirements) were implemented at elections held in May 2023.

The second tranche of these changes (including new measures relating to absent voting and overseas electors), were implemented at elections held in May 2024.

The final tranche of these changes (including a review of European Citizens rights) were implemented in January 2025.

The service successfully delivered a by election and is now preparing for the local elections in May 2026.

## **HR & Customer Services**

Blue Badge applications have increased year on year for the borough, which has increased processing costs.

The withdrawal of level 7 apprenticeship levy will impact our ability to offer on the job qualification programmes; these are likely to put a strain on the central training budget now instead.

Whilst the Council magazine was envisaged to be cost neutral, there is a risk that if anticipated advertising income does not increase, then there will be a cost to the Council in this regard.

## **Exchequer Services**

### **Liberata Contract (Service Demand)**

The contract with Liberata used service demand in 2018 as a baseline for contract cost, with provision within the contract for cost variation where there is a change in demand. Whilst this has provided some opportunity for cost reduction in areas such as housing benefit administration, other areas have seen significant increases in demand e.g. Temporary Accommodation & Adult Social Care Charges. Whilst every effort is made to improve service efficiency and limit any increase, changes in demand may place further pressures on existing budgets.

## **Income Collection**

Whilst the council has maintained robust performance in relation to income collection, demonstrated through benchmarking across London, key areas of collection such as Council Tax are yet to return to the pre covid position. This places further pressure on the

council's financial position, increasing the councils' arrears position and drives increasing levels of income collection activity, such as court action.

A recovery plan has been agreed with Liberata to drive improvement in collections.

### **Benefits Administration**

The continued migration of Housing Benefit to Universal Credit for working age households and recent announcement within the budget that Pension Credit and Housing Benefit will be brought together for new claimants from 2026 will change the role that the council plays within the welfare system, impacting on demand and grant funding provided for benefits administration. As further details are announced regarding the timing of the change and approach to the legacy caseload administered by the council, operational plans will be introduced to mitigate any cost impact and ensure a smooth transition for residents affected.

From April 2025 working age claimants in receipt of Council Tax Support (CTS) have been required to pay a minimum of 50% towards their Council Tax liability. The scheme also restricts entitlement to band D liability. This necessitates collecting Council Tax from some of our most vulnerable residents, with an associated risk of more households experiencing financial difficulties and accruing arrears.

## **RISK AREAS WITHIN ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO FOR 2026/27 ONWARDS**

### **Waste Services**

There are upcoming Government Reforms that could impact local authorities as they are introduced - Extended Producer Responsibility (EPR), Deposit Return Scheme (DRS), and Emission Trading Scheme (ETS). It is acknowledged that EPR and DRS will impact on the materials in the waste and recycling streams and therefore impact authorities' collection and waste processing costs and potential income

ETS is due to expand to include emissions from waste incineration and energy from waste (EfW) facilities in the UK ETS from 2028 and should the costs be passed down directly to authorities, it could cost the Council an extra £1M to £3M a year.

However, from 2025/26, through the EPR, local authorities have received payments to cover the costs of managing household packaging waste.

### **Waste Tonnages**

The quantity of municipal waste collected in Bromley over the last couple of years has been stable with comparatively minor fluctuations and has returned to pre-pandemic levels.

However, waste minimisation and increased participation in the recycling services is required to restrain any increases in residual waste. A 1% increase in residual waste could increase disposal costs by £300k per annum.

## **Green Garden Waste**

Customer numbers continue to increase resulting in additional projected income of £549k. However, this is offset by projected increased collection and disposal costs of £668k. Purchase and delivery costs of green garden waste bins to new customers are projected to exceed budget by £201k.

Replacement bins are only required every 3 to 4 years and therefore requirements should be contained within budget in future years when it is expected customer numbers will plateau.

## **Recycling Income**

Recycling prices remain depressed with no significant recovery expected. This has an impact on the recycling incentive price mechanism imbedded in the contract, since this tracks the market indices and is updated every 6 months. The income received from this incentive in 2023/24 was £140k and in 2024/25 it was £100k. For 2025/26 it is estimated to be £110k

The council receives monthly income from the sale of recyclates based on the tonnage of materials collected. The price per tonne of these materials is fixed and not subject to indexation. So, as the cost of collection and reprocessing dry recycling material increases each year with indexation, the income does not, and the benefits realised from this income become less as the contract matures.

## **Depot Capital Works Programme**

Waldo Road Waste Transfer Station is currently undergoing infrastructure improvement works. These works commenced in February 2025 and were expected to finish in April 2026. For operations to continue alongside the works it was necessary to close the household Reuse and Recycling Centre at Waldo Road. Consequently, extra services have been provided to residents to help mitigate against this temporary closure.

The contractor has submitted an extension of time, and the works are now expected to continue into 2026/27. The council has made the decision to open a weekend Reuse and Recycling Centre and will continue with the extra services.

## **TfL Funding**

TfL funding has settled at a 40% lower level than it was historically and whilst it is anticipated to cover the costs of providing road safety and improvement schemes, this again for 2026/27 will be based on a slimmed down programme compared to pre-COVID levels.

## **Parking**

There has been a long-term decline in demand for parking; after the dip during the pandemic, parking levels recovered but are still following that long term downward trend. Each year parking levels are about 2.5% lower than the year before. However, income from Off/On street parking as well as car parks has increased following a review of parking charges in 2025-26.

Enforcement income continues to be a pressure area for the council with increased compliance negating the anticipated increase in income following the London-wide increase in PCN fines in April 2025. Moving Traffic Contravention income remains down on projected levels as more compliance is seen.

### **Carbon Emissions**

The Council's commitment to a zero net carbon target by 2027 for direct emissions will require investment and has the potential to increase cost pressures. Some of this work can be covered by existing capital and revenue budgets, or through interest free loans and carbon offsetting S106 payments. However, action taken as part of the Carbon Management Programme for direct emissions should lead to cost efficiencies for the Council in the longer term, and the Carbon Neutral Initiative Fund was established in 2020/21 to provide further investment for new schemes that generate a revenue saving.

### **Arboricultural Services Demand**

Works to trees are identified through a triennial inspection programme or through reactive inspections and are raised in accordance with the policies set out in the adopted Tree Management Strategy. The Strategy is designed to ensure that the Council's statutory duties are discharged and to manage health and safety related risk when maintaining the borough's trees. There are a range of factors affecting the health of the Council maintained tree stock, including the prevalence of pests and diseases, frequency of extreme weather events (including storms), and subsidence risk mitigation programmes.

### **Winter Service**

The budgets for this service have been realigned to reflect average patterns of spend for precautionary salting, primarily for frost or ice, in recent years. There has been little actual snow clearance over that time, except during the winter of 2017/18 which saw prolonged sub-zero temperatures. Therefore, there is a risk of incurring additional costs in the event of a severe weather event for which a business case for central contingency funding will need to be made.

### **Pressures from Public Demand**

Apart from the identifiable financial pressures arising from such items as contract costs and price increases, there are other pressures due to growing public expectations, social change, and legislation. Increased public expectations of local services may be difficult to respond to during a continuing period of tight restraint on resources.

Past surveys of public opinion have shown that four issues were consistently recognised as making Bromley a good place to live. These were low levels of crime, good health services, clean streets, and public transport. The Environment and Public Protection department leads for the Council on clean streets and on crime issues, particularly enviro-crime and anti-social behaviour; and the Department has an input to TfL and others on public transport. There is continued public demand for high service standards in all these areas.

In terms of what needs most improvement in the local area, activities for teenagers, traffic congestion, road and pavement repairs, residents regularly mentioned the level of crime and clean streets. All these service areas are either the lead responsibility of the

Environment and Public Protection department (clean streets, road & pavement repairs) or ones to which the department makes a significant contribution.

## **RISK AREAS PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO FOR 2026/27 ONWARDS**

### **Coroners Service**

The Coroners Service as a consortium of four London boroughs under a Memorandum of Understanding (MOU). Ensuring a sustainable and affordable service in the long term remains challenging due to:

- Demand variability and a limited market with minimal competition.
- Potential cost escalation from high profile inquests or a significant increase in case volumes.

Additional pressures include:

- The coroner's proposal to establish a second court with additional staff.
- The Metropolitan Police withdrawal from the service, with their roles being absorbed into local authority provision.

These factors, combined with ongoing demand pressures, present a high growth risk. We are actively working with the consortium and London Councils to:

- Ensure the best value for money model for service delivery.
- Confirm that any capital investment for a new court is essential and justified.

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## Agenda Item 6

# Report No. CSD25607

## London Borough of Bromley

## PART ONE - PUBLIC

**Decision Maker:** **Executive**

**Date:** **21<sup>st</sup> January 2025** for pre-decision scrutiny by the ERC PDS Committee on 19<sup>th</sup> January 2025.

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

# Title: Transforming Bromley 2024-28

## Year Two Progress Report 2025-26

**Contact Officer:** Naheed Chaudhry, Chief Transformation Officer

**Chief Officer:** Ade Adetosoye CBE, Chief Executive

**Ward:** All

## 1. Reason for report

- 1.1 This report outlines the progress made in delivering the first two years of the Council's Transformation Programme (2024-28). 'Transforming Bromley' is the Council's primary mechanism for improving services, delivering sustainable savings, and mitigating growth.
- 1.2 Transforming Bromley remains central to the Council's Corporate Strategy MBEB vision of making Bromley "a fantastic place to live and work, where everyone can lead healthy, safe and independent lives."
- 1.3 During the first two years of the Programme, 95% of the 138 initial opportunities identified in the Transforming Bromley 2024-28 launch document have been worked through with significant progress made. Through targeted transformation projects and efficiency initiatives, the Council has identified c.£50 million of savings as follows:
- 1.4 **Transformation Programme – Year One 2024/25**
  - The Full Budget Report 2025 outlined 85 pieces of work targeting £18.9m of savings, 95% have been delivered during 2025/26, achieving £18m of savings.

Transformation Programme – Year Two 2025/26

- This year an additional £32.5m in savings are identified, allow for adjustments the year two Programme will deliver £29.3m towards balancing the MTFS. This equates to 53% of the £55.7m budget gap in 2026/27. The Full Budget Report 2026 presents these savings for pre-decision scrutiny to the Policy Development Scrutiny Committees as part of the Budget Report Policy Statements.

1.5 Within Year Two savings (2025/26), £1.5m are attributed to the staffing budget, to be achieved through realignment, deletion of vacant posts and a small number of redundancies. In line with the scheme of delegation and the Constitution of the Council, the statutory responsibility for ensuring that the organisation works effectively sits with the Chief Executive, who holds overall management responsibility for staffing matters, this includes the number and grade of officers required for the discharge of functions.

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## **2. RECOMMENDATION(S)**

- a. Note the successful delivery of £18m of savings (95% of £18.9m) identified during the first year of the Transformation Programme.
- b. Endorse an additional £29.3m Year Two savings programme as reflected in the Councils Full Budget Report (2026).
- c. Agree £1.5 million of staffing budget savings (included in the £29.3m) to be achieved through realignment, deletion of vacant posts and a small number of redundancies the deletion of existing vacant posts and realignments in line with the Councils Managing Change HR procedures.

## Impact on Vulnerable Adults and Children

1. Summary of Impact:

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## Transformation Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
2. Making Bromley Even Better Priority (delete as appropriate):
  - (1) For children and young People to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
  - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
  - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
  - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
  - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

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## Financial

1. Cost of proposal: Not Applicable:
2. Ongoing costs: Not Applicable:
3. Budget head/performance centre:
4. Total current budget for this head: £
5. Source of funding:

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## Personnel

1. Number of staff (current and additional):
2. If from existing staff resources, number of staff hours:

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## Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
2. Call-in: Applicable Not Applicable: Further Details

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## Procurement

1. Summary of Procurement Implications:

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## Property

1. Summary of Property Implications:

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## Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications:

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## Customer Impact

1. Estimated number of users or customers (current and projected):

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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable

### 3. COMMENTARY

3.1 The Council's four-year Transformation Programme, launched in April 2024, set out to build a sustainable organisation delivering quality, cost-effective services for Bromley's residents.

3.2 The term "Transforming Bromley" encompasses a broad array of change initiatives that contribute to improving outcomes for residents, statutory demand management, increased productivity, and savings. These include an evaluation of all revenue and capital opportunities to maximise income and minimise expenditure. In certain areas this has inevitably led to service reductions or increases of fees and charges, whilst in other areas a key component of the programme has been a strategy of 'Growth reduction' and "invest-to-save" initiatives, which address inflationary pressures and help to reduce unit costs and client need over the longer term.

3.3 Over the four-year Transformation programme (2024-28) new savings will continue to be identified, agreed, and implemented.

#### 3.4 Successful Delivery of Year One (2024-25)

3.5 The first year of the programme (2024-25) has been characterised by strong delivery, robust governance, and early realisation of both financial and service benefits.

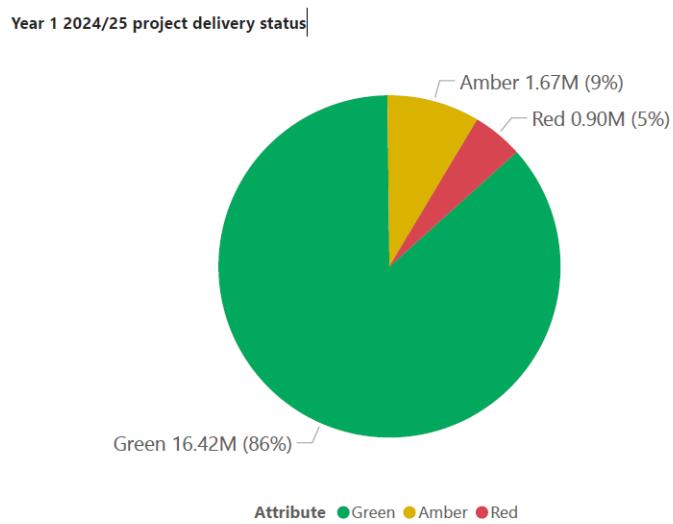
3.6 A midyear progress report was presented to the Executive and ERC PDS in September 2025, this included a deep dive into the delivery of digital transformation across the Council.

3.7 Of 85 transformation projects launched in Year One, 82 have been delivered successfully. Demonstrating the Council's ability to execute complex changes at scale and pace.

3.8 As at January 2026, the Programme is set to deliver £18 million, 95% of its targeted savings.

3.9 This strong financial performance is a testament to effective planning, oversight and implementation.

3.10 Amber savings are expected to be \*delivered by April 2026.



<b>Year One Programme *Delivered (2024/25)</b>	<b>£18,086,000 (95%)</b>
<b>Year One Programme Shortfall (2024/25)</b>	<b>£904,000 (5%)</b>

3.11 Savings and transformation benefits have been achieved across all departments, including Childrens, Adults, Housing, Regeneration & Planning, Environment & Public Protection, HR & Customer Services, Corporate Resources, Finance and Public Health.

3.12 The Transformation Programme is underpinned by a strong governance framework. With the Corporate Transformation Hub monitoring all projects, using a Red-Amber-Green (RAG) status system and 'Power BI' dashboards to track progress and flag issues early.

3.13 With a complex portfolio, there is always a risk that some projects may not fully deliver their targeted savings on time. The Transformation Boards regular monitoring and escalation process ensures that any emerging issues are addressed promptly, with alternative savings identified where necessary.

3.14 Regarding the £904k total shortfall, £678k Digital Programme savings were declared in the mid-point September 2025 report.

3.15 The remaining shortfall of £226k is attributed to two projects in the Children's Services workstream;

- £101k part delivery of the ENCOMPASS savings, which required the appointment of specialist foster carers. One of two fostering hubs has been recruited; the department expects to recruit the second within the next twelve months.
- £125k to be delivered following a Review of Youth Services, this project has been deferred to 2026/27.

3.16 Looking ahead, the Council's strong Year One performance (95%) provides credibility and momentum for the next phase of transformation.

3.17 As the Programme moves forward the focus will be on sustaining delivery and managing inflationary pressures. The Council's adaptive approach, cross-departmental collaboration, and commitment to learning from experience will be key to navigating future challenges and maximising the benefits of transformation.

### 3.18 Financial Context

3.19 Like other local authorities, Bromley Council faces a challenging future. Reductions in government funding and a rapid growth in the demand for, and costs of providing, services, have contributed to an increasing budget deficit that must be addressed in the Medium-Term Financial Strategy (MTFS).

3.20 The budget gap in 2026/27 is £55.7m. This arises from:

- A real reduction in core funding
- Demand growth pressures, in adult social care, housing, and children's services.
- Inflationary costs increases across services, including in environment.
- The year two programme of £29.3m is mitigating 53% of the 55.7m budget deficit.

### Key Reasons for Growth in Bromley

3.21 Growth usually means additional budget pressure due to rising service demands, cost inflation, market pressures and policy changes or new duties. Examples of growth:

3.22 **Rising service demand – e.g., more resident need**

- a) **Population Growth:** Bromley's population has risen steadily, with projections estimating an increase from 330,000 to 350,000 by 2028 and 395,000 by 2038.
- b) **Ageing Population:** Bromley has the largest elderly population among London boroughs. By 2027, 19% of residents will be aged 65+, increasing demand for adult social care and health services.
- c) **Learning Disabilities:** An increase in adults with learning disabilities is contributing to long term growth pressures. A continuation of increasing numbers of children with Special Educational Needs and Disabilities (SEND) and Education, Health and Care Plans (EHCPs) are contributing to growth in statutory services. Bromley has the highest rate of EHCPs in London (468.6 per 10,000 population) with growth continuing to exceed regional and national averages.
- d) **Despite being the 4th least deprived** borough in London, pockets of significant deprivation exist, some of which are driving demand for targeted support.

3.23 **Cost inflation and/or market pressures – e.g. higher unit costs outpacing inflation.**

- a) **Cost Pressures Adult Social Care:** Care at home and in placements are both subject to high unit costs influenced by an extensive local private provider market. The majority of our residents are ASC self-funders (60% Bromley compared to the London average 23%), their needs are met by a high-end provider market which in turn adds cost pressures to local authority funded services. Bromley's rates of long-term care for adults aged 18-64 and 65+ are align with regional trends. However, because of the private pressures the evidence suggests higher-than-average costs particularly for adults aged 18-65.
- b) **Cost Pressures Children's Services:** Children Social Care have continued to experience a greater complexity of need, leading to higher-cost placements. Rates of Children Looked After (CLA) and Children in Need (CIN) are broadly in line with London averages, indicating effective prevention and statutory interventions. However, Bromley's expenditure per CLA exceeds London averages. High-cost placements in children social care are also attributed to some children with special educational needs and disabilities.
- c) **Cost Pressures Homelessness and Housing Need:** Bromley's temporary accommodation rate is lower than London. However, limited social housing stock has intensified pressures on temporary accommodation and housing services. With some residents being accommodated in costly nightly paid provision for extensive periods of time.

### 3.24 Summary of Transformation: Year Two (2025–26)

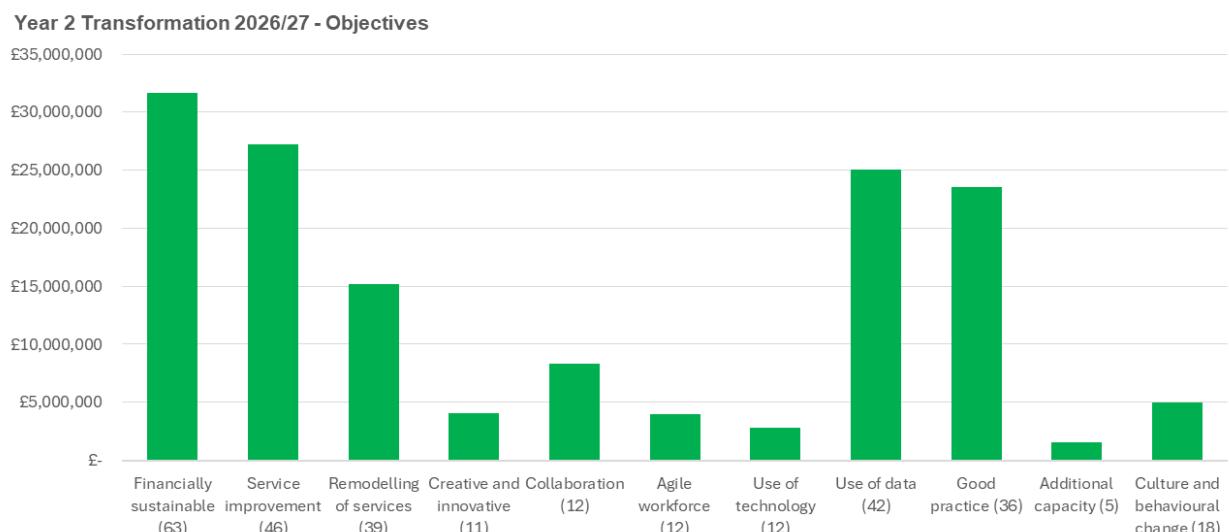
3.25 The Transformation Programme comprises a wide-ranging portfolio of projects across all Council departments. The Year Two Transforming Bromley Programme identifies £32.5m (2026/27) of savings, increasing to £39.5m (2029/30) to be delivered through 63 pieces of work. Allowing for adjustments built into the MTFS. The Year Two Programme will deliver £29.3m (2026/27) of savings towards the MTFS budget gap. In 2026/27, £29.3m savings mitigate 53% of the £55.7m budget deficit.

3.26 The Full Budget Report 2026 outlines these savings which are presented for pre-decision scrutiny to the Policy Development Scrutiny Committees as part of the Budget Report Policy Statements.

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2028/29 £'000
Children's, Education and Families	-4,662	-7,902	-9,716	-10,216
Adult Care and Health	-5,619	-7,360	-7,515	-7,470
Public Health	518	915	915	915
Renewal, Recreation and Housing	-2,160	-3,836	-3,987	-3,991
Environment, Community Services and Public Protection	-1,769	-1,923	-1,869	-1,819
Con/Reg/HR	-500	-500	-500	-500
Corporate Services	-1,324	-1,523	-1,523	-1,523
Finance	-13,797	-10,891	-10,887	-10,888
Central	-3,264	-4,102	-4,102	-4,102
<b>TOTAL SAVINGS AGREED</b>	<b>-32,577</b>	<b>-37,122</b>	<b>-39,184</b>	<b>-39,594</b>
Adjustments from MTFS	3,250	3,727	3,727	3,727
<b>NET SAVINGS YEAR TWO 2025/26</b>	<b>-29,327</b>	<b>-33,395</b>	<b>-35,457</b>	<b>-35,867</b>

### 3.27 Our Transforming Bromley Objectives

3.28 Projects within the second year Programme include service redesign and improvements, and more accessible services for residents. Alongside better strategic commissioning and operational procurement to enable cost avoidance. Plans for workforce development continue to upskill staff in digital literacy, enabling flexible and resilient service delivery. As such the Transforming Bromley Programme Objectives continue to be met.



### 3.29 Growth reduction initiatives mitigate continuing demand pressures

- **Year One 2024/25** The Year One Programme successfully delivered £12.1m of 'Growth Reduction Initiatives', 66% of the Programme (56 of 85).
- **Year Two 2025/26** £13.9m of the Year Two Programme are 'Growth Reduction Initiatives'. This equates to 33 projects of the Year Two programme, 52%.

### 3.30 Examples of Year Two Growth Reduction Initiatives

Reducing the need for high-cost services or manage demand more effectively. All savings are projected from 2026/27 unless otherwise stated. Examples include, with full listing the MTFS Policy Sheets

#### a) Right Sizing Domiciliary Care Programme (Adults Social Care)

Description: A series of service development initiatives that will each contribute to reducing the current average costs per person. Workstreams will include - retendering the contract framework, reviewing the size of packages of care, introducing trusted assessor arrangements, systematically using remote monitoring and digital products.

Financial Impact: £5m annual savings projected.

#### b) Housing With Care (Adults Social Care)

Description: Working to deliver 47 new housing with care facilities in the Borough in the next 3 years, which are to be made available for older adults or adults with a disability who might otherwise be placed in residential care. This delivers additional supported housing to the Corporate Review of the Transition to Adulthood Action Plan.

Financial Impact: £848k annual savings projected 2027/28.

#### c) Reduction in SEN Transport Growth (Education)

Description: Policy change where parents choose a distant school for SEN children forgo council-funded transport if a nearer suitable school is offered. This change has now commenced and forms standard operating procedures for the SEN service. This change is now becoming embedded as we approach the start of the new academic year.

Financial Impact: £200k annual savings.

#### d) Family Hubs/Families First (Children Social Care)

Description: Realignment of six Children and Family Centres and four Youth Hubs into four integrated Family Hubs. Aligned with the Families First Partnership Programme and the Start for Life initiative, supporting a coordinated and family-focused model of service delivery. Mirroring the Integrated Care Board's (ICB) four-spoke model, ensures local delivery structures are consistent with broader health and care system reforms.

Financial Impact: £2.7m annual savings (2027/28)

#### e) Corporate Review of Housing (Housing)

Description: Reduce inflow increase outflow from temporary accommodation by strengthening prevention and increasing housing options. This includes ensuring a robust housing front line for prevention and increased housing options to manage the through flow from Temporary Accommodation into settled solutions.

Financial Impact: £1.3m annual savings.

#### f) 15-Year Lease Arrangement for Temporary Accommodation (Housing)

Description: Acquire up to 300 units on long leases to reduce reliance on costly nightly paid accommodation. Provides certainty of cost for a significant proportion of Temporary Accommodation required and limit the Council's exposure to the costly and volatile nightly paid accommodation.

Financial Impact: £500k increasing to £1m annual savings.

#### g) Commercial Waste Recycling Expansion (Environment & Community)

Description: Expanding commercial waste services to increase market share and revenue, with a new operating model and marketing plan.

Financial Impact: £100k *additional income*

### 3.31 Staff Ideas Aloud

3.32 Some of the best ideas come directly from staff, who are able to contribute ideas through different channels including: digital form, an Ideas Aloud surgery chaired by the Chief Transformation Officer, direct emails, and other divisional/team meetings. Of the savings options proposed in the second-year programme, staff contributed ideas to the value of £3.4 million.

### 3.33 Staff ideas adopted within the Year Two Programme include for example:

#### a) Digitalisation to Reduce Printing and Postage

Description: Move to digital channels to reduce physical printing and postage.

Financial Impact: £185k–£196k annual savings.

#### b) Centralisation of General Consumables

Description: Centralised management for efficiency.

Financial Impact: £100k annual savings.

#### c) Transformation Use of AI (HR, Customer Services, Public Affairs)

Description: AI-driven transformation to streamline processes.

Financial Impact: £130k annual savings.

3.34 This excellent performance also reflects staff survey results during the 2025 Transforming Bromley Roadshow, which highlighted strong staff engagement:

- 81% of staff could cite examples of transformation.
- 91% understood how to contribute ideas via the “Ideas Aloud” platform.

Generally, staff feedback praised the clarity of transformation messaging, the financial imperative and alignment with Council goals.

### 3.35 Corporate Reviews

3.36 The Chief Executive identified 'Corporate Reviews' to be delivered by the Chief Transformation Officer during the year. These provide corporate capacity and challenge departments in some of most significant areas of activity. Corporate Reviews include a diagnostic and proposal for change.

3.37 Three Corporate Reviews completed this year have delivered proposals to the cumulative value of £3.5m, increasing to £6m. These have been included within the departmental year two transformation savings of £29.3m reflected earlier in the report.

	<b>Corporate Review</b>	<b>Impact</b>	<b>Cashable savings</b>
1	Housing Services	Reducing the inflow from TA, including ensuring a robust housing front line for prevention and increased housing options to manage the outflow from TA into settled solution. The approved plan included additional staff capacity, plus an additional AD role for greater oversight.	£1.3m per annum.
2	Transition to Adulthood	Reshaping the service into a more effective, person-centred system. The proposals aim to ensure that services operate within a financially sustainable framework while delivering proactive support for young people with learning disabilities. The approved plan included additional staff capacity.	£1m increasing to £2.5m per annum.
3	Business Support Functions	Reviewed Business Support Functions held corporately and with department. Proposals include the deployment of digital tools, revised structures and a learning and development programme.	£1.2m per annum
<b>Total Impact</b>		<b>£3.5m per annum increasing to £6m</b>	

3.38 Further Corporate Reviews are planned for future years.

### 3.39 CEO Realignment, review of management and staffing capacity

3.40 The Chief Executive has undertaken a review of the Council's organisational arrangements. This review has demonstrated that the Council is well-run, however the current arrangements do need some adjustment to ensure that the Council can pursue financial sustainability, whilst delivering quality services.

3.41 The proposed restructure of the Chief Officers Executive (COE) group and Corporate Leadership Team (CLT) is a strategic response to demands. Its primary purpose is to:

- **Realigning capacity** ensuring that senior leaders are focused on Council-wide priorities, cross-organisational collaboration, and delivering on the long-term vision and Corporate Strategy *Making Bromley Even Better (MBEB)*.
- **Enhance organisational agility and resilience.** Position the organisation to respond swiftly to external changes and internal pressures through more integrated, flexible leadership structures.
- **Drive financial and operational efficiency.** Align the leadership structure with the

Council's financial sustainability goals, eliminating duplication, clarifying accountability, and reducing complexity.

- **Improve service delivery and community outcomes.** Focus leadership attention on core community priorities by aligning portfolios to better reflect community needs and emerging issues.

3.42 The Chief Executive reorganisation proposes changes intended to rebalance the portfolios held by the Council's senior leadership team. It also puts in place arrangements that will provide a sharper focus on delivery of the Council's agreed outcomes within departments. Proposals in this report necessarily, describe changes at a high level. It is anticipated that the new structure implementation will be phased in and be operational during 2026/27 and will be implemented in line with Managing Change in HR Procures.

3.43 Within the context of the financial deficit (Full Budget Report) saving are required through every avenue, including staffing budgets. The restructuring aims to: Achieve £1.5m of staffing budget savings to be achieved through realignment, deletion of vacant posts and a small number of redundancies the deletion of existing vacant posts and realignments in line with the Councils Managing Change HR procedures.

#### 3.44 **Governance & Assurance**

3.45 The Transformation Programme will continue to be underpinned by a strong governance framework. The Corporate Transformation Hub monitors all projects monthly, using a Red-Amber-Green (RAG) status system and dashboards to track progress and flag issues early. This proactive approach has and will continue to ensure accountability and enabled timely interventions.

3.46 Achieving transformation often requires difficult changes, such as service redesigns or budget reductions. The Council has managed stakeholder feedback through consultations and clear communication about the financial imperative and resident benefits. The Transformation Board's regular monitoring and escalation process ensures that any emerging issues are addressed promptly, with alternative savings identified where necessary.

3.47 The Council's Transformation Programme has delivered strong results in its first year, achieving nearly all planned savings and driving service improvements for residents. The robust governance framework, commitment to digital innovation, and adaptive management have positioned Bromley to meet future challenges and continue delivering high-quality, cost-effective services. The Council will sustain this momentum, evolve its transformation efforts, and remain focused on 'Making Bromley Even Better'.

3.48 The strong progress in Year One provides credibility and momentum for the next phase of transformation. As the programme moves into delivering Year Two savings, the focus will be on sustaining delivery, managing inflationary pressures, and developing new savings proposals during Year Three (2026-27). The Council's adaptive approach, cross-departmental collaboration, and commitment to learning from experience will be key to navigating future challenges and maximising the benefits of transformation.

3.49 The Council remains dedicated to its ambitions and values, ensuring Bromley continues to be '*a fantastic place to live and work*', *MBEB 2021-31*.

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

4.1 There has undoubtedly been a significant increase in the costs of statutory services. We continue to manage children, adult social care and housing pressures well. We have understood our demand and have, where possible, intervened earlier. Planned Growth Reduction Initiatives will continue to enable the Council to meet its statutory duties.

#### **5. TRANSFORMATION/POLICY IMPLICATIONS**

5.1 The Transforming Bromley Programme 2024-28 provides a framework through which we are addressing our known budget deficit and improvement opportunities. We are facing new and unprecedented financial challenges which need sustainable solutions. We are continuing to oversee a low-cost base but are experiencing unprecedented cost pressures. Responding effectively to these requires difficult decisions. Our responses over the coming year will be hard to deliver but are necessary.

5.2 Policy implications have been addressed on a case-by-case basis.

#### **6. FINANCIAL IMPLICATIONS**

6.1 If the Council fails to identify the required quantum of savings to address the Council's underlying budget gap, the Council will still be legally required to deliver a balanced budget as set out in the Local Government Finance Act 1988.

6.2 If funding reductions remain and growth/cost pressures continue, these decisions are likely to have an impact on the delivery of services to our residents and service users.

#### **7. PERSONNEL IMPLICATIONS**

7.1 Staff directly affected by the changes or proposed changes have been consulted individually in accordance with the Council's Procedure for Managing Change and some early discussions have already taken place. With no significant HR/legal issues for the Council.

<b>Non-Applicable Headings:</b>	8, 9, 10, 11, 12, 13
Background Documents: (Access via Contact Officer)	<b>Appendices</b>

## Agenda Item 7

**Report No.**  
*HPR2025/053*

## London Borough of Bromley

## PART 1 - PUBLIC

**Title: HOUSING SCHEMES PROGRESS COMMITTEE REPORT – PART 1  
(PUBLIC) INCLUDING AWARD OF MAIN WORKS CONTRACT**

**Decision Maker: EXECUTIVE**

**Date:** **Wednesday 21 January 2026**  
**For pre-decision scrutiny by the RRH PDS Committee via e-mail**

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

**Contact Officer:** Andrew Hruszowski, Regeneration Project Manager  
Tel: 020 8461 7115 E-mail: [Andrew.Hruszowski@bromley.gov.uk](mailto:Andrew.Hruszowski@bromley.gov.uk)  
Alicia Egan, Head of Regeneration  
Tel: 020 8461 8663 E-mail: [Alicia.Egan@bromley.gov.uk](mailto:Alicia.Egan@bromley.gov.uk)

**Chief Officer:** Sara Bowrey, Director of Housing, Planning, Property and Regeneration

**Ward(s):** Clock House Plus Other Wards with Updates

## 1. REASON FOR REPORT

1.1 This report provides an update on the housing schemes currently in direct delivery and provides detail on the Beckenham Housing Scheme, recommending Executive approval for award of the main construction contract. The procurement process for the Beckenham scheme has concluded, and this report outlines the outcome of the tender evaluation and recommends appointment of the preferred contractor. The details of the compliant, open tender process have been outlined within the Part 2 report.

## 2. RECOMMENDATION(S)

## That the Members of the RRH PDS:

2.1 Note the contents of this report and make any comments available to the Executive.

## That the Members of the Executive:

- 2.2 See Part 2 report for further recommendations in relation to the award of the Beckenham Housing Scheme works contract.
- 2.3 Delegate authority to the Director of Housing, Planning and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation and Housing, to finalise contract documentation and enter into a contract and any ancillary documentation with the successful contractor on the

Beckenham Housing Scheme, subject to grant monies being secured so that the total cost of the scheme is within budget.

- 2.4 Delegate authority to the Director of Housing, Planning and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation and Housing, to accept and add to the capital programme any additional grant funding to support delivery of the Beckenham Housing Scheme.
- 2.5 Note the Beckenham Housing Scheme was allocated Section 106 monies totalling £40,446.16 in December 2021, £101,025.93 in December 2023, and £212,489.88 in December 2025, which brings Section 106 monies allocated to the scheme to a total of £353,962.
- 2.6 Request approval to include a supplementary capital estimate of £353,962, funded through Section 106 contributions, in the capital programme.
- 2.7 Delegate authority to the Director of Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal Recreation and Housing, to submit a bid for the next round of affordable housing funding administered by the GLA, known as the 'London Social and Affordable Homes Programme 2026-36', which opens in February 2026 and has a deadline for bids of April 2026.

### **3. KEY SUMMARIES**

Cost of proposal: Refer Part 2 report.

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#### Financial

1. Cost of proposal: Refer Part 2 report
2. Ongoing costs: Not applicable
3. Budget head/performance centre: Capital Programme
4. Total current budget for this head: £15.55m
5. Source of funding: External borrowing, Section 106, Greater London Authority (GLA) grant, and potentially Brownfield Land Release Fund (BLRF) grant

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#### Legal

1. Legal Requirement: Non-Statutory - Government Guidance
2. Call-in: Applicable

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<b>Background Documents:</b> (Access via Contact Officer)	HPR2021/037B – For Pre-Decision Scrutiny by Renewal, Recreation and Housing Policy Development and Scrutiny Committee, 30 June 2021.  HPR2022/060 – Update on Housing Delivery, 16 November 2022.  HPR2023/051 – For Pre-Decision Scrutiny by Renewal, Recreation and Housing Policy Development and Scrutiny Committee, 20 September 2023.  2402917FULL1 – Parking Area west of The Spa Beckenham Clock House Ward, 12 December 2024.
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	<p>HPR2024/071A – For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee, 21 January 2025.</p> <p>HPR2025/017 – Contract Award for Multi-Disciplinary Consultant Services, Project Management and Employer's Agent Services, and Quantity Surveying Services for the Beckenham Car Park Housing Development, 14 March 2025.</p> <p>Gateway Officer Report – Beckenham Car Park – Procurement strategy for a single stage Design &amp; Build main works contract, 19 August 2025</p>
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#### 4. BACKGROUND/OPTIONS

4.1 As set out in the Housing Strategy 2019-2029 Bromley, as with many Councils, continues to face severe housing pressures. The Council has been working to increase supply, with one method being through self-delivery of new homes on Council owned sites. Not only will this provide new affordable homes for Bromley residents, but they will also reduce revenue spend on Temporary Accommodation (TA). Whilst the cost of building homes has been affected by some fluctuations in the market so has the cost of supporting families into expensive TA, which despite some recent reductions in costs remains one of the Council's largest revenue pressures.

4.2 To date the Council have approved a number of housing developments across the Borough, the most recently completed schemes at West Wickham and York Rise, and others currently in construction include Bromley North, Bellegrove and Manorfields (temporary accommodation). A summary of affordable housing schemes being delivered by the Council, both completed or in progress since 2020 are shown in the table below:

Site Location	Number of Dwellings	Status
Kevin Fenton Mews	25	Completed and Occupied
Chris Whitty Place	25	Completed and Occupied - defects currently being completed due to contractor going into administration
George Grove Road	10	Completed and Occupied
West Wickham, Richmal Court and Crompton Court	26	Completed and Occupied
York Rise	35	Completed and Occupied
Bromley North	75	Under construction, due for completion Spring 2027
Beckenham Housing Site	35	Planning permission granted, awaiting award for main works and due for completion late 2027
Bellegrove	68, inclusive of 13 for supported living	Planning permission granted, main works contract awarded and due for completion Spring 2028
Poverest	44	Subject to Planning permission, if granted, would be completed spring 2029
Castlecombe	10	Subject to Planning permission, if granted, would be completed in Autumn 2027

Chipperfield	123	Subject to Planning permission, if granted, would be completed summer 2030
	476	

4.3 There are a number of other potential sites for the self delivery of affordable housing, including Chipperfield Road which was recently agreed to progress by the Executive, which need to be added to the 2026-36 GLA affordable homes programme to draw down grant. Therefore, the report recommendation 2.5 requests delegated authority to submit a bid for the borough for the next round of GLA grant funding. All potential schemes put forward in the bid to the GLA will still be subject to the usual due process of scrutiny before being considered for the Capital Programme, as has been the process under previous rounds of funding. The deadline for bids to the new funding programme is April 2026, so officers need to act swiftly in order to secure an allocation for the borough. The GLA funding guidance sets out that alongside the core affordable housing products, the GLA may fund a limited number of other affordable products, which includes delivering Affordable Rent homes to support the delivery of supported and specialist housing, and council-led acquisitions of temporary or permanent accommodation.

4.4 On 20 September 2023, the Executive resolved to add the Beckenham Housing Scheme to the Capital Programme with a total development budget of £15.2m and approved the recommendation to procure the required consultancy services across the Royal Institute of British Architects (RIBA) Stages 3-7. At the time, the Design & Build (D&B) construction cost was estimated at £10.4m.

4.5 On 12 December 2024, the Project obtained planning consent at a Development Control Committee (92402917FULL1).

4.6 In January 2025, the Chief Officer approved the detailed procurement strategy for Multidisciplinary Team (MDT) services, Project Management (PM) / Employer's Agent (EA) services, and Quantity Surveying (QS) services from RIBA Stages 3 to 7, and in February 2025 three tenders were successfully run.

4.7 In April 2025 the MDT, PM/EA and QS commenced delivery of their RIBA services, and in July 2025 the Council undertook soft market testing with the construction sector on the design which had progressed through to RIBA Stage 4. This included a public briefing in which the design, budget and programme were presented.

4.8 In August 2025, the Chief Officer approved the detailed procurement strategy for a single-stage D&B main works contract. At the time, the D&B services were publicly estimated to cost £13.5m excluding VAT and extend for a period of 18 months, commencing February 2026 and concluding July 2027.

4.9 On 12 September 2025, a single-stage D&B main works tender was released under a compliant open tender process in accordance with the Procurement Act 2023 and the Council's Contract Procedure Rules. On 3 November 2025 the tender closed and tender submissions were subsequently assessed by the Evaluation Panel comprising both Council officers and external members. Refer to the Part 2 report for further details on the tender process including commercial information.

4.10 Subject to award of the construction contract, the works are due to commence in Q4 2025-2026 and complete by Summer 2027.

## Site Information

4.11 The site is a Council-owned back-land low-use spillover carpark located between commercial and community buildings in a town centre setting in Beckenham. It is kite-shaped in plan, measures some 0.17 hectares in area, and the surrounding uses are non-residential. The site is flanked by a 6-storey office building to the west and a leisure centre and small office premises to the east. The site is bounded on the northern edge by at-grade railway lines, across which it enjoys good aspect to the north and west and a visual link to suburban housing beyond. The site adjoins the Elm Street Conservation Area, is in sight of the Grade II Listed 28 Beckenham Road and is a short walk to Clock House Station. Access from the adjacent high street is across Council and privately-owned land which currently lacks segregated footways.

## Scheme

4.12 The scheme will deliver 35 affordable units across six storeys comprising:

- 5 x 1-bed dwellings (14%)
- 24 x 2-bed dwellings (69%), including 4 x South East London Housing Partnership (SELHP) wheelchair accessible dwellings; and
- 6 x 3-bed dwellings (17%)

4.13 The mix of dwellings are weighted toward 2 and 3-bed dwellings based on current demand for larger-style affordable housing across the borough. In total, the 35 units will deliver 71 additional bedrooms for Bromley.

4.14 The proposal also includes a 205sqm cold-shell flexible commercial space on the ground floor and a small community plaza located at the southern end of the building, designed to provide maximum prominence from Beckenham Road and on main approach to the building. Additionally, the proposal includes a shared garden with children's play, which is accessed directly from the residential core. These items are required under Planning Policy, and a conservative income estimate from the commercial space is factored into the business case.

4.15 The scheme will deliver five accessible (blue-badge) car spaces with active EV charging.

4.16 The upper floors have been configured into a T-plan form to enable the buildings frontage to be pulled back from the southern boundary, where the railway line is located. Careful consideration has been given to the external appearance to ensure it is sensitive to the site's heritage context and is reflective of the character of its location.

4.17 The consented design can be seen in **Appendix A**.

## Benefits

4.18 Proceeding with main works contract award will incur the following benefits to the Council:

- Delivery of 35 high-quality affordable homes and public realm improvements in a high-demand area, and in accordance with planning and funding commitments to date.
- Retains external grant funding from the GLA totalling £7m, and potential grant funding from the BLRF, thereby maximising value for money.
- Delivers new housing in a location surrounded by essential amenities including public transport, schools, medical clinics, shops, libraries and employment hubs, making it an ideal home for vulnerable tenants and their families.
- Unlocks a challenging and underutilised back-land site that would otherwise not be feasible by the private sector and transforms it into a thriving residential community that aligns with Bromley's long-term sustainable urban regeneration and housing strategy.

- Addresses housing pressures across Bromley by reducing the borough's reliance on costly temporary accommodation.
- Avoids abortive costs by building upon the Council's financial investment to date.
- Avoids inflationary cost increases that a delayed or alternative scheme would incur.

### Funding

4.19 As noted above, the Beckenham Housing Scheme was added to the Capital Programme in September 2023 with a total development budget of £15.2m excluding VAT. This comprised £8.2m in external borrowing and £7m in GLA grant funding.

4.20 Whilst costs have risen since then, officers have been able to mitigate this with other sources of funding. In December 2021, the Council's Infrastructure Funding Statement outlined that the Project was allocated £40,446.16 in Section 106 monies. In December 2023, the Council's Infrastructure Funding Statement outlined that the Project was allocated a further £101,025.93 in Section 106 monies. In December 2025, permission was sought from and agreed by the Director of Housing, Planning and Regeneration to add an additional £212,489.88 in unallocated Section 106 monies for the provision of affordable housing to the Beckenham scheme project budget. This brings Section 106 monies allocated to the scheme to a total of £353,961.97.

4.21 As outline below, this gives a total allocated budget to the scheme of £15.55m.

<b>Funder</b>	<b>Value</b>
External borrowing	£8,200,000.00
GLA	£7,000,000.00
S106	£353,961.97
<b>Total</b>	<b>£15,553,961.97</b>

4.22 The reason for requesting the additional S106 monies is primarily due to new Thames Water works that will be required on site which originally were not identified by Thames Water and therefore not factored into the original budget. See the Part 2 report for more information.

4.23 The works contract award will only be made if the Brownfield Land Release Fund grant is achieved. The grant achieved may be less than requested however the scheme will be progressed as long as the cost of delivery is within the agreed budget plus the grant value.

### Next Steps

4.24 To drawdown on the GLA grant, the Council must commence meaningful construction by 31 March 2026. In order to meet this deadline, the Council must now prepare to appoint the main works contractor. However, the contract award will only happen if a Brownfield Land Release Fund grant is secured. See Part 2 for more information.

4.25 Once appointed, the Design & Build contractor will be responsible for finalising the design. During this process, the project team will actively pursue any reasonable and practicable value management initiatives that help to ensure a value for money project is delivered for Council.

## **5. FINANCIAL IMPLICATIONS**

5.1 This report seeks authority to award a contractor named in the Part 2 report for the main works contract for the Beckenham Housing scheme. The contract duration is estimated at 18 months and the estimated value of the contract itself is set out in Part 2.

- 5.2 The original capital budget for this project was estimated and approved at £15.2m consisting of the main works contract including contingency and related costs such as capitalisable professional fees. The funding was originally composed of £8.2m of external borrowing and £7m of GLA Affordable Homes Programme grant funding.
- 5.3 Given the nature of the works and the clarification process undertaken during the procurement, a small cost increase has been noted with risk of further emerging factors post contract award. To that end, the budget is being sought to be increased to £15.6m with the increase being funded by existing commuted s106 contributions and will be reported to Executive on 21 February 2026.
- 5.4 As a form of funding risk mitigation, the Council is seeking to apply for Brownfield Land Release Fund (BLRF) and only once this or additional GLA grant is secured, will the main works contract be awarded. The Council needs to commence meaningful construction by March 2026 to secure the GLA Affordable Homes grant. Securing the BLRF would reduce the originally budgeted £8.2m figure for external borrowing which would then reduce the revenue impact of this capital programme in terms of the interest payable on loans.

## **6. LEGAL IMPLICATIONS**

- 6.1 This report seeks authority to award a contract to the contractor named in the Part 2 report for the main works contract for the Beckenham Housing scheme. The duration of the contract and the project is anticipated to be 18 months and the estimated value of the contract is also set out in the Part 2 report.
- 6.2 The Housing Act 1985 governs the Council's responsibilities to review housing needs, provide housing, develop and appropriate land. The Council has the power under section 111 of the Local Government Act 1972 to do anything (whether or not involving expenditure, borrowing or lending of money or the acquisition or disposal of any property rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 6.3 As outlined in the Procurement Implications, this is a public contract for works within the meaning of the Procurement Act 2023 (the Act). The contract due to its value falls above the thresholds set out in Schedule 1 of the Act and therefore, any procurement had to comply with the requirements of the Act.
- 6.4 The Procurement Implications also outline the requirements of the Council's Contract Procedure Rules as to approval of the award of contract and the need to secure the approval of the Executive for a contract of this value.
- 6.5 The Council will need to ensure that the project complies with the terms of any grant funding from the GLA.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 The project budget includes funding for staff to manage this project.

## **8. PROCUREMENT IMPLICATIONS**

- 8.1 This report seeks to award a contract for the main works in relation to the Beckenham Housing Scheme following an Open Tender procedure. The proposed award of contract is to the provider named in Part 2 for a contract with a duration of the project, anticipated to be 18 months. The estimated annual value is in Part 2.
- 8.2 The rationale for the recommended award of contract is set out in Part 2.

- 8.3 This is a Works contract, and the value of this procurement falls above the thresholds set out in Schedule 1 of the Procurement Act 2023 (PA23 Regulations).
- 8.4 In line with Section 4 of the Contract Procedure Rules, the minimum number of tenders for the relevant procedure have been obtained.
- 8.5 This process has been carried out in compliance with the PA23 Regulations. A Contract Award Notice must be published on the Find A Tender Service following which the minimum standstill period must be observed. A Contract Details Notice must subsequently be published on the Find A Tender Service.
- 8.6 As a contract with a whole life value of £5m or higher, the Contract Details Notice must also provide access to a copy of the contract (suitably redacted) and must set out the three key performance indicators most material to the performance of the contract at the time of the Contract Details Notice being published.
- 8.7 The Council's specific requirements for authorising award of contract are covered in Section 5 of the Contract Procedure Rules (CPR) with the need to obtain the Approval of the Executive for a contract of this value. Prior to Approval, the Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 5.9 to 5.10, Officers must take all necessary professional advice.
- 8.8 The actions identified in this report are provided for within the CPR and the proposed actions can be completed in compliance with their requirements.

## **9. PROPERTY IMPLICATIONS**

- 9.1 As this report relates to the award of a construction contract there are no relatable property implications.

## **10. RISK MANAGEMENT**

- 10.1 The Beckenham Housing Scheme has a project risk register that is maintained by the Council in consultation with the Project Manager/Employer's Agent, and design risk registers that are maintained by the Multidisciplinary Design team. Once appointed, the main works contractor will prepare and maintain a construction risk register.

## **11. TRANSFORMATION/POLICY IMPLICATIONS**

- 11.1 Making Bromley Even Better Priority:

- (1) *For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.*
  - (2) *For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.*
  - (3) *For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.*
  - (4) *For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.*
  - (5) *To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.*

## **12. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

12.1 Vulnerable children and adults will be supported through the provision of affordable housing that is suitable for individuals and families on both projects

## **13. IMPACT ON HEALTH AND WELLBEING**

13.1 The delivery of 35 new affordable homes in Beckenham will have a positive impact on the health and wellbeing of Bromley residents.

## **14. IMPACT ON THE LOCAL ECONOMY**

14.1 The Council does not employ professional and qualified staff to provide specialised D&B main works contractor services. Therefore, it is necessary to engage an external party to deliver main work construction services at Beckenham.

14.2 Prior to the Beckenham main works tender, Council Officers undertook soft market sounding exercises to ascertain market interest, capability and resourcing as it related to a project of this type and scale. This included a public briefing in which the design, budget and programme were presented, and direct engagement with market participants including those which Council had previously worked with. Contractors are encouraged to utilise and support local supply chain wherever possible and make use of local labour forces.

## **15. CARBON REDUCTION/SOCIAL VALUE IMPLICATION**

15.1 Carbon Reduction and Social Value have been considered throughout the duration of the Beckenham Housing Scheme. The preferred tenderer provided their Social Value commitments during the tender and these will be implemented throughout the D&B Contract with the main works contractor.

## **16. CUSTOMER IMPACT - CONSULTATION AND PUBLIC ENGAGEMENT**

16.1 Public consultation was undertaken during the design phase between 24 February and 2 March 2024. Public consultation included an exhibition at the Bromley Library and three drop-in events where members from the project team were present to respond to community queries. Feedback collated informed the final proposed design.

16.2 MyTime Active, operators of The Spa at Beckenham, participated as a non-scoring member of the main works contractor tender Evaluation Panel. MyTime provided comments in relation to the Quality Question that assessed with construction methodology and buildability.

16.3 Further engagement with neighbouring residents and businesses will continue during the construction phase to maintain communication and minimise disruption.

## **17. WARD COUNCILLOR VIEWS**

17.1 Ward Councillors are supportive of the Beckenham Housing Scheme and its commitment to provide 35 units of affordable housing. Ward Councillors also noted that local residents living around the proposed development have concerns about potential impacts of the construction phase on them, and Ward Councillors expect the appointed contractor will work in partnership with local community.

## Appendix A

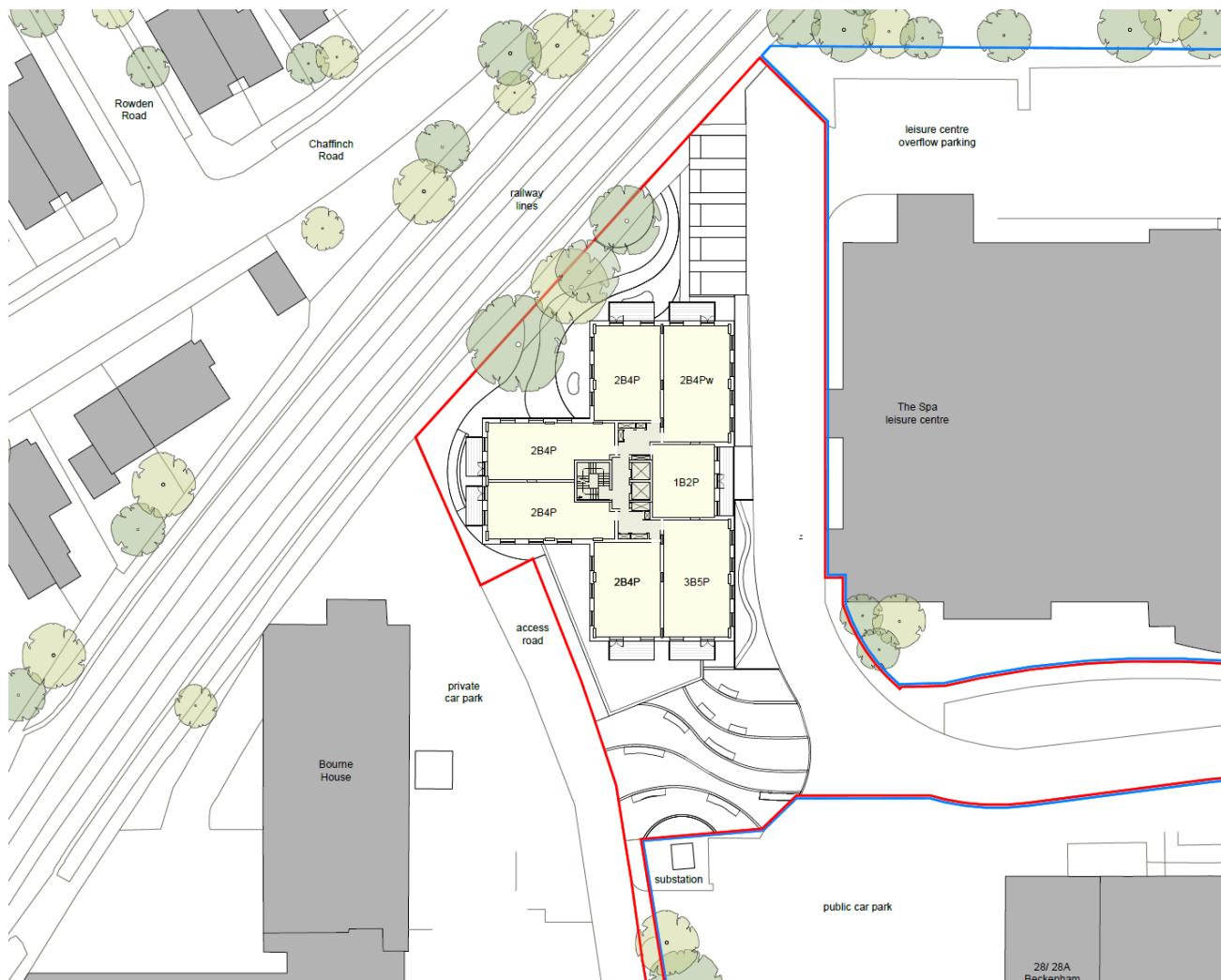


Figure 1. Site Plan showing indicative residential level



Figure 2. Perspective

# Agenda Item 8

Report No.  
ACH26-003

London Borough of Bromley

## PART 1 – PUBLIC

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<b>Title:</b>	<b>NOTICE OF THE URGENT AWARD OF A CONTRACT FOR THE DIRECT PAYMENT SUPPORT SERVICE</b>		
<b>Decision Maker:</b>	<b>EXECUTIVE</b>		
<b>Date:</b>	<b>21 January 2026</b>		
<b>Decision Type:</b>	Non-Urgent	Executive	Key
<b>Contact Officer:</b>	Victoria Purser, Head of Complex and Long-Term Commissioning E-mail: Victoria.Purser@bromley.gov.uk		
<b>Chief Officer:</b>	Donna Glover, Director of Adult Social Care		
<b>Ward(s):</b>	All		

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## 1. REASON FOR REPORT

- 1.1. In response to the insolvency of the Council's Direct Payment Support Service, Vibrance Ltd, this report advises the urgent award of a new interim Direct Payments Support Service contract to The Disability Syndicate made by the Director of Social Services under the Council's Contract Procedure Rules (Procurement Manual Section 61).
- 1.2. The Council's Contract Procedure Rules grants authority to the Director of Adult Social Services to approve direct award of contract for reasons of urgency, subject to Agreement with the Portfolio Holder for Adult Social Care, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a contract of this value. Where a direct award has been made for reasons of urgency that would otherwise have been a Portfolio Holder decision, a For Information report on the action taken is to be provided to the next meeting of the relevant PDS Committee.
- 1.3. In accordance with the Procurement Act 2023 a competitive tendering procedure is the default legal requirement for most public procurements. However, a contracting authority may directly award a public contract when section 41 (and one or more of the justifications in Schedule 5), section 42 or section 43 apply. The value of the Award over the life of this 24-month contract is £563,907.
- 1.4. This report should be read alongside the accompanying Part 2 report which sets out the financial implications to the Council of the insolvency of the previous Direct Payments Support Service provider.

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## 2 RECOMMENDATION(S)

- 2.1 Executive are requested to note the contents of this report and the accompanying Part 2 report setting out the process of Direct Award of contract under the urgency procedure to the Disability

Syndicate for a two-year contract commencing 17<sup>th</sup> November 2025, at an estimated whole life value of £563,907.

2.2 Executive are asked to note the financial implications to the Council of the insolvency of the Direct Payments Support Service provider and are recommended to fund the financial costs from the Council's Financial Planning and Risk earmarked reserve, as set out in the accompanying Part 2 report.

## KEY SUMMARIES

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### Financial

1. Cost of proposal: £563,906.96
2. Ongoing costs: Not Applicable
3. Budget head/performance centre:
4. Total current budget for this head:
5. Source of funding:

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### Legal

1. Legal Requirement: Statutory Requirement
2. Call-in: Not Applicable

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### 3 BACKGROUND/OPTIONS

#### 3.1 Commentary

3.1.1 Vibrance Ltd was the Council's appointed provider for Direct Payments Support and Payroll Services. The contract with Vibrance was awarded in November 2020 and commenced in April 2021. It was established for an initial five-year term, expiring in April 2026.

3.1.2 Direct Payments (DP) are personal budgets provided by the London Borough of Bromley (LBB) to individuals who meet the eligibility criteria for social care and support services. These payments offer service users and carers the flexibility to arrange their own care, replacing traditional services with cash payments. Recipients can use their DP to purchase:

- Support from a Personal Assistant (PA)
- Domiciliary care
- Short-term breaks or respite care
- Day care services
- Assistance to attend activities
- Equipment and other services that support individual care requirements

3.1.3 The Direct Payments Service empowers individuals to manage their own finances and care arrangements, enabling informed, independent decisions about how their eligible needs are met. The Service is designed to be adaptable, responding to the evolving needs of its users.

3.1.4 The Council is committed to promoting choice and independence for vulnerable residents eligible for support. Direct Payments, along with information, advice, & guidance and payroll services provided under this contract, are central to achieving this goal. Access is via referral from Adult Social Care and Children's Services, supporting:

- Adults with physical or learning disabilities
- Older people with eligible care needs
- Children and young people with disabilities
- Carers who require support in their caring role
- Individuals with mental health needs who meet the eligibility criteria

3.1.5 The Direct Payments Support and Payroll Service supports the Council to meet its statutory duties as required by the Care Act 2014, the Care and Support (Direct Payments) Regulations 2014, Equality Act, Children Act 1989, Safeguarding Vulnerable Groups Act 2006 and the Children and Families Act 2014. Commissioned services must also conform to the Public Services (Social Value) Act 2012 and the Modern-Day Slavery Act 2015.

3.1.6 On 21<sup>st</sup> October 2025 the London Borough of Bromley received an email from the Director of Vibrance requesting an urgent call stating there were significant concerns relating to the financial management within Vibrance. In a subsequent call the Council was advised that Vibrance did not have enough funds to make the upcoming payments on its behalf, and the Council needed to intervene in order to ensure continuity of care. Vibrance Ltd formally entered administration on the 8<sup>th</sup> December 2025.

3.1.7 A Contract Termination Notice was served on Vibrance on 7<sup>th</sup> November with a contract termination date of Friday 15<sup>th</sup> November 2025.

3.1.8 In order to ensure that Bromley residents had access to their care and support, a direct contract award on the grounds of urgency was made to The Disability Syndicate to commence on the 17<sup>th</sup> November 2025. The mobilisation plan is 12 weeks but payments to Personal Assistants and carers began immediately following the data transfer from Vibrance and with minimal disruption to residents.

### **3.2 Summary of Business Case**

3.2.1 The Integrated Commissioning Service contacted three potential replacement providers and asked them to submit a bid with a mobilisation plan, based on the original specification. Out of the three potential providers, two submitted bids. One bid was discounted due to significantly higher costs and the other bid, submitted by The Disability Syndicate, was successful.

3.2.2 The Disability Syndicate is a disabled person-led organisation with over 25 years of experience delivering high-quality, rights-based Direct Payment Support Services (DPSS). As a trusted delivery partner in Lambeth, Derbyshire, and Salford, they empower individuals to take control of their care through tailored, accessible and compliant support.

3.2.3 The Disability Syndicate will deliver the specification with some minor amendments to suit the needs of the people that use the service. This is largely done through their base offices in Derby, but they will TUPE the Bromley based staff who will continue to meet with residents face to face to offer support and guidance in the Borough.

3.2.4 The services to be provided will include:

- Account setup and management for Direct Payments
- Financial monitoring and reporting
- Support and advice to residents
- Compliance with relevant legislation
- Safeguarding and risk management

3.2.5 These services shall be delivered in accordance with a revised service specification.

### **3.3 Procurement and Project Timescales and Governance Arrangements**

3.3.1 Estimated Value of Proposed Action: £250,000 per annum

3.3.2 Mobilisation Fee (Year 1): £63,906.96

3.3.3 Total Contract Value (excl. VAT): £563,906.96

3.3.4 Proposed Contract Period: Two years

3.3.5 Procurement Strategy: Procurement Options for 2027 to be scoped in January 2026

### **4 FINANCIAL IMPLICATIONS**

4.1 There is an existing budget of £271k within Adult Social Care for the ordinary course of business in relation to the provision of the Direct Payment Support Service.

4.2 Due to the nature of the events that have unfolded, the fees payable to the former provider have not been paid and technically a provision would not need to be made at year end as the provider no longer exists as a going concern.

4.3 Therefore there is an existing budget available both for the mobilisation fee and management fee to the new provider in 2025/26.

4.4 The Council's budget setting process will ensure that the budget for 2026/27 for the full-year and 2027/28 for the part-year effect until the end of the contract on 16 November 2027, shall continue to be made available.

## 5 LEGAL IMPLICATIONS

- 5.1 Members are requested to note the contents of this report and the accompanying Part 2 report setting out the process of Direct Award of contract under the urgency procedure to the Disability Syndicate for a two-year contract commencing 17<sup>th</sup> November 2025, at an estimated whole life value of £563,900 (plus VAT). Members are further requested to note the financial implications to the Council of the insolvency of the Direct Payments Support Service provider and are recommended to fund the financial costs from the Council's Financial Planning and Risk earmarked reserve, as set out in the accompanying Part 2 report.
- 5.2 Sections 31 and 32 of the Care Act 2014 establish a statutory duty upon local authorities in England to offer Direct Payments to individuals, including carers, who are eligible for care and support and request to receive their personal budget in this way.
- 5.3 This is a Light Touch services contract which lies above the financial thresholds set out in Schedule 1 of the Procurement Act 2023 (the "Act") and is therefore subject to the appropriate Light Touch provisions in that Act. As is detailed in the Procurement Comments below, any Direct Award must comply with the criteria set out in Part 3, Chapter 3 and Schedule 5 of that Act. The justification for this Direct Award is one of "extreme and unavoidable urgency."
- 5.4 The internal governance process for the Direct Award of this contract was carried out in accordance with the Council's CPRs as confirmed in the Procurement Comments below.
- 5.5 Legal Services have been instructed since the issues with Vibrance appeared in October 2025 and will continue to advise and assist officers where required.

## 6 PROCUREMENT IMPLICATIONS

- 6.1 This report sets out the action taken for Direct Award under the urgency procedures of a contract for the Direct Payment Support Service using the Direct Award procedure. The award of contract is to the Disability Syndicate for a contract with a duration of two years with no option to extend. The estimated annual value is £250k (whole life value of £563,907 including mobilisation costs).
- 6.2 This is a Light Touch contract, and the value of this procurement falls above the thresholds set out in Schedule 1 of the Procurement Act 2023 (PA23 Regulations). Direct Award is subject to the justifications set out in Part 3, Chapter 3 and Schedule 5 of the PA23 Regulations and this award meets those justifications.
- 6.3 Prior to award a Transparency Notice was published on the Find A Tender Service with a Contract Award Notice published subsequently. A Contract Details Notice must subsequently be published on the Find A Tender Service.
- 6.4 The Council's specific requirements for authorising proceeding to procurement and award of contract via Direct Award are covered in Section 5 of the Contract Procedure Rules (CPR) with the need to obtain the Approval of the Portfolio Holder for a contract of this value. Prior to Approval, the Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained.
- 6.5 However, Section 61 of the Procurement Manual allows for Chief Officer Approval of Direct Award due to urgency, subject to Agreement with the Portfolio Holder, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance, with a report on the action taken made to the next suitable relevant PDS Committee. This process was followed and this report sets out the action taken.

6.6 The actions identified in this report are provided for within the CPR and the proposed actions have been completed in compliance with their requirements.

## 7. IT IMPLICATIONS

7.1 The Disability Syndicate shall ensure full compliance with the Data Protection Act 2018 and the UK GDPR regulations in relation to all personal data processed under this arrangement. This includes:

- Implementing appropriate technical and organisational measures to safeguard personal data
- Ensuring data is processed lawfully, fairly, and transparently
- Limiting access to personal data to authorised personnel only
- Cooperating with the Council in fulfilling data subject rights and responding to any data breaches
- Entering into a formal Data Processing Agreement

## 8. TRANSFORMATION/POLICY IMPLICATIONS

8.1 Making Bromley Even Better Priority:

*(1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.*

*(2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.*

*(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.*

## 9. IMPACT ON VULNERABLE ADULTS AND CHILDREN

9.1 Failure to contract and mobilise a working Direct Payment Support Service would mean the following:

- Residents would not be able to access their direct payment monies
- Residents would be unable to access Support from a Personal Assistant (PA)
- Residents would be unable to pay for their Domiciliary care
- Residents would be unable to use their direct payments for Short-term breaks or respite care
- Residents would not be able to use their direct payments to assess Day care services
- Residents would not be able to access Assistance to attend activities
- Residents would not be able to use their direct payment to access Equipment and other services that support individual care requirements

The agreement to Direct Award this contract will mitigate these risks significantly.

## 10. CUSTOMER IMPACT - CONSULTATION AND PUBLIC ENGAGEMENT

10.1 Estimated number of users or customers (current and projected): 500 direct payment users.

# Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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