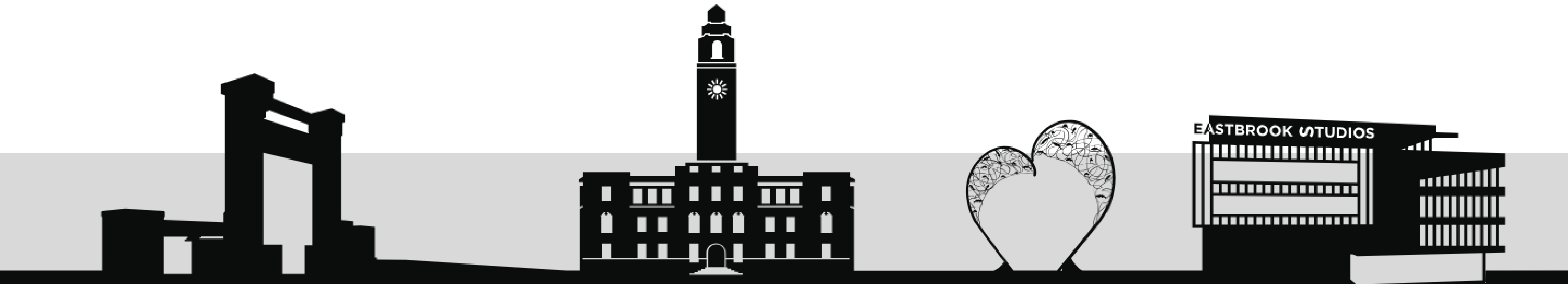


# Finance Budget Monitoring – General Fund

# APPENDIX A

2023/24

P8 (November 2023)



## Period 8: Overspend of £10.5m, a positive movement of £1.06m from previous period

	Outturn 2022/23	This Years Budget	Actuals/Forecast		Reserves	Variances Inc Reserves		Movement from Last Period	
		Revised Budget	YTD Actuals	Current Forecast	Net Movement in Reserves	Variance	Last Period Variance		
PEOPLE & RESILIENCE	117,190,113	116,957,652	79,777,170	131,542,706	(105,766)	14,479,288	15,061,278	(581,990)	
LAW AND GOVERNANCE	(5,174,523)	6,531,051	2,707,621	4,734,744	1,376,000	(420,307)	(399,997)	(20,310)	
STRATEGY	3,546,790	9,755,640	6,808,842	9,601,275	(363,662)	(518,027)	(326,687)	(191,340)	
INCLUSIVE GROWTH	2,229,661	1,078,456	1,962,931	2,713,573	(1,645,738)	(10,621)	118,512	(129,133)	
COMMUNITY SOLUTIONS	25,021,966	14,461,470	9,517,349	16,521,424	(4,104,086)	(2,044,132)	(1,778,613)	(265,519)	
MY PLACE	15,247,563	4,448,439	32,384,164	2,834,360	210,000	(1,404,079)	(1,349,968)	(54,111)	
CORPORATE SERVICES	52,696,852	2,619,356	2,301,272	3,712,383	(161,574)	931,453	685,586	245,867	
<b>SUB-TOTAL DIRECTORATES</b>	<b>210,758,420</b>	<b>155,852,064</b>	<b>135,459,349</b>	<b>171,660,465</b>	<b>(4,794,826)</b>	<b>11,013,575</b>	<b>12,010,111</b>	<b>(996,536)</b>	
CENTRAL EXPENSES		13,566,066	(3,890,349)	15,300,919		1,734,853	108,597	1,626,256	
INTEREST PAYABLE		14,681,085	3,021,515	10,082,152		(4,598,933)		(4,598,933)	
INTEREST RECEIVED		(6,502,960)		(4,040,752)		2,462,208		2,462,208	
MRP		10,048,004		10,048,004			(1,622,153)	1,622,153	
LEVIES PAID		15,445,900	14,071,570	15,445,900					
<b>SUB-TOTAL CORPORATE EXPENSES</b>		<b>47,238,094</b>	<b>13,202,736</b>	<b>46,836,223</b>		<b>(401,872)</b>	<b>(1,513,555)</b>	<b>1,111,684</b>	
<b>GENERAL FUND I&amp;E (EXC. IAS)</b>	<b>210,758,420</b>	<b>203,090,158</b>	<b>148,662,085</b>	<b>218,496,688</b>	<b>(4,794,826)</b>	<b>10,611,704</b>	<b>10,496,556</b>	<b>115,147</b>	
IAS COMMERCIAL (NET OPERATING RETURN)		(2,445,905)		(3,217,934)		(772,029)	(1,326,719)	554,690	
IAS RESIDENTIAL (RESIDE SCHEME SURPLUS)		(2,810,000)		(2,265,000)		545,000	2,435,145	(1,890,145)	
IAS OTHER				(1,127,000)		(1,127,000)		(1,127,000)	
IAS INTEREST PAYABLE				8,186,000		8,186,000		8,186,000	
IAS INTEREST RECEIVED				(6,904,000)		(6,904,000)		(6,904,000)	
IAS MRP		1,168,000		1,168,000					
<b>SUB-TOTAL IAS</b>		<b>(4,087,905)</b>		<b>(4,159,934)</b>		<b>(72,029)</b>	<b>1,108,426</b>	<b>(1,180,455)</b>	
<b>GENERAL FUND I&amp;E</b>	<b>210,758,420</b>	<b>199,002,253</b>	<b>148,662,085</b>	<b>214,336,754</b>	<b>(4,794,826)</b>	<b>10,539,675</b>	<b>11,604,982</b>	<b>(1,065,308)</b>	

## Period 8: Overspend of £10.5m, a positive movement of £1.06m from previous period

### Key Drivers:

The most significant movement is from People and Resilience which moved positively by (£0.582m), Community Solutions (£0.265m), Strategy (£0.191m) and Inclusive Growth (£0.129m). Law and Governance had a positive movement of (£0.020m) and My Place moved by (£0.54m). Corporate Management has had a negative movement of £0.246m.

#### **People and Resilience: £0.582m decrease in forecast expenditure.**

The positive movement is due to an increase in income for Adult Services through direct payment refunds and a change to bad debt provision, and step down of placements and a reduction in agency staffing levels within Children's Services.

#### **Strategy: (£0.191m) decrease in forecast expenditure.**

This improvement from P6 is due to suspending recruitment into vacant posts for remainder of the 2023/24 financial year and take up of Mobility services still not at pre-pandemic levels.

#### **Inclusive Growth: (£0.129m) decrease in forecast expenditure.**

This improvement is mainly due to the insurance recharge to Tenants for CR27.

#### **Community Solutions: (£0.265m) decrease in forecast expenditure.**

The improvement from P7 is mainly due to reduction in print & postage costs, release of agency staff and recalculation of HRA recharges.

#### **Corporate Management: £0.246m increase in forecast expenditure.**

The adverse movement from P7 is primarily due to 2023/24 Audit fees being higher than originally forecasted and Fidelity Insurance premium recharge.

#### **Central Expenses: £1.1m increase in forecast expenditure.**

We have split corporate budgets between General Fund and IAS to improve transparency of the performance of the IAS. This has resulted in a negative movement in Central Expenses. However, there is a corresponding positive movement in the IAS

## Key assumptions

- Forecasts are provided by budget holders and service managers with Finance advice and support
- Staff are costed within services at 22/23 pay rates. An estimate of the additional costs, average 5% pay increase, has been included in Central Expenses resulting in a £2.3m release in forecast and forms part of the Corporate Management outturn forecast.
- There is an inflation provision held centrally of £5.5m for energy and contract costs. £2.3m has been distributed to services and a further £0.7m is shown as an underspend against declared service pressures leaving c£2m.
- Care and Support figures are based on known clients and care packages held on ContrOcc and does not factor in clients going through the onboarding process . Any increases in clients or shifts in types of placement above this assumption will create variances. Since individual clients can require very expensive packages these budgets can be very volatile. Further work is now being picked up to better forecast for placement spend with a clear model being developed.
- Quarter two debt monitoring did not support an increase in bad debt provision so there is currently no forecast for this being required. Bad debt is revisited Quarterly and will be updated in P9 with a clearer position identified at year end
- It is assumed that the company dividends total of £10.4m will be drawn down from reserves and this position is factored within the Corporate Management Directorate. Be First dividends of £10.4m will be covered from the IAS reserve using the Mueller Profit in part as the company are unlikely to deliver returns 23/24. Not drawing down these reserves will further add to the overspend by £10.4m.
- Parking Income has been forecast to include the current trend. Currently forecasting additional income of £1.2m of which £0.2m will be transferred to Reserves and c£1m is included in the outturn position. There are schemes to come online in year that may increase the achieved income. We have been prudent in the income forecast. There is a potential uplift of c£0.3m up to c£.5m but this will depend on the timescales of delivering schemes.
- There is no variance reported on borrowing and interest costs and income or the MRP budget – in previous years this has been managed by use of reserves.

## Funding assumptions

- The Budget assumes funding from Subsidiaries of c£10.4m via dividends, however this seems unlikely as stated in this report. The non-achievement of dividend will now be funded from Reserves.
- There was a deficit on the 22/23 Collection Fund that will be brought into this year's General Fund (in accordance with regulations.) This will be covered by a drawdown from reserves as reported in the February 2023 budget and this was planned.
- The Market Sustainability Grant was given by Government to cover Adult Social Care costs but was given as part of our overall Spending Power. It is therefore shown as Corporate Funding and has been used to fund Adult's budget growth.
- There are currently no forecast variances on Corporate Funding. In previous years the Council has received additional in year section 31 grants – if this occurs again this year this will potentially be used to offset the overspend or to replenish reserves.



## Period 8: Movement in Reserves

	Opening Balance	Budgeted Drawdown 23-24	In Year Inter Reserve Transactions 23-24	Planned Drawdowns 23-24 (P8)	Transfer to Reserve (P8)	BeFirst Dividend Reserve Drawdown	Drawdowns not in P8 - require approval	Release to BSR - pending transfer	Closing Balance (before overspend)
	£'m	£'m	£'m	£'m	£'m		£'m	£'m	£'m
General Reserves	(17.03)	0.00	0.00	0.00	0.00		0.00	0.00	(17.03)
Budget Support Reserve	(16.84)	13.51	0.53	0.00	0.00		0.00	(3.68)	(6.48)
<b>Sub total</b>	<b>(33.87)</b>	<b>13.51</b>	<b>0.53</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(3.68)</b>	<b>(23.51)</b>
Ring-fenced Reserves	(28.91)	0.00	(0.53)	4.32	(1.64)		5.49	1.53	(19.74)
PFI Reserves	(14.28)	0.00	0.00	0.00	0.00		0.00	0.00	(14.28)
Levy Funding Reserve	(6.11)	0.00	0.00	0.00	0.00		0.00	0.00	(6.11)
<b>Sub total</b>	<b>(49.30)</b>	<b>0.00</b>	<b>(0.53)</b>	<b>4.32</b>	<b>(1.64)</b>	<b>0.00</b>	<b>5.49</b>	<b>1.53</b>	<b>(40.13)</b>
<b>Non Ring-Fenced Reserves</b>									
Corporate Reserves	(5.91)	0.00	0.00	0.67	0.00		1.37	0.00	(3.88)
People & Resilience	(0.54)	0.20	0.01	0.00	0.00		0.17	0.00	(0.17)
Legal, Governance & HR	(0.41)	0.00	0.00	0.00	0.00		0.00	0.00	(0.41)
Strategy	(0.05)	0.00	0.00	0.03	0.00		0.02	0.00	(0.00)
Inclusive Growth	(1.34)	0.00	0.00	0.11	0.00		0.00	0.00	(1.23)
Community Solutions	(12.64)	1.31	(0.01)	1.40	0.00		3.11	1.66	(5.18)
My Place	(0.29)	0.00	0.00	0.00	0.00		0.00	0.29	0.00
Collection Fund Reserves	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
<b>Sub total Non-ringfenced</b>	<b>(21.18)</b>	<b>1.50</b>	<b>0.00</b>	<b>2.21</b>	<b>0.00</b>	<b>0.00</b>	<b>4.66</b>	<b>1.95</b>	<b>(10.86)</b>
<b>IAS &amp; Capital Reserves</b>									
Investment Reserves	(16.17)	0.00	1.13	0.00	0.00		0.00	0.00	(15.03)
Mueller Reserve	(12.00)	0.00	0.00	0.00	0.00	10.39	0.00	0.00	(1.61)
CR27 Hotel Deal reserve	(5.50)	0.00	(0.57)	0.00	0.00		0.00	0.00	(6.07)
Isle of Dogs Travelodge Reserv	(5.50)	0.00	(0.57)	0.00	0.00		0.00	0.00	(6.07)
Capital Reserves	(3.78)	0.00	0.00	0.00	0.00		0.00	0.00	(3.78)
<b>Sub total IAS Reserves</b>	<b>(42.95)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.39</b>	<b>0.00</b>	<b>0.00</b>	<b>(32.56)</b>
<b>Total</b>	<b>(147.29)</b>	<b>15.01</b>	<b>0.00</b>	<b>6.52</b>	<b>(1.64)</b>	<b>10.39</b>	<b>10.15</b>	<b>(0.20)</b>	<b>(107.06)</b>

- A number of financial risks have materialised in 2023/24 resulting in the need to use reserves to cover the forecast overspend of £10.5m. The Budget Support Reserve has a balance of £6.48m. However, there is insufficient 'free' reserves to cover the 2023/24 forecast overspend and management action is required to bring spend in-line with budgets.
- Further details are provided in Section 5 of the main report.
- It is to be borne in mind that the 2024/25 base budget, after savings, has a budget gap of £23m, as outlined in the Budget Strategy Report.

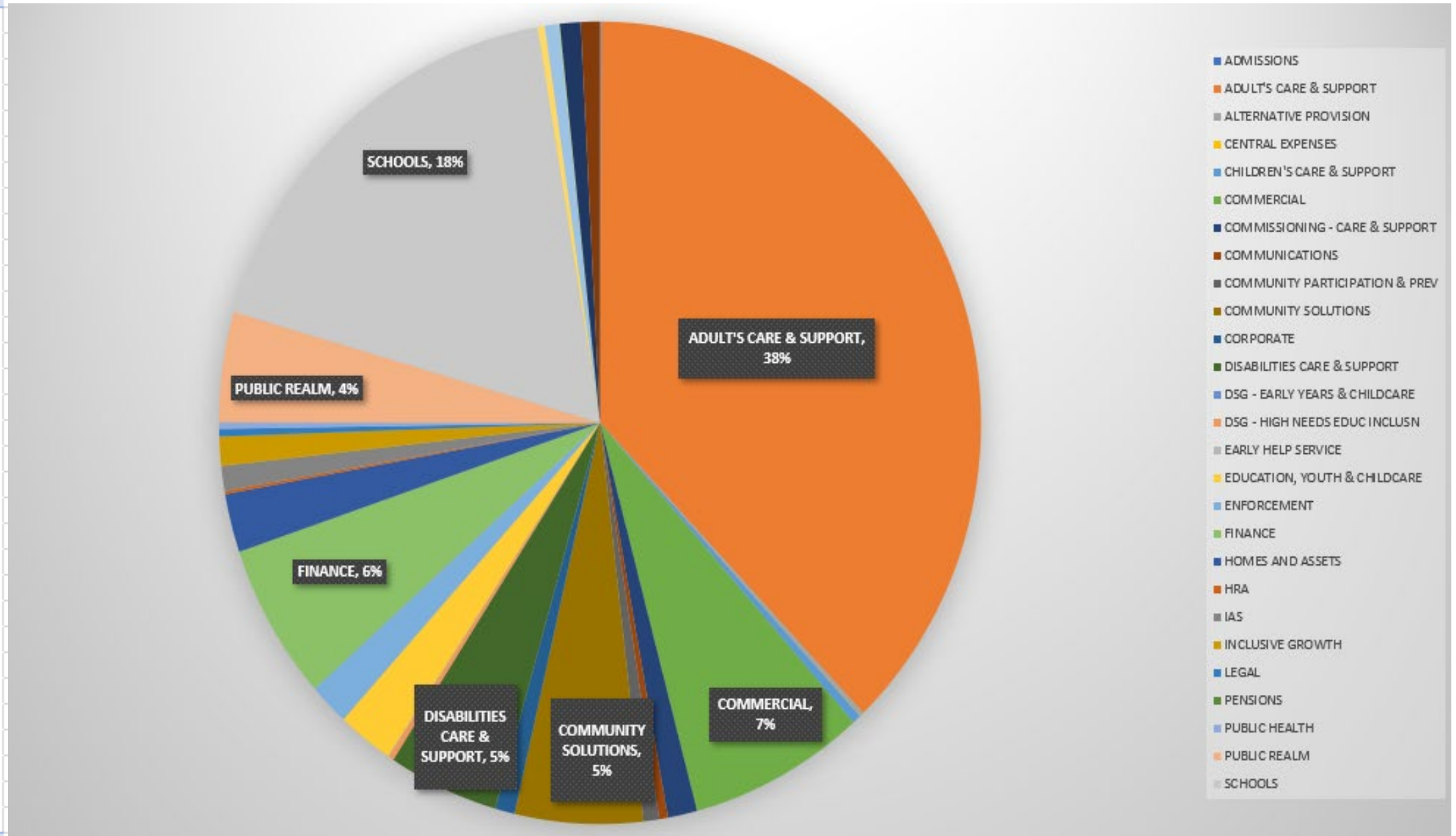
## Key risks

- The Ethical Collection Service is forecasting income of £650k. The service is working towards a higher income collection. However, it is currently unable to cover its costs. Finance believe the income will range between £500k - £600k and this may increase the outturn variance.
- Temporary Accommodation rental properties available - We are currently at capacity within our own hostels and have received several hand backs requests for PSL's which may lead to an overspill into B&B's and Hotels. Modelling is being carried out against various assumptions which will enable a more robust forecast. This is a national issue. This will also impact support for Social Care clients with the immigration status of No Recourse to Public Funds (NRPF)
- Social Care budgets are highly dependent on demand for services which cannot be controlled at the point of need. As costs of care are very high even small changes in numbers of people needing support can cause large swings in the overall forecast. The Adult's service was holding some health funding in reserve to offset against potential winter pressures, but this has now been released, which carries significant risk.
- My Place is the managing agent for Reside properties. It therefore attracts expenditure which in turn must be passed to the relevant reside company. The risk if there is insufficient breakdown of the expenditure then My Place will not be able to secure invoices from the relevant company and will be left with an overspend.
- Commercial Services – Leisure Income: SLM has given notice that they will be terminating the Leisure contract from September 2024. It is assumed that SLM will continue to pay the concession fee up to the termination date. The assumed income is £665k in 2023/24. It is highly unlikely that the new leisure provider will be able to provide the same level of management fee income to the Council as factored into the MTFS.
- Contaminated Land by Eastbrookend Park. Although a provision was made for this issue at the end of 21/22 there remains a risk. Considerable progress has been made in implementing the decontamination Action Plan, and the immediate threat of prosecution by Thames Water has been withdrawn. However long-term arrangements for the future of the effluent treatment plant and alternative measures to prevent the discharge of landfill leachate to the Thames Water drainage asset are yet to be identified and investigated. If the plant and equipment fail the Council could potentially breach its consent to discharge which may result in fresh prosecutory action.
- HB subsidy and overpayments recovery, the forecasts are based on the current returns and are subject to change throughout the year. There are new players in the market that are claiming the Supported Exempt Status, this means they are exempt from Universal Credit and can claim HB. DWP will only pay the amount in rent to the LA that is advised by the rent officer. Where there are new entrants to the market there is no comparator for rent and therefore there are risks that the LA will be picking up the cost of the gap between the rent officer rate and the provider rate.
- Based on current projections the reserve levels drop considerably, a reduction of over £50m in a single year.



**Bad Debt – This is Updated Quarterly. Current Position P6**

Row Labels	Sum of Overdue 0-12 months	Sum of Overdue 12-24 months	Sum of Overdue 24-36 months	Sum of Overdue 36 months +	Sum of TOTAL SUM
ADMISSIONS	2,574	26,729	-	1,106	30,409
ADULT'S CARE & SUPPORT	6,182,826	4,795,652	2,981,441	4,690,990	18,650,909
ALTERNATIVE PROVISION	270	50,110	7,326	29,524	87,230
CENTRAL EXPENSES	-	-	-	7,608	7,608
CHILDREN'S CARE & SUPPORT	3,190	120,853	6,020	48,672	178,734
COMMERCIAL	3,688,599	-	230	5,643	3,694,472
COMMISSIONING - CARE & SUPPORT	210,940	202,009	154,831	47,430	615,209
COMMUNICATIONS	78,007	32,089	37,210	30,723	178,029
COMMUNITY PARTICIPATION & PREV	167,893	19,487	52,829	90,672	330,881
COMMUNITY SOLUTIONS	836,325	1,197,016	641,326	1,485	2,676,152
CORPORATE	298,730	103,931	5,154	520	408,334
DISABILITIES CARE & SUPPORT	501,683	767,223	394,552	657,576	2,321,034
DSG - EARLY YEARS & CHILDCARE	-	-	25	75	100
DSG - HIGH NEEDS EDUC INCLUSN	20,720	88,516	967	230	110,433
EARLY HELP SERVICE	-	15,857	-	-	15,857
EDUCATION, YOUTH & CHILDCARE	296,977	119,977	328,687	426,219	1,171,861
ENFORCEMENT	276,902	194,519	311,969	58,177	841,567
FINANCE	1,139,343	598,561	979,531	400,831	3,118,265
HOMES AND ASSETS	520,237	208,474	179,863	258,142	1,166,715
HRA	60	37,053	18,321	5,804	61,238
IAS	143,273	129,601	139,946	81,000	493,819
INCLUSIVE GROWTH	43,560	197,660	299,818	37,747	578,786
LEGAL	96,145	23,059	10,729	20,632	150,564
PENSIONS	280	-	-	-	280
PUBLIC HEALTH	-	80,000	49,200	-	129,200
PUBLIC REALM	519,892	821,540	754,992	94,614	2,191,038
SCHOOLS	8,598,880	215,738	9,714	17,106	8,841,437
SCHOOLS - FUNDING	-	150,000	-	-	150,000
STRATEGIC LEADERSHIP	-	-	-	281,213	281,213
STRATEGY & TRANSFORMATION	-	-	24,530	3,646	28,175
SUPPORT AND COLLECTIONS	-	278,412	112,943	42,956	434,312
WORKFORCE CHANGE / HR	65,128	185,989	27,166	120,061	398,344
<b>Grand Total</b>	<b>23,692,434</b>	<b>10,660,054</b>	<b>7,529,317</b>	<b>7,460,402</b>	<b>49,342,206</b>



The above data comes from the 'All Invoices' report run from E5 and has been split out by Directorate based on the cost centre linked to the invoice.

The data shows total invoices outstanding as at 30<sup>th</sup> September 2023 and has been sorted into aging buckets.

Total Bad Debt above includes LBBB schools and companies which would normally be excluded when calculating the bad debt provision.

At end of quarter two the total level of debt had increased since quarter 1 – however it is thought this be in part a seasonal effect. We will not include bad debt in the forecast until the trend is clearly established.



## 2023-24 Savings Progress Overview

There were several savings targets identified as part of the MTFs process. The table opposite shows the performance in relation to those savings by area.

It is crucial that savings proposals are met, or alternatives found.

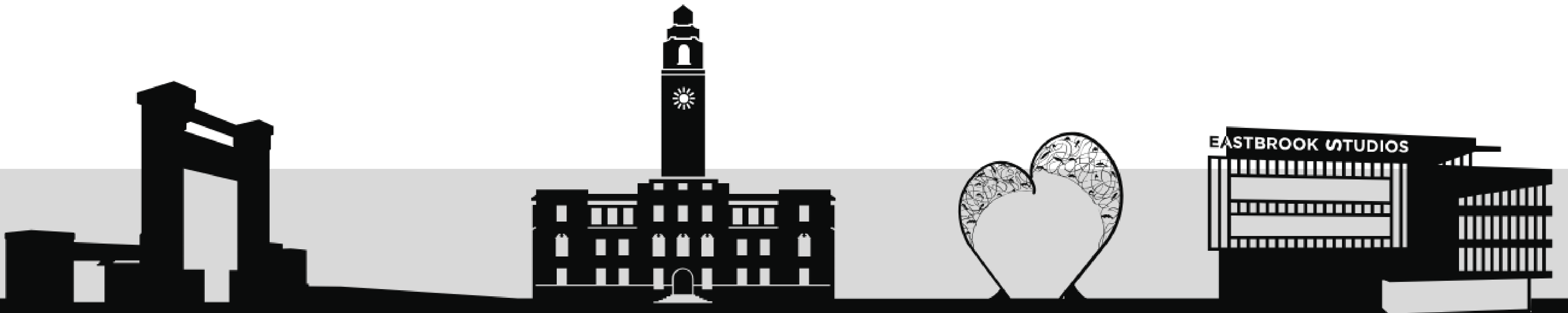
More detail on the specific savings can be found in the appendices.

Service Area	RED	AMBER	GREEN
Care and Support		(237)	(500)
Community Solutions	(130)	(220)	(1,122)
EYCC		(35)	
Finance & IT			(735)
HR	(577)		
Inclusive Growth	(500)		(370)
Law & Governance			(2,300)
My Place	(155)		(153)
P&P	(15)		
<b>Grand Total</b>	<b>(1,377)</b>	<b>(492)</b>	<b>(5,180)</b>

# Finance Budget Monitoring – HRA,DSG and Investment Strategy

2023/24

P7 (October 2023)



# General Fund Treasury Strategy (P8)

Type of Income / Expense	31/10/2023 Holdings	P7 Rate	P7 2023/24 Forecast	P7 2023/24 Budget	P7 Variance	30/11/2023 Holdings	P8 Rate	P8 2023/24 Forecast	P8 2023/24 Budget	P8 Variance	Comments
<b>GF Capital Borrowing</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
GF - Market	16,711	3.71%	631	14,681	-14,050	16,711	3.71%	631	14,681	-14,050	Budget based on external borrowing requirement
Capitalised Interest			0	-4,542	4,542			0	-4,542	4,542	Budget adjusted for the £4.542m capitalised interest
GF – ST Borrowing	94,017	4.65%	2,708	0	2,708	104,417	4.77%	3,620	0	3,620	ST borrowing average rate increasing
LEUK Loan Provision			2,140		2,140			2,140		2,140	Likely write-off of interest from LEUK
Interest Pressure Provision			750		750			100		100	Part of provision used for interest pressure
Provision for Loss on Studio 3 Arts			224		224			224		224	Provision of loss against Studio 3 Arts
HRA Interest					0			77		77	Interest owed to the HRA for net balance
WC Loan Be First			431		431			0		0	Provision for Be First Interest
WC Loan BDTP			553	0	553			553	0	553	Provision for BDTP Interest
<b>Total GF Borrowing</b>	<b>110,728</b>	<b>3.02%</b>	<b>7,436</b>	<b>10,139</b>	<b>-2,703</b>	<b>121,128</b>	<b>3.51%</b>	<b>7,345</b>	<b>10,139</b>	<b>-2,794</b>	Net forecast for General Fund
<b>General Fund Investments</b>											
WC Loan Be First	-5,046	8.75%	-431			-5,046	8.75%	-431			Working Capital loan interest - Be First
WC Loan BDTP	-5,000	11.25%	-553			-5,000	11.25%	-553			Working Capital loan interest -BDTP
Energy Company Loan	-7,259	7.00%	-436			-7,259	7.00%	-436			Loans to the Energy Company
LEUK Loan	-26,476	8.06%	-2,140			-26,476	8.06%	-2,140			LEUK Interest Charge
Other Loans	-6,644	4.53%	-486			-6,643	4.53%	-481			Small loans, generally fixed rate
<b>Total GF Investments</b>	<b>-50,425</b>		<b>-4,046</b>	<b>-6,503</b>	<b>2,457</b>	<b>-50,424</b>	<b>8.01%</b>	<b>-4,041</b>	<b>-6,503</b>	<b>2,462</b>	
<b>Net General Fund</b>	<b>60,303</b>		<b>3,390</b>	<b>3,636</b>	<b>-246</b>	<b>70,705</b>		<b>3,304</b>	<b>3,636</b>	<b>-332</b>	Small Surplus against net budget cost of £3m

## Key issues:

- Investment strategy income and expenditure removed but budget remains. Forecast is for a small surplus to the General Fund of £332k after several provisions.
- Holdings reflect the month end position and not the average holding amount.
- Forecast under pressure from interest rate increases on short-term borrowing provision largely used up.
- Interest payable budget adjusted for £4.542m virement for capitalised interest and £638k Temporary Accommodation virement.
- ST borrowing allocated to variable rate loans to reduce risk but variable rate loans include working capital loans and LEUK loans are under pressure.
- ST borrowing also used to replace internal borrowing, with remaining ST borrowing used to fund IAS commercial.
- Provisions for loans to companies remains as there is a lack of clear strategy around dealing with subsidiary loans.
- ST borrowing costs increased in P8 with rates over 5% and average rate at 4.77%, although have reduced in December 2023.





# Investment and Acquisition Strategy Funding (P8)

Type of Income / Expense	31/10/2023 Holdings	P7 Rate	P7 2023/24 Forecast	P7 2023/24 Budget	P7 Variance	30/11/2023 Holdings	P8 Rate	P8 2023/24 Forecast	P8 2023/24 Budget	P8 Variance	Comments
	£'000	%	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000	
<b>IAS Borrowing</b>											
IAS - Market	71,563	2.21%	1,584		1,584	71,563	2.21%	1,584		1,584	European Investment Bank and Green Bank Loans
IAS – PWLB	313,249	1.96%	5,821		5,821	312,849	1.96%	5,818		5,818	Borrowed for IAS schemes
PWLB Affordable Rent	141,303	1.96%	2,855		2,855	141,303	1.96%	2,855		2,855	Borrowed for Operational Affordable Rent Schemes
PWLB LAR / TR	42,249	1.96%	866		866	42,249	1.96%	866		866	Borrowed for Operational LAR/TR Schemes
PWLB PRS / SO	104,291	1.96%	2,043		2,043	104,291	1.96%	2,043		2,043	Borrowed for Operational PRS / SO Schemes
IAS - ST Borrowing	142,283	4.65%	4,097		4,097	142,283	4.77%	4,933		4,933	Potentially will increase by mitigated by provision
Capitalised Interest			-10,231		-10,231			-11,291		-11,291	Based on AUC and average borrowing cost - updated quarterly
Interest Pressure Provision			0		0			250		250	Provision used for Interest Pressure - now in ST forecast
Muller Equity	28,032	5.39%	1,127		0	28,032	5.39%	1,127		1,127	No return
<b>Total IAS Borrowing</b>	842,970	2.13%	8,164	0	7,036	842,570	2.13%	8,186	0	8,186	Overspend due to delays in letting and commercial returns
<b>Reside Loans</b>											
Reside Loans - B&D Homes	-42,249	2.26%	-1,001	0	-1,001	-42,249	2.26%	-1,001	0	-1,001	Current Loans to B&D Homes
Reside Loans - Weavers	-141,303	2.65%	-3,867		-3,867	-141,303	2.65%	-3,867		-3,867	Current Loans to Weavers
Reside Loans - other	-6,756	3.08%	-168		-168	-6,756	3.08%	-168		-168	Current Other Reside Loans
Reside Loans to be completed	-77,202	2.64%	-589		-589	-77,202	2.64%	-589		-589	Schemes that will complete in second half of 2023/24
<b>Treasury Investments</b>	-18,200	3.84%	-1,279		-1,279	-15,200	3.84%	-1,279		-1,279	Current Treasury Cash Holdings
<b>Reside Leases Interest expected</b>	-104,291				0	-104,291				0	Leases to Reside for PRS and SO
<b>Total IAS / Treasury Returns</b>	-390,000		-6,904	0	-6,904	-387,000	0	-6,904	0	-6,904	Surplus return
<b>Net IAS Treasury Return</b>			1,259	0	132			1,282	0	1,282	<b>IAS return on Treasury part of developments</b>

## Key issues:

- Investment strategy income and expenditure separated from General Fund and HRA and now has no budget allocated as needs to cover costs with no Council funding.
- Interest payable is netted off against capitalised interest. Interest from internal borrowing for commercial schemes now removed and is reported as part of the IAS Investment Return.
- Lease income is currently forecast as a net nil position due to continued delays in letting PRS properties and slow sales for shared ownership schemes and is paid via Reside surpluses.
- ST borrowing allocated to commercial schemes has put pressure on the net return from commercial that gets allocated to Be First and a provision has been included.
- Interest margin on loans provides an additional return to the strategy, although this has been reduced by the poor lettings of PRS and sales of Shared Ownership.
- The net deficit from treasury management for the IAS is £1.282m and largely reflects the impact of moving the internal interest charge to the IAS reporting.
- Total IAS borrowing is £842.6m at an average cost of 2.13%. Residential average on-lending rate is 2.65%.



# Investment and Acquisition Strategy Returns (P8)

Type of Income / Expense	P7 2023/24 Forecast	P7 2023/24 Budget	P7 Variance	P8 2023/24 Forecast	P8 2023/24 Budget	P8 Variance	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>IAS Return</b>							
Net Commercial Income	-5,598	-1,252	-4,346	-5,598	-2,446	-3,152	Gross Rent from Commercial holdings
Asset Management Costs	177	0	177	398	0	398	Mainly Industria - reduces return to Be First
Other Costs	350	0	350	524	0	524	Legal and Security Costs
MRP	1,458	-1,154	2,482	1,458	0	1,458	Charged as assets have no firm plan for redevelopment
Muller Interest				-1,127		-1,127	To be used to cover interest costs
<b>Total Commercial</b>	<b>-3,613</b>	<b>-2,406</b>	<b>-1,337</b>	<b>-4,345</b>	<b>-2,446</b>	<b>-1,899</b>	
IAS Residential Income	-1,706	-2,810	1,104	0	-2,810	2,810	Forecast net surplus from Reside inc;luding PRS and SO lease income
Reside Ltd				640		640	Estimate from Reside P7
Abbey Roding				-472		-472	Estimate from Reside P7
Weavers LLP				-1,981		-1,981	Estimate from Reside P7
Regen LLP				-812		-812	Estimate from Reside P7
Regen Ltd				-1,141		-1,141	Estimate from Reside P7
Provision				1,500		1,500	Reside and Muller Surpluses
<b>Total Residential</b>	<b>-1,706</b>	<b>-2,810</b>	<b>1,104</b>	<b>-2,265</b>	<b>-2,810</b>	<b>545</b>	
<b>Net IAS Position</b>	<b>-5,319</b>	<b>-5,216</b>	<b>-233</b>	<b>-6,610</b>	<b>-5,256</b>	<b>-1,354</b>	
<b>Net IAS &amp; Interest Cost</b>	<b>-5,187</b>	<b>-5,216</b>	<b>-101</b>	<b>-5,328</b>	<b>-5,256</b>	<b>-72</b>	IAS and Treasury Forecast is £207k surplus
Abbey Road Contribution	-600	-600	0	-600	-600	0	Abbey Road 2 Contribution
CR27 Lease and Leasback	-862	-862	0	-862	-862	0	Travelodge and CR27 Hotel deals - lease surplus
Leases and Reserves	-314	-314	0	-314	-314	0	Travelodge and CR27 Hotel deals - lease surplus
<b>Total IAS</b>	<b>-6,962</b>	<b>-6,991</b>	<b>-101</b>	<b>-7,104</b>	<b>-7,032</b>	<b>-72</b>	

## Key issues:

- The interest charge on commercial has been moved and is reported as part of Treasury returns. This change improves the IAS return, but the net position remains the same.
- The strategy includes the two-hotel lease and lease back deals (CR27 and Travelodge). Both hotels have reserves that have been inflated each year but will not be inflated for 2023/24 as there is sufficient current reserves of £12.1m for both hotels.
- **Returns from Reside are currently estimates based on P7 and a provisions of £1.5m has been included until the returns have been fully analysed.**
- **Further work is required with Reside to confirm the returns are net of all costs. This is an urgent action as there is currently limited visibility over returns for 2023/24.**
- Debt repayment (MRP) is allocated to the commercial portfolio and is a cost of £1.458m but this will reduce the cost of the commercial assets.
- Commercial income is forecast before interest costs.



## Investment and Acquisition Reserves forecast 2023/24 – P8

Reserves	2022/23	2023/24
CAPITAL INVESTMENT RESERVE	3,779	3,779
INVESTMENT RESERVE	15,067	15,139
CR27 Hotel Inflation	720	720
Travelodge Hotel Interest	381	381
CR27 Reserve	5,500	5,500
Travelodge Reserve	5,500	5,500
<b>Total Reserves</b>	<b>30,947</b>	<b>31,019</b>

### Key issues:

- The value of the reserves is forecast to increase from £30.95m to £31.02m.
- The IAS reserve is used to protect the IAS from significant market fluctuations, including interest rates and losses.
- Each individual scheme within the IAS has several assumptions that include some contingency and it is only as a last resort that this reserve will be required.
- However, there are pressure from losses incurred at handover, with significant delays from Private Rental lets.
- Pressures on the strategy is also from interest rate increases, with short-term borrowing increasing from near zero in 2021 to 5.25% currently. This has reduced the surplus return from commercial, but rates potentially could decrease into 2024.
- Interest rate increases and build costs have put pressure on the pipeline of schemes, with many schemes now unviable based on the current assumptions used to calculate the viability of schemes.
- The reserve is significant but is against a strategy of a billion and includes some protection against any accounting issues that may need adjustments for the four years of accounts still to be audited, but also from interest pressures, commercial losses and other investment pressures.





## Minimum Revenue Provision 2023/24 – P8

Type of Income / Expense	31/10/2023 Holdings	2023/24 Forecast	2023/24 Budget	Variance
MRP	£'000	£'000	£'000	£'000
Core Council Borrowing	213,964	9,850	10,224	374
IAS Commercial	170,007	1,154	1,154	-0
Completed Reside Schemes - Community/Public Realm	5,507	0	0	0
PRS	82,897	0	0	0
Reside schemes (AUC)	435,605	14	14	0
Loans/Equity on completed schemes	179,799	0	0	0
IAS Writeoff	244	244	0	-244
HRA	343,858	0	0	0
<b>MRP excluding PFI and Finance Leases</b>	<b>1,431,880</b>	<b>11,261</b>	<b>11,216</b>	<b>-45</b>
Finance Leases and PFI	275,360	4,492	4,492	0
<b>Grand Total</b>	<b>1,707,241</b>	<b>15,754</b>	<b>15,708</b>	<b>-45</b>

### Key issues:

- Minimum Revenue Provision (MRP) is a revenue cost to repay capital spend within the General Fund (it is not charged for the HRA).
- MRP is split into General Fund schemes, IAS Commercial, IAS Residential (PRS, loans and Assets under construction).
- The total spend, including leases such as the Hotel income strips, Reside Limited and PFI schemes contribute to the Council's Capital Financing Requirement (CFR), which is currently £1.7 billion. This will increase to over £2 billion as additional spend the IAS is accounted.
- MRP will increase significantly over the next few years as the IAS properties become operational and MRP is charged on the loans to Reside.
- MRP between the IAS and General Fund will be reported separately.
- A small overspend of £45k is currently being forecast but this could change to an underspend as recharges to the IAS commercial budget are confirmed.



# Investment and Acquisition Assets Under Construction

Scheme Name	No. of homes	Tenure Type	Company	Practical Completion Date	Loan Value	Fixed Rate
Gascoigne East Block F1	79	Shared Ownership	BDHL	01/09/2023	£34,029,641	2.75%
Gascoigne East Block F1/F2	48	Affordable Rent	B&D Reside Weavers LLP	01/09/2023	£13,715,272	2.75%
Gascoigne East Block F2	4	London Affordable Rent	BDHL	30/10/2023	£1,932,181	2.20%
Gascoigne East Block J	66	London Affordable Rent	BDHL	11/01/2024	£14,608,712	2.25%
Gascoigne East Block J	58	Affordable Rent	B&D Reside Weavers LLP	11/01/2024	12915764	2.75%
Oxlow Lane	22	London Affordable Rent	BDHL	01/03/2024	£9,352,184	2.75%
Oxlow Lane	41	Affordable Rent	B&D Reside Weavers LLP	01/03/2024	£4,534,382	2.25%
Gascoigne West Phase 2	122	Affordable Rent	B&D Reside Weavers LLP	11/03/2024	£36,225,408	2.75%
Gascoigne West Phase 2	46	London Affordable Rent	BDHL	11/03/2024	£12,295,941	2.25%
Gascoigne West Phase 2	60	Target Rent	BDHL	11/03/2024	£15,964,858	2.25%
Gascoigne East Phase 3A	102	Affordable Rent	B&D Reside Weavers LLP	01/05/2024	£29,014,154	2.75%
Woodward Road	1	London Affordable Rent	BDHL	07/06/2024	£455,681	2.25%
Woodward Road	55	Affordable Rent	B&D Reside Weavers LLP	07/06/2024	£15,006,756	2.75%
12 Thames Road	77	London Affordable Rent	BDHL	28/06/2024	£20,043,020	2.25%
12 Thames Road	79	Affordable Rent	B&D Reside Weavers LLP	28/06/2024	£18,133,463	2.75%
Padnall Lake Phase 2	13	London Affordable Rent	BDHL	01/05/2024	£6,037,036	2.25%
Padnall Lake Phase 2	57	Affordable Rent	B&D Reside Weavers LLP	01/05/2024	£13,175,955	2.75%
Town Quay Wharf	29	Target Rent	BDHL	01/05/2025	£4,619,827	2.50%
Town Quay Wharf	33	Shared Ownership	BDHL	01/05/2025	£3,644,885	3.00%
Roxwell Road	25	London Affordable Rent	BDHL	01/07/2025	£4,755,542	2.25%
Roxwell Road	62	Affordable Rent	B&D Reside Weavers LLP	01/07/2025	£13,303,341	2.75%
Transport House	31	London Affordable Rent	BDHL	01/12/2025	£4,872,865	2.25%
Transport House	47	Affordable Rent	B&D Reside Weavers LLP	01/12/2025	£8,180,634	2.75%
Beam Park Phase 6	62	London Affordable Rent	BDHL	01/05/2026	£16,603,970	4.50%
Beam Park Phase 6	265	Affordable Rent	B&D Reside Weavers LLP	01/05/2026	£53,612,591	5.00%
Beam Park Phase 6	134	Shared Ownership	BDHL	01/05/2026	£28,677,663	5.00%
Beam Park Phase 6	59	London Living Rent	BDHL	01/05/2026	£13,654,378	5.00%
Gascoigne East Phase 3B	90	London Affordable Rent	BDHL	01/05/2026	£20,913,031	3.00%
Gascoigne East Phase 3B	244	Affordable Rent	B&D Reside Weavers LLP	01/06/2026	£75,170,844	3.50%
<b>Homes Total</b>	<b>2,011</b>				<b>Estimated Loan Total</b>	<b>£505,449,979</b>

## Key issues:

- The table shows schemes agreed schemes that still need to complete and are under construction.
- Loan rate is fixed but the loan value may vary based on the final outturn position for each build.
- Loans and leases will be agreed with Reside and B&D Homes.
- A total of 2,011 homes are still to be completed (excluding Trocoll House) over the next three years.
- Interest rate pressure is impacting on the IAS but mainly in commercial with most of the borrowing required already secured for schemes up to Beam Park.
- Interest rate pressure will impact returns for Shared Ownership as sales are currently slow.
- Practical completion dates do change and these reflect the current position for the completion of the first phase on any scheme.
- Gascoigne East 3b and Beam Park 6 have higher interest rates to reflect the future borrowing requirement.

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# Commercial Subsidiaries

## Be First

- In FY23/24 budget, we have the annual target return of £10.3m which is made up of the following components:
  - **New Homes Bonus** - £1.9m forecast for the year
  - **Commercial Income** – Expected to be at least the same level as FY23/24 - £300k
  - **Dividend** – the remaining balance to be made up from dividend
    - Be First did not declare a dividend in FY22/23 which means no dividend will be received in FY23/24
    - The gap will be filled by the Muller earmarked reserve
- **BD Group**
  - No dividend expected this year
  - Significant work underway to return to breakeven position



## HRA: Period 8

The HRA is projecting **£5.052m overspend** at Period 8, a positive movement of **(£2.029m)**. The movement can largely be attributed to DLO reduced overtime **(£268,000)**, Compliance works deferring to 2024/25 **(£823,000)**, reduction in recharges **(£718,000)** and improvement in interest forecasts.

The primary cause of the overspend is the significant increase of the BDMS R&M Contract which has gone from a budget of £15.670m to £26.472m. **The contract was agreed after the budget was set.** Adjusting for DLO expenditure, the net impact is **£9.7m**. The voluntary MRR allocation has been released as part mitigation **(£6,680m)**.

P7 VARIANCE	2023/24 FORECAST OUTTURN				CHANGE
	REPORT LEVEL	BUDGET £'000	FORECAST £'000	VARIANCE £'000	
£2,371	SUPERVISION & MANAGEMENT	48,394	50,080	£1,686	(£685)
£6,901	REPAIRS & MAINTENANCE	24,473	30,224	£5,751	(£1,150)
£1,146	RENTS, RATES ETC	1,587	3,029	£1,442	£296
£0	INTEREST PAYABLE	11,300	11,010	(£290)	(£290)
£0	DISREPAIR PROVISION	0	500	£500	£500
£0	BAD DEBT PROVISION (BDP)	3,309	2,809	(£500)	(£500)
(£170)	CDC RECHARGE	1,102	849	(£252)	(£82)
<b>£10,247</b>	<b>TOTAL EXPENDITURE</b>	<b>90,164</b>	<b>98,501</b>	<b>£8,336</b>	<b>(£1,911)</b>
(£331)	DWELLING RENTS	(£90,432)	(90,812)	(£380)	(£48)
£11	NON-DWELLING RENTS	(£765)	(751)	£14	£3
£2,266	CHARGES FOR SERVICES & FACILITIES	(£26,158)	(24,082)	£2,076	(£190)
£0	INTEREST & INVESTMENT INCOME	(£400)	(583)	(£183)	(£183)
<b>£1,945</b>	<b>TOTAL INCOME</b>	<b>(£117,755)</b>	<b>(£116,228)</b>	<b>£1,527</b>	<b>(£418)</b>
<b>£12,193</b>	<b>NET TOTAL BEFORE CAPITAL</b>	<b>(£27,591)</b>	<b>(£17,727)</b>	<b>£9,864</b>	<b>(£2,329)</b>
£1,555	DEPRECIATION	19,210	20,765	£1,555	£0
(£6,680)	TRANSFER TO MAJOR REPAIR RESERVE (MRR)	6,680	0	(£6,680)	£0
<b>(£5,126)</b>	<b>CAPITAL PROGRAMME FUNDING</b>	<b>£25,891</b>	<b>£20,765</b>	<b>(£5,126)</b>	<b>£0</b>
<b>£7,067</b>	<b>NET TOTAL AFTER CAPITAL</b>	<b>(£1,700)</b>	<b>£3,038</b>	<b>£4,738</b>	<b>(£2,329)</b>
£14	TRANSFER TO HRA LEASEHOLDER RESERVE	£1,700	2,014	£314	£300
<b>£7,080</b>	<b>TRANSFER FROM/(TO) HRA RESERVE</b>	<b>(£0)</b>	<b>£5,052</b>	<b>£5,052</b>	<b>(£2,029)</b>

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

- **Supervision & Management: £1.686m overspend**  
**BDMS Contract £3.565m** relating to Management of We Fix and agency mostly offset by the removal of reside related costs from the HRA position in 2023/24 and Recharges into the HRA from the GF. The positive movement **(£685,000)** from P7 is the net impact of both My Place and HRA Fixed Recharges being revised.
- **Repairs and Maintenance: £5.751m overspend**  
**We Fix** activity is the driving cause, **BDMS Contract £7.238m** relating to service costs (materials, subcontractors, contact centre etc) and Fleet costs **£500,000** are slightly offset by **Direct Labour Organisation (DLO) (£1.159m)** and **Compliance (£831,000)** underspend. Positive movement as per summary paragraph.
- **Other Expenditure Lines: £899,000 overspend**  
**Rents, Rates: £1.442m - Insurance £1.058m** reflects higher 2023/24 premiums on Building Insurance together with a recognition that the HRA will likely have to pay **Council Tax** for its void properties **£385,000**. This is offset in part by a reduction in the projected **CDC recharge (£252,000)** which was also reviewed alongside other recharges. **Interest Payable (£290,000)** has largely reduced due to HRA debt balances reducing slightly.
- **Income: £1.527m under recovery**  
**Services & Facilities £2.076m** is reflecting the removal of Reside income from the HRA position in 2023/24. **Dwelling Rents** is partially mitigating this **(£380,000)** due to reduced RTB sales and likely slippage in Estate Regeneration timetable. Improved **Interest Rates** means a positive outlook for cash balances **(£183,000)**.
- **Capital Programme & Financing: (£5,126m) underspend**  
This essentially finances the HRA element of the Capital Programme alongside the Transfer to MRR (Major Repairs Reserve). **Depreciation** is expected to increase by **£1.555m** compared to budget and is mandatory. The **MRR** budget allocation has been released **(£6.680m)** to offer partial mitigation to the in-year overspend but capital borrowing costs could rise in future years for the HRA.

**As the HRA in year position must balance at Outturn, should mitigation not be identified, then this would require funding from the HRA Reserve (£18.4m).**

**Risks: £2.050m + 10 unquantified risks**  
**Opportunities: (£700,000) +1 unquantified opportunity.**

## Dedicated Schools Grant (DSG)

Estimated DSG forecast for 23/24 is an overspend of **£3.5m**, this is mainly due to pressures within High Needs Block. The main drivers are combination of the following factors:

- Out of borough non-maintained **fees & top-up payments**
- **Revised HN funding allocation** announced in July by DfE reduced our HN funding by **£1.1m** from £50.9m to £49.8m due to import & export adjustments and recoupment for academies.
- **One-off exceptional payments** to schools to help alleviate the financial pressures schools are facing due to the ongoing demand and complex cases of children with SEND
- **The overspend will be funded from DSG reserves.**
- **There's no impact on the councils General Fund.**

Dedicated Schools Grant {DSG} Forecast	2023-24 Budget	2023-24 Projected Outturn	Surplus / (Deficit) Outturn March 2024
	£'000	£'000	£'000
Schools Block – ISB	188,955	188,955	0
Central Block	2,162	2,162	0
High Needs Block	49,837	53,337	(3,500)
Early Years Block	23,174	23,174	0
<b>Total</b>	<b>264,128</b>	<b>267,628</b>	<b>(3,500)</b>
DSG Surplus B/F			10,073
<b>Revised DSG Reserve</b>			<b>6,573</b>
add EY refund			264
<b>23/24 DSG Reserve</b>			<b>6,837</b>
Of which:			
SFFD retained		963	
Growth & Falling Fund B/F		309	
<b>Net DSG Reserve</b>			<b>5,565</b>

# Capital Programme to P7

Strategic Function	Budget	Actuals to P7	Forecast	Forecast Variance	Change in Variance	Budget 2024/25	Budget 2025/26	Budget 2026/27
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
GF - CARE & SUPPORT	3,719	1,045	3,719	(0)	(0)	2,918	0	0
GF - INCLUSIVE GROWTH	6,373	170	5,897	(476)	4	611	0	0
GF - CIL	761	35	726	(35)	0	0	0	0
GF - TFL	2,978	458	2,523	(455)	(285)	0	0	0
GF - ICT	3,285	2,450	3,516	232	32	200	200	200
GF - COMMUNITY SOLUTIONS	6	(4)	6	(0)	(0)	0	0	0
GF - CULTURE & HERITAGE	1,118	39	524	(594)	0	294	294	0
GF - PARKS COMMISSIONING	12,925	5,068	10,921	(2,004)	(23)	0	0	0
GF - ENFORCEMENT	173	2	173	(0)	(0)	0	0	0
GF - MY PLACE	3,919	910	2,452	(1,467)	(550)	9	0	0
GF - PUBLIC REALM	8,510	3,995	5,707	(2,803)	(650)	200	0	0
GF - EDUCATION, YOUTH & CHILD	15,253	8,197	16,260	1,006	599	8,559	11,466	0
GF - SALIX	130	40	130	0	130	0	0	0
<b>General Fund</b>	<b>59,150</b>	<b>22,405</b>	<b>52,554</b>	<b>(6,596)</b>	<b>(743)</b>	<b>12,791</b>	<b>11,959</b>	<b>200</b>
HRA STOCK INVESTMENT	14,000	4,437	14,000	0	0	14,000	14,000	0
HRA ESTATE RENEWAL	4,000	1,498	4,000	(0)	(0)	4,400	0	0
HRA NEW BUILD SCHEMES	544	142	820	276	0	0	0	0
<b>HRA Total</b>	<b>18,544</b>	<b>6,077</b>	<b>18,820</b>	<b>276</b>	<b>0</b>	<b>18,400</b>	<b>14,000</b>	<b>0</b>
IAS RESIDENTIAL	242,297	126,624	242,466	169	(35,873)	115,427	50,642	0
IAS COMMERCIAL	17,450	12,620	16,443	(1,007)	(18,457)	36	0	0
<b>Investments Total</b>	<b>259,747</b>	<b>139,243</b>	<b>258,909</b>	<b>-837</b>	<b>-54,329</b>	<b>115,463</b>	<b>50,642</b>	<b>0</b>
<b>Total</b>	<b>337,441</b>	<b>167,725</b>	<b>330,284</b>	<b>(7,157)</b>	<b>(55,072)</b>	<b>146,654</b>	<b>76,601</b>	<b>200</b>



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# Capital programme 2023/24 (P7)

The capital programme is funded from various sources including, grants, s106, CIL (Community Infrastructure Levy), revenue resources, HRA resources and borrowing. The value of schemes in the 2023/24 programme which are funded from borrowing is £284.149m . This is a reduction of £153m in the amount of borrowing that was approved in the Budget Report to February Cabinet.

## Capital Programme Monitoring P7

Forecast outturn expenditure for 2023/24 is £330.284m which results in an in-year variance of £7.157m below budget. This is a decrease in the forecast position from P6 of £55.072m (P6 showed forecast of £47.915m more than the in-year budget).

The IAS is reporting a variance against current year budget of £837k which is a significant decrease in forecast compared to P6 (which showed accelerated spend of £53.492m). The budgets will be updated in P8 to reflect an accelerated spend for Gascoigne West 2, inclusion of Gascoigne East 3b and to reflect a revised cashflow for Transport House.

The General Fund programme is reporting a forecast of £6.596m below in-year budget which is a slight decrease in the forecast spend with the P6 forecast variance of £5.853m below budget, though with some differences between service areas. The main changes in variance are due to the following:

- Education: Increased costs due to general building cost inflation and also accelerated spend compared to original budget profiling. All Education spend is funded from grants which have already been received but are profiled into future year budgets. Total expenditure will be contained within the available grant balances.
- The previous overspend forecast on Bridges and Structures was due to Choats Road culvert essential works which are now forecast to be within 24/25. This is reflected within commitments on E5.
- My Place – stock condition survey forecast revised down by £500k to reflect delays in procuring the Frizlands fuel tanks and CCTV works.

It should also be noted that highways projects have moved from My Place to Public Realm and CPZ works moved from Enforcement to Public Realm to reflect a recent restructure.



**Appendices:**

**Directorate Detail  
Budget Monitoring**

**Barking &  
Dagenham**

2023/24

one borough; one community; no one left behind



# People and Resilience: Period 8

People and Resilience									
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves		
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement
Adult's Disabilities	20,056,478	19,878,126	16,850,068	23,035,495	0	0	3,157,369	3,527,882	(370,513)
Adult's Care and Support	22,025,777	23,488,264	13,500,501	27,787,655	0	0	4,299,391	4,318,956	(19,565)
Commissioning Care and Support	9,849,999	14,649,312	2,037,766	14,226,543	0	0	(422,769)	(591,487)	168,718
Public Health	(339,189)	(318,250)	(248,688)	(318,249)	0	0	1	1	0
Children's Care and Support	45,863,019	41,525,407	32,517,235	47,347,748	0	(105,766)	5,716,575	5,696,202	20,372
Education, Youth and Childcare	4,102,925	3,948,391	6,613,681	4,094,250	0	0	145,859	(0)	145,860
Early Help Service	2,876,729	3,198,355	474,931	2,516,427	0	0	(681,928)	(580,303)	(101,625)
Children's and Young People Disabilities	13,913,317	10,588,047	7,993,150	12,852,837	0	0	2,264,790	2,690,027	(425,237)
<b>Grand Total</b>	<b>118,349,054</b>	<b>116,957,652</b>	<b>79,738,645</b>	<b>131,542,706</b>	<b>0</b>	<b>(105,766)</b>	<b>14,479,288</b>	<b>15,061,278</b>	<b>(581,990)</b>

## Overall Summary

Overall, there is an overspend of £14,479m across the whole of People and Resilience. This is a positive movement of £0.582m since last month

The positive movement is due to an increase in income for Adult Services through direct payment refunds and a change to bad debt provision, and step down of placements and a reduction in agency staffing levels within Children's Services.

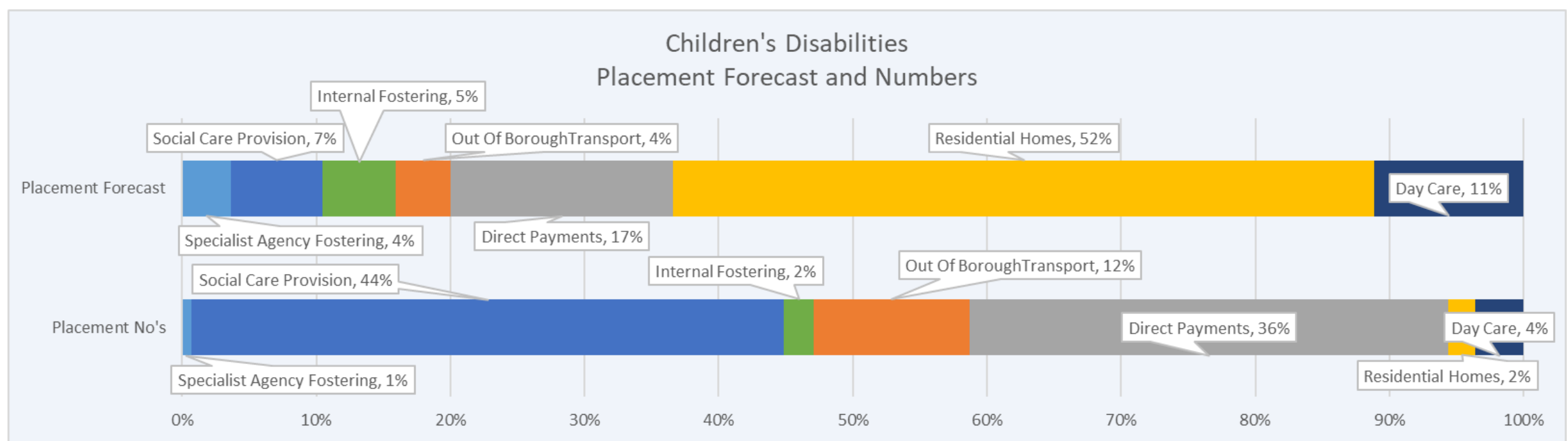
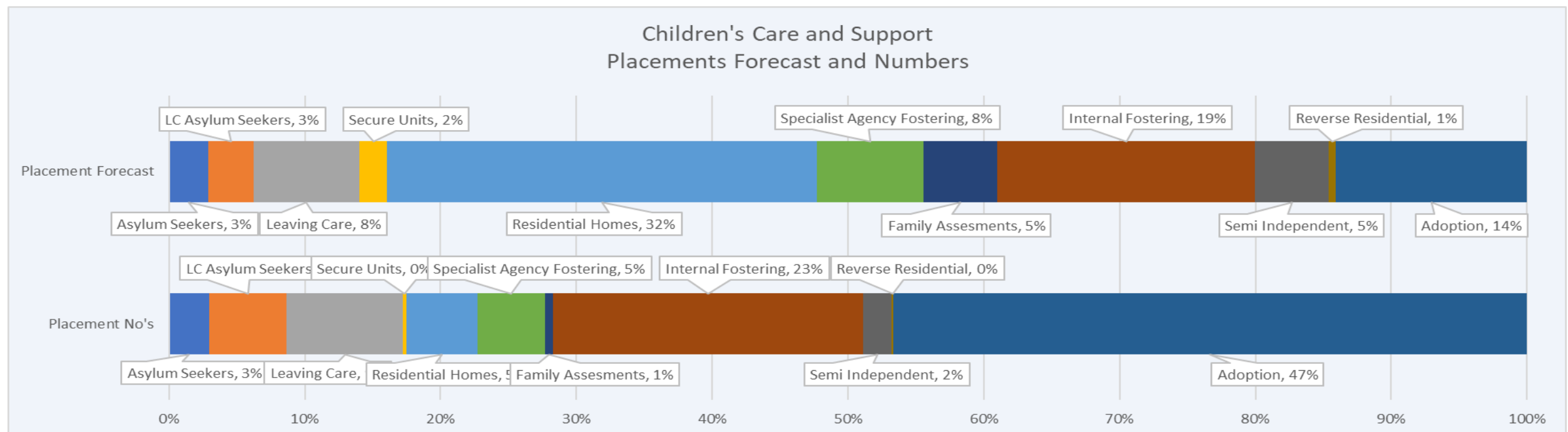
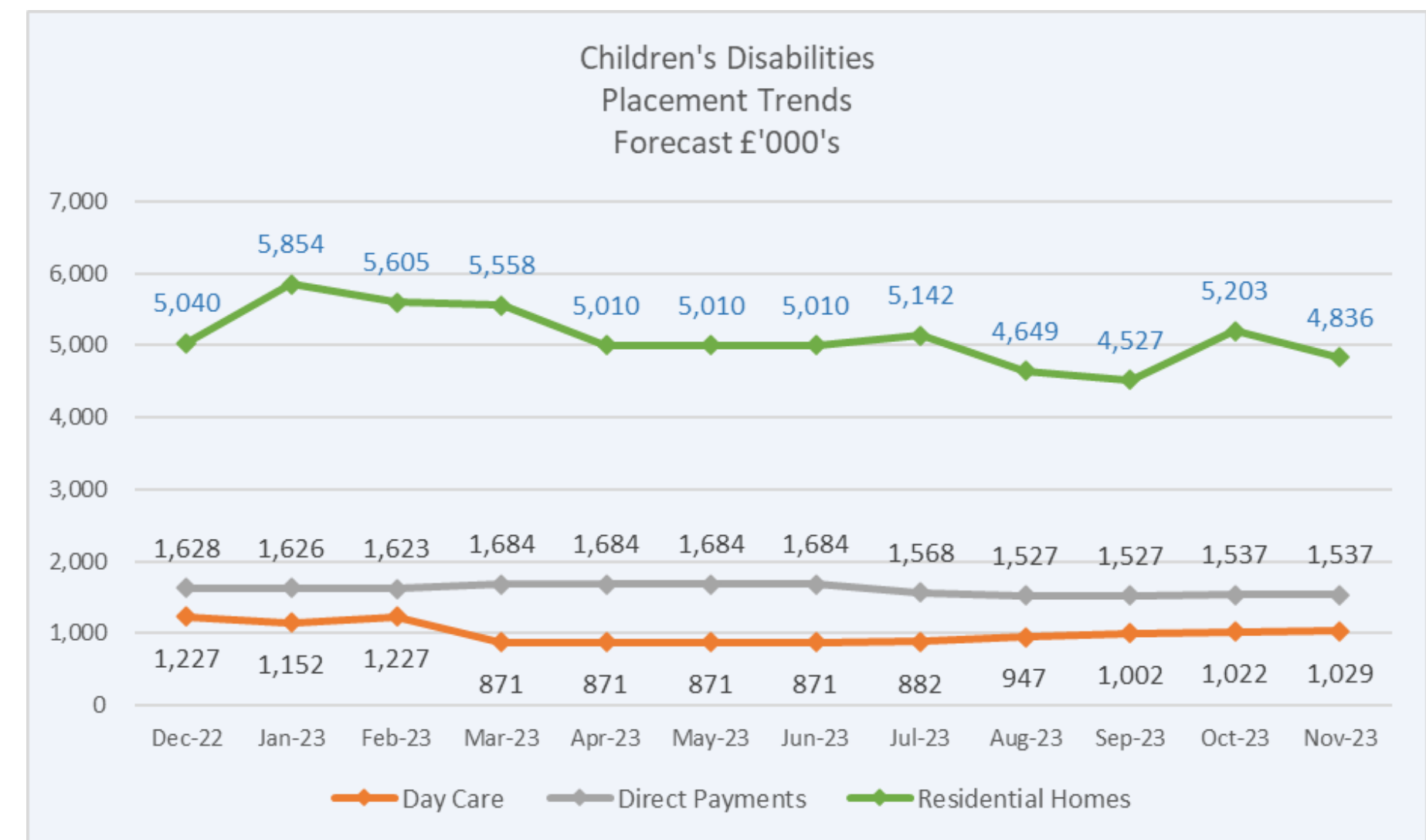
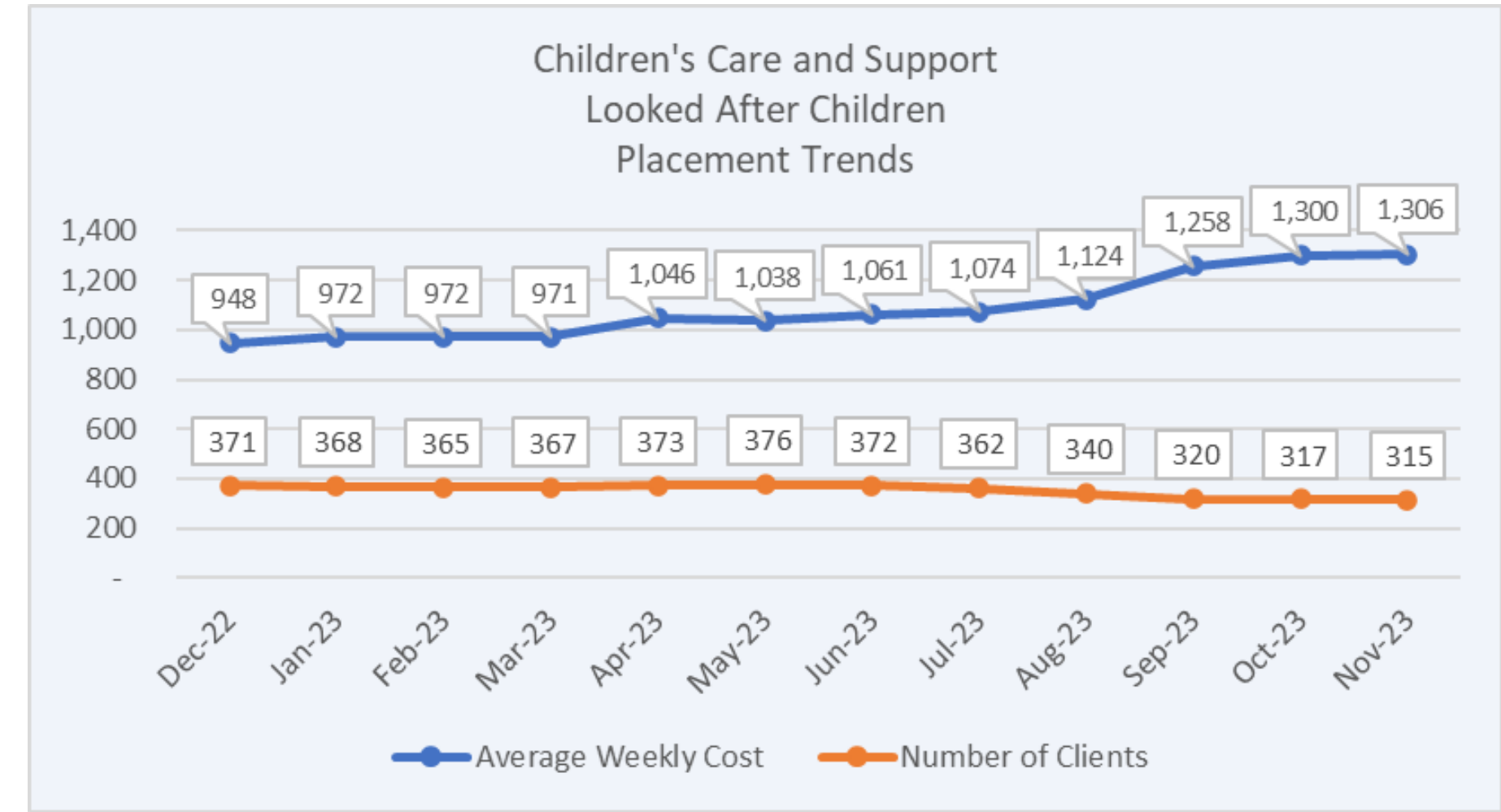
The underlying pressure is largely to the cost of implementing the council policy of London Living Wage through its providers contracts and uplifts, which has led to a pressure of £5.6m. The service is experiencing a significant rise in the number of Education, Health and Care plans, which has resulted in an increasing overspend, and reflective of the increasing demand of Children with complex needs as shown in the disabilities budget. The impact of Young B&D is also significant, the growing number of young and younger working age population in the borough, which has seen steady increases in the number of young working age adults, predominantly with the LD and mental health service, totalling approximately 300 residents, and requiring life long care, replacing older residents with more medium and shorter term care. The clients transferring are entering Adult care at far greater cost than those clients leaving. Given the numbers, this will have long-term financial implications for the authority. It should be noted, that a significant number of those clients were not known to children's services in the borough.

## Key assumptions & Risks

Placement forecasts within Children's and Adults Services are based on actual client's full year costs as shown in the social care placements database (ContrOcc). The service intends to move towards a position where the forecast incorporates estimated future activity, which should lead to less volatility in the monthly forecast. The current estimated outturn moving to this methodology is a likely year end overspend of approximately £16m. As this is work in progress, the forecast has not yet been updated to reflect this likely increase.

A review of Adult Social Care debt identified 210 clients for whom a financial assessment had not been undertaken due to non-engagement or capability issues. £3.8m income has been forecast to be written off this financial year. It has been assumed that £2.6m of this amount can be met from the existing bad debt provision, so the revenue impact is expected to be £1.2m.

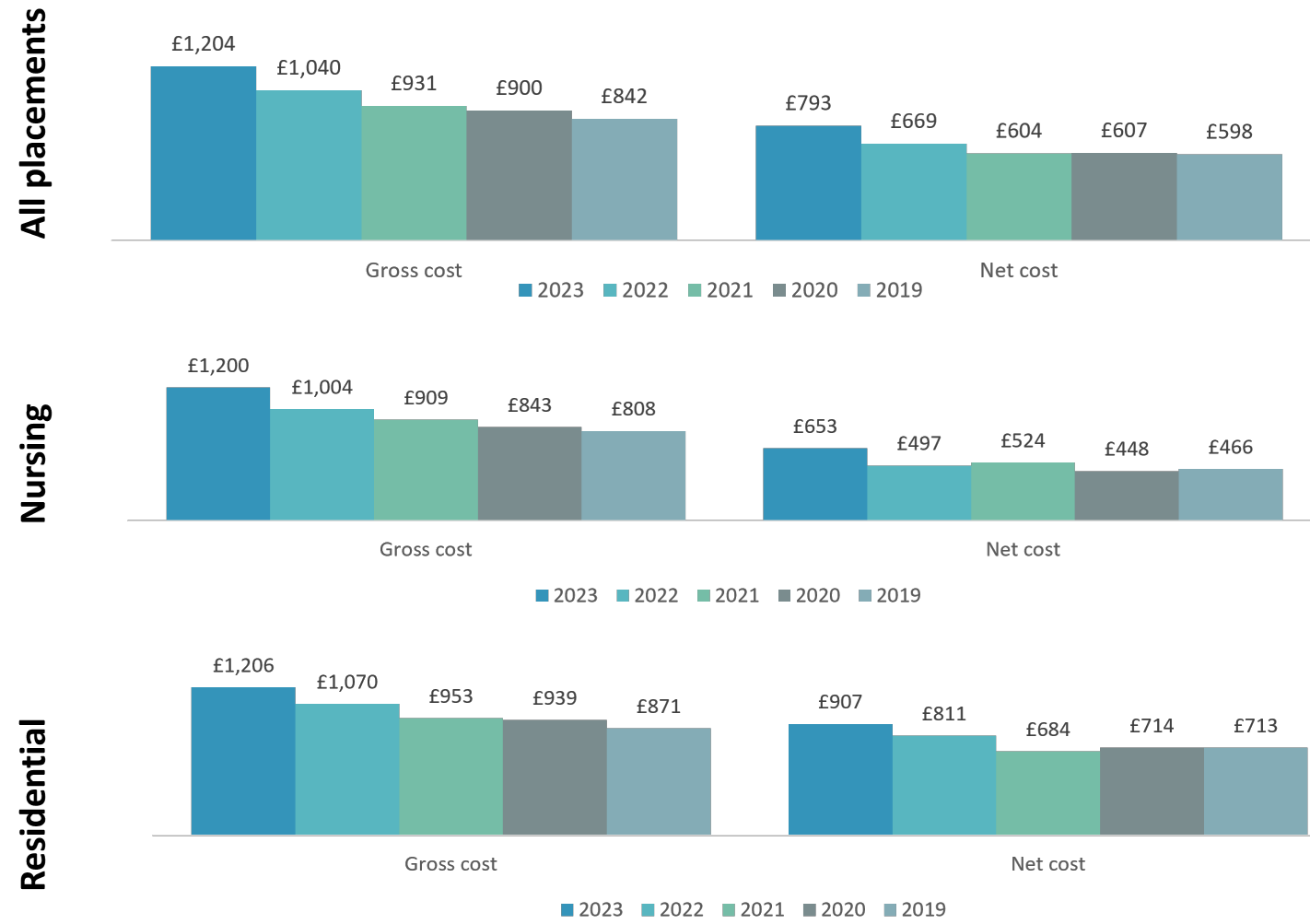
# People and Resilience: Period 8 Children's Data





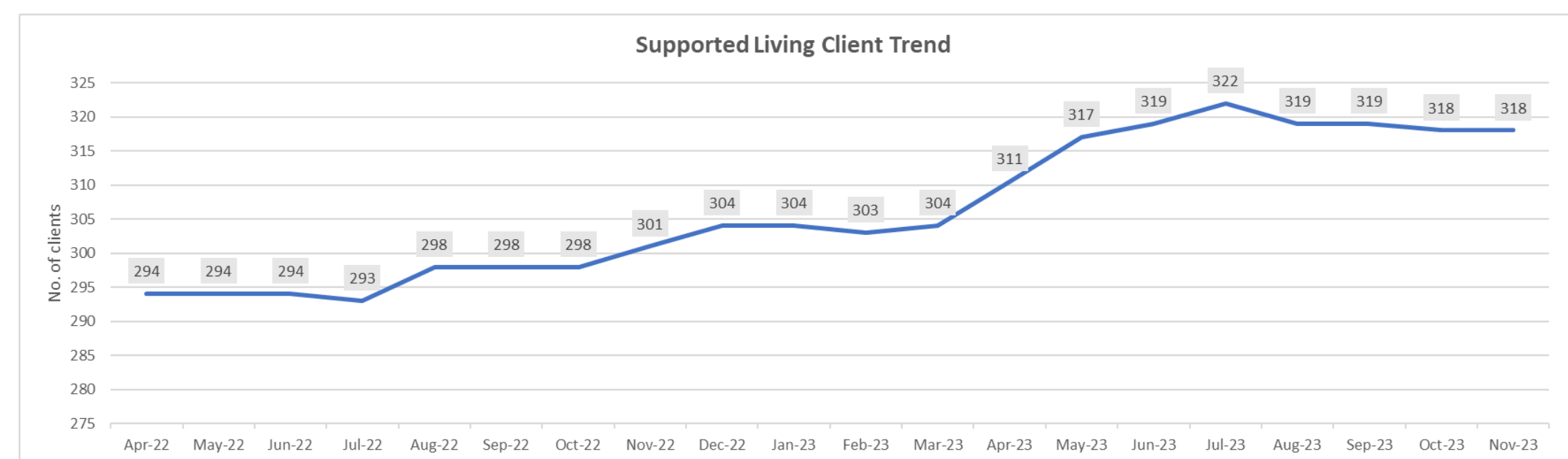
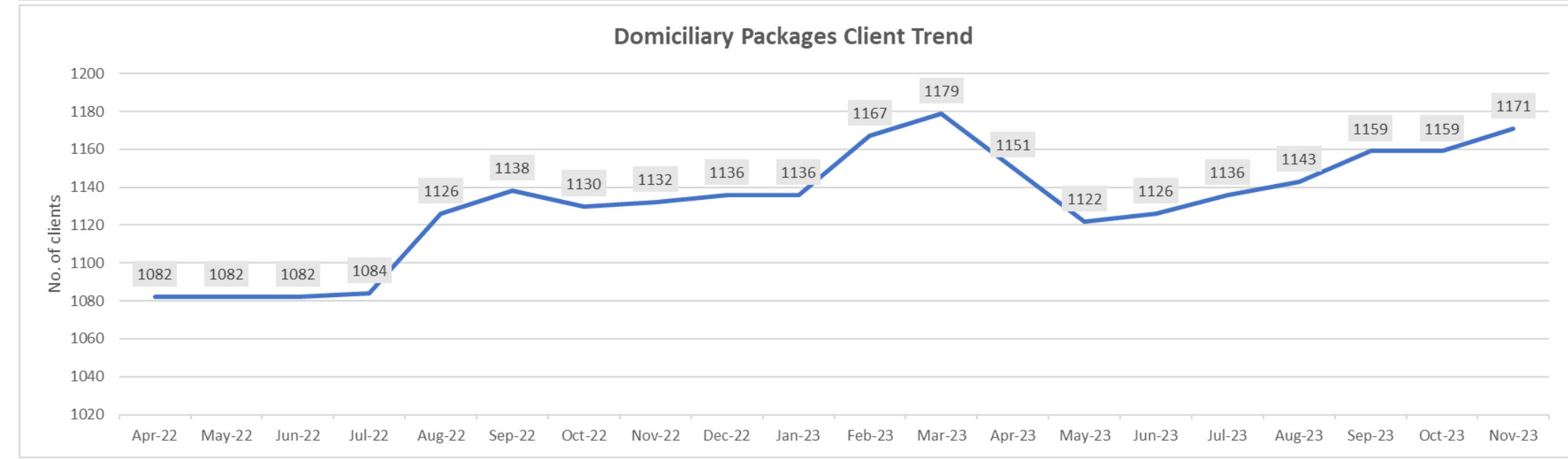
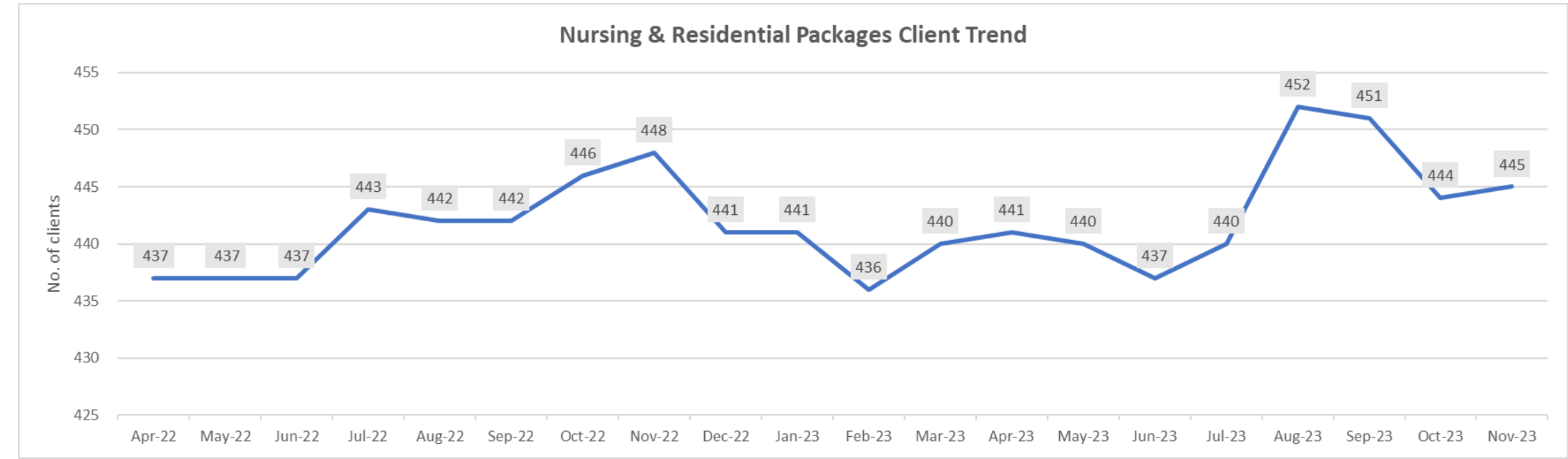
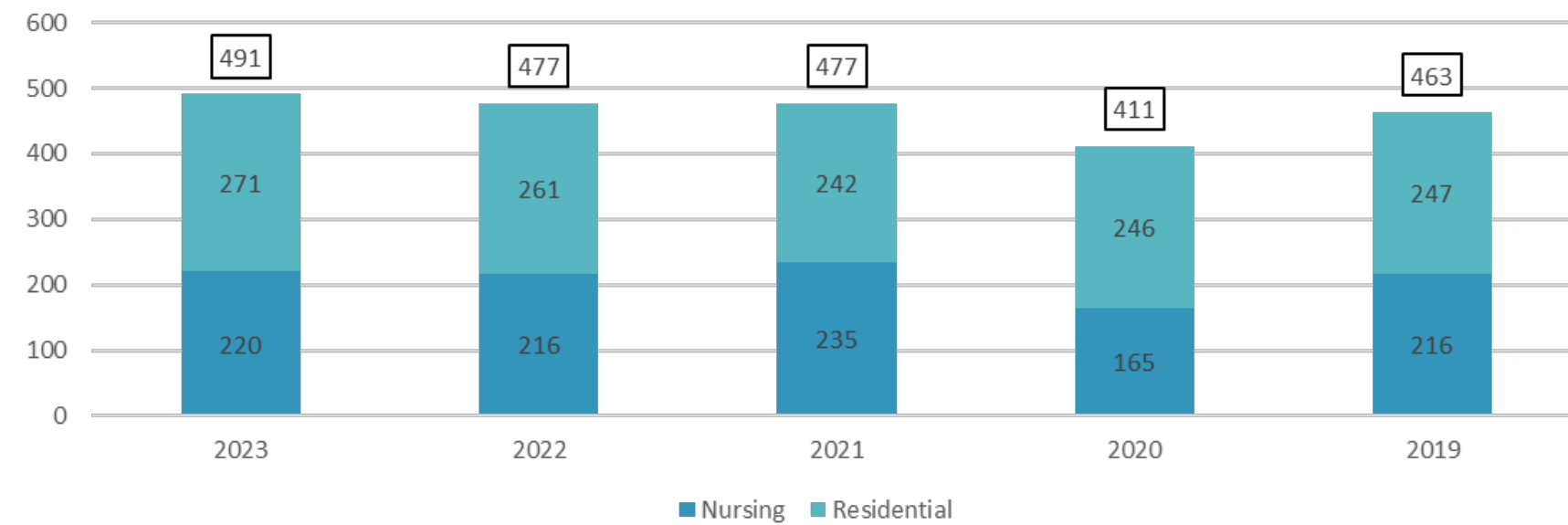
# People and Resilience: Period 8 Adults Data

## All Placements – Average Cost



- Average gross placement prices, the market price of placements, have risen year on year. There was a 16% increase between 2022 to 2023.
- Average net costs to the council (the gross price minus contributions from others) had been relatively stable from 2019 to 2021 but increased by 11% between 2021 and 2022 and has further increased by 18.5% in 2023.
- Gross cost of a residential care placement is approximately £6 more than a nursing placement but costs the council £254 more (higher net cost).
- Net cost of average nursing care is nearly half that of the gross cost due to high rate of contributions for this placement type, which reduces cost to the council. Overall nursing placements have higher rates of client contributions and other contributions and greater proportion of full cost clients.

### All open placements



## People and Resilience: Period 8 – Adults with Disabilities

Adult's Disabilities										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(3,445,678)	(3,337,300)	(2,419,830)	(5,044,440)	0	0	(1,707,140)	(1,208,841)	(498,299)	1
Staffing	1,913,592	2,998,618	1,562,945	2,397,305	0	0	(601,313)	(601,313)	(0)	2
Agency	468,468	0	204,176	414,829	0	0	414,829	414,829	0	
Premises	73,874	31,600	30,331	120,117	0	0	88,517	88,517	0	
Transport	5,781	22,600	10,357	7,301	0	0	(15,299)	(15,299)	0	
Supplies & Services	116,672	328,800	26,017	103,713	0	0	(225,087)	(120,652)	(104,435)	
Third Party Payments	20,923,769	19,833,808	17,436,073	25,036,670	0	0	5,202,862	4,970,641	232,221	3
<b>Grand Total</b>	<b>20,056,478</b>	<b>19,878,126</b>	<b>16,850,068</b>	<b>23,035,495</b>	<b>0</b>	<b>0</b>	<b>3,157,369</b>	<b>3,527,882</b>	<b>(370,513)</b>	

### 1. Income - Variance (£1.7m), Movement (£0.5m)

The variance is largely due to the receipt of and £1.1m additional Market Sustainability and Improvement fund from central government to support the workforce and inflationary pressures incurred by providers, £0.186m from ICB Discharge fund and Client's contribution improvement.

The movement is £0.150m improvement in Direct payment refund, £0.104m provision for bad debt improvement and £0.244m client contribution invoice cancellation movement.

### 2. Staffing and Agency- Variance (£0.6m), Movement £0.0m

Whilst the variance is not material, it should be noted that there are vacant social workers posts, which recruitment is underway.

### 3. Third Party Payments- Variance £5.2m, Movement £0.2m

Variance is made up of an uplift of £2.9m (16.17%) which was applied to all disability placements in 23-24 and £2.2m historical pressures from prior year 22-23. Market Sustainability Grant, £1.1m was applied to mitigate some of the pressure. Additionally, cheaper placements are ending and being replaced with comparatively expensive ones.

Movements is attributable to £0.160m increase in transitional case and £0.068m in Supported Living

## People and Resilience: Period 8 – Adults Care & Support

Adult's Care and Support										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(45,031,421)	(42,649,757)	(33,227,784)	(44,676,852)	0	0	(2,027,095)	(1,058,002)	(969,093)	1
Staffing	8,665,541	10,887,963	6,047,317	9,030,805	0	0	(1,857,158)	(2,257,179)	400,021	2
Agency	696,896	0	731,637	1,625,217	0	0	1,625,217	1,625,217	(0)	
Premises	225,553	110,580	183,679	189,967	0	0	79,387	79,387	0	
Transport	48,628	36,100	35,475	46,404	0	0	10,304	10,304	0	
Supplies & Services	2,982,059	601,403	(504,846)	(119,715)	0	0	(721,118)	(732,450)	11,332	3
Third Party Payments	54,438,521	54,501,975	40,235,023	61,691,829	0	0	7,189,854	6,651,679	538,175	4
<b>Grand Total</b>	<b>22,025,777</b>	<b>23,488,264</b>	<b>13,500,501</b>	<b>27,787,655</b>	<b>0</b>	<b>0</b>	<b>4,299,391</b>	<b>4,318,956</b>	<b>(19,565)</b>	

N.B. The last period variance shown above does not reflect what was reported at P7, the below comments reflect the movement based on the reported P7 position.

### 1. Income - Variance (£2.0m), Movement (£0.073m)

The variance is due to receipt of additional Discharge Funding of £1.6m, £0.264m Market Sustainability Improvement and £0.328m Kallar Lodge uplift in income.

The movement is due to £0.074m of clients previously being assessed as responsible for the cost of their care. This decision has now been reversed by the Financial Assessment Team.

### 2. Staffing an Agency- Variance (£0.2m), Movement (£0.015m)

Variance is attributable to some CQC inspection ready growth positions not yet recruit to.

### 3. Supplies and Service – Variance (£0.7m), Movement (£0.074m)

This variance is due to the allocation of £0.420m better Care Fund and in year bad debt provision improvement.

### 4. Third Party Payments- Variance (£7.2m), Movement (£0.098)

Variance is largely attributable to the 16.17% uplift across all care types, which has caused an increased cost of £5.6m and the ongoing pressure of £2.9m in Mental Health, which overall has been part mitigated by the growth allocation of £3m. Additionally, cheaper placements are ending and being replaced with comparatively expensive ones.



# People and Resilience: Period 8

## – Commissioning Care & Support

Commissioning Care and Support										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Period Movement	£250k deminimus
Income	(13,578,742)	(11,423,670)	(11,569,224)	(12,819,368)	0	0	(1,395,698)	(1,395,698)	0	1
Staffing	6,206,405	7,772,221	4,354,292	6,746,324	0	0	(1,025,897)	(1,121,122)	95,225	2
Agency	1,787,606	0	1,817,203	2,472,039	0	0	2,472,039	2,326,494	145,545	
Premises	2,678	0	4,267	0	0	0	0	0	0	
Transport	10,447	11,600	6,151	5,079	0	0	(6,521)	(7,205)	684	
Supplies & Services	198,750	1,702,027	(55,589)	1,507,382	0	0	(194,645)	(122,512)	(72,133)	3
Third Party Payments	15,222,854	16,587,134	7,480,666	16,315,088	0	0	(272,046)	(271,444)	(602)	4
<b>Grand Total</b>	<b>9,849,999</b>	<b>14,649,312</b>	<b>2,037,766</b>	<b>14,226,543</b>	<b>0</b>	<b>0</b>	<b>(422,769)</b>	<b>(591,487)</b>	<b>168,718</b>	

### 1. Income – Variance (£1.4m), Movement £0.0m

This variance is largely due to additional grant income from Supporting Families Grant and Public Health grant reserve.

### 2. Staffing and Agency – Variance £1.4m, Movement £0.2m

This is due to service agency staff costs mainly for Early Help and Start for Life projects. The service has vacancies filled by agency staff, due to delays in recruiting to vacant posts. Movement is due to reviews of some agency contract end dates.

### 3. Supplies and Services – Variance (£0.2m), Movement (£0.1m)

This variance is due to underspend meant to fund agency staff costs. This will be re-aligned into the staffing budget.

### 4. Third Party Payments – Variance (£0.3m), Movement £0.0m

The variance is due to savings from renewal of a major contract.

## People and Resilience: Period 8 – Public Health Grant

Public Health										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(19,381,114)	(18,367,693)	(14,186,876)	(18,367,243)	0	0	450	450	0	
Staffing	737,863	1,209,740	615,218	1,229,959	0	0	20,219	20,219	0	
Agency	425,327	0	349,541	337,760	0	0	337,760	337,760	0	
Premises	73	0	0	0	0	0	0	0	0	
Transport	216	0	495	0	0	0	0	0	0	
Supplies & Services	603,868	13,781,953	134,958	6,054,102	0	0	(7,727,851)	(7,727,851)	0	
Third Party Payments	4,001,161	2,994,750	904,039	2,756,750	0	0	(238,000)	(238,000)	0	
Recharges	13,273,418	63,000	11,933,938	7,670,423	0	0	7,607,423	7,607,423	0	
<b>Grand Total</b>	<b>(339,189)</b>	<b>(318,250)</b>	<b>(248,688)</b>	<b>(318,249)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>

- Public Health (PH) is grant funded by Office for Health Improvement and Disparities (OHID), forecast includes reserve movement resulting in a net nil overall variance.
- Even though PH is reporting a breakeven, the Senior Procurement and Contracts Manager has identified a potential underspend of £0.550m and is looking at re-prioritising budgets towards services permitted within the terms of the grant.
- It should be noted that the service has £3.94m in reserves, which has been raised as a concern by OHID. A 3-year business plan has been developed and the expenditure against allocations is being closely monitored.
- The service will continue to review allocations for levels of spend, with the objective of re-prioritising where underspends are identified.

# People and Resilience: Period 8 – Children with Disabilities

Children's and Young People Disabilities										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(902,139)	(757,600)	(564,088)	(1,429,938)	0	0	(672,338)	(672,338)	0	1
Staffing	939,002	1,621,081	1,122,277	1,260,087	0	0	(360,994)	(386,569)	25,575	2
Agency	1,088,694	0	213,949	414,997	0	0	414,997	425,630	(10,633)	
Premises	12,307	50,000	13,016	12,558	0	0	(37,442)	(17,443)	(19,999)	
Transport	2,167,617	1,498,988	1,300,641	2,508,624	0	0	1,009,636	1,009,636	0	3
Supplies & Services	1,329,250	510,860	161,763	634,283	0	0	123,423	189,151	(65,728)	
Third Party Payments	9,278,586	7,664,718	5,745,592	9,452,226	0	0	1,787,508	2,141,960	(354,452)	4
<b>Grand Total</b>	<b>13,913,317</b>	<b>10,588,047</b>	<b>7,993,150</b>	<b>12,852,837</b>	<b>0</b>	<b>0</b>	<b>2,264,790</b>	<b>2,690,027</b>	<b>(425,237)</b>	

## 1. Income – Variance (£0.7m), Movement (£0.0m)

Variance is due to an expected DP clawback not previously forecast, figures are yet to be verified by finance.

## 2. Staffing and Agency – Variance £0.0m, Movement £0.0m

We are currently expected to come in on budget for staffing costs.

## 3. Transport – Variance £1.0m, Movement £0m

The variance for this service is driven by the demand for transport services. Although we have seen an increase in transport requests we have been able to accommodate those within existing services with no additional cost.

## 4. Third Party Payments – Variance £1.8m, Movement (£0.4m)

The variance of £1.8m is pressure from residential placements, demand led service currently with 19 clients at an average cost of £0.3m per annum. Movement was due to step of down of placements for a couple of children.



## People and Resilience: Period 8 – Childrens Care & Support

Children's Care and Support										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(6,625,992)	(5,258,300)	(2,647,919)	(6,348,912)	0	0	(1,090,612)	(749,612)	(341,000)	1
Staffing	16,535,939	20,034,874	11,167,755	16,213,098	0	(105,766)	(3,927,543)	(3,804,074)	(123,469)	2
Agency	4,199,453	522,000	3,085,965	3,848,058	0	0	3,326,058	3,640,347	(314,289)	
Premises	223,932	239,700	21,806	181,100	0	0	(58,600)	(58,600)	0	
Transport	274,443	286,900	177,418	225,001	0	0	(61,899)	(66,099)	4,200	
Supplies & Services	2,605,859	1,771,530	883,200	2,716,033	0	0	944,503	367,503	577,000	3
Third Party Payments	28,649,385	23,928,703	19,829,010	30,513,370	0	0	6,584,667	6,366,737	217,930	4
<b>Grand Total</b>	<b>45,863,019</b>	<b>41,525,407</b>	<b>32,517,235</b>	<b>47,347,748</b>	<b>0</b>	<b>(105,766)</b>	<b>5,716,575</b>	<b>5,696,202</b>	<b>20,372</b>	

### Income – Variance (£1.1m), Movement (£0.3m)

This variance is due to additional income from Trading Standards, Youth Justice Board, Public Health, and HM Prisons and Probation, the movement this month is due to additional funding being secured from DfE and Public Health.

### Staffing and Agency – Variance (£0.6m), Movement (£0.4m)

This variance is due to the service carrying 60fte vacancies, currently covered by 49.6fte agency staff, along with an underspend on recruitment budget which had been used for overseas recruitment last year.

The movement is due to a reduction in the number of agency staff overall, and an increase to permanent staff.

Currently Public Health have agreed to provide funding of circa £0.4m to cover staffing costs for PAUSE and other roles within the service. With additional income from Health, MoJ, and other bodies funding a number of other roles within the service.

### Supplies and Services – Variance £0.9m, Movement £0.6m

This variance is being driven by legal costs for cases being presented at court.

The movement reflects the reduced recharge for legal advocacy work over and above the standard corporate legal recharge.

A contingency fund of £0.5m was added to cover costs for children we expect to be placed in care before the end of the year, with placements for them currently being sourced.

### Third Party Payments – Variance £6.6m, Movement £0.2m

- Looked After Children – Variance is driven by number of residential placements, currently 38 active clients, with 3 placements in excess of £10k per week.
- Non-Looked After Children – Variance and movement relatively small, reflecting minor changes to rates/placements
- Other – Variance is due to high-cost placements within the safeguarding service.

	Clients	Budget	Forecast	Variance	Movement
		£'000	£'000	£'000	£'000
LAC	315	15,512	21,442	5,930	(52)
Non LAC	491	7,252	7,209	(43)	(11)
Other	-	1,165	1,862	697	280
<b>Total</b>	<b>806</b>	<b>23,929</b>	<b>30,513</b>	<b>6,585</b>	<b>218</b>

## People and Resilience: Period 8 – Early Help

Early Help Service										
Income/Expenditure	Prior Year	Current Year			Reserves		Variances inc Reserves			Notes
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(1,909,529)	(1,462,330)	(2,068,333)	(1,412,333)	0	0	49,997	49,997	0	
Staffing	2,741,402	4,545,660	2,447,803	3,781,244	0	0	(764,416)	(662,792)	(101,624)	1
Agency	1,056,302	0	65,050	32,491	0	0	32,491	32,492	(1)	
Premises	0	0	0	0	0	0	0	0	0	
Transport	6,848	0	7,926	0	0	0	0	0	0	
Supplies & Services	965,301	0	22,485	0	0	0	0	0	0	
Third Party Payments	16,405	115,025	0	115,025	0	0	0	0	0	
<b>Grand Total</b>	<b>2,876,729</b>	<b>3,198,355</b>	<b>474,931</b>	<b>2,516,427</b>	<b>0</b>	<b>0</b>	<b>(681,928)</b>	<b>(580,303)</b>	<b>(101,625)</b>	

### 1. Staffing and Agency – Variance (£0.6m), Movement (£0.1m)

This is due to the services inability to fill all vacancies, partly due to recruitment freeze. The movement is due to review of start dates for vacant positions and postponing them to later dates.

## Corporate Management: Period 8

Forecast Position: £3.7m (Overspend £0.9m)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
CORPORATE MANAGEMENT	2,619,356	2,619,356		2,301,272	3,712,383		(161,574)	931,453	685,586
STRATEGIC LEADERSHIP	425,369	425,369		362,262	513,024		(99,360)	(11,705)	(52,303)
FINANCE	13,516,100	13,516,100		12,297,394	13,589,927		(62,214)	11,613	(219,710)
WORKFORCE CHANGE / HR	1,917,111	1,917,111		2,922,070	2,800,156			883,045	909,100
LEADERS OFFICE	271,251	271,251		230,020	319,750			48,499	48,499
TECHNICAL - CORP MGMT	(13,510,475)	(13,510,475)		(13,510,475)	(13,510,475)				

### Key Drivers of the Position:

There is a forecast overspend of £0.9m in Corporate Management, an adverse movement of £246k from P7 primarily due to 2023/24 Audit fees being higher than originally forecasted and Fidelity Insurance premium recharge. As a structural change, the Accounts payable and Procurement Services have been lifted and shifted from Inclusive Growth to Finance in P8.

- **Strategic Leadership (Chief Executive)** is forecast to underspend by (£11,705) due to holding a vacancy offset by PA agency costs. The PA budgets are awaiting to be moved, which will net off the agency spend.
- **Finance (inc. IT)** is forecast to underspend by (£6,349).

IT is reporting an underspend of (£1.3m), a favourable movement of (£222,300) from P7 attributable to holding vacancies.

- (£1.38m) most of the overall IT variance is projected on IT Staff and Agency. The underspend could decrease depending on IT business as usual work requiring interim expertise to cover the shortfall in resource.
- (£63,700) forecast overachievement is on external recharges for entity telephone and IT service charges. Further work is underway to agree the recharge position for the financial year reliant on finalising service level agreements with the entities which may alter the projected position.
- £175,500 forecast overspend on IT Projects where the income target needs to be reduced to reflect a lower value of project work.

The underspend in IT is offset by a net £1.3m overspend in other **Finance** areas where we see an adverse movement of £415,000 from P7. The change is due to 23/24 scale fees were recently published and increased Fidelity Insurance recharge budget pressures.



## Corporate Management: Period 8

Forecast Position: £3.7m (Overspend £0.9m)

### Key Drivers of the Position: Continued:

- Procurement – £45,303 overspend – Procurement remains affected by an increased £145,000 HRA income shortfall contributing to the increased overspend.
- Accounts Payable – (£20,000) underspend – an improvement of (£24,800) from P7 due to an agency staff being appointed into a permanent role.
- Workforce Change/HR is forecast to be overspent by c£883k, a favourable movement of £26k from P7 due to the decrease in staff related costs, there has been no change in Leader's Office position from P7. Therefore, Workforce Change/HR and Leaders Office are expected to overspend by c£932k. Within the HR department, re-evaluation of the Housing Revenue Account (HRA) recharge has led to an income deficit of £437k. This change, along with ongoing challenges, has made it impractical for HR to meet the originally projected savings of £577k in the 2023/24 financial year. The delays in implementing the ERP system and the Self-Service Manager model are contributing factors to this setback. Furthermore, the Leader's Office is grappling with a historical budget pressure of £50k.
- The 161,574 transfer from reserves covers a £99,300 drawdown from Invest to Save reserves to fund a diagnostic social care service review and £62,200 IT Cyber Security grant brought forward

## Corporate Management: Period 8 Risk and Opportunities

### HR and Leaders Office

- HR income levels need to be met in order to deliver against the forecast
- Further delays in implementing the Self-Service Manager model will delay the MTFS savings.

### HR and Leaders Office

- Vacate Porters Avenue will reduce the forecast overspend by £100k
- Explore options around outsourcing Occupational Health

## Central Expenses: Period 8

Forecast Position: £46.8m (Underspend £0.4m)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>CENTRAL EXPENSES</b>	<b>47,238,094</b>	<b>47,301,094</b>	<b>(63,000)</b>	<b>13,202,736</b>	<b>46,836,223</b>			<b>(401,872)</b>	<b>(1,513,555)</b>
CORPORATE MANAGEMENT	(641,000)	(641,000)			(860,323)			(219,323)	(219,323)
GENERAL FINANCE	47,736,984	47,799,984	(63,000)	9,191,495	47,633,431			(103,553)	(1,393,882)
HOUSING BENEFIT SUBSIDY	142,110	142,110		4,011,241	63,115			(78,995)	99,650

### Key Drivers of the Position:

- Corporate Management – Recalculation of the HRA recharges has had a positive movement against budget.
- There is a slight underspend in General Finance as a result of separating the General Fund and IAS borrowing costs. The key driver for the slight underspend is slightly lower interest cost compared to budget.
- There is £79k underspend on HB Overpayment Recovery and Subsidy due to overpayment reclaims.



## Law and Governance: Period 8

Forecast Position: Underspend of c£0.4m after transfer of c£1.4m PRPL income to reserve.

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>LAW AND GOVERNANCE</b>	<b>6,531,051</b>	<b>6,531,051</b>		<b>2,707,621</b>	<b>4,734,744</b>	<b>1,406,000</b>	<b>(30,000)</b>	<b>(420,307)</b>	<b>(399,997)</b>
LEGAL	3,628,084	3,628,084		3,591,941	3,540,421		(30,000)	(117,663)	(144,523)
ENFORCEMENT	2,902,967	2,902,967		(884,320)	1,194,323	1,406,000		(302,644)	(255,474)

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

There was a favourable movement of c£47k within Enforcement from P7 was due to reduction in forecasted spend, however Legal had an adverse movement of c£27k from that reported in P7.

#### LEGAL

Legal and Democratic services are reporting an underspend of c£117k, an adverse movement of c£27k from P7. This is primarily due to a virement within Democratic Services for c£18k for Mobile Canvass App and the Employer Liability Insurance within Legal being higher than forecasted.

It is worth noting Legal are forecasting an overspend of c£42k, this overspend is primarily due to the recalculation of the HRA recharge, resulting in an income shortfall of c£180k within Legal.

In summary, while Legal and Democratic Services have experienced a favourable financial outcome due to the conversion of agency staff and staff resignations, Legal's overspend is partially offset by the ongoing vacancies in both departments.

#### ENFORCEMENT

The Enforcement P8 outturn position reflects an underspend of c£303k following the transfer of around £1.4m in PRPL income to reserves. The favourable outturn position is due to the freeze in recruitment to vacant positions. Currently, there are 59 vacant positions within Enforcement, with 29 of them being temporarily filled by agency staff.

The Private Sector Property Licensing (PRPL) scheme income target will be met and a transfer of c£1.4m to reserve for future years.

## Law and Enforcement: Period 7 Risk and Opportunities

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

- The Barking Market - there is no budget provision for Security in the Market c£45k. Traders Parking is now covered by the Markets Team which has created a budget gap of £24k. The Waste Collection SLA is currently being agreed which is likely to cause a further gap of c£80k.
- Discussion are being held re: Street Cleaning in Barking Market. Public Realm are proposing to charge the cost of £360k to the Markets which is not reflected in the forecast.
- The potential end of the SLA with Thurrock Council would mean a net decrease in Legal's income of c£80k. The current value of the contract with Thurrock Council is £320k, the cost to deliver the council is c£240k (5 FTE's). This will not impact this financial year as there is a notice period of 6 months.

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

## Strategy: Period 8

Forecast Position: £9.6m (Underspend of £0.5m)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
STRATEGY	9,755,640	9,755,640		6,808,842	9,601,275	0	(363,662)	(518,027)	(326,687)
STRATEGY & INSIGHT	8,392,400	8,392,400		5,720,947	8,120,136	0	(351,662)	(623,926)	(480,541)
COMMUNICATIONS	1,363,240	1,363,240		1,087,895	1,481,139	0	(12,000)	105,899	153,854

### Key Drivers of the Position:

The Strategy directorate is forecast to underspend by £518,000 at the end of Period 8 an improvement of (£191,340).

**Strategy & Insight – Forecast Position (623,926) underspend, a (£143,386) positive shift from P7 attributable to Customer Contact mobility service.**

### Insight and Innovation:

- **The Advertising contract** is expected to exceed the income target by (£50,400) based on historical revenue information. Nonetheless, the excess income is variable and subject to change based on economic conditions.
- **Insight hub** is also forecast to underspend by (£137,300) attributable to (£179,000) salaries underspend from vacancies.

**Strategy:** The following 3 cost centres (PMO, Corporate Strategy Team and Director of Strategy) net result will be a balanced budget.

- **The PMO** main contributing factor to the £32,231 overspend, is the removal of the HRA income (the net result of which is a shortfall of £116,643).
- **The Corporate Strategy team** is forecast to underspend by (£143,923). However, this underspend is needed to directly support the overspend in PMO.
- **Director of Strategy** is forecasting an underspend of (£11,159) due to a recruitment gap into the Strategy Director post.

### Customer Contact:

- **Customer Contact:** With a budget of £6,368m has a forecast underspend of (£313,338) mainly due to delayed recruitment of vacant roles. The Improved variance of (£138,432) from P7 is attributable to Mobility Service - reduced take-up (£141k) (still not at pre-pandemic level). Customer Services Leaver (£16k). Internal market for chargeable work diminishing, adding a new pressure of £20k.



Forecast Position: £9.6m (Underspend of £0.5m)

**Key Drivers of the Position: (Continued)**

**Communications (Campaigns and Events)** – Forecast Position: £105,899 overspend, a (£48,000) favourable movement from the P7 mainly due to an adjustment to the Bad debt provision and increase in actual income. The HRA income shortfall of £112,000 is the main contributing factor to the overspend.

- **Community Events** are forecast to underspend by (£62,200) a positive shift in the variance from P7 due to an adjusted bad debt provision and increased income. The overall underspend due to scaling back the WEM and BMAC events (21,000), and reduced salaries costs from secondments terminating early (£26,000).
- **Civic Events** are reflecting £25,900 over budget due to overspend on salaries by £14,000 and £15,000 on overtime offset by a small reduction in the cost of events.
- **Marketing & Communications** is forecast to overspend by £142,200 owing to £112,500 reduced HRA income and £17,000 of cancelled duplicate invoices in relation to previous years. The favourable shift from P7 of (£17,800) is primarily due to reductions in expenditure forecast.

The £363,662 transfer from Reserves represents a drawdown of £50,000 from the Supporting Families grant for the One View programme, £19k towards the salaries cost of the WRES post in the Director of Strategy service, £282,662 for Customer Experience Team Growth bid and £12k towards Women Empowerment event.

## Strategy: Period 8 Mitigations Table

Forecast Position: Forecast £9.6m (underspend of £0.5m)

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
PMO	32,231		Pressure relates to £116,643 HRA shortfall, mitigated by managed underspend in Corporate Strategy Team
			Mitigation : Purchase cards spend - Team are working hard to keep spends to an absolute minimum. Members Allowance- A spending cap has been introduced on the engagements that the Mayor and her guests attend to ensure budget is not exceeded to gather different quotes and choose the cheapest option for all events to ensure value for money. The Mayors Fundraising events - now solely funded from the Mayors Charity Account from which overtime for these events will be funded
Civic Events	25,925		
Marketing & Communication	142,191		The Pressure largely due to HRA income shortfall of £112,491
Customer Services	418,266		The Pressure due to HRA Fixed Recharge income shortfall of £434,728, offset by other underspends within Customer Contact
Registrars	32,431		Pressure is due to building maintenance costs of a Grade 2 listed building, offset by other underspends within Customer Contact
Other underspends	(1,169,071)		
<b>Total</b>	<b>(518,027)</b>		

## Strategy Period 8 Risks and Opportunities

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

- Customer Experience generate income providing digital services to departments within LBBD. The current target of £60k may fall short due to council wide budget freeze.

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

- Income from Digital Advertising is an area of opportunity. There is potential for new units to generate additional income of around £15k per annum. This is less than previous estimates which have been affected by the recent economic downturn. Despite this, negotiations are in progress with providers to establish the best possible position for the council. If we cannot achieve a good deal we may decide to wait a year before going to market again. This would delay the income stream. The service is currently in discussions with procurement, finance and external advisers to decide the best route.



## Inclusive Growth: Period 8

Forecast Position: £2.7m (Underspend of £10k)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,078,456	1,078,456		1,962,931	2,713,573	145,898	(1,791,636)	(10,621)	123,658
COMMERCIAL	(1,366,836)	(1,366,836)		(701,263)	(1,714,728)	145,898	0	(201,994)	(7,934)
INCLUSIVE GROWTH	2,445,292	2,445,292		2,664,194	4,428,301	0	(1,791,636)	191,373	131,592

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

The Inclusive Growth Directorate is forecast to underspend **by (£10,621)** at the end of Period 8, an improvement of **(£134,279)** from P7 mainly due to the insurance recharge to Tenants for CR27 and a lift and shift of Procurement and Accounts Payable services from Commercial to Finance. The main budget pressure in Inclusive Growth is the 23/24 one- off **(£500,000)** MTFS Soil importation income target and **(£133,000)** commercialisation income target, both unachievable in 23/24 and in future years. As a result, the £133K Income Target is being deleted from financial year 24/25.

### Commercial Services – Forecast an underspend of (£201,994) an improvement of (£194,060)

- **The Core Commercial Team** is projecting a **(£128,500)** underspend, attributable to senior management role becoming vacant in December and a vacancy.
- **The CR27 Investment** is forecasting a **(£66,900) income overachievement** a favourable movement of **(£113,700)** relating to an estimated Insurance Recharge to Tenants. Further work is underway with our Real Estate advisors and Aviva to determine the 22/23 Financial year backdated rent increase payable, which is anticipated to favourably alter this position if the amount payable is less than expected.
- **The Isle of Dogs TL investment** is forecast to **overachieve by (£6,500)**. The small movement from P7 is due to further external advice costs expected in FY 23/24.
- **Leisure** is forecasting a breakeven position after incorporating part of the £200,000 termination payment to cover re-procurement costs and historic leisure centres invoice write offs. The balance of £145,989 is to be held in reserves to cover part of the 24/25 income shortfalls. Leisure income for financial years 24/25 to 27/28 will be reduced as it is unlikely the new Leisure contract will provide the return as originally modelled in the MTFS. The forecast further assumes the 23/24 concession income of £665,575 will be received in full, with half (333k) already received.

Forecast Position: £2.7m (Underspend of £10k)

Key Drivers of the Position (continued):

**Inclusive Growth – Forecast an overspend of £191,373 an increase of £59,800 from P7 mainly due the Film Office lift and shift to Inclusive Economy as well as the Adult College and Employment and Skills pay award related costs to be funded through grant.**

- **Parks Commissioning** is forecasting £524,300 overspend. Parks Commissioning main cost driver is the one off £500,000 income generation target from the soil importation that cannot be achieved in year and £133,000 income generation from Parks commercialisation projects as the income is credited to the events Team. In the absence of these income targets, the service would be significantly underspending.
- **Culture and Heritage** is reflecting a £2,010 overspend from P7. The change in the variance from P7 arises from a general increase in Insurance premium recharges.
- The **Inclusive growth core teams** (Inclusive Economy, place and development, Sustainability and core IG) forecast a combined **(368,341)** underspend, a favourable movement of **(£44,700)** mainly due to spending reductions.  
The Film Office previously in commercial is now within Inclusive Economy. The service is projecting £71,145 income underachievement due to the recent Actors Strike impacting the film service to generate income from larger budget production. However, as the strike has now finished, production enquiries are increasing and the service is forecast to cover all costs. The Film Office forecast position includes a drawdown of £40,000.
- **Development Planning** is projecting a pressure of £40,600 driven by Added Years Compensatory pension payments to ex – employees. There is no existing budget allocation to cover these costs.
- **Adult College, Apprenticeships and Employment & skills** are projecting an underspend of **(33,300)** an adverse movement of £79,600 from P7 due pay award salaries funded through grant. The apprenticeships service alone is forecast to overspend by £159,300. Following a review of its financial sustainability, the winding down process of apprenticeship delivery has been formally initiated and may potentially increase the overspend once actual lost income and payments to providers is finalised. The overspend will be absorbed within the overall Employment & Skills underspends.

The £1.8m transfer from Reserves, represents a drawdown from Inclusive Growth and other reserves: Made in Dagenham Endowment programme (£185,300), Welfare reserve (£603,728) and (£1m) from grants brought forward.

# Inclusive Growth: Period 8 Mitigations Table

Forecast Position: £2.7m ( £10,621 underspend)

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
Film	71,145		Industry strikes have completed. The film service will be covering costs and still bring in a small surplus to the council although not meeting the income target. £40k Reserve Drawdown is being used to reduce the £111k overspend down to £71k
Commissioning & programmes	40,626		No planned mitigation. Pressure relates to Added Years Compensatory pension costs with no supporting budget
Employment Team (Apprenticeships)	159,321		Although the Employment Team service is now forecasting an underspend as a whole, the <b>apprenticeships service is now formally</b> winding down delivery to mitigate the cost pressure in the long run. The winding down process could potentially increase the overspend once actual lost income and payments to providers is finalised. The underspend will be absorbed within the overall underspends and Employment & Skills departmental reserve if necessary. Full year effect of cost avoidance to be achieved in the coming financial years.
Parks Commissioning	524,373		Parks Commissioning main cost driver is the £500,000 income generation target from the soil importation that cannot be achieved in year. In addition a further pressure of £133,000 income generation from Parks commercialisation projects which will not be achieved as part of the 23/24 MTFS - The £133k income target will be removed from the 24/25 MTFS
Other underspends	(806,086)		
<b>Total</b>	<b>(10,621)</b>		



# Inclusive Growth: Period 8 Opportunities

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

## **Inclusive Growth Bad Debt Provision:**

- Inclusive growth (IG and Commercial) have had to date a combined bad debt provision Credit of £356,300. This has not been reflected in the forecast as two more Bad debt provision postings are pending. There is a high possibility for the provision to remain as a credit which will further increase the overall underspend for the service.

## **Food Sector, Make it Here, Adult College**

- We are using the food and film sector endowments from the City of London and MBS/Hackman to leverage additional funding from external funders – including a potential grant from Film London – and establish sustainable training programmes that do not require significant ongoing funding from the Council/key partners.
- There is an opportunity for the Adult College to maximise their assets to generate more income

## **Heritage and Culture**

- Valence House Museum is awaiting a response to the legal challenge on the rates currently being charged to the site. Our expectation based on legal advice is we will receive a significant reimbursement; however, we have just encountered a setback from the VO who have queried whether different rates should be charged to different buildings across the broader site, which could mean another year-long delay in their formal response and the reimbursement.

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

**Parks Commissioning:**

- Tennis Development Proposal – as per the associated report presented to Cabinet on 21.03.23 Parks Commissioning has secured internal (£75,400) and external funding from the LTA (£327,417) to invest in the borough's 17 tennis courts to bring them back up to a playable standard.
- Work on site commenced at Central Park (the first of 5 x sites) on 11th August, followed by Barking Park, St Chads Park, Old Dagenham Park, and Greatfields Park. 2 of the 5 Barking & Dagenham sites have now been gated by CIA (Old Dagenham Park & Greatfields Park) and the Smart Access systems installed. The associated completing dates for the remaining 3 sites are: Barking Park 27-28th November, St Chads Park 29-30th November, and Central Park 30th November
- The completions dates for temporary lines (note: due to the deteriorating weather conditions the full colour spraying has been scheduled for next Spring), fencing, nets and posts going in and sign off will hopefully be agreed at the next Project Progress meeting (Friday 17th November).
- The contract for the management and maintenance of the borough's tennis courts went out to tender on 23rd October. The submission deadline is 17th November. Award will be December with mobilisation in January 2024.
- External funding – Parks commissioning was successful in securing Rewild London (Round 2) funding including £39,000 and £35,410 respectively to deliver the River Rom Phase II and Reptile Survey projects. These projects will deliver significant social, environmental, and economic benefits for the borough and residents. £50k has been secured from London Marathon Community Trust's 'Active Spaces Fund' and will be used to refurbish the toddler play area at Old Dagenham Park. Other external funding bids and associated EOIs (e.g., Environment Agency's Natural Flood Management Programme) are also being prepared.

# Inclusive Growth: Period 8 Risks

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

## **Food Sector, Make it Here**

- There are long term risks to economic development funding, as the food, film and care sector projects are all funded by temporary grants/endowments. We are working with key partners to secure ongoing funding.

## **Heritage and Culture**

- There is a risk The Arts Council grant for Archivist is not guaranteed for future years – net £41k.
- The Women's Museum project is currently being funded through the Cultural Commissioning budget, with additional funds being granted through SCIL. Currently there is a future budget pressure expected next financial year as the site is opened and operational costs will need to be covered into the long term. The Service is looking into fundraising significantly into the coming months to meet this pressure, and in the interim period will continue to support the project through CC

## **Commercial Risk:**

- There is an inherent risk that external market factors may make it more difficult for tenants of the Council's hotel investments to meet their rent payments

## **Parks Commissioning - Contaminated land adjacent to Eastbrookend Country Park – risks:**

- Remaining risk of prosecution from Thames Water – if LBBD fails to deliver the agreed Contaminated Land Action Plan.
- Lack of clarity about the future management and maintenance of the contaminated land, and especially the Effluent Treatment Plan, and where this responsibility sits within the Council.
- Vehicular access – the planning application is now ready and will be submitted once the planning application fee has been processed.
- Electricity supply – a permanent electricity supply is essential to avoid future dependency on generator use and diesel deliveries. We are currently waiting for a fee proposal from Arcadis to prepare tender documents and administer the terms of the engineering contract in relation to the contestable works.
- Drainage proposal – work commenced on site on Monday 25th September. However, as reported to ACB on 8th November work had to be suspended as a large area of contaminated land was encountered whilst installing the new drainage pipe. Arcadis is investigating an alternative route, but this will be subject to a topographical survey and further ground investigations (e.g., trial pits). Inevitably this will add costs and introduce time delays.



## Community Solutions: Period 8

Forecast Position: £16.5m (underspend of £2m, -14% Variance)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
COMMUNITY SOLUTIONS	14,461,470	14,461,470		9,517,349	16,521,424	400,000	(4,504,086)	(2,044,132)	(1,778,613)
SUPPORT AND COLLECTIONS	7,017,112	7,017,112		5,590,534	7,390,099	0	(1,511,164)	(1,138,177)	(961,823)
COMMUNITY SOLUTIONS	1,069,410	1,069,410		715,174	898,530	0	(146,000)	(316,880)	(294,335)
COMMUNITY PARTICIPATION & PREV	7,679,948	7,679,948		4,516,640	9,537,795	400,000	(2,846,922)	(589,075)	(522,455)
TECHNICAL - COMSOLS	(1,305,000)	(1,305,000)		(1,305,000)	(1,305,000)	0	0	0	0

### Key Drivers of the Position:

The total overspend pressure for Community Solutions is **£3.7m**

The recalculation of the HRA recharge has resulted in an income shortfall of **£3.1m** across Community Solutions. There are delays in delivering MTFS savings across Community Participation & Prevention of **£0.3m** which is being closely monitored. The MTFS savings for transfer of buildings to VCS has been paused due to the emerging locality model proposals from Adults.

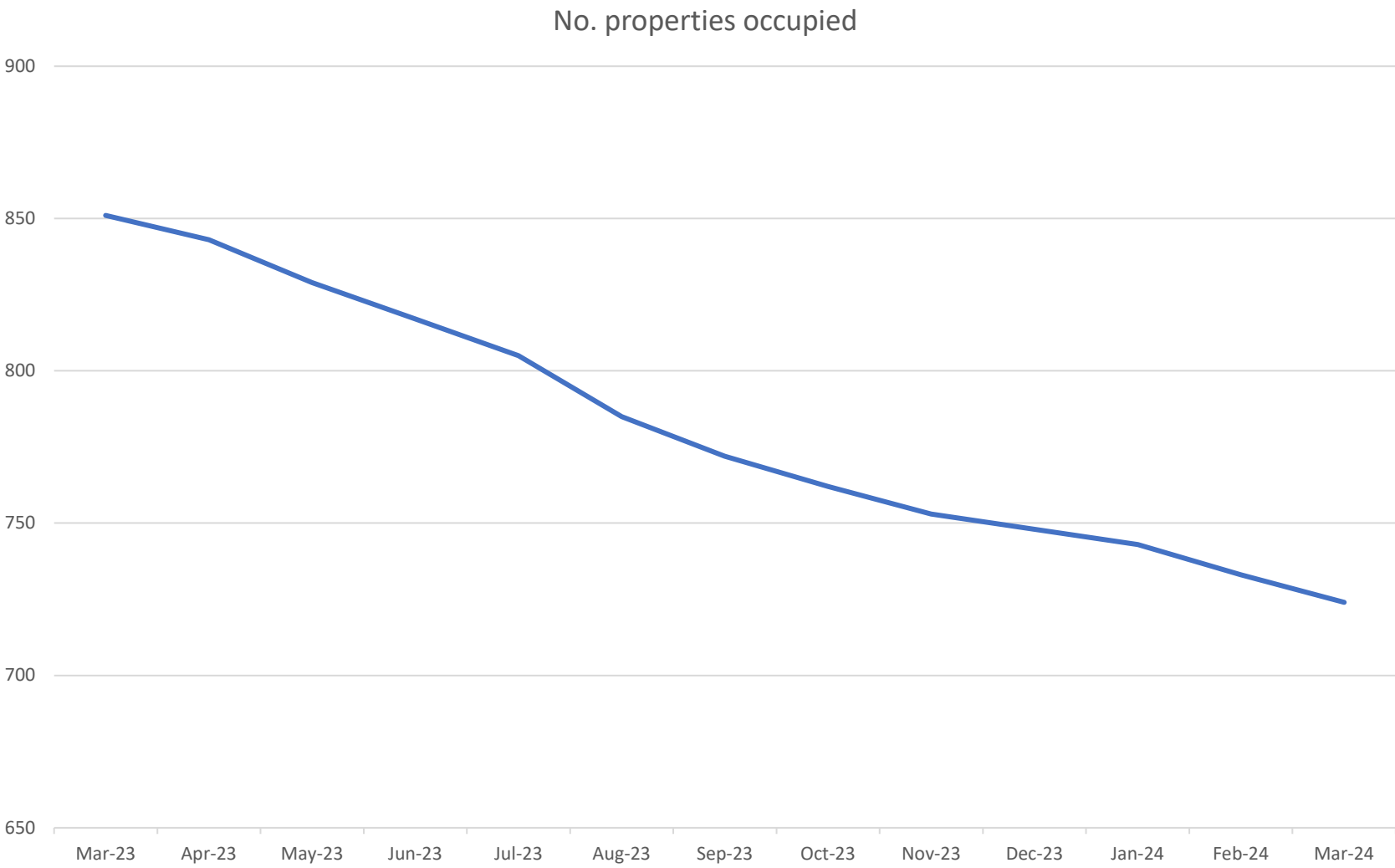
The Ethical Collection Service is forecasting an overspend of **£0.2m**. The service is working towards a higher income collection. However, it is currently unable to cover its costs. Finance still believe the overspend will range from **£0.2m - £0.4m** and this may increase the outturn variance.

Community Solutions have taken a number of difficult decisions and identified one-off mitigations of **£3.9m** to reduce the outturn variance, which are listed in the mitigations table. It is to be noted that these mitigations come with their own level of risk/impact and this will be closely monitored.

Refugee Client Allowance applications have reduced significantly, **£0.4m** of the **£0.9m** grant will be moved to reserves for 2024/25.

# Community Solutions: Period 8 Data

Forecast Position: £16.5m (underspend of £2m, -14% Variance)



## My Place Summary: Period 8

Forecast Position: **(£1.404m) underspend**

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>MY PLACE</b>	<b>4,448,439</b>	<b>4,448,439</b>		<b>32,384,164</b>	<b>2,834,360</b>	<b>210,000</b>	<b>0</b>	<b>(1,404,079)</b>	<b>(1,349,968)</b>
HOMES AND ASSETS	(1,145,987)	(1,145,987)		16,158,653	(410,150)	0	0	735,837	849,361
PUBLIC REALM	5,594,426	5,594,426		16,225,510	3,244,509	210,000	0	(2,139,916)	(2,199,329)

### Executive Summary

My Place is projecting a **(£1.404m) underspend**, an overall favourable movement of £54,000.

It should be noted that the service is carrying significant risks of £2.1m with **(£50,000) Opportunities**.

The variance is driven by:

- **Parking (£1.080m) surplus**, **HRA Fixed Recharges (£828,000)**, **Employee Expenses (£323,000)** across Public Realm mainly and areas of Homes and Assets **(£721,000)**. Offset by **Commercial Portfolio £573,000**, **My Place Recharge £656,000** and **£318,000** mainly on contributions to the provision for bad debt.

**Homes & Assets: Period 8 £735,000 overspend, a favourable movement of (£114,000)**

**Commercial Portfolio** is reflecting **£573,000 overspend**, an improvement of **(£70,000)** due to reduced expenditure on repairs, maintenance and security.

- £595,000 income under recovery. The service continues to work with General Income on producing the underlying asset list and rent roll to support forecast and future budget assumptions. The file has now been created but requires validation and additional information to be included to support forecasting and budgeting.
- The income under-recovery is offset by a **(£22,000) underspend** in expenditure budgets, mainly the Repairs and Maintenance budget.

**My Place Recharge Budget: £656,000 overspend**, is caused by the net impact of changes to the corporate support recharges on the My Place Recharge budget. The pressure element of £1.051m will not change, as this activity has ceased. The mitigating element is a forecast based in 2022/23 activity.

Continued next slide.

**Property Assets** is **underspending** by **(£127,000)**, a favourable movement of **(£66,000)**

Asset Management is forecasting a **(£92,000) underspend**:

- **(£136,000)** due to vacancies being held pending restructure.
- £265,000 on premises costs.
- **(£221,000)** forecast income for ELWA use of depot and increased staff capitalisation.
- Major Works is forecasting a **£32,000 overspend** due to reduced staff capitalisation output.

**Homes & Assets (Other Areas): (£366,000) underspend** offering partial mitigation to the Commercial Portfolio and Recharge pressure. This is mainly from staffing in areas like Business Development and Contract Management and contract commitment revisions.

### **Public Realm: Period 8 (£2.140m) underspend**

The Forecast variance relates to:

- **Parking (£1.080m)** underspend after reserve movement. The in-year Parking Off-Street income surplus of **(£0.75m)** will not be transferred to reserve and is included in the outturn forecast as a mitigation. Parking are also overachieving the Traffic Management Order income by net **(£0.25m)**, which is also included in the outturn forecast. Parking surplus of **(£0.2m)** will be transferred into Parking reserves (ring fenced).
- **Public Realm Commercial and Admin** is forecasting an **underspend of (£787,000)**, due to income over-recovery in areas such as Trade Waste and Pest Control.
- **Parks and Environment** are forecasting an underspend of **(£444,000)**, largely due to a surplus on the fixed recharge to the HRA, plus salary underspends.
- **Waste Operations** are forecast to underspend by **(£123,000)** due to a **(£57,000)** underspend on management salaries and a **(£66,000)** over-recovery on Bulky Waste income.
- Other services within Public Realm are in total forecast to overspend by **£295,000**, mainly within **Fleet**, where the Fleet Workshop is forecasting a shortfall on recharge income.

There has been an adverse movement since Period 7 of **£59,000**:

- Within Waste Operations there is an increase in the forecast of £90,000 on agency costs, although overall Waste services are forecast to underspend by **(£123,000)**.
- The Highways service has been charged for the annual cost of Employer Liability Insurance in Period 8. The cost of the premiums is £69,000 more than the available budget. Overall Highways is forecast to underspend by **(£175,000)**.
- These adverse movements are offset by favourable movements in **Parking (£37,000)**, **Commercial and Admin (£44,000)** and **Parks and Environment (£17,000)**, largely due an increase in staffing underspends.



## 2023-24 Savings

		2023/24 Target £k	RAG RATING
*negative values (in brackets) are savings			
Service Area	Saving Proposal		
Finance & IT	WAN bill reduction £80K	(80)	GREEN
Finance & IT	ICT Consultancy £40K	(40)	
Finance & IT	Staff Dev & train £28K	(28)	
Finance & IT	Staff other expenses £10K	(10)	
Finance & IT	Entity recharges + 10% £48K (income)	(48)	
Finance & IT	Ezitracker £24K	(24)	
Finance & IT	One Trust £10K	(10)	
Finance & IT	Jontek £17K	(17)	
Finance & IT	Oracle Saving	(409)	
Law & Governance	Parking Services Income	(2,300)	
My Place	Property Management & Capital Delivery	(66)	
Finance & IT	Digital Identity Verification (requires £100k Capital)	(25)	
Finance & IT	Streamline IT Procurement	(44)	
EYCC	Staff Savings and DSG recharge	(35)	
P&P	FPN income	(15)	RED
Community Solutions	Everyone Everyday	(100)	GREEN
Inclusive Growth	Parks Commissioning - Soil Importation	(500)	RED
HR	Restructure	(577)	RED
<b>Total</b>		<b>(7,049)</b>	

GREEN	4548
AMBER/G	1124
RED	1377
	7049

## 2023-24 Savings

		2023/24 Target £k	RAG RATING
*negative values (in brackets) are savings			
Service Area	Saving Proposal		
Care and Support	Finance Review Officer	(57)	Yellow
Care and Support	Early Help Investment deferral into 2024-25	(500)	Green
Care and Support	Early Years & Childcare	(180)	Yellow
Community Solution	Fund HAM Hub through collection fund surplus 40% - reserve transfer (Non-HRA)	(390)	Green
Community Solution	Delete x5 FTE vacancy from Welfare	(230)	Green
Community Solution	Service Development - Delete x2 FTE and x1 FTE recharge to Supporting Families Grant	(197)	Green
Community Solution	Customer Services - Delete X1 CSO	(34)	Green
Community Solution	Customer Experience team - Delete Internet Officer	(51)	Green
Community Solution	Delete x3 FTE Vacancy from Triage	(120)	Green
Community Solution	Stop Play and Comm Service (4.5FTE). Transfer to Family Hubs to be funded by Grant	(160)	Yellow
Community Solution	Transfer to VCS - WILLIAM BELLAMY CHILDREN'S CENTRE	(30)	Yellow
Community Solution	Transfer to VCS - LEYS CHILDREN'S CENTRE	(15)	Yellow
Community Solution	Transfer to VCS - SUE BRAMLEY CHILDREN'S CENTRE/ LIBRARY	(15)	Yellow
Community Solution	Creation of Heritage site at VALENCE LIBRARY + 2.5FTE Sc5	(130)	Red
My Place	NRSWA Income Stream Opportunities - Public Highway	(52)	Green
My Place	No longer have a dedicated Graffiti team.	(75)	Red
My Place	Security of vacant land.	(10)	Green
My Place	Reduce the opening days and times of the Town Hall and other buildings.	(50)	Red
My Place	Closure of Pondfield depot	(25)	Green
My Place	Increase the commercial income	(30)	Red
Inclusive Growth	New Town Culture	(260)	Green
Inclusive Growth	Line by Line Budget Review	(110)	Green