

APPENDIX A

London Borough of Barking and Dagenham Budget Monitor: Period 4

Table 1.	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
COMMUNITY SOLUTIONS	17,168,748	6,840,150	27,138,926	3,130,028			3,130,028
CORPORATE MANAGEMENT	3,701,290	1,342,250	2,635,762	(2,407,778)			(2,407,778)
INCLUSIVE GROWTH	272,991	1,018,760	1,967,446	675,695			675,695
LAW AND GOVERNANCE	1,548,900	(2,663,360)	(976,214)	138,246			138,246
MY PLACE	9,331,640	7,196,870	18,857,634	2,329,124			2,329,124
PEOPLE AND RESILIENCE	99,794,851	24,343,420	128,920,802	4,782,532	(486,740)		4,295,792
STRATEGY & CULTURE	9,081,130	(5,363,690)	7,676,762	3,959,322	(1,888,012)		2,071,310
TOTAL EXPENDITURE	140,899,550	32,714,400	186,221,119	12,607,169	(2,374,752)		10,232,417
FUNDING	(140,899,550)	(32,714,400)	(174,134,408)	(520,458)			(520,458)
TOTAL NET POSITION	0	0	12,086,711	12,086,711	(2,374,752)	0	9,711,959
DEDICATED SCHOOLS GRANT	(1,698,690)	1,698,690					
HRA	(34,332,066)	34,332,066	0	0	0	0	0

Summary:

The position overall is an overspend – this is a worsening in the position since last month of £0.864m – largely within Care and Support

Key Risks and Opportunities:

- Children’s and Disability.
 - There are large financial pressures in Children's Care and Support arising from additional demand. Increases in the numbers of Children requiring social care intervention is leading to staffing pressures and increases in the cost of care and numbers of children with the most complex needs requiring residential/specialist care is leading to an overspend on placements.
- Community Solutions
 - There are a range of pressures in Community Solutions arising from additional needs/demand and also some income losses
 - Over 80% of savings/income targets are still at risk.
- We are now holding lower central budgets following the write-off of savings and distribution of some contingencies. This should improve the service position but means there is much less of a buffer than in previous years.

Community Solutions: Period 4

Forecast Position: £27.1m (overspend of £3.130m, 11.5% variance)

Table 2.

	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
COMMUNITY SOLUTIONS								
SUPPORT AND COLLECTIONS	1,570,897	4,603,920	7,296,345	1,021,528			1,021,528	
COMMUNITY SOLUTIONS	8,903,837	762,310	6,212,499	969,500			969,500	
COMMUNITY PARTICIPATION AND PREVENTION	6,694,014	1,473,920	13,630,082	1,139,000			1,139,000	80,008
TOTAL NET POSITION	17,168,748	6,840,150	27,138,926	3,130,028	0	0	3,130,028	80,008

Key Drivers of the Position:

The total overspend for the Department is **£4.880m**.

This has been reduced by **(£1.750m)** mitigations.

The reported overspend of **£3.130m** is caused by the following:

- | | |
|--|----------------|
| • Income target for Brocklebank & Foyer have not been removed, the buildings have been decommissioned. | £775k |
| • Pressure of NRPF | £216k |
| • Works & Skills Loss of grant | £281k |
| • Contribution to Innovate system which was unbudgeted | £155k |
| • Pressure of TA (Voids & demand led) | £250k |
| • R&B Contact Centre (pressure of Agency cost) | £500k |
| • CC & Careline (historic budget gap) | £459k |
| • Digitalisation | £180k |
| • Comsol gap (includes £250k income target) | £314k |
| Total Variance | £3.130m |
- **The loss of grant are due to combination of reduced amounts previously confirmed by grant providers , unsuccessful bids and ceased grants**
 - **Agency costs are due to increased demand and dealing with backlog of cases at contact centre**

Mitigation Table (Mitigations are included in the forecast):

In Year Mitigation	Amount	RAG Rating
Coroners court - One Year Lease (from July)	112,500.00	Green
RSI funding SO1 posts	42,000.00	Green
Homelessness growth for 21/22	260,000.00	Green
Homelessness growth for 21/22	280,000.00	Green
Gatefiled Final Payment	53,000.00	Green
new burdens grant for Bus Rate	229,000.00	Green
Social Care funding 2 posts PO2 & Scale 5	96,000.00	Amber
2x Scale 5 - Frontline post	66,000.00	Amber
Invest to Save (from Growth)	100,000.00	Amber
GLA collection grant	250,000.00	Amber
Tranformation or CSR	100,000.00	Red
Brocklebank mitigation credit	58,000.00	Red
Adult college bus rate discount	104,000.00	Red
Total Potential Savings	1,750,500.00	

Community Solutions: Period 4 Risk and Opportunities

Forecast Position: £27.1m (overspend of £3.130m, 11.5% variance)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- The Adult College business rate discount is under review, and the ripple road building may not meet the required criteria to attract the business rate discount. (£104k)
- Although Brocklebank has been decommissioned, there are ancillary costs being charged to the cost centre which may have an aggregate impact on the budget. We are investigating what these costs relates to.
- There are inherit risk associated with expected grants for Works & Skills, as there are possibility of the bids not being approved.
- Contributions towards additional costs associated with Community Banking worth £100k may not materialised.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Additional funding from corporate worth £400k to support the careline budget may reduce the forecasted overspend.
- Possible recharge of £300k to BDMS for additional duties at Contact centre will have a positive impact on the forecast
- Works & Skills have put forward grant bids worth circa £363k, if successful will reduce the overspend forecast
- A £250k gatekeeping buffer has been set-aside for Temporary accommodation due to Voids and demand, if unused will reduce the forecast.

Community Solutions: Support and Collections

Forecast Position: £27.1m (overspend of £3.130m, 11.5% variance)

	FULL BUDGET FY	DEPRECIATION	RECHARGES	Non-Controllable BUDGET FY	Controllable BUDGET FY	Full Year Forecast	Variance
DIRECTOR OF COMMUNITY SOLUTIONS	405,250		276,700	276,700	128,550	878,250	473,000
REVENUE SERVICES	950,580	870,710	422,990	1,293,700	-343,120	947,108	-3,472
WORK & SKILLS	1,298,120	237,060	666,800	903,860	394,260	1,578,620	280,500
TRIAGE SERVICES	2,671,044		174,000	174,000	2,497,044	2,887,044	216,000
CUSTOMER CONTACT	6,994,192	7,630	-467,680	-460,050	7,454,242	8,133,192	1,139,000
SUPPORT SERVICES	1,525,920	2,772,860	537,360	3,310,220	-1,784,300	2,550,920	1,025,000
Total	18,878,483	3,932,870	1,672,940	5,605,810	13,272,673	22,008,511	3,130,028

In this text box: Please outline the pressure drivers, what action is being taken if any, what further risks, or opportunities exist

The overspend are due to 3 main lifecycles:

Support & Collections : £1.021m (Cost of Innovate, NRPF, TA voids and demand)

Works & Skills & Dir of Com: £970k (relates to Comsol historic gap and W&S loss of grants

Participation & Prevention: £1.139m (relates to digitalisation costs and customer contact caseload agency costs & budget gap)

An amount of £775k is earmarked to be funded from Treasury relating to decommissioning of Brocklebank and development of Foyer.

Corporate Management: Period 4

Forecast Position: £2.6m (underspend of £2.4m, 65% variance)

CORPORATE MANAGEMENT	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
STRATEGIC LEADERSHIP	442,560	(746,620)	(303,060)	1,000			1,000	
FINANCE	2,852,430	(537,890)	2,314,540					
IAS	(4,368,610)	11,720	(4,356,890)					
CENTRAL EXPENSES	4,774,910	2,615,040	4,981,172	(2,408,778)			(2,408,778)	220,000
TOTAL NET POSITION	3,701,290	1,342,250	2,635,762	(2,407,778)	0	0	(2,407,778)	220,000

- There is an underspend of £1.4m in Central Expenses. This is a much smaller underspend than in previous years as several provisions have been released into service budgets including the £2m for write off of non achieved savings. This provides much less of a buffer against service overspends.
- The recent one off £50 bonus payment to staff has been funded from this budget
- There is also an underspend of £0.9m against the ELWA levy budget reflecting the latest agreement with the authority.

Mitigation Table

There are no mitigations in this area.

Corporate Management: Period 4 Risk and Opportunities

Forecast Position: £2.6m (underspend of £2.4m, 65% variance)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- A £2m budget provision has been made for the 21/22 pay award ie approx. a 2% uplift. If a higher award is made this will cause a budget pressure (either here or dispersed among services.)
- Debt management improvement savings have reduced the budget available for providing against bad debt. The forecast currently assumes a provision in line with last year may be required which would be an overspend of £1m. If the position worsens then further provision would be required.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Currently the forecast assumes full spend against a number of contingency budgets including the central redundancy pot and insurance. If these are not required then this will contribute further underspends the Council position.
- In addition to the reduced in year ELWA contribution some previous funding has been returned to the member authorities. This is not included in the forecast as plans for its use are being considered.

Inclusive Growth: Period 4

Forecast Position: £1.967m (overspend of £0. 676m, 52% variance)

INCLUSIVE GROWTH	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
COMMERCIAL	(220,819)	(216,700)	(126,096)	311,423			311,423	
INCLUSIVE GROWTH	493,810	1,235,460	2,093,542	364,272			364,272	
TOTAL NET POSITION	272,991	1,018,760	1,967,446	675,695	0	0	675,695	0

Key Drivers of the Position (Summary)

The £676k variance is caused by:

- An income target for Inclusive Growth of £394k which is forecast to under-achieve by £335k. This target was set several years ago on the basis of grant income which is no longer received. The only income received by IG is the CIL admin fee which is minimal.
- A shortfall of £281k on Film Unit income, mitigations need to be worked up in this area.
- £67k unfunded Added Years Compensatory costs

Mitigation Table: There are no mitigations within the forecast. Mitigations are being worked on in relation to the film office.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- The forecast is based on gross income of £344,000 for the Film Unit and is based on known income to date. The level of income is anticipated to increase as the year progresses. However, it's unlikely that the net income target of £244,000 will be met, as the opportunity to generate income has been impacted by the reduction in filming locations.

Law and Governance: Period 4

Forecast Position: (£0.976m) (overspend of £0.138m, 12% variance)

LAW AND GOVERNANCE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
WORKFORCE CHANGE / HR	2,132,460	(1,762,520)	406,540	36,600			36,600
LAW & ASSURANCE	3,804,180	(1,935,890)	1,910,703	42,413			42,413
ENFORCEMENT	(4,639,530)	1,293,500	(3,329,997)	16,033			16,033
LEADERS OFFICE	251,790	(258,450)	36,540	43,200			43,200
TOTAL NET POSITION	1,548,900	(2,663,360)	(976,214)	138,246	0	0	138,246

Key Drivers of the Position (Summary):

Following WFB approval we have recharged the Director of Law and Governance and PA Salaries across LGHR. This will require services to work to contain these costs which altogether come to £244k

Enforcement- There is a small net variance from combined shortfalls in income offset by large staffing underspends from vacancies across the Directorate.

Leaders office: Insufficient historical staff budget 16k , pressure due to new restructure 15k, recharges of Legal services Director 12k

Mitigation Table:

Mitigations are being worked on by the services. It is expected that it will be possible to hold vacancies or make other small savings to offset any pressures.

Law and Governance: Period 4 Risk and Opportunities

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- The Private Sector Property Licensing (PRPL) scheme has a challenging income target across five years and so there is a long term risk that it might not generate sufficient net income to meet the income target of £1.924m. This is not currently assessed as high risk but must be monitored.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Parking Income: There is potential possibility that the Parking income may overachieve by approx. 500k at year end based on current performance. However, the Parking income is volatile and therefore we are not recognising the possible overachievement at this point in the year.
- There are significant staff vacancies currently being recruited to following major reorganisation. The level of underspend may vary depending on the success of the recruitment campaign.
- Barking Market Income: The current income level is influenced by post COVID activities. The monthly income can increase or decrease in future. An extra day was added based on a return to pre COVID levels, this is not being achieved yet and it depends on how COVID impact develops.
- Expenditure on COVID-related activities, eg the COVID response team and test centre security costs may be funded from COMF grant. The forecast assumes that these costs are unfunded.

My Place: Period 4

Forecast Position: £18.858m (overspend of £2.329m, 14.1% variance)

Table 6.

MY PLACE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
MY PLACE	(132,900)	7,784,670	9,230,526	1,578,756			1,578,756	16,584
PUBLIC REALM	9,464,540	(587,800)	9,627,108	750,368			750,368	34,070
TOTAL NET POSITION	9,331,640	7,196,870	18,857,634	2,329,124	0	0	2,329,124	50,654

Key Drivers of the Position (Summary):

- My Place: £1.4m adverse variance due to the recharge of expenditure to the HRA being below budget. The expenditure is being incurred but was identified as non-HRA after the 2021/22 budget was set.
- Public Realm:
 - a. Operations - £1.048m adverse variance related to excess expenditure on transport and people.
 - b. The above line is offset partly by Parks and Environments (£198k) due to excess income recharges for Ground Maintenance and Compliance (£129k) having favourable income forecasts, mainly on pest control.

Mitigation Table: No mitigations currently in place.

My Place: Period 4 Risk and Opportunities

Forecast Position: £18.858m (overspend of £2.329m, 14.1% variance)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- £230k: Commercial Rental Income due fell in 2020/21 by £170k compared to budget. The service lead is reviewing the current leases in time for Period 5. Outturn is online at Period 4 therefore a risk if 2020/21 is a trend.
- £150k: Dispersed Working Saving (Roycraft House) £312k - the original projected timeline of the closure date has slipped. £50k already in Outturn but risk of further slippage. This is a one off risk for 2021/22.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- (£250k) There is an opportunity that forecast Agency expenditure will reduce due to the easing of restrictions. Particularly around the changing requirements on self-isolation if you come into contact with an individual with C-19.
- Unquantifiable – Transport, with investment in new fleet in recent years, it can be expected that some further reduction in transport expenditure should be realisable from less hire, leasing and breakdowns.

People and Resilience: Period 4

Forecast Position: £129m (overspend of £4.3m, 4.3% variance)

Table 7.

PEOPLE AND RESILIENCE	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
DISABILITIES CARE AND SUPPORT	28,904,297	2,376,440	33,015,297	1,734,560			1,734,560	611,560
ADULT'S CARE & SUPPORT	19,463,720	3,076,900	22,540,620					
COMMISSIONING - CARE AND SUPPORT	10,197,314	965,320	11,162,634					(275,000)
PUBLIC HEALTH	(600,000)	63,000	(21,344)	515,656	(486,740)		28,916	(41,084)
CHILDREN'S CARE & SUPPORT	38,253,960	1,216,300	41,805,576	2,335,316			2,335,316	
EDUCATION, YOUTH & CHILDCARE	3,575,560	16,645,460	20,418,020	197,000			197,000	
TOTAL NET POSITION	99,794,851	24,343,420	128,920,802	4,782,532	(486,740)	0	4,295,792	295,477

Key Drivers of the Position (Summary):

- **Children's Care & Support:**
 - Approx. £900k of the £2.3m pressure is due to additional staffing required to manage increased caseloads over the past year due to COVID
 - The remaining pressure is within Corporate Parenting, in particular Residential placement costs which has seen a substantial increase over the past year due to a lack of suitable affordable placements, which has been exasperated because of COVID.
- **Disabilities Service:**
 - CWD LAC Disaggregation – Cohort of 21, increase of 5 placements at an average cost of £4.3kpw, main cause for overspend in this area.
- **Education, Youth & Childcare:**
 - £197k relates to unachievable income budgets due to historical corporate budget adjustments

Mitigation Table

No mitigations in this area currently.

People and Resilience: Period 4 Risk and Opportunities

Forecast Position: £128.5m (overspend of £4.3m, 4% variance)

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- D2A CCG Funding to cease – Nursing placement rates inflated due to COVID Discharges which will be difficult to bring back down to LBBB rates in the short term, this additional cost currently being covered by CCG funding which is due to end in September.
- The outcome of the Norfolk judgement is still a significant risk factor, the cost to the service is currently unknown but it is likely to be very significant if the legal case goes against us.
- Early Help service has yet to be transferred over to Care & Support, however this service is expected to come with significant budget challenges that is likely to worsen the position within PIR.
- Loss of funding such as the BCF in the future is a significant risk for Commissioning as it generally funds annual contract uplifts.
- Anticipated pressure on Minor Equipment and Adaptations budget in the region of £300-500k due to a backlog of requests that have built up over the past 18 months due to covid, some of which is delayed demand, others are delays in completion.
- The Sexual Health service commissioned by Public Health is a demand led service, although there is no data to support a significant increase in demand, if such a scenario was to occur this could cause the service to overspend.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Grant funding of £750k is available for LBBB to bid for. The department is in the process of doing so. The cost of delivering the service would be £500k, this would allow £250k of staff costs to be offset against this project. Decision on award to be in September.
- The use of Care Technology is the biggest opportunity care and support has to exploit, currently going through a tendering process, this is not expected to bring about any cost's reductions/avoidance this financial year, but the hope is that we should see these benefits in the coming years.
- The SEN transport service is currently being reviewed with the expectation that the cost of service can be significantly reduced for the forthcoming academic year. This is due to COVID restrictions being lifted and therefore being able to cut down routes and busses as social distancing arrangements can now be lifted.
- The successful step down on any LAC in a high-cost placement will help reduce overall costs. The service conducts regular panel meetings to assess suitability of the children to be moved into less expensive settings whilst not compromising on the quality of care.

People and Resilience: Children's Financial Risk Deep Dive Full Year Forecast Position: £41.8m (overspend of £2.3m, 6% against Budget)

Service	FULL BUDGET FY	DEPRECIATION RECHARGES	Non-Controllable BUDGET FY	Controllable BUDGET FY	Full Year Forecast	Variance	
YOUTH OFFENDING SERVICE	1,254,930	145,260	145,260	1,109,670	1,135,197	(119,733)	
ASSESSMENTS	3,795,440	196,250	196,250	3,599,190	4,555,475	760,035	
OPERATIONAL DIRECTOR AND CENTRAL SPEND	7,344,500	27,420	27,420	7,317,080	2,368,146	(4,976,354)	
EMERGENCY DUTY	275,000	0	0	275,000	278,000	3,000	
CARE MANAGEMENT	5,639,700	350,820	350,820	5,288,880	5,839,569	199,869	
PLACEMENTS CLIENT COSTS	14,249,210	14,830	14,830	14,234,380	20,733,423	6,484,213	
ASYLUM SEEKERS	219,200	0	0	219,200	286,735	67,535	
PLACEMENTS INTERNAL COSTS	4,118,300	347,030	347,030	3,771,270	3,998,073	(120,227)	
EXPLOITATION & MISSING	450,590	0	0	450,590	487,568	36,978	
SPECIALIST INTERVENTION HUB	2,123,390	134,690	134,690	1,988,700	2,123,390	0	
TOTAL NET POSITION	39,470,260	0	1,216,300	1,216,300	38,253,960	41,805,576	2,335,316

Children's Care and Support received £5.2m in growth funding which has not yet been allocated out to the service areas, which is why the variances across the services are so volatile. Once this piece work is completed the picture of the main areas of pressure will be more clearer visually.

As it stands we can summarise **the overspend position of £2.3m** into to two key areas, staffing and placements.

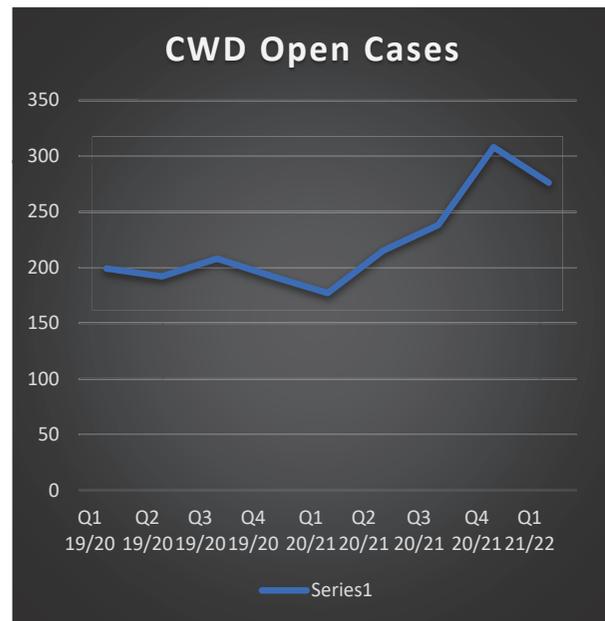
The impact of COVID has significantly impacted the services ability to achieve the efficient levels of staffing as expected from the implementation of the TOM, due to rise in number of cases, staff isolating, shielding and not being able to travel and meet clients thus delaying assessments has meant more staff have been employed and interim staff retained, leading to an **approx. £1.4m more forecasted spend on Staffing in 21/22 than spent in 20/21.**

The second part is placements costs which for a number of reasons have continued to rise, ultimately the impact of COVID has affected the provider market, raising the cost of placements even where numbers have not increased, but the graphs on the next slide also show a significant rise in numbers too even though as a service we have placed more children in internal fostering which is by far our most cost effective placement. Residential, secure and Family Assessment units are our most costly placement types and there has been a steady rise in the numbers placed in these types of care but you can also see a significant rise in the cost of these placements over the last 4 years which is outstripping the work being done to contain and manage the numbers in these areas.

In terms of the overspend position this year, our placement costs have increased by **just over £800k** this year and this can be attributed largely to secure placements which alone are costing the service £763k more this year than last, majority of this can be pinpointed to one extremely expensive placement costing us £10.5k pw thus £546k for the year, this was one area where the lockdown meant virtually a zero cost to the council on secure placements last year.

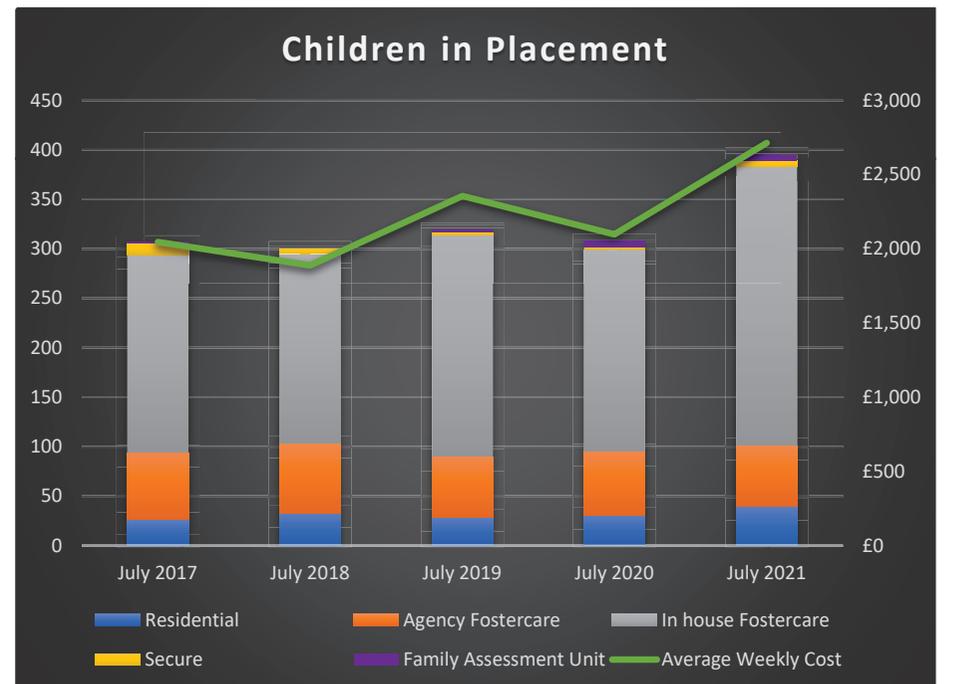
People and Resilience: Children's Financial Risk Deep Dive Full Year - Continued
 Forecast Position: £41.8m (overspend of £2.3m, 6% against Budget)

Placement Type	Number of children in placement					Average Weekly cost					Cheapest Placement					Most expensive placement				
	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
Residential	26	33	29	31	40	£3,606	£3,278	£3,332	£4,466	£4,340	£840	£908	£833	£1,250	£1,090	£5,953	£5,099	£5,203	£7,350	£7,054
Agency Fostercare	68	70	61	64	61	£881	£778	£920	£984	£1,002	£563	£624	£630	£689	£689	£1,400	£1,690	£1,874	£2,600	£1,850
In house Fostercare	200	192	224	204	282	£375	£320	£316	£321	£324	£250	£250	£250	£250	£250	£750	£350	£350	£350	£429
Secure	12	5	3	3	6	£2,115	£1,820	£3,687	£2,737	£3,930	£1,239	£1,337	£1,323	£1,680	£2,247	£5,593	£3,752	£6,755	£4,284	£10,500
Family Assessment Unit	1	0	2	6	6	£3,249	£0	£3,525	£1,976	£3,970	£1,600	£0	£3,450	£1,807	£3,250	£3,298	£0	£3,600	£2,100	£4,410



CIN Numbers

Open Cases	Value
Mar-20	2,349
Mar-21	2,889
Increase	540
Percentage Increase	23%



People and Resilience: Disabilities Financial Risk Deep Dive Full Year

Forecast Position: £33m (overspend of £1.73m, 5.5% against Budget)

Service	FULL BUDGET			Non-Controllable		Full Year	Variance
	FY	DEPRECIATION	RECHARGES	BUDGET FY	BUDGET FY	Forecast	
DISABILITIES CENTRES	1,950,310	32,480	472,650	505,130	1,445,180	1,937,827	(12,483)
DISABILITIES CARE PACKAGES	15,467,360	4,660	234,500	239,160	15,228,200	16,056,773	589,413
DISABILITIES TEAMS	4,883,467		243,950	243,950	4,639,517	2,954,747	(1,928,720)
CHILDRENS CARE PACKAGES	2,605,600			0	2,605,600	2,941,981	336,381
SEND PACKAGES	2,892,200		1,388,200	1,388,200	1,504,000	3,939,940	1,047,740
CWD PLACEMENTS	3,481,800			0	3,481,800	5,184,029	1,702,229
TOTAL NET POSITION	31,280,737	37,140	2,339,300	2,376,440	28,904,297	33,015,297	1,734,560

Disabilities service received £5.1m in growth funding this has been partially distributed to the services with the remainder being held in the Disabilities team service thus the large underspend on this line. As it stands the growth will cover the current pressures across LD and SEND leaving the only significant pressure within CWD which is the new service inherited from Children's care and support this year.

The service pressures were not fully included in the version of the Financial Pressures statement and so began the year with a £900k pressure, this pressure has worsened with the increase of 5 new clients in July at an average cost of £4,300 per week, accounting for a further £800k, added to the original pressure this equates for the £1.7m overspend on this line alone and therefore the overarching reason for the overall overspend for this division.

Strategy and Culture: Period 4

Forecast Position: £7.653m (overspend of £2.057m, 55% variance)

STRATEGY & CULTURE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
CULTURE & RECREATION	(80,850)	1,038,690	3,385,153	2,427,313	(786,006)		1,641,307
CHIEF INFORMATION OFFICER	7,160,730	(5,596,210)	2,050,520	486,000			486,000
STRATEGY & PROGRAMMES	662,740	349,570	2,043,819	1,031,509	(1,102,006)		(70,497)
COMMUNICATIONS	1,338,510	(1,155,740)	197,270	14,500			14,500
TOTAL NET POSITION	9,081,130	(5,363,690)	7,676,762	3,959,322	(1,888,012)	0	2,071,310

Key Drivers of the Position (Summary):

Leisure:

- Loss of Concession Fee income £1,312k due to COVID
- Financial support for COVID to the Leisure provider (Everyone Active) up to £878k

IT :

- Loss of Income from traded entities £313k
- 10% increase in licences due to 250 new users and IT equipment couriering £79k, primarily due to working from home.
- Reduced income from schools due to replacement of VoIP by 8*8 telephony £45k
- There was a 5% vacancy factor applied to the salaries budget on transfer from Elevate. This is not being met.

Mitigation Table:

Leisure: Use of Leisure Recovery Grant from Central Government £514.5k to mitigate Leisure overspend. This grant is certain.

Strategy and Culture: Period 4 Risk and Opportunities

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- There is an income target of £733,000 within Parks Commissioning including £600k for income from soil importation to Central Park. It has been assumed in the forecast that this will be met, but there won't be certainty around either the amount or the timing until the contract is signed in the autumn.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- Income from Digital Advertising is set to increase. There are currently 33 small format advertising units for which the minimum guaranteed rental income is £5000 per unit plus a 35% share of income above the guaranteed sum. New units will be coming on-stream throughout the year and will generate additional income. There will be two large format sites in place before year end which will generate £10k each pa. The budget monitor does not currently include any income surplus over and above the target of £158,000.

HRA: Period 4

Forecast Position: Online

REPORT LEVEL	2021/22 PERIOD 4			
	BUDGET	FORECAST	VARIANCE	CHANGE
	£'000	£'000	£'000	£'000
SUPERVISION & MANAGEMENT	44,514	43,158	(£1,356)	£0
REPAIRS & MAINTENANCE	18,564	18,292	(£272)	£0
RENTS, RATES ETC	423	749	£326	£0
INTEREST PAYABLE	10,742	10,742	£0	£0
DEPRECIATION	16,879	16,879	£0	£0
DISREPAIR PROVISION	0	0	£0	£0
BAD DEBT PROVISION	3,309	3,309	£0	£0
CDC RECHARGE	685	685	£0	£0
TOTAL EXPENDITURE	95,116	93,814	(£1,301)	0
CHARGES FOR SERVICES & FACILITIES	(£20,581)	(£21,379)	(£798)	£0
DWELLING RENTS	(£86,882)	(£86,074)	£808	£0
NON-DWELLING RENTS	(£770)	(£762)	£8	£0
INTEREST & INVESTMENT INCOME	(£50)	(£50)	£0	£0
TOTAL INCOME	(£108,283)	(£108,265)	£17	£0
TRANSFER TO HRA RESERVE	0	£1,284	1,284	£ -
TRANSFER TO MRR	13,167	13,167	0	0
	£0	0	0	0

Key Drivers of the Position (Summary):

- Supervision & Management: (£1.356m)

(£909,000) of underspend on internal recharges which is predominantly due to the My Place Recharge reduction. (£300,000) for costs budget but deemed one off in nature to 2020/21.

- Repairs & Maintenance: (£272,000) - DLO projected underspend of (£413,000) offset by a range of smaller non-specific overspends.
- Rents, Rates & Insurance: £326,000 - the overspend relates to premises insurance expenditure.
- Total Income – Virtually online, however, there is concern that this could worsen, and a risk has been placed on the next slide.

HRA: Period 4 Risk and Opportunities

Forecast Position: online

Risks: (These are risks that are NOT in the forecast that we are monitoring)

- £1.0m - Dwelling rental income levels may well be revised down in the coming months once we consider the impact of RTB forecasts and regeneration decanting impact and also long term voids.
- £100k – Tenant Service Charges Income will also be impacted in relation to voids, RTB and regeneration.

Opportunities: (These are opportunities that are NOT in the forecast that we are monitoring)

- £1.5m - The Bad Debt Provision budget is set at £3.309m and has historically not been fully required at year end. The opportunity value allows for some growth in the overall BDP but should be seen as a maximum figure. A review of the BDP is planned in September in time for Period 6.

In Year Savings: Period 4

2021/22 Savings and Income Targets

Savings

High Risk	931,000	20%
Medium Risk	3,151,147	68%
Low Risk	440,000	9%
Delivered	127,000	3%
Total	4,649,147	100%

Income

High Risk	2,351,000	66%
Medium Risk	625,000	18%
Low Risk	442,027	12%
Delivered	143,000	4%
Total	3,561,027	100%

For the purpose of reporting the savings, additional income, and dividend targets have been separated and RAG rated.

Savings:

High Risk: The contact Centre Restructure identified c£560k of savings which are recorded as high risk. The Foyer has saving of £250k, which is unachievable due to XXXXX. The CHC transition within adults is recorded as high risk due to XXXXXX.

Medium Risk: At 68% this is the biggest segment of savings. £1m of this is the result of Elevate Exit savings being identified as at risk. £600k relating to Central Park landscaping, further information will be available in September. c.£650k of savings from Children's Efficiencies are also recorded as medium risk. The remainder is a timing delay in exiting Roycraft House and HR restructure resulting in the savings being unlikely to be recognised in full.

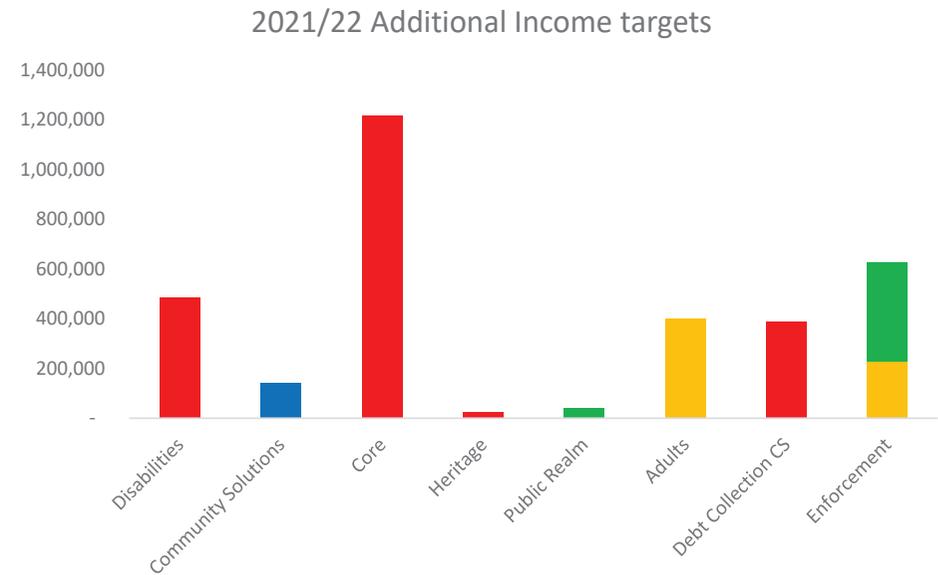
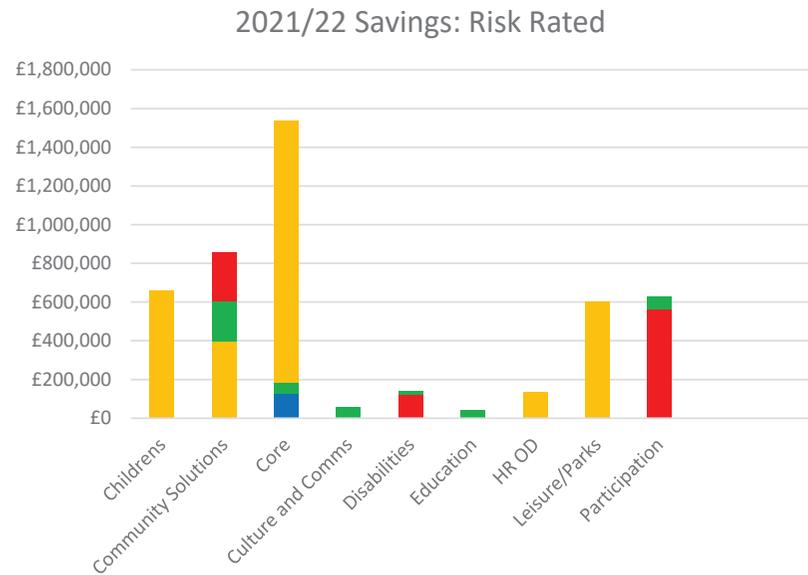
Income:

High Risk: £600k of CTSS, £614k of Central Core debt, £483k of Disabilities improvements, and £388k of improving debt collection income is recorded as high risk. Leisure and Parks Concessionary fee of £91k will not be met and Adults Charging of £151k is recorded as high risk.

Medium Risk: £400k of income generation in Adults social care. £145k in enforcement regulatory service income and £80k of Barking Market extra day income are identified as medium risk.

Dividend: The dividend income remains at high risk.

In Year Savings: Period 4



MTFS Savings/Income Position: 2021/22 to 2024/25

Across the MTFS c£16m in savings needs to be delivered. Most of these proposals are to be delivered in 2021/22, c£13m, meaning that it is crucial that savings are delivered in this year. Of these 63% rated as high risk. C£2.7m is to be made in 2022/23 and c£0.1k is due in 2023/24.