

## **London Borough of Barking and Dagenham Budget Monitor: Period 6**

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## London Borough of Barking and Dagenham Budget Monitor: Period 6

Table 1.	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month	Direction of Travel
COMMUNITY SOLUTIONS	17,800,748	6,840,150	27,024,398	2,383,500			2,383,500	(746,528)	✓
CORPORATE MANAGEMENT	3,336,140	1,342,250	2,064,914	(2,613,476)			(2,613,476)	14,262	^
INCLUSIVE GROWTH	272,991	1,018,760	1,967,446	675,695			675,695		
LAW AND GOVERNANCE	1,341,900	(2,663,360)	(4,366,097)	(3,044,637)		2,900,000	(144,637)	(197,645)	✓
MY PLACE	9,331,640	7,196,870	18,238,045	1,709,535	(50,000)		1,659,535	(923,304)	✓
PEOPLE AND RESILIENCE	99,835,601	24,343,420	130,215,482	6,036,461	(328,740)		5,707,721	563,464	^
STRATEGY & CULTURE	8,978,030	(5,361,190)	8,364,556	4,747,716	(1,707,909)		3,039,807	968,497	^
<b>TOTAL EXPENDITURE</b>	<b>140,897,050</b>	<b>32,716,900</b>	<b>183,508,744</b>	<b>9,894,794</b>	<b>(2,086,649)</b>		<b>10,708,145</b>	<b>(321,254)</b>	✓

Summary: £10.7m Overspend , 6% of Budget  
This is an improvement from last period of c£320k

### 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. Adult's is increasingly unable to produce an underspend to mitigate the overspends in Care and Support due to rising Mental Health costs.
- Community Solutions - There are a range of pressures in Community Solutions arising from additional demand and the loss of grant. There are still several opportunities in this area that are being pursued to bring the overspend down.
- There has been a big movement in Strategy and Culture who are 84% over budget. This is driven largely because it has been assumed up until now that the soil importation income target would be met. This has now been removed. Heritage income remains a risk in this area.
- Over 50% of savings/income targets are still at risk. This is a positive movement of 30% from last period.
- We are now holding fewer 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 6

Forecast Position: £27m (overspend of £2.384m, 8.8% 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
<b>COMMUNITY SOLUTIONS</b>								
SUPPORT AND COLLECTIONS	1,802,897	4,603,920	7,431,817	1,025,000			1,025,000	3,472
COMMUNITY SOLUTIONS	9,303,837	762,310	11,208,647	1,142,500			1,142,500	(750,000)
COMMUNITY PARTICIPATION AND PREVENTION	6,694,014	1,473,920	8,383,934	216,000			216,000	
<b>TOTAL NET POSITION</b>	<b>17,800,748</b>	<b>6,840,150</b>	<b>27,024,398</b>	<b>2,383,500</b>	<b>0</b>	<b>0</b>	<b>2,383,500</b>	<b>(746,528)</b>

### Key Drivers of the Position:

The total overspend for the Department is **£4.4m**.

This has been reduced by (£2m) mitigations.

The reported overspend of **£2.384m** is caused by the following:

This excludes COVID related costs charged to COMF.

- Income target for Brocklebank & Foyer have not been removed, the buildings have been decommissioned. £775k
- Works & Skills Loss of grant £400k
- Comsol gap (includes £250k income target) £318k
- Pressure of TA (Voids & demand led) £250k
- Pressure of NRPF £216k
- Digitalisation £180k
- Contribution to Innovate system which was unbudgeted £155k
- CC & Careline (historic budget gap) £59k
- R&B Contact Centre (pressure of Agency cost after mitigations) £31k

**Total Variance £2.384m**

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	Green
RSI funding SO1 posts	42,000	Green
Homelessness growth for 21/22	260,000	Green
Homelessness growth for 21/22	280,000	Green
Gatefiled Final Payment	53,000	Green
new burdens grant for Bus Rate	229,000	Green
Social Care funding 2 posts PO2 & Scale 5	96,000	Amber
2x Scale 5 - Frontline post	66,000	Amber
Invest to Save (from Growth)	100,000	Amber
GLA collection grant	250,000	Amber
Concessionary Fares	350,000	Amber
Brocklebank Rent	58,000	Red
Transformation or CSR	100,000	Red
<b>Total Potential Savings</b>	<b>1,996,500</b>	

## Community Solutions: Period 6 Risk and Opportunities

Forecast Position: £27m (overspend of £2.384m, 8.8% variance)

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

- 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 inherent 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 materialise.
- We are not able to identify Impacts which may arise from the Afghanistan Support Scheme. However, we do expect financial implications to arise.
- It is assumed COVID-19 related costs c£1m will be funded from COMF and other COVID Grants.
- The Ethical Collection Service Fee Income may be impacted due to delay in Parking data.

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

- 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 **£245k**, 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.
- An amount of **£775k** is earmarked to be funded from Treasury relating to decommissioning of Brocklebank and development of Foyer.

FP7

FP8

## Community Solutions: Period 6

Forecast Position: £27m (overspend of £2.384m, 8.8% variance)

		Controllable	Non-	Full Year		Transfer	Transfer to	Variance inc.
		BUDGET FY	BUDGET FY	Forecast	Variance	(from) reserve	reserve	Reserves
<b>COMMUNITY SOLUTIONS</b>								
SUPPORT AND COLLECTIONS	Support Services	1,802,897	4,603,920	7,431,817	1,025,000			1,025,000
COMMUNITY SOLUTIONS	DIRECTOR OF COMMUNITY SOLUTIONS	128,550	276,700	878,250	473,000			473,000
	WORKS & SKILLS	394,260	903,860	1,698,120	400,000			400,000
	CUSTOMER CONTACT	7,854,242	(460,050)	7,663,692	269,500			269,500
COMMUNITY PARTICIPATION AND PREVENTION	TRIAGE SERVICES	2,497,044	174,000	2,887,044	216,000			216,000
<b>TOTAL NET POSITION</b>		<b>12,676,993</b>	<b>5,498,430</b>	<b>20,558,923</b>	<b>2,383,500</b>	<b>0</b>	<b>0</b>	<b>2,383,500</b>

### The overspend is due to 3 main lifecycles:

**Support & Collections:** £1.025m (Decommissioning of Brocklebank £525k, development of Foyer £250k, TA voids and demand £250k)

**Community Solutions:** £1.143m (relates to Comsol historic gap £318k, cost of Innovate (one-off) £155k, W&S loss of grants £400k, digitalisation costs for Intranet re-design and strategy £180k and customer contact caseload agency costs (one-off) £31k & historic budget gap £59k). The Contact Centre is working on automation and efficiencies currently with a view to realise cost reductions by mid October 2022. This should bring the service back in line within budget.

**Community Participation & Prevention:** £216k (NRPF is a statutory function which has seen a 65% increase in demand compared to 2020/21)

FP9  
AN2

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

## Slide 6

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**FP7**      [@Alom Nurul] Can we give a bit more info on what is driving this cost pressure? In terms of what is within ComSol's control we know that the customer contact centre is a big driver can we provided more detail around that and what is being done to bring this down? Digitalisation again - what is really driving this and do we want to bring it down or have we accepted this pressure?

Farrell Philippa, 14/09/21

**FP8**      [@Alom Nurul] NRFP - Can we provide some numbers and comparrrison points on this. We know that the numbers have shot up from previous years let talk about that, lets also talk about what we think is driving this and whether this is likely to be a blip or the creation of a new normal.

Farrell Philippa, 14/09/21

**FP9**      [@Alom Nurul] Can we put in numbers against this: Agency is costing x and likley to be in place until DATE, the historical pressure is Y and this cannot be addressed without structural change (FOR EXAMPLE)

Farrell Philippa, 15/09/21

**AN2**      The agency/fixed term costs will continue into 2022/23 possibly to the end of Q2

Alom Nurul, 16/09/21

## Corporate Management: Period 6

Forecast Position: £2.9m (underspend of £2.4m, 66% variance)

Table 3.

CORPORATE MANAGEMENT	Controllable BUDG	Non-Controllable BUD	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
	ET FY	GET FY					
STRATEGIC LEADERSHIP	442,560	(746,620)	(191,167)	112,893			1,000
FINANCE	2,852,430	(537,890)	1,996,909	(317,631)			
IAS	(4,368,610)	11,720	(4,356,890)				
CENTRAL EXPENSES	5,041,760	2,615,040	5,248,022	(2,408,778)			(2,408,778)
<b>TOTAL NET POSITION</b>	<b>3,968,140</b>	<b>1,342,250</b>	<b>2,902,612</b>	<b>(2,407,778)</b>	<b>0</b>	<b>0</b>	<b>(2,407,778)</b>

- 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

NONE required in this area

## Corporate Management: Period 6 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 i.e., 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 underspend to 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.



## Inclusive Growth: Period 6

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

Table 4.

INCLUSIVE GROWTH	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
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
<b>TOTAL NET POSITION</b>	<b>272,991</b>	<b>1,018,760</b>	<b>1,967,446</b>	<b>675,695</b>	<b>0</b>	<b>0</b>	<b>675,695</b>

### 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. The target is unachievable given the reduction in filming locations.
- £67k unfunded Added Years Compensatory costs

**Mitigation Table:** There are no mitigations within the forecast.

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, and the income target is unachievable.

## Law and Governance: Period 6

Forecast Position: Net income of £4.366m; underspend of £145k; 11% favourable variance)

Table 5.

LAW AND GOVERNANCE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
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	(4,846,530)	1,293,500	(6,719,880)	(3,166,850)		2,900,000	(266,850)	(197,645)
LEADERS OFFICE	251,790	(258,450)	36,540	43,200			43,200	
<b>TOTAL NET POSITION</b>	<b>1,341,900</b>	<b>(2,663,360)</b>	<b>(4,366,097)</b>	<b>(3,044,637)</b>	<b>0</b>	<b>2,900,000</b>	<b>(144,637)</b>	<b>(197,645)</b>

### Key Drivers of the Position (Summary):

Following WFB approval the Director of Law and Governance and PA salary costs have been recharged across LGHR. This will require services to work to contain these costs (£244k).

Enforcement-Parking income is forecast to over-achieve by £2.9m. PCN income over the first quarter has been strong, averaging £886k per month. It is anticipated that income will dip towards the end of the calendar year when some cameras will be out of use, but overall annual income including permits is forecast to be £14m. The excess may be taken to the Parking reserve at year end if other appropriate uses cannot be identified.

The forecast has improved following the application of grant income to some Covid activity.

### 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 6 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.
- Parking income is volatile and depends on driver behaviour and compliance. There is a risk that the income forecast will not be met. Performance will be closely monitored, and the forecast will be updated over the course of the year based on actuals.

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

- 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.

## My Place: Period 6

Forecast Position: £18.238m (overspend of £1.660m, 9.1% 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	(396,200)	7,784,670	8,620,994	1,232,524	(50,000)		1,182,524	(435,896)
PUBLIC REALM	9,727,840	(587,800)	9,617,050	477,010			477,010	(487,408)
<b>TOTAL NET POSITION</b>	<b>9,331,640</b>	<b>7,196,870</b>	<b>18,238,045</b>	<b>1,709,535</b>	<b>(50,000)</b>	<b>0</b>	<b>1,659,535</b>	<b>(923,304)</b>

### Key Drivers of the Position (Summary):

- The Directorate has seen a £923k reduction in forecast overspend due to increased income recovery forecasts whilst also reducing forecast spend on Corporate R&M, Highways and staffing including holding vacancies for this financial year to mitigate pressure.
- My Place: £1.183m adverse variance due mainly 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 - £1.0m adverse variance related to excess expenditure on transport (£868k) and agency staff (£226k).
  - b. The above line is offset partly by Parks and Environments (£400k) due to above budget income recharges for Ground Maintenance and Arboriculture, Compliance (£185k) having favourable income forecasts, mainly on pest control.

**Mitigation Table:** Only minor mitigations currently in place around holding vacancies where possible for this financial year.

The underlying cause of the HRA recharge budget issue is being investigated to help determine where the service goes from there.

## My Place: Period 6 Risk and Opportunities

Forecast Position: £18.238m (overspend of £1.660m, 9.1% variance)

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

- £130k: Commercial Rental Income due fell in 2020/21 by £170k compared to budget. The service lead is reviewing the current leases. Outturn has deteriorated slightly at Period 6 therefore a risk if 2020/21 is a trend.
- £130k: Dispersed Working Saving (Roycraft House) £312k - the original projected timeline of the closure date has slipped. £70k already in Outturn but risk of further slippage if indicated milestones (e.g. start date of new lease arrangement are delayed). This is a one off risk for 2021/22.
- Unquantifiable Risks:
  1. Energy Budget uncertainty not only due to global market but also the delays in actuals coming through and new contract prices engaging from October.
  2. BDMS Corporate Repairs and Maintenance costs have yet to be provided by our partner company for 2021/22. This generates both a possible risk that they could be higher than forecast or conversely, an opportunity if reactive works are limited.
  3. Arboriculture planned works relies on one FTE, therefore it is a recognised point of failure. This could impact forecast income recharges in Parks & Environments.

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

- (£100k) 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. Some of this opportunity has been realised in Period 6 hence the reduction in the value remaining.
- 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. This has started to show in the forecast.

## People and Resilience: Period 6

Forecast Position: £130m (overspend of £6.0m, 4.6% variance)

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	33,929,499	2,648,762			2,648,762	327,932
ADULT'S CARE & SUPPORT	19,493,720	3,076,900	22,570,620					
COMMISSIONING - CARE AND SUPPORT	10,342,314	965,320	11,826,673	519,039			519,039	
PUBLIC HEALTH	(559,250)	63,000	88,310	584,560	(328,740)		255,820	226,904
CHILDREN'S CARE & SUPPORT	38,078,960	1,216,300	41,382,360	2,087,100			2,087,100	
EDUCATION, YOUTH & CHILDCARE	3,575,560	16,645,460	20,418,020	197,000			197,000	
<b>TOTAL NET POSITION</b>	<b>99,835,601</b>	<b>24,343,420</b>	<b>130,215,482</b>	<b>6,036,461</b>	<b>(328,740)</b>	<b>0</b>	<b>5,707,721</b>	<b>554,836</b>

### Key Drivers of the Position (Summary):

- **Disabilities Service:**
  - CWD LAC Disaggregation –is responsible for the majority of the pressure this is due to a total of 7 new clients since April at an average cost of £4k per week.
  - There is also one off pressure of £300k in the minor Equipment & Adaptations budget due to a backlog of works built up over the pandemic.
  - Home to school transport continues to carry an overspend due to the increasing demand for transport and the complexities of our children.
- **Commissioning Care and Support**
  - Early Help Service has transferred over to Commissioning this month, bringing with it a pressure of £450k, this is due to a shortage of staff which need immediate short-term coverage.
- **Public Health**
  - £256k overspend within PH solely on the Coroners and Mortuary service. This is our share of the overall service overspend which is demand led and is a shared service utilised by us and 4 other neighbouring boroughs.
- **Children's Care & Support:**
  - Approx. £900k of the £2.0m 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.
- **Education, Youth & Childcare:**
  - £197k relates to unachievable income budgets due to historical corporate budget adjustments

In Year Mitigation	Amount	RAG Rating
<b>CCS: Commissioning Led cost reduction initiatives 21/22</b>		
Joint CCG Funding agreed over and above current budget	£226,000	
Care leaver transitions into supported accommodation and stepping down of 2	£278,000	
Retrospective residential price reductions	£82,000	
<b>CCS: Operational Led cost reduction initiatives 21/22</b>		
Reduction of venue hire, subsistence, mobile phone and staff expenses	£110,200	
DIS: COMF Grant	£276,400	
<b>Potential Total Savings</b>	<b>£972,600</b>	

## People and Resilience: Period 6 Risk and Opportunities

Forecast Position: £130m (overspend of £6.2m, 5% 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 TOM has yet to be finalised, it is expected that the cost of the service will significantly rise once this is complete as the service is currently significantly understaffed.
- Loss of funding such as the BCF in the future is a significant risk for Commissioning as it generally funds annual contract uplifts.
- 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)**

- 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 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: Disabilities Financial Risk Deep Dive Full Year

Forecast Position: **£31.280m** (overspend of **£2.649m**, **8.5%** against Budget)

DISABILITIES CARE & SUPPORT	FULL BUDGET FY	DEPRECIATION	RECHARGES	Non-Controllable BUDGET FY	Controllable BUDGET FY	Full Year Forecast	Variance	Movement from last month
DISABILITIES CENTRES	1,950,310	32,480	472,650	505,130	1,445,180	1,901,002	(49,308)	(87,014)
DISABILITIES CARE PACKAGES	15,467,360	4,660	234,500	239,160	15,228,200	16,711,536	1,244,176	354,764
DISABILITIES TEAMS	4,883,467		243,950	243,950	4,639,517	2,954,747	(1,928,720)	0
CHILDRENS CARE PACKAGES	2,605,600			0	2,605,600	2,941,981	336,381	0
SEND PACKAGES	2,892,200		1,388,200	1,388,200	1,504,000	3,745,148	852,948	0
CWD PLACEMENTS	3,481,800			0	3,481,800	5,675,085	2,193,285	60,182
<b>TOTAL NET POSITION</b>	<b>31,280,737</b>	<b>37,140</b>	<b>2,339,300</b>	<b>2,376,440</b>	<b>28,904,297</b>	<b>33,929,499</b>	<b>2,648,762</b>	<b>327,932</b>

The Disabilities service is showing a net **£2.649m** pressure at P6 which is a **£328k** increase from last month.

This position can be attributable to budget pressures around packages of support for Adults and Children with Learning Disabilities;

- The pressure on Adult packages is made up of £1.0m budget pressure on the various support packages for adults and £240k one-off pressure on the equipment and adaptations budget due to a backlog caused by the pandemic last year now coming through. There are 54 more packages of care in place in September as there were at the start of this financial year.
- The budget shortfall on the Children with Disabilities budget is a total of £3.385m. The breakdown of this is as follows:
  - £2.193m – Looked after children with disabilities placed in residential homes and specialist agency foster care provisions.
  - £853k – Home to School transport provision pressure due to increased demand and an increase of routes to cater for number of children requiring the service.
  - £336k – cost of support packages for non-LAC. This covers day care provisions and respite packages
  - The overspends above is being mitigated by £1.7m of the 2021/22 growth fund yet to be aligned to the appropriate budgets.
- There has been an increase of £328k to the projected overspend from P5, the reasons for this are as follows;
  - £193k - Increase in the number of clients being awarded Direct payments and revision of forecast based on current trend.
  - £135k – Increase in the cost of supported living packages, an increase in one client from previous month.



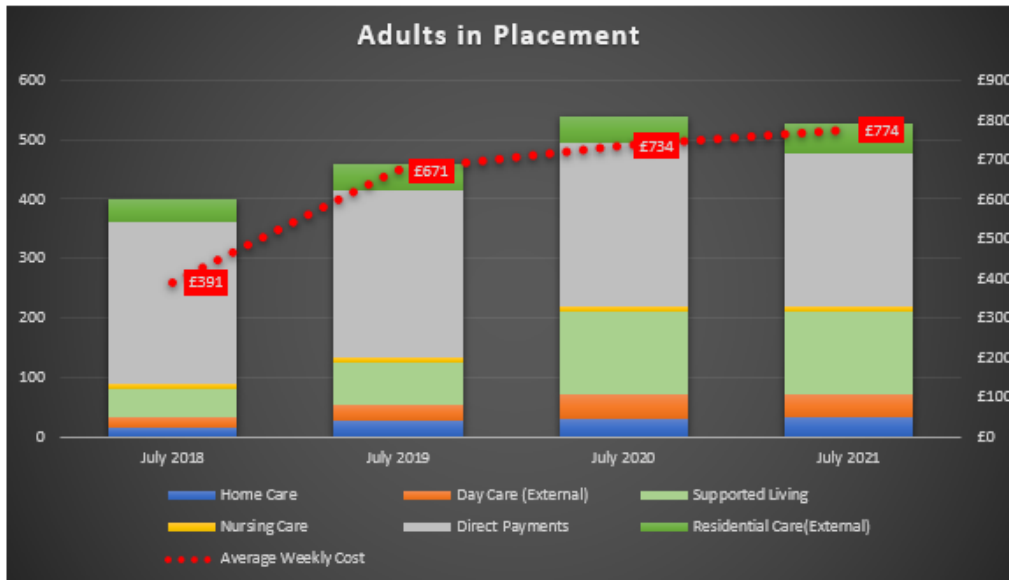
## People and Resilience: Disabilities Financial Risk Deep Dive Full Year

Forecast Position: **£31.280m** (overspend of **£2.649m**, **8.5%** against Budget)

Children's Care & Support : Placement Numbers and Weekly Costs

Placement Type	Number of Adults in placement				Average Weekly cost				Cheapest Placement				Most expensive placement			
	Jul-18	Jul-19	Jul-20	Jul-21	Jul-18	Jul-19	Jul-20	Jul-21	Jul-18	Jul-19	Jul-20	Jul-21	Jul-18	Jul-19	Jul-20	Jul-21
Home Care	16	27	31	34	£182	£256	£245	£392	£29	£29	£33	£33	£525	£2,147	£1,190	£5,544
Day Care (External)	16	25	39	36	£165	£215	£228	£209	£40	£14	£35	£69	£884	£1,118	£1,095	£1,095
Supported Living	49	74	141	141	£767	£935	£971	£965	£15	£15	£44	£61	£1,862	£5,000	£5,078	£5,078
Nursing Care	8	7	9	7	£918	£810	£1,057	£1,057	£508	£504	£616	£616	£1,302	£1,496	£1,600	£1,600
Direct Payments	272	282	276	258	£311	£307	£294	£372	£15	£15	£15	£15	£2,352	£2,352	£2,352	£2,352
Residential Care(External)	39	44	43	50	£1,281	£1,504	£1,610	£1,651	£416	£638	£663	£663	£3,558	£5,110	£5,110	£5,110

\*Please note that the numbers reported here were as at the end of July of each year and may not be the highest figure in that year.



The data on this slide support the narrative of rising numbers and cases which driving up the cost of social care provision in LBBD.

The table above shows year on year weekly package costs which on average have risen by approx. 34% since 2018, Homecare in isolation costs us nearly double that of what it used to cost in 2018.

Residential is one of our most costly placement types with there being consistently year on year clients costing us in excess of £5k per week. Homecare is generally one of the cheaper forms of care but we currently have one client on 24/7 care costing us over £5k per week, this goes to show that complexity of cases play a significant factor on care costs and part of the reason for rising care costs over the years.

The graph adjacent shows the change in number of service users and you can see a steady rise, key point to note is the sharp rise in Residential and Supported living which are our more expensive placement type.

Controc was implemented in June 2018 so the data shown here is not the full year picture

## Strategy and Culture: Period 6

Forecast Position: £8.4m net expenditure; overspend £3m; 84% adverse variance

Table 8.

STRATEGY & CULTURE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
CULTURE & RECREATION	(83,350)	1,041,190	4,051,333	3,093,493	(605,903)		2,487,590	846,283
CHIEF INFORMATION OFFICER	7,160,730	(5,596,210)	2,050,520	486,000			486,000	
STRATEGY & PROGRAMMES	562,140	349,570	2,069,576	1,157,866	(1,102,006)		55,860	126,357
COMMUNICATIONS	1,338,510	(1,155,740)	193,127	10,357			10,357	(4,143)
<b>TOTAL NET POSITION</b>	<b>8,978,030</b>	<b>(5,361,190)</b>	<b>8,364,556</b>	<b>4,747,716</b>	<b>(1,707,909)</b>	<b>0</b>	<b>3,039,807</b>	<b>968,497</b>

### Culture and Recreation:

Leisure overspend of £2.1m due to loss of concession income of £1.312k and the provision of a support package to Everyone Active of up to £878k, offset by Leisure Recovery grant of £515k.

Parks overspend of £750k mainly due to slippage in income from soil importation scheme.

Heritage overspend of £163k due to income under-recovery and overspend on NNDR. As Eastbury Manor remains closed the income target should still be considered to be at risk.

The movement from Month 6 is largely because it has been assumed up until now that the soil importation income target would be met.

### Chief Information Officer:

Loss of Income from traded entities £313k. 10% increase in licences due to 250 new users.

IT equipment couriering £79k.

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 which is not being met.

## Strategy and Culture: Period 6 Risk and Opportunities

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

- Heritage income remains a risk. The exposure should be limited to £300k.

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

- The NNDR bills for Eastbury Manor and Valence House have been appealed and, if successful, may result in a refund of up to £200k.
- There may be some soil importation income in 2021/22, as works have commenced.
- 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 income target of £158k.

## HRA: Period 6

Forecast Position: £282k Underspend

PERIOD 5		2021/22 PERIOD 6			
VARIANCE	REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
		£'000	£'000	£'000	£'000
(£1,916)	SUPERVISION & MANAGEMENT	44,514	42,316	(£2,198)	(£282)
(£331)	REPAIRS & MAINTENANCE	18,564	18,233	(£331)	£0
£329	RENTS, RATES ETC	423	752	£329	£0
£0	INTEREST PAYABLE	10,742	10,742	£0	£0
£0	DEPRECIATION	16,879	16,879	£0	£0
£0	DISREPAIR PROVISION	0	0	£0	£0
(£527)	BAD DEBT PROVISION	3,309	2,782	(£527)	£0
£0	CDC RECHARGE	685	685	£0	£0
(£2,445)	<b>TOTAL EXPENDITURE</b>	<b>95,116</b>	<b>92,388</b>	<b>(£2,727)</b>	<b>(£282)</b>
(£680)	CHARGES FOR SERVICES & FACILITIES	(£20,581)	(£21,261)	(£680)	£0
£1,823	DWELLING RENTS	(£86,882)	(£85,059)	£1,823	£0
£18	NON-DWELLING RENTS	(£770)	(£752)	£18	£0
£0	INTEREST & INVESTMENT INCOME	(£50)	(£50)	£0	£0
£1,161	<b>TOTAL INCOME</b>	<b>(£108,283)</b>	<b>(£107,122)</b>	<b>£1,161</b>	<b>£0</b>
£1,284	TRANSFER TO HRA RESERVE	£ -	£1,284	£1,284	£ -
0	TRANSFER TO MRR	13,167	13,167	£ -	£ -
0		£0	(£282)	(£282)	(£282)

### Key Drivers of the Position (Summary):

Despite the movement to an underspend, there are **key** risks to the position.

- Supervision & Management: **(£2.198m)**

(£1.714m) of underspend on internal recharges which is predominantly due to the My Place Recharge reduction compared to budget for BD Cleaning. An investigation is ongoing. (£300,000) on utilities, (£100,000) on security of premises budget not required this year and (£44,000) on Service Improvement Budget.

The **movement** from Period 5 of (£282,000) was down to a further forecast reduction in the My Place HRA Recharge.

- Bad Debt Provision: **(£527,000)**

The budget has been prudently set at £3.309m for several years and has always been required at some level each year to bolster the existing provision. Last year the additional provision rose by 50%. However, it is not normally the case that the whole budget is required.

The movement this month is equal to the variance and relates to revising the estimate downwards. Before the next period, a review of the current BDP estimate will be carried out.

- Dwelling Rents/Service Charges: **£2.4m**

£1.5m relates to void rates higher than both budget and last years Outturn. £401k Street Purchases which is in part also linked to void rates. £601k on service charges, adjusted for the Leaseholder Reserve movement £1.284m, where water and sewerage recovery is lower than budgeted in part due to RTB sales and excess voids.

## HRA: Period 6 Risk and Opportunities

Forecast Position: £282k Underspend

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

- **£0.5m:** Service Charges are raised based on an estimate, then actualised six months after the financial year. For 3 years, the process has concluded actualisation as lower than the estimate. This is down to issues in budget estimates but also being unable to identify costs at block level in certain areas (R&M).
- Unquantified: Energy Budget uncertainty not only due to global market but also the delays in actuals coming through and new contract prices engaging from October.
- An audit of compliance checks (gas, electricity, fire safety etc) is currently under way. Should this identify any areas of weakness or non compliance this will require immediate remedy.

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

- **£1.0m:** 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. The current outturn reflects a forecast £527,000 underutilisation.
- Unquantified: Should the Capital Programme forecast for HRA Stock Investment fall by more than £3m, this will create an underspend on the HRA Forecast as less in year funds will be required. It may also reduce interest payable charges slightly due to reduced borrowing requirement. In addition, some schemes in the Programme attract Leaseholder funding which would be used instead of HRA funding where appropriate consultation was undertaken.

## In Year Savings: Period 6

### Savings

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

### Income

Delivered	£143,000	2%
High Risk	£2,351,000	27%
Low Risk	£5,570,400	64%
Medium Risk	£625,000	7%
<b>Total</b>	<b>£8,689,400</b>	<b>100%</b>

For the purposes of reporting savings and income have been split out. Dividend income is now recorded in additional income.

Savings: 88% of savings are high to medium risk currently. In some instances where savings are not being achieved alternatives are being delivered in year as mitigations. Community solutions is a good example of this.

High Risk: The contact centre restructure savings remain high risk. Currently there are staff pressures in this area driven by demand. The Foyer is also not making the £250k saving identified. In addition, the CHC transition money within Disabilities is recorded as high risk. This needs to be reviewed in depth and is likely to be down graded going future. Finance is awaiting a presentation.

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.. c.£650k of savings from Children's Efficiencies are also recorded as medium risk the area is delivering significant mitigation but is overspent against budget. Community Solutions restructure saving is not being made, but in year mitigations are delivering against this savings target. The remainder is a timing delay in exiting Roycraft House, £300k and HR restructure resulting in the savings being unlikely to be recognised in full.

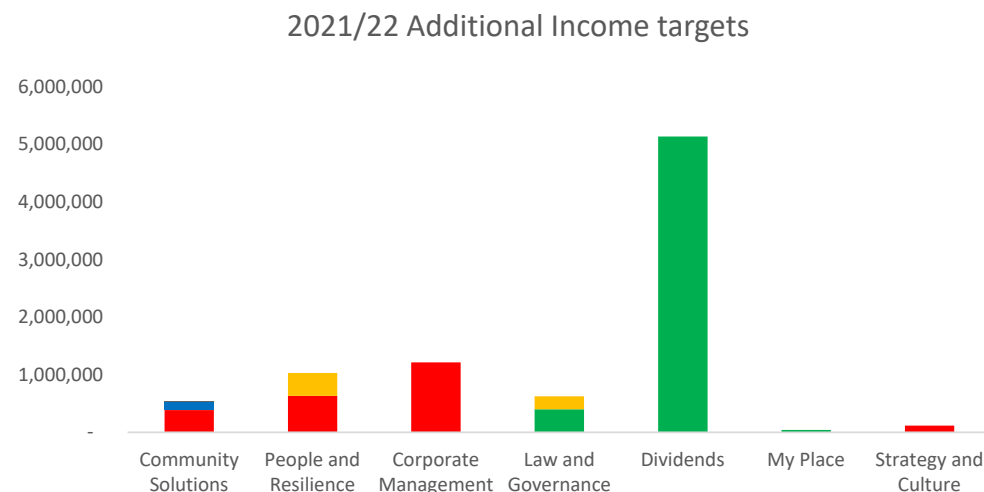
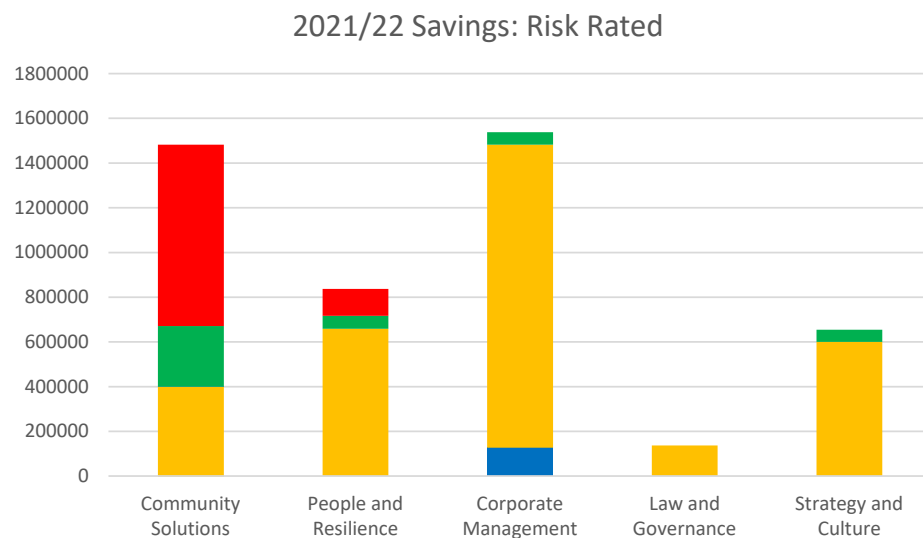
Income:

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. It should be noted that the Community Solutions improving debt collection is to be reviewed with a view to altering this rating. £600k relating to Central Park landscaping is now not expected to be received in this financial year.

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.

The biggest movement in the income arena is dividends which are now low risk due to the expectation of Be First paying a £6m dividend.

## In Year Savings: Period 6



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

Across the MTFS c£16m in savings and income needs to be delivered. 75% 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 47% rated as high risk. C£2.7m is to be made in 2022/23 and c£0.1k is due in 2023/24. Across the MTFS 57% is high risk.

The savings to be made in 2022/23 are primarily made up of £1.1m from the children's efficient TOM. This is currently high risk and a further £1.1m from Brocklebank within Adults, which is also high risk. £0.2m from CHC transitions in Disabilities which is also recorded as high risk.

## COMF: Period 6

Forecast Position: £ 3.4m , Underspend of £1.1m

	Total Budget	Forecasted Spend Full Year	Variance
COMF	£4,449,850	£3,363,395	(£1,086,455)

Government provided Community Outbreak Management Funding for 2020/21 and 2021/22. LBBB did not spend all of it's COMF in 2020/21 and therefore carried forward £1.3m which was added to the £1.9m awarded in 2021/22. The total available funding is therefore £3.2m.

Government have also rolled the Test and Trace grant into COMF. LBBB carried forward £1.3m of Test and Trace grant that is available to be used for all COMF activities. This accounts for the £1.1m underspend currently reported.

To date we have spent £1.0m, with c£300k on vaccination support, c£300k on SEND travel, c£200k on one off equipment purchase, enhanced cleaning and comms and security for TA. The remaining amounts are focused on enforcement and Public Realm.

LBBB is forecasting to spend £3.4m, the biggest driver in the forecast is £500k on enhanced cleaning, c£500k on Homelessness and TA with the need to hold voids for self-isolation, additional enforcement actions and cleaning. There is the real possibility as numbers rise that further funding will need to be utilised and there is an underspend against the carry forward Test and Trace grant of £1.1m



## Companies Position: Period 6

Dividend income remains high risk.

The Medium-Term Financial Plan outlined a target of £12.4 from Company Dividends. Included in the £12.4m are income targets of £4.3m for Be First and £0.9m for BDTP which were included in the savings and income target programme representing the incremental increases from the previous year.

At present we are forecasting the following for each company:

- BDTP – no dividend is forecast for this financial year and over the next two years of the MTFP
- Be First – we are forecasting a £6m dividend payment for this year, post tax, this is the dividend for 2019/20 and 2020/21. The balance of the £10.2m return will be made up of commercial income and New Homes Bonus from current year activity.
- Reside – There will be a marginal dividend, this will not offset the pressures and we will not be certain on the position until closer to year end
- BD Energy – no income is forecasted in this financial year

As of March 2021, included within the MTFP is income from dividends and investment activity from subsidiary companies. The income targets currently in the MTFP are shown in the table below:

£million	2020-21	2021-22	2022-23	2023-24	2024-25
Be First	4.733	10.390	10.895	10.707	10.707
BDTP	1.225	2.100	2.100	2.100	2.100
<b>TOTAL INCOME TARGET</b>	<b>5.958</b>	<b>12.490</b>	<b>12.995</b>	<b>12.807</b>	<b>12.807</b>