

Finance Budget Monitoring – General Fund

APPENDIX A

2023/24

P9 (December 2023)



Period 9: Overspend of £9.3m, a positive movement of £1.2m from previous period

	Outturn 2022/23	This Years Budget	Actuals/Forecast		Reserves	Variances Inc Reserves			
		Revised Budget	YTD Actuals	Current Forecast	Net Movement in Reserves	Variance	Last Period Variance	Movement from Last Period	
PEOPLE & RESILIENCE	117,190,113	116,957,652	91,116,843	130,687,789	(105,766)	13,624,371	14,479,288	(854,917)	
LAW AND GOVERNANCE	(5,174,523)	6,513,089	3,167,249	4,759,932	1,376,000	(377,157)	(420,307)	43,150	
STRATEGY	3,546,790	9,755,640	8,312,770	9,760,301	(497,510)	(492,849)	(518,027)	25,178	
INCLUSIVE GROWTH	2,229,661	1,078,456	1,496,684	2,692,338	(1,660,350)	(46,468)	(10,621)	(35,847)	
COMMUNITY SOLUTIONS	25,021,966	14,461,470	12,297,498	16,065,236	(4,065,772)	(2,462,006)	(2,044,132)	(417,873)	
MY PLACE	15,247,563	4,448,439	35,299,708	2,654,579	383,000	(1,410,859)	(1,404,079)	(6,780)	
CORPORATE MANAGEMENT	52,696,852	2,637,318	3,362,464	3,752,488	(161,574)	953,596	931,453	22,143	
SUB-TOTAL DIRECTORATES	210,758,420	155,852,064	155,053,217	170,372,664	(4,731,972)	9,788,628	11,013,575	(1,224,947)	
CENTRAL EXPENSES		13,566,066	1,761,603	13,846,170		280,104	(6,819,048)	7,099,152	
INTEREST PAYABLE		14,681,085	3,039,642	3,624,000		(11,057,085)	(4,598,933)	(6,458,152)	
INTEREST PAYABLE ON ST BORROWG			(490,661)	3,688,901		3,688,901	8,553,901	(4,865,000)	
CAPITALISED INTEREST		(4,542,000)				4,542,000		4,542,000	
INTEREST RECEIVED		(6,502,960)	(119,496)	(4,040,752)		2,462,208	2,462,208		
MRP		10,048,004		10,048,004				()	
LEVIES PAID		15,445,900	15,244,137	15,445,900					
SUB-TOTAL CORPORATE EXPENSES		42,696,094	19,435,224	42,612,223		(83,872)	(401,872)	318,000	
GENERAL FUND I&E (EXC. IAS)	210,758,420	198,548,158	174,488,441	212,984,887	(4,731,972)	9,704,756	10,611,704	(906,947)	
IAS COMMERCIAL (NET OPERATING RETURN)		(2,445,905)	(3,430,639)	(3,196,569)		(750,664)	(772,029)	21,365	
IAS RESIDENTIAL (RESIDE SCHEME SURPLUS)		(2,810,000)		(2,265,000)		545,000	545,000		
IAS OTHER				(1,127,000)		(1,127,000)	(1,127,000)		
IAS INTEREST PAYABLE				14,294,000		14,294,000	8,186,000	6,108,000	
INTEREST PAYABLE ON ST BORROWG				4,865,000		4,865,000		4,865,000	
CAPITALISED INTEREST				(11,291,000)		(11,291,000)		(11,291,000)	
IAS INTEREST RECEIVED				(6,904,000)		(6,904,000)	(6,904,000)		
IAS MRP		1,168,000		1,168,000					
SUB-TOTAL IAS		(4,087,905)	(3,430,639)	(4,456,569)		(368,664)	(72,029)	(296,635)	
GENERAL FUND I&E	210,758,420	194,460,253	171,057,802	208,528,318	(4,731,972)	9,336,092	10,539,675	(1,203,582)	

Period 9: Overspend of £9.3m, a positive movement of £1.2m from previous period

Key Drivers:

The most significant movement is from People and Resilience which moved positively by (£0.855m) and Community Solutions by (£0.418m). Inclusive Growth has had a positive movement of (£0.036m) and My Place has also moved in a positive direction by £0.007m. Law and Governance had a negative movement of £0.043m, Strategy £0.025m and Corporate Management by £0.022m.

People and Resilience: £0.855m decrease in forecast expenditure.

The positive movement is due to an increase in income for Adult Services through the release of additional ICB Hospital Discharge Fund and overall improvement in income collection.

Community Solutions: (£0.418m) decrease in forecast expenditure.

The service has moved positively by £418k this period. There has been reduction in staffing costs and increase in court cost income. Also, a reduction in PSL costs due to increased number of hand back requests for properties by landlords.

Central Expenses: £0.318m 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.

IAS: (£0.297m) decrease 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 positive movement in IAS. However, there is a corresponding negative movement in Central Expenses.

Key assumptions

- Forecasts are provided by budget holders and service managers with Finance advice and support
- 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 earmarked to support the 2023/24 Pay Award.
- 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 three debt monitoring does show a need to increase bad debt provision by £0.6m. However, there is £4m of unallocated cash which is being investigated and should reduce the bad debt provision movement. A forecast has not been included for bad debt provision movement and a final position will be provided 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 £1.4m of which £0.383m will be transferred to Reserves and c£1m additional off-street income is included in the outturn position.

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.

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Period 9: Movement in Reserves

	Opening Balance	Budgeted Drawdown 23-24	In Year Inter Reserve Transactions 23-24	Pending In Year Inter Reserve Transactions 23-24	Planned Drawdowns 23-24 (P9)	Transfer to Reserve (P9)	BeFirst Dividend Reserve Drawdown	Drawdowns not in P9 - Outside forecast	Release to BSR - pending transfer	Closing Balance (before overspend)
	£'m	£'m	£'m	£'m	£'m	£'m		£'m	£'m	£'m
General Reserves	(17.03)	0.00	0.00	0.00	0.00	0.00		0.00	0.00	(17.03)
Budget Support Reserve	(16.84)	13.51	0.53	(3.68)	0.00	0.00		0.00	0.00	(6.48)
Sub total	(33.87)	13.51	0.53	(3.68)	0.00	0.00	0.00	0.00	0.00	(23.51)
Ring-fenced Reserves	(28.91)	0.00	(0.53)	1.53	4.76	(2.33)		3.56	0.00	(21.92)
PFI Reserves	(14.28)	0.00	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	0.00	(6.11)
Sub total	(49.30)	0.00	(0.53)	1.53	4.76	(2.33)	0.00	3.56	0.00	(42.31)
Non Ring-Fenced Reserves										
Corporate Reserves	(5.91)	0.00	0.00	0.00	0.16	0.00		1.37	0.00	(4.38)
People & Resilience	(0.54)	0.20	0.01	0.00	0.00	0.00		0.00	0.00	(0.33)
Legal, Governance & HR	(0.41)	0.00	0.00	0.00	0.00	0.00		0.00	0.00	(0.41)
Strategy	(0.05)	0.00	0.00	0.00	0.03	0.00		0.02	0.00	(0.00)
Inclusive Growth	(1.34)	0.00	0.00	0.00	0.11	0.00		0.00	0.00	(1.23)
Community Solutions	(12.64)	1.31	(0.01)	1.66	2.00	0.00		2.50	0.00	(5.18)
My Place	(0.29)	0.00	0.00	0.29	0.00	0.00		0.00	0.00	0.00
Collection Fund Reserves	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
Sub total Non-ringfenced	(21.18)	1.50	0.00	1.95	2.30	0.00	0.00	3.89	0.00	(11.53)
IAS & Capital Reserves										
Investment Reserves	(16.17)	0.00	1.13	0.00	0.00	0.00		0.00	0.00	(15.03)
Mueller Reserve	(12.00)	0.00	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	0.00	(6.07)
Isle of Dogs Travelodge Reserv	(5.50)	0.00	(0.57)	0.00	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	0.00	(3.78)
Sub total IAS Reserves	(42.95)	0.00	0.00	0.00	0.00	0.00	10.39	0.00	0.00	(32.56)
Total	(147.29)	15.01	0.00	(0.20)	7.07	(2.33)	10.39	7.44	0.00	(109.91)

- A number of financial risks have materialised in 2023/24 resulting in the need to use reserves to cover the forecast overspend of £9.3m. 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.
- 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.

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Key risks

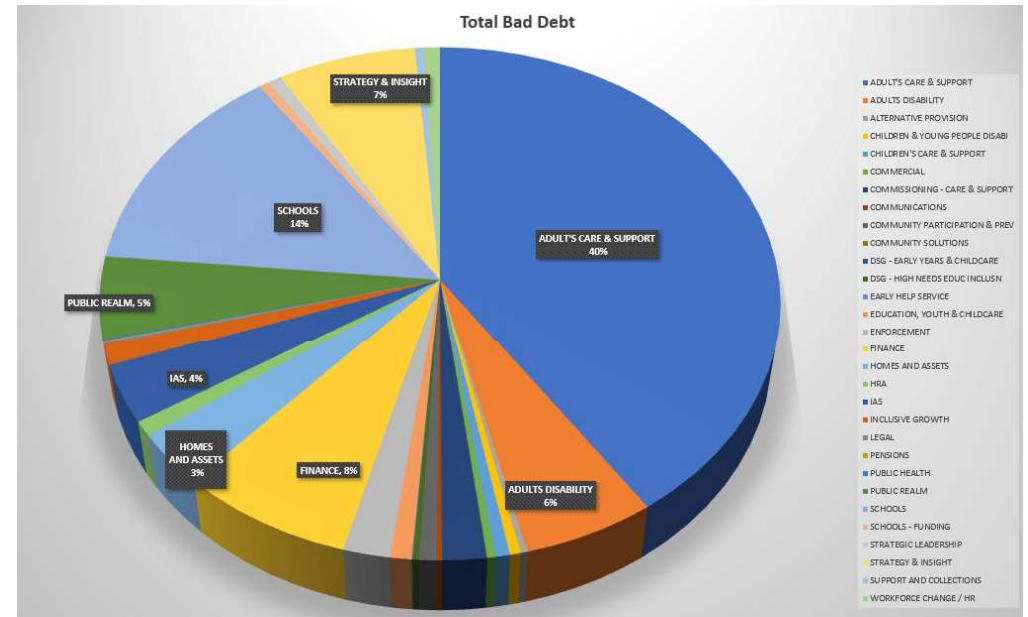
- The Ethical Collection Service is forecasting income of £650k. The service is working towards a higher income collection. However, it is currently unable to cover its costs. Finance believe the income will range between £500k - £600k and this may increase the outturn variance.
- Temporary Accommodation 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.

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Bad Debt – This is Updated Quarterly. Current Position P9

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
ADULTS CARE & SUPPORT	5,772,982.31	3,559,728.90	2,619,167.88	3,937,928.12	15,889,807.21
ADULTS DISABILITY	908,895.44	502,509.18	355,226.55	499,467.18	2,266,098.35
ALTERNATIVE PROVISION	22,313.18	64,907.66	2,068.60	23,919.60	113,209.04
CHILDREN & YOUNG PEOPLE DISABI	50,470.66	59,661.98	36,210.00	35,352.30	181,694.94
CHILDREN'S CARE & SUPPORT	96,585.56	121,402.55	5,110.00	20,627.51	243,725.62
COMMERCIAL	146,238.44				146,238.44
COMMISSIONING - CARE & SUPPORT	482,920.00	103,028.00	154,830.52	14,411.94	755,190.46
COMMUNICATIONS	22,658.82	3,870.00	36,000.00	30,593.31	93,122.13
COMMUNITY PARTICIPATION & PREV	134,671.92	35,431.36	30,834.50	79,432.91	280,370.69
COMMUNITY SOLUTIONS	4,080.00		1,793.85		5,873.85
DSG - EARLY YEARS & CHILDCARE			100.00		100.00
DSG - HIGH NEEDS EDUC INCLUSN	21,631.00	89,892.58	5,570.51	1,106.00	118,200.09
EARLY HELP SERVICE	13,039.00				13,039.00
EDUCATION, YOUTH & CHILDCARE	152,225.42	66,829.10	113,204.79	28,123.96	360,383.27
ENFORCEMENT	268,022.92	175,693.86	311,014.60	46,126.89	800,858.27
FINANCE	1,297,575.57	783,521.56	612,304.83	287,682.28	2,981,084.24
HOMES AND ASSETS	833,134.78	205,144.68	165,674.45	97,071.83	1,301,025.74
HRA	155,073.77	206,076.59	1,062.33	881.00	363,093.69
IAS	1,182,802.87	133,712.01	48,600.00	64,800.00	1,429,914.88
INCLUSIVE GROWTH	125,225.18	328,437.24	9,943.90	52,404.84	516,011.16
LEGAL	12,245.20	25,809.02	12,108.60	19,251.82	69,414.64
PENSIONS	2,382.00	3,010.84		15,507.21	20,900.05
PUBLIC HEALTH			49,200.00		49,200.00
PUBLIC REALM	706,610.49	898,993.54	319,182.89	106,185.92	2,030,972.84
SCHOOLS	4,529,541.55	543,319.92	36,666.79	293,124.59	5,402,652.85
SCHOOLS - FUNDING		150,000.00	2,603.95	57,521.31	210,125.26
STRATEGIC LEADERSHIP				281,213.48	281,213.48
STRATEGY & INSIGHT	959,665.64	1,217,674.48	646,209.20	3,645.60	2,827,194.92
SUPPORT AND COLLECTIONS	40,687.39	103,356.60		26,000.00	170,043.99
WORKFORCE CHANGE / HR	81,475.43	117,434.16	132,266.71	9,041.99	340,218.29
Grand Total	18,023,154.54	9,499,445.81	5,706,955.45	6,031,421.59	39,260,977.39



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 31st December 2023 and has been sorted into aging buckets.

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

At end of quarter three the total level of debt had increased since quarter 2.

At Q3 the BDP calculation shows a negative movement of £0.6m. However, there is £4m of unallocated cash which is being investigated and should reduce the BDP movement. A forecast has not been included for BDP movement.

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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)		
Grand Total	(1,377)	(492)	(5,180)

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Finance Budget Monitoring – HRA,DSG and Investment Strategy

2023/24

P9 (December 2023)



General Fund Treasury Strategy (P9)

Type of Income / Expense	P8 30/11/2023 Holdings	P8 Rate	P8 2023/24 Forecast	P8 2023/24 Budget	P8 Variance	P9 31/12/2023 Holdings	P9 Rate	P9 2023/24 Forecast	P9 2023/24 Budget	P9 Variance	Comments
	£'000	%	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000	
GF Capital Borrowing											
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
Budget Adjusted for Capitalised Interest			0	-4,542	4,542			0	-4,542	4,542	Budget adjusted for the £4.542m capitalised interest
GF – ST Borrowing	104,417	4.77%	3,620	0	3,620	128,079	4.92%	3,689	0	3,689	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			100		100			0		0	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			77		77			77		77	Interest owed to the HRA for net balance
WC Loan Be First			0		0			0		0	Provision for Be First Interest
WC Loan BDTP			553	0	553			553	0	553	Provision for BDTP Interest
Total GF Borrowing	121,128	3.51%	7,345	10,139	-2,794	144,790	2.98%	7,313	10,139	-2,826	Net forecast for General Fund
General Fund Investments											
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	-6,643	4.53%	-481			-6,231	4.53%	-481			Small loans, generally fixed rate
Total GF Investments	-50,424	8.01%	-4,041	-6,503	2,462	-50,012	-8.08%	-4,041	-6,503	2,462	
Net General Fund	70,705		3,304	3,636	-332	94,777		3,272	3,636	-364	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 £364k 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 P9 with rates over 5% and average rate at 4.92%, although have reduced in December 2023.



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Investment and Acquisition Strategy Funding (P9)

Type of Income / Expense	P8 30/11/2023 Holdings	P8 Rate	P8 2023/24 Forecast	P8 2023/24 Budget	P8 Variance	P9 31/12/2023 Holdings	P9 Rate	P9 2023/24 Forecast	P9 2023/24 Budget	P9 Variance	Comments
	£'000	%	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000	
IAS Borrowing											
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%	5,818		5,818	312,079	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%	4,933		4,933	168,921	4.92%	4,865		4,865	Potentially will increase by mitigated by provision
Capitalised Interest			-11,291		-11,291			-11,291		-11,291	Based on AUC and average borrowing cost - updated quarterly
Interest Pressure Provision			250		250			0		0	Provision used for Interest Pressure - now in ST forecast
Muller Equity	28,032	5.34%	1,127		1,127	28,032	5.34%	1,127		1,127	No return
Total IAS Borrowing	842,970	2.13%	8,186	0	8,186	868,439	2.13%	7,868	0	7,868	Overspend due to delays in letting and commercial returns
Reside Loans											
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
Treasury Investments	-18,200	3.84%	-1,279		-1,279	-30,900	3.83%	-1,279		-1,279	Current Treasury Cash Holdings
Reside Leases Interest expected	-104,291				0	-104,291				0	Leases to Reside for PRS and SO
Total IAS / Treasury Returns	-390,000	14.48%	-6,904	0	-6,904	-402,700	0	-6,904	0	-6,904	Surplus return
Net IAS Treasury Return			1,282	0	1,282			963	0	963	IAS return on Treasury part of developments

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 £963K and largely reflects the impact of moving the internal interest charge to the IAS reporting.
- Total IAS borrowing is £868.4m at an average cost of 2.13%. Residential average on-lending rate is 2.65%.



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Investment and Acquisition Strategy Returns (P9)

Type of Income / Expense	P8 2023/24 Forecast £'000	P8 2023/24 Budget £'000	P8 Variance £'000	P9 2023/24 Forecast £'000	P9 2023/24 Budget £'000	P9 Variance £'000	Comments
IAS Return							
Net Commercial Income	-5,598	-2,446	-3,152	-5,597	-2,446	-3,151	Gross Rent from Commercial holdings
Asset Management Costs	398	0	398	398	0	398	Mainly Industria - reduces return to Be First
Other Costs	524	0	524	524	0	835	Legal and Security Costs
MRP	1,458	0	1,458	1,168	0	1,168	Charged as assets have no firm plan for redevelopment
Total Commercial	-3,218	-2,446	-772	-3,507	-2,446	-750	
IAS Residential Income	0	-2,810	2,810	0	-2,810	2,810	Forecast net surplus from Reside inc;luding PRS and SO lease income
Reside Ltd	640		640	640		640	Estimate from Reside P7
Abbey Roding	-472		-472	-472		-472	Estimate from Reside P7
Weavers LLP	-1,981		-1,981	-1,981		-1,981	Estimate from Reside P7
Regen LLP	-812		-812	-812		-812	Estimate from Reside P7
Regen Ltd	-1,141		-1,141	-1,141		-1,141	Estimate from Reside P7
Provision	1,500		1,500	1,500		1,500	Reside and Muller Surpluses
Total Residential	-2,265	-2,810	545	-2,265	-2,810	545	
Muller Interest	- 1,127	0	-1,127	-1,127		-1,127	To be used to cover interest costs
Net IAS Position	-6,610	-5,256	-1,354	-6,899	-5,256	-1,332	
Net IAS & Interest Cost	-5,328	-5,256	-72	-5,935	-5,256	-368	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
Total IAS	-7,104	-7,032	-72	-7,711	-7,032	-368	

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 £1.598m but this will reduce the cost of the commercial assets.
- **Commercial income is forecast before interest costs.**



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Investment and Acquisition Reserves forecast 2023/24 – P9

Reserves	2022/23	2023/24
CAPITAL INVESTMENT RESERVE	3,779	3,779
INVESTMENT RESERVE	15,067	15,436
CR27 Hotel Inflation	720	720
Travelodge Hotel Interest	381	381
CR27 Reserve	5,500	5,500
Travelodge Reserve	5,500	5,500
Total Reserves	30,947	31,315

Key issues:

- The value of the reserves is forecast to increase from £30.95m to £31.3m.
- 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.

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Minimum Revenue Provision 2023/24 – P9

Type of Income / Expense	31/12/2023 Holdings	2023/24 Forecast	2023/24 Budget	Variance
MRP	£'000	£'000	£'000	£'000
Core Council Borrowing	213,964	10,034	10,048	14
IAS Commercial	170,007	1,168	1,168	0
Completed Reside Schemes - Community/Public Realm	5,507	0	0	0
PRS	82,897	0	0	0
Reside schemes (AUC)	435,605	14	0	-14
Loans/Equity on completed schemes	179,799	0	0	0
IAS Writeoff	244	0	0	0
HRA	343,858	0	0	0
MRP excluding PFI and Finance Leases	1,431,880	11,216	11,216	0
Finance Leases and PFI	275,360	4,492	4,492	0
Grand Total	1,707,241	15,754	15,708	0

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.



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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%
Homes Total	2,011				Estimated Loan Total	£505,449,979

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

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HRA: Period 9

The HRA is projecting **£5.0m overspend** at Period 9, a minor improvement of **(£47,000)**. The movement can largely be attributed to a reduction in the Bad Debt Provision requirement **(£809,000)**, improved Leaseholder Service Charges **(£594,000)**, reduced Compliance works **(£508,000)** mostly offset by increasing the Disrepair Provision by £1.7m.

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)**.

P8 VARIANCE	2023/24 FORECAST OUTTURN				
	REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
		£'000	£'000	£'000	£'000
£1,686	SUPERVISION & MANAGEMENT	48,394	50,191	£1,797	£111
£5,751	REPAIRS & MAINTENANCE	24,473	29,756	£5,284	(£467)
£1,442	RENTS, RATES ETC	1,587	3,029	£1,442	£0
(£290)	INTEREST PAYABLE	11,300	11,010	(£290)	£0
£500	DISREPAIR PROVISION	0	2,226	£2,226	£1,726
(£500)	BAD DEBT PROVISION (BDP)	3,309	2,000	(£1,309)	(£809)
(£252)	CDC RECHARGE	1,102	849	(£252)	£0
£8,336	TOTAL EXPENDITURE	90,164	99,062	£8,897	£561
(£380)	DWELLING RENTS	(£90,432)	(90,812)	(£380)	£0
£14	NON-DWELLING RENTS	(£765)	(751)	£14	£0
£2,076	CHARGES FOR SERVICES & FACILITIES	(£26,158)	(24,690)	£1,468	(£608)
(£183)	INTEREST & INVESTMENT INCOME	(£400)	(583)	(£183)	£0
£1,527	TOTAL INCOME	(£117,755)	(£116,836)	£919	(£608)
£9,864	NET TOTAL BEFORE CAPITAL	(£27,591)	(£17,774)	£9,816	(£47)
£1,555	DEPRECIATION	19,210	20,765	£1,555	£0
(£6,680)	TRANSFER TO MAJOR REPAIR RESERVE (MRR)	6,680	0	(£6,680)	£0
(£5,126)	CAPITAL PROGRAMME FUNDING	£25,891	£20,765	(£5,126)	£0
£4,738	NET TOTAL AFTER CAPITAL	(£1,700)	£2,991	£4,691	(£47)
£314	TRANSFER TO HRA LEASEHOLDER RESERVE	£1,700	2,014	£314	£0
£5,052	TRANSFER FROM/(TO) HRA RESERVE	(£0)	£5,005	£5,005	(£47)

Key Drivers of the Position (Summary):

- **Supervision & Management: £1.797m 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 adverse movement is mainly due to £90,000 delayed Becontree Estate Design costs from Be First.
 - **Repairs and Maintenance: £5.284m 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) (£1.118m)** and **Compliance (£1.339m)** underspend. Positive movement as per summary paragraph on Compliance.
 - **Other Expenditure Lines: £899,000 overspend**
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: £919,000 under recovery**
Services & Facilities £1.468m 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)**. Positive movement mainly down to improved outlook on Leaseholder Service Charges.
 - **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: £1.840m + 6 unquantified risks - Main risk is £1.6m dispute on Fleet costs between BDMS and My Place.**
- Opportunities: (£400,000) +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
Total	264,128	267,628	(3,500)
DSG Surplus B/F			10,073
Revised DSG Reserve			6,573
add EY refund			264
23/24 DSG Reserve			6,837
Of which:			
SFFD retained		963	
Growth & Falling Fund B/F		309	
Net DSG Reserve			5,565

Capital Programme to P8

Strategic Function		Budget	Actuals	Forecast	Forecast	Change	Budget	Budget	Budget	Borrowing	Other Sources
		£000s	to P08 £000s	£000s	Variance £000s	in Variance £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s		
										£000s	£000s
GF - CARE & SUPPORT	CAP01	3,719	1,225	3,557	(162)	(162)	2,918	0	0	0	3,719
GF - INCLUSIVE GROWTH	CAP02	6,373	1,078	5,897	(476)	0	611	0	0	3,158	3,216
GF - CIL	CAP03	761	35	726	(35)	0	0	0	0	300	461
GF - TFL	CAP04	3,314	930	3,221	(93)	362	0	0	0	0	3,314
GF - ICT	CAP06	3,485	2,508	3,561	77	(155)	200	200	200	2,615	870
GF - COMMUNITY SOLUTIONS	CAP05	6	(4)	6	(0)	0	0	0	0	6	0
GF - CULTURE & HERITAGE	CAP07	1,121	51	527	(594)	0	294	294	0	362	759
GF - PARKS COMMISSIONING	CAP11	12,925	5,633	10,921	(2,004)	0	0	0	0	6,679	6,246
GF - ENFORCEMENT	CAP08	173	2	173	(0)	0	0	0	0	173	0
GF - MY PLACE	CAP09	3,919	1,206	2,398	(1,521)	(54)	9	0	0	3,578	341
GF - PUBLIC REALM	CAP10	8,510	4,269	5,680	(2,830)	(27)	200	0	0	7,774	735
GF - EDUCATION, YOUTH & CH	CAP20	15,254	10,733	16,567	1,313	307	8,559	11,466	0	0	15,254
GF - SALIX	CAP55	130	40	130	0	0	0	0	0	0	130
General Fund		59,690	27,705	53,365	-6,325	270	12,791	11,959	200	24,645	35,045
HRA STOCK INVESTMENT	CAP30	14,000	5,447	14,000	0	0	14,000	14,000	0	0	14,000
HRA ESTATE RENEWAL	CAP31	4,000	1,523	4,000	(0)	0	4,400	0	0	0	4,000
HRA NEW BUILD SCHEMES	CAP32	544	135	820	276	0	0	0	0	0	544
HRA Total		18,544	7,105	18,820	276	0	18,400	14,000	0	0	18,544
IAS RESIDENTIAL	CAP40	242,297	138,516	258,058	15,761	15,591	115,427	50,642	0	242,097	200
IAS COMMERCIAL	CAP42	17,450	13,988	16,431	(1,019)	(12)	36	0	0	17,450	0
Investments Total		259,747	152,504	274,489	14,742	15,579	115,463	50,642	0	259,547	200
Total		337,981	187,315	346,674	8,692	15,850	146,653	76,602	200	284,192	53,790



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Capital programme 2023/24 (P8)

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 £284.192m . This is a reduction of £153m in the amount of borrowing that was approved in the Budget Report to February Cabinet.

Capital Programme Monitoring P8

Forecast outturn expenditure for 2023/24 is £346.674m which results in an in-year variance of £8.692m more than budget. This is an increase in the forecast position from P7 of £12.931m (P7 showed forecast of £7.157m more than the in-year budget).

The IAS is reporting a variance against current year budget of £14.742m which is a significant increase in forecast compared to P7). The budgets will be updated in P9 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 £6.325m below in-year budget which is a slight increase in the forecast spend with the P7 forecast variance of £6.596m 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.

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Appendices:

**Directorate Detail
Budget Monitoring**

**Barking &
Dagenham**

2023/24

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People and Resilience: Period 9

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	18,706,696	22,972,298	0	0	3,094,172	3,157,369	(63,197)
Adult's Care and Support	22,025,777	23,488,264	15,836,953	26,668,356	0	0	3,180,092	4,299,391	(1,119,299)
Commissioning Care and Support	9,849,999	14,649,312	(4,318,450)	14,179,024	0	0	(470,288)	(422,769)	(47,519)
Public Health	(339,189)	(318,250)	707,286	(318,249)	0	0	1	1	0
Children's Care and Support	45,863,019	41,525,407	35,276,657	47,680,856	0	(105,766)	6,049,683	5,716,575	333,108
Education, Youth and Childcare	4,102,925	3,948,391	8,267,214	4,125,868	0	0	177,477	145,859	31,618
Early Help Service	2,876,729	3,198,355	697,529	2,512,256	0	0	(686,099)	(681,928)	(4,171)
Children's and Young People Disabilities	13,913,317	10,588,047	8,828,895	12,867,380	0	0	2,279,333	2,264,790	14,543
Grand Total	118,349,054	116,957,652	84,002,780	130,687,789	0	(105,766)	13,624,371	14,479,288	(854,917)

Overall Summary

Overall, there is an overspend of £13,624m across the whole of People and Resilience. This is a positive movement of £0.854m since last month

The positive movement is due to an increase in one-off income for Adult Services through the release of additional ICB Hospital Discharge Fund and overall improvement in income collection.

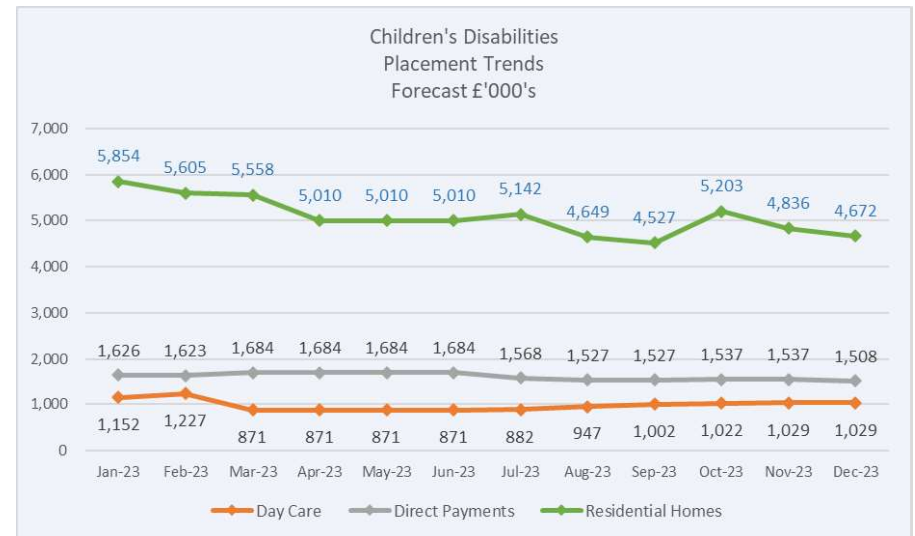
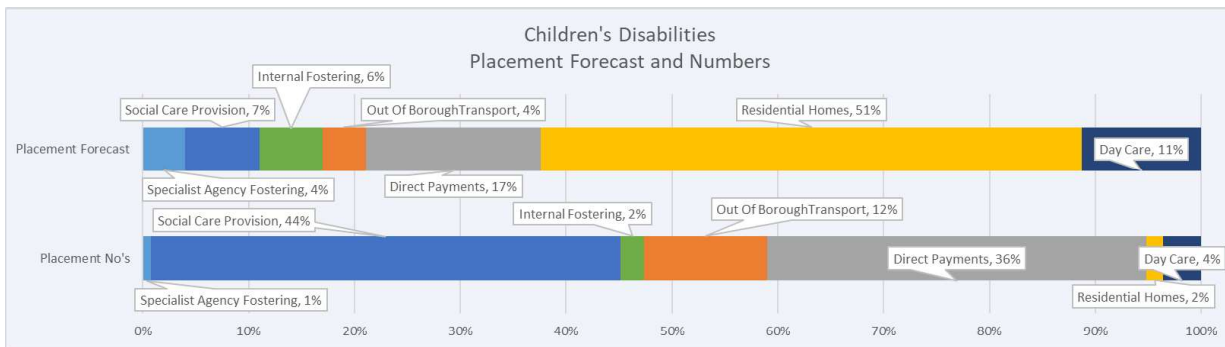
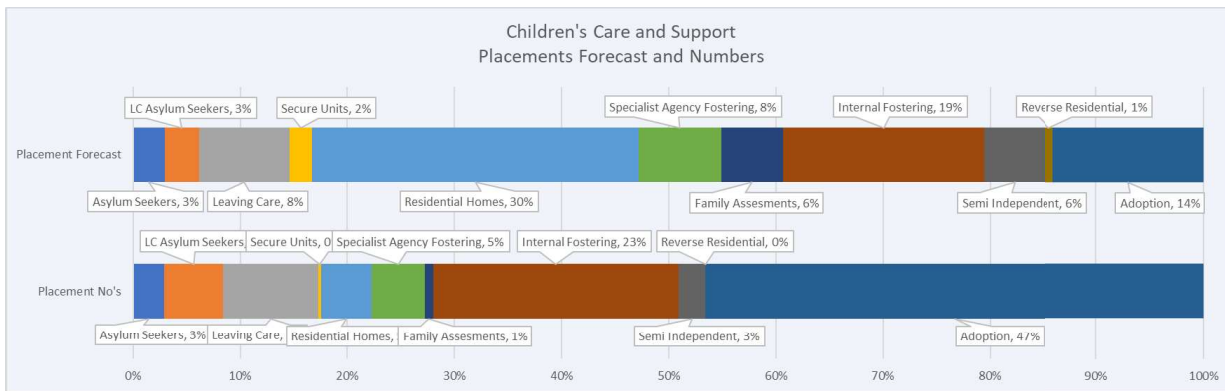
The underlying pressure is largely to the cost of implementing the council policy of London Living Wage through it's providers contracts and uplifts, which had led to a pressure of £5.6m. The service is experiencing a significant rise in the number of Education, Health and Care plans, which has resulted in an increasing overspend, and reflective of the increasing demand of Children with complex needs as showing 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.

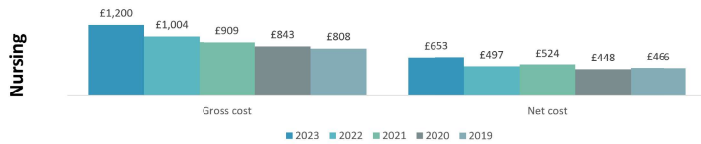
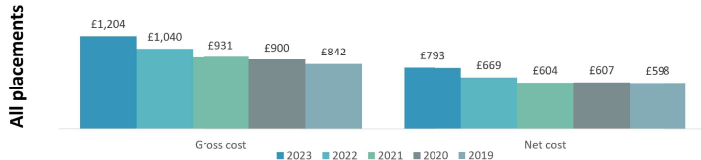
A review of Adult Social Care debt identified 210 clients for whom a financial assessment had not been undertaken due to non-engagement or capability issues. £3.8m income has been forecast to be written off this financial year. It has been assumed that £2.6m of this amount can be met from the existing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

People and Resilience: Period 9 Children's Data



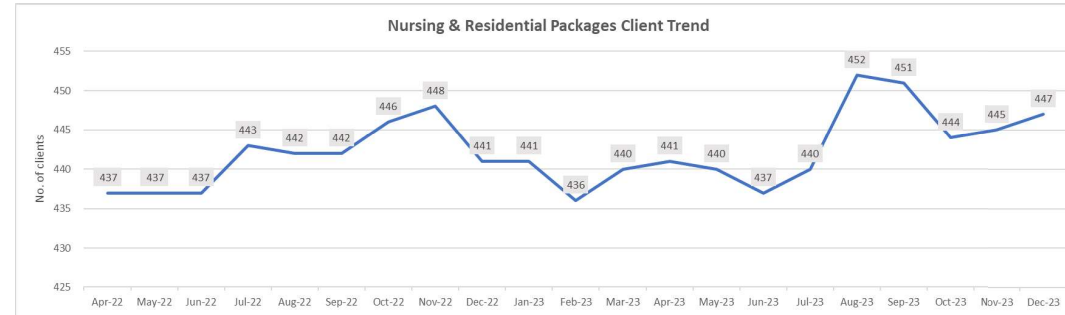
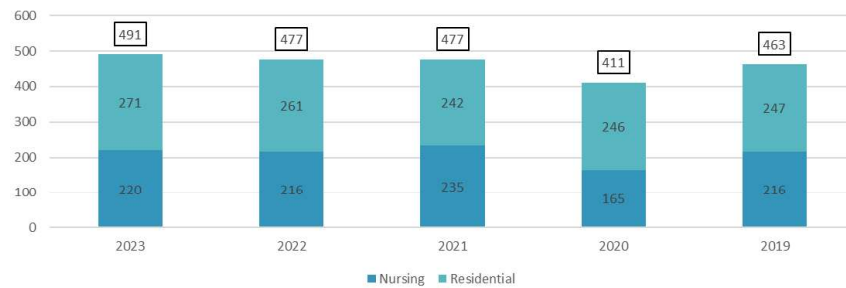
People and Resilience: Period 8 Adults Data

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 9 – 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)	(2,675,186)	(4,984,539)	0	0	(1,647,239)	(1,707,140)	59,901	1
Staffing	1,913,592	2,998,618	1,782,329	2,464,698	0	0	(533,920)	(601,313)	67,393	2
Agency	468,468	0	208,704	268,490	0	0	268,490	414,829	(146,339)	
Premises	73,874	31,600	34,069	120,117	0	0	88,517	88,517	0	
Transport	5,781	22,600	10,954	7,301	0	0	(15,299)	(15,299)	0	
Supplies & Services	116,672	328,800	30,089	103,713	0	0	(225,087)	(225,087)	0	
Third Party Payments	20,923,769	19,833,808	19,315,737	24,992,518	0	0	5,158,710	5,202,862	(44,152)	3
Grand Total	20,056,478	19,878,126	18,706,696	22,972,298	0	0	3,094,172	3,157,369	(63,197)	

1. Income - Variance (£1.6m), Movement (£0.06m)

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.

£0.059m movement is due to client contribution invoice cancellation.

2. Staffing and Agency- Variance (£0.26m), Movement (£0.079m)

Variance is attributable to specialist vacant posts which were difficult to recruit to. The positive movement is because of replacing agency social workers with permanent social workers.

3. Third Party Payments- Variance £5.1m, Movement (£0.04m)

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.

The positive movement is due an ended placement.

People and Resilience: Period 9 – 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)	(37,597,970)	(45,552,858)	0	0	(2,903,101)	(2,027,095)	(876,006)	1
Staffing	8,665,541	10,887,963	6,798,597	8,984,471	0	0	(1,903,492)	(1,857,158)	(46,334)	2
Agency	696,896	0	816,078	1,240,192	0	0	1,240,192	1,625,217	(385,025)	
Premises	225,553	110,580	220,977	189,967	0	0	79,387	79,387	0	
Transport	48,628	36,100	39,268	46,404	0	0	10,304	10,304	0	
Supplies & Services	2,982,059	601,403	(487,447)	(120,841)	0	0	(722,244)	(721,118)	(1,126)	3
Third Party Payments	54,438,521	54,501,975	46,047,451	61,881,021	0	0	7,379,046	7,189,854	189,192	4
Grand Total	22,025,777	23,488,264	15,836,953	26,668,356	0	0	3,180,092	4,299,391	(1,119,299)	

1. Income - Variance (£2.9m), Movement (£0.87m)

The variance is due to receipt of additional Discharge Funding of £1.6m, £0.264m Market Sustainability Improvement and improved client contribution.

The positive movement is due to a reduction in the client contribution invoice cancellation run rate, releasing additional ICB Hospital Discharge funding and improvement in income collection.

2. Staffing an Agency- Variance (£0.7m), Movement (£0.4m)

Variance and movement are attributable to posts in the CQC Inspection Ready team remaining unfilled.

3. Supplies and Service – Variance (£0.7m), Movement (£0.0m)

Variance is due to in year bad debt provision improvement.

4. Third Party Payments- Variance £7.4m, Movement £0.19

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.

Movement is due to new placements, especially Crisis intervention.

People and Resilience: Period 9 – 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)	(12,608,052)	(12,768,654)	0	0	(1,344,984)	(1,395,698)	50,714	1
Staffing	6,206,405	7,772,221	4,966,651	6,756,038	0	0	(1,016,183)	(1,025,897)	9,714	2
Agency	1,787,606	0	1,935,252	2,330,635	0	0	2,330,635	2,472,039	(141,404)	
Premises	2,678	0	4,267	0	0	0	0	0	0	
Transport	10,447	11,600	7,485	6,920	0	0	(4,680)	(6,521)	1,841	
Supplies & Services	198,750	1,702,027	(7,061,728)	1,540,989	0	0	(161,038)	(194,645)	33,607	
Third Party Payments	15,222,854	16,587,134	8,437,675	16,313,096	0	0	(274,038)	(272,046)	(1,992)	3
Grand Total	9,849,999	14,649,312	(4,318,450)	14,179,024	0	0	(470,288)	(422,769)	(47,519)	

1. Income – Variance (£1.3m), Movement £0.0m

This variance is largely due to additional income from supporting families grant, public health grant and departmental reserve of £147,442 which will be shown as transfer from reserve at P10.

2. Staffing and Agency – Variance £1.3m, Movement (£0.13m)

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 (£0.16m), Movement £0.03m

This variance is due to underspend meant to fund agency staff costs.

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 9 – 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)	(14,241,876)	(18,367,243)	0	0	450	450	0	
Staffing	737,863	1,209,740	746,623	997,449	0	0	(212,291)	20,219	(232,510)	
Agency	425,327	0	386,264	570,270	0	0	570,270	337,760	232,510	
Premises	73	0	0	0	0	0	0	0	0	
Transport	216	0	676	0	0	0	0	0	0	
Supplies & Services	603,868	13,781,953	150,821	6,054,102	0	0	(7,727,851)	(7,727,851)	0	
Third Party Payments	4,001,161	2,994,750	1,129,548	2,756,750	0	0	(238,000)	(238,000)	0	
Recharges	13,273,418	63,000	12,535,232	7,670,423	0	0	7,607,423	7,607,423	0	
Grand Total	(339,189)	(318,250)	707,286	(318,249)	0	0	1	1	0	1

- 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 9 – 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)	(602,956)	(1,279,938)	0	0	(522,338)	(672,338)	150,000	1
Staffing	939,002	1,621,081	1,266,226	1,279,053	0	0	(342,028)	(360,994)	18,966	2
Agency	1,088,694	0	221,215	408,899	0	0	408,899	414,997	(6,098)	
Premises	12,307	50,000	13,016	12,558	0	0	(37,442)	(37,442)	0	
Transport	2,167,617	1,498,988	1,702,792	2,493,624	0	0	994,636	1,009,636	(15,000)	3
Supplies & Services	1,329,250	510,860	170,753	590,284	0	0	79,424	123,423	(43,999)	
Third Party Payments	9,278,586	7,664,718	6,057,849	9,362,900	0	0	1,698,182	1,787,508	(89,326)	4
Grand Total	13,913,317	10,588,047	8,828,895	12,867,380	0	0	2,279,333	2,264,790	14,543	

1. Income – Variance (£0.5m), Movement £0.15m

Variance is due to an expected DP clawback for unused payments within Children's Disabilities.

2. Staffing and Agency – Variance £0.06m, Movement £0.012m

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

3. Transport – Variance £1.0m, Movement (£0.015m)

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 £1.7m, Movement (£0.1m)

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 9 – 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)	(3,555,581)	(6,368,348)	0	0	(1,110,048)	(1,090,612)	(19,436)	1
Staffing	16,535,939	20,034,874	12,560,204	16,216,469	0	(105,766)	(3,924,171)	(3,927,543)	3,371	2
Agency	4,199,453	522,000	3,347,672	3,799,503	0	0	3,277,503	3,326,058	(48,555)	
Premises	223,932	239,700	28,064	181,100	0	0	(58,600)	(58,600)	0	
Transport	274,443	286,900	195,949	225,001	0	0	(61,899)	(61,899)	0	
Supplies & Services	2,605,859	1,771,530	1,015,381	2,716,033	0	0	944,503	944,503	0	3
Third Party Payments	28,649,385	23,928,703	21,684,968	30,911,098	0	0	6,982,395	6,584,667	397,728	4
Grand Total	45,863,019	41,525,407	35,276,657	47,680,856	0	(105,766)	6,049,683	5,716,575	333,108	

Income – Variance (£1.1m), Movement (£0.02m)

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 (£0.05m)

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

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 £0.0m

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 £7m, Movement £0.4m

- 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 relatively small, movement due to an increase in number of Leaving Care clients
- Other – Variance is due to high-cost placements within the safeguarding service.

	Clients	Budget	Forecast	Variance	Movement
		£'000	£'000	£'000	£'000
LAC	307	15,512	21,563	6,051	121
Non LAC	479	7,252	7,450	198	241
Other	-	1,165	1,898	733	36
Total	786	23,929	30,911	6,982	398

People and Resilience: Period 9 – 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)	(2,158,333)	(1,412,333)	0	0	49,997	49,997	0	
Staffing	2,741,402	4,545,660	2,757,266	3,777,074	0	0	(768,586)	(764,416)	(4,170)	1
Agency	1,056,302	0	66,076	32,490	0	0	32,490	32,491	(1)	
Premises	0	0	0	0	0	0	0	0	0	
Transport	6,848	0	8,506	0	0	0	0	0	0	
Supplies & Services	965,301	0	24,013	0	0	0	0	0	0	
Third Party Payments	16,405	115,025	0	115,025	0	0	0	0	0	
Grand Total	2,876,729	3,198,355	697,529	2,512,256	0	0	(686,099)	(681,928)	(4,171)	

1. Staffing and Agency – Variance (£0.6m), Movement (£0.0m)

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 9

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

	This Years Budget		Actuals/Forecast		Transfers to/from Reserves	Variances Inc Reserves		Change
	Revised	Controlled	YTD Actuals	Current Forecast	Transfers from	Variance	Last Period Variance	
CORPORATE MANAGEMENT	2,637,318	2,637,318	3,362,464	3,752,488	(161,574)	953,596	931,453	22,144
STRATEGIC LEADERSHIP	425,369	425,369	394,281	509,731	(99,360)	(14,998)	(11,705)	(3,293)
FINANCE	13,534,062	13,534,062	12,910,831	13,632,380	(62,214)	36,104	11,613	24,491
WORKFORCE CHANGE / HR	1,917,111	1,917,111	3,309,731	2,801,102	0	883,991	883,045	946
LEADERS OFFICE	271,251	271,251	258,096	319,750	0	48,499	48,499	(0)
TECHNICAL - CORP MGMT	(13,510,475)	(13,510,475)	(13,510,475)	(13,510,475)	0	0	0	0

Key Drivers of the Position:

There is a forecast overspend of £0.9m in Corporate Management, an adverse movement of £22k from P8 which is due to the correction of a salary forecast.

- **Strategic Leadership (Chief Executive)** is forecast to underspend by (£15,000) due to holding a vacancy offset by PA agency costs. A virement of PA budgets is pending - this will net off the agency spend.
- **Finance** (inc. IT and Procurement) is forecast to **overspend by £36,000**, an adverse movement of £24,000:
 - IT is reporting an **underspend of (£1.297m)** which is due to vacancy savings. There has been a net adverse movement of £16k which is due to an adjustment to the Digital Print salaries forecast.
 - This is offset by a corresponding **£1.307m overspend within Finance** which is attributable to the use of agency staff and the increased cost of audit fees.
 - Procurement and Accounts Payable** are forecast to **overspend by £25,000** as the service are not able to mitigate in full a shortfall of £180k in HRA recharges income.

Corporate Management: Period 9

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

Key Drivers of the Position: Continued:

- Workforce Change/HR is forecast to be overspent by c£884k, an unfavourable movement of £1k from P8. There is no change in the Leader's Office position from P8. Therefore, Workforce Change/HR and Leaders Office are expected to be overspent 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

Central Expenses: Period 9

Forecast Position: £42.6m (Underspend £0.1m)

	This Years Budget			Actuals/Forecast		Transfers to/from		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
CENTRAL EXPENSES	42,696,094	42,759,094	(63,000)	19,435,224	42,612,223			(83,872)	(401,871)
CORPORATE MANAGEMENT	(641,000)	(641,000)			(860,323)			(219,323)	(219,323)
GENERAL FINANCE	43,194,984	43,257,984	(63,000)	9,099,098	43,409,431			214,447	(103,553)
HOUSING BENEFIT SUBSIDY	142,110	142,110		10,336,126	63,115			(78,995)	(78,995)

Key Drivers of the Position:

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

Law and Governance: Period 9

Forecast Position: Underspend of c£0.377m after transfer of c£1.406m 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
LAW AND GOVERNANCE	6,875,485	6,875,485		3,167,249	4,759,932	1,406,000	(30,000)	(377,157)	(420,307)
LEGAL	3,610,122	3,610,122		3,906,672	3,571,549	0	(30,000)	(68,573)	(117,663)
ENFORCEMENT	3,265,363	3,265,363		(739,423)	1,188,383	1,406,000	0	(308,584)	(302,644)

Key Drivers of the Position (Summary):

There was a favourable movement of c£0.006m within Enforcement from P8 due to reduction in forecasted spend, however Legal had an adverse movement of c£0.061m from that reported in P8.

LEGAL

Legal and Democratic services are reporting an underspend of c£0.069m, an adverse movement of c£0.049m from P8. This is primarily due to an increase in staff cost.

It is worth noting Legal are forecasting an overspend of c£0.073m, which is primarily due to the recalculation of the HRA recharge, resulting in an income shortfall of c£0.180m 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 P9 outturn position reflects an underspend of c£0.309m following the transfer of £1.406m 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 C£1.406m will be transferred to reserves for future years.

Law and Enforcement: Period 9 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£0.045m. Traders Parking is now covered by the Markets Team which has created a budget gap of £0.024m. The Waste Collection SLA is currently being agreed which is likely to cause a further gap of c£0.080m.
- Discussion are being held re: Street Cleaning in Barking Market. Public Realm are proposing to charge the cost of £0.360m 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£0.080m. The current value of the contract with Thurrock Council is £0.320m, the cost to deliver the council is c£0.240m (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 9

Forecast Position: £9.9m (Underspend of £0.5m)

	This Years Budget		Actuals/Forecast		Transfers to/from Reserves	Variances Inc Reserves		Change
	Revised	Controlled	YTD Actuals	Current Forecast	Transfers from	Variance	Last Period Variance	
STRATEGY	9,755,640	9,755,640	8,312,770	9,760,301	(497,510)	(492,849)	(518,027)	25,178
STRATEGY & INSIGHT	8,392,400	8,392,400	7,114,066	8,275,718	(485,510)	(602,192)	(623,926)	21,734
COMMUNICATIONS	1,363,240	1,363,240	1,198,705	1,484,583	(12,000)	109,343	105,899	3,443

Key Drivers of the Position:

- The Strategy directorate is forecast to **underspend by (£492,000)** at the end of Period 9 - an adverse movement of **£25,000**.

Strategy & Insight – Forecast Position **(£602,00) underspend**, an **adverse movement of £21,000**.

Insight and Innovation:

- The Advertising contract** is expected to exceed the income target by **(£50,000)**.
- Insight hub** is forecast to underspend by **(£125,000)** attributable to vacancy savings.

Strategy: The following 3 cost centres (PMO, Corporate Strategy Team and Director of Strategy) net result will be an **underspend of (£114,000)**.

- The PMO** main contributing factor to the **£32,000 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 (£154,000)** due to vacancy savings. This underspend is needed to directly support the overspend in PMO.
- Director of Strategy** is forecasting an **overspend of £7k** which is attributable to recruitment costs.

Customer Contact:

- Customer Contact:** With a budget of £6,368m has a forecast underspend of **(£311,830)** mainly due to delayed recruitment of vacant roles. Movement from P8 is an adverse £1.5k for Registrars.

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

Key Drivers of the Position: (Continued)

Communications (Campaigns and Events) – Forecast Position: **£109,000 overspend**, a **£3,000 adverse movement** from P8 due to additional expenditure within Events. The **HRA income shortfall of £112,000** is the main contributing factor to the overspend.

- **Community Events** are forecast to underspend by **(£52,000)** a adverse shift in the variance from P8 due to increased overtime and events costs. The overall underspend is 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 **£25,000 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 £137,000** owing to £112,500 reduced HRA income and £17,000 of cancelled duplicate invoices in relation to previous years. The favourable shift from P8 of **(£5,000)** is primarily due to reductions in agency expenditure.

The £497,000 transfer from Reserves represents a drawdown of £134,000 of Shielding grant, £50,000 from the Supporting Families grant for the One View programme, £19,000 towards the salaries cost of the WRES post in the Director of Strategy service, £282,662 for Customer Experience Team Growth bid and £12,000 towards the Women Empowerment event.

Strategy: Period 9 Mitigations Table

Forecast Position: Forecast £9.9m (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	24,655		
Marketing & Communication	136,672		The Pressure largely due to HRA income shortfall of £112,491
Customer Services	418,268		The Pressure due to HRA Fixed Recharge income shortfall of £434,728, offset by other underspends within Customer Contact
Registrars	33,932		Pressure is due to building maintenance costs of a Grade 2 listed building, offset by other underspends within Customer Contact
Other underspends	(1,138,607)		
Total	(492,849)		

Strategy : Period 9 Risk and Opportunities

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

- A potential additional pressure of 10K for ongoing maintenance works at Registrars - Woodland house has arisen as the property requires significant Capital investment.

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

Inclusive Growth: Period 9

Forecast Position: £2.7m (Underspend of £46k)

	This Years Budget			Current Forecast	Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled		Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,078,456	1,078,456		2,692,338	145,898	(1,806,248)	(46,468)	(10,621)
COMMERCIAL	(1,366,836)	(1,366,836)		(1,773,397)	145,898	0	(260,663)	(201,994)
INCLUSIVE GROWTH	2,445,292	2,445,292		4,465,735	0	(1,806,248)	214,195	191,373

Key Drivers of the Position (Summary):

The Inclusive Growth Directorate is forecast to underspend by **(£46,000)** at the end of Period 9, an improvement of **(£35,000)** from P8 mainly due to the insurance recharge to Tenants for CR27 and increasing salary underspends including the Commercial Director vacancy saving. 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 (£260,000) an improvement of (£59,000)

- **The Core Commercial Team** is projecting a **(£147,000)** underspend, attributable to the Director vacancy and another senior post vacancy.
- **The CR27 Investment** is forecasting a **(£107,000)** a favourable movement of **(£40,000)** 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)**.
- **Leisure** is forecasting a breakeven position after incorporating part of the £200,000 leisure contract termination fee income to cover re-procurement costs and historic leisure centre invoice write offs. The balance of £145,898 is to be held in reserves to cover part of the 24/25 income shortfall.

Key Drivers of the Position (continued):

Inclusive Growth – Forecast an **overspend of £214,000** an **increase of £23,000** from P8 mainly due to the Adult College and Employment and Skills pay award costs - to be funded through grant.

- **Parks Commissioning** is forecasting £531,000 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 forecast to achieve a balanced budget through stringent controls which have been implemented to contain costs.
- The **Inclusive growth core teams** (Inclusive Economy, place and development, Sustainability and core IG) forecast a combined **(£331,000)** underspend, a favourable movement of **(£29,000)** mainly due to spending reductions.
The Film Office is projecting £67,000 net income underachievement due to the recent Actors Strike . This has impacted the film service to generate income from larger budget productions. 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 **overspend of £14,000** an adverse movement of £47,600 from P8 due pay award salaries funded through grant. The apprenticeships service alone is forecast to overspend by £150,000. 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 £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 9 Mitigations Table

Forecast Position: £2.7m (£46,000 underspend)

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
Film	67,644		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 £67k
Commissioning & programmes	40,626		No planned mitigation. Pressure relates to Added Years Compensatory pension costs with no supporting budget
Employment Team (Apprenticeships)	150,629		Although the Employment Team service is now forecasting an underspend as a whole, the apprenticeships service is now formally 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	531,092		Parks Commissioning main cost driver is the one-off £500,000 income generation target from soil importation which cannot be achieved. A further pressure of £133,000 income generation from Parks commercial projects which will not be achieved. The £133k income target will be removed from the 24/25 budget.
Net underspends	(836,459)		
Total	(46,468)		

Inclusive Growth: Period 9 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

- The food and film sector endowments from the City of London and MBS/Hackman are used 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.

Inclusive Growth: Period 9 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 9

Forecast Position: £16m (underspend of £2.5m, -17% 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		12,297,498	16,065,236	400,000	(4,465,772)	(2,462,005)	(2,044,132)
SUPPORT AND COLLECTIONS	7,017,112	7,017,112		7,322,773	6,993,162	0	(1,511,164)	(1,535,114)	(1,138,177)
COMMUNITY SOLUTIONS	1,069,410	1,069,410		780,722	898,530	0	(146,000)	(316,880)	(316,880)
COMMUNITY PARTICIPATION & PREV	7,679,948	7,679,948		5,499,004	9,478,545	400,000	(2,808,608)	(610,011)	(589,075)
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.

The service has moved positively by **£418k** this period. Within Support & Collections there has been reduction in staffing costs and increase in court cost income (Revenues) and reduction in PSL costs due to increased number of hand back requests (Support Services).

Community Solutions: Period 9

Key Drivers of the Position (Continued):

In Community Participation and Prevention there is an overall favourable movement of **£21k** in Period 9.

Triage have an adverse movement of **£38k** due to a reduction in reserves drawdown from £80k to £42k for an ICB grant funded post.

Universal Services have an overall Favourable movement of **£59k**, as follows:

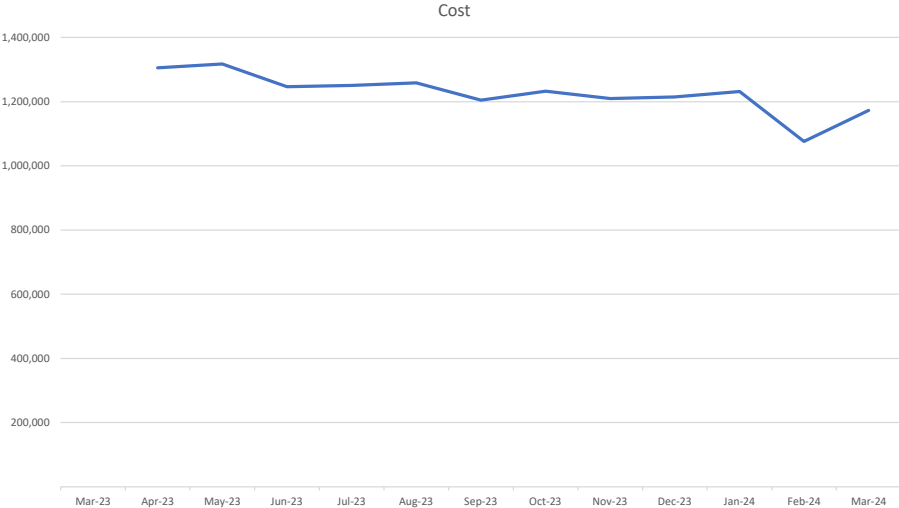
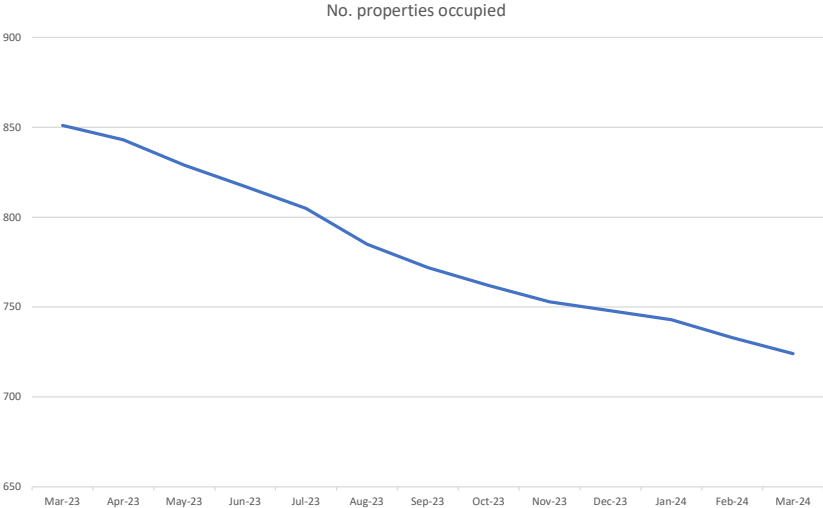
Healthy Lifestyles improvement of **£45k** is £11k Reduction in programmes spend, +£6.5 additional funding for increase in Stop Smoking take up and increased sport & recreation income has increased by £28k.

Libraries overall adverse movement of **£22k**, is mitigated within Universal Services; Specialist Libraries :+£10k reduction in buybacks, Universal Libraries: -£10k reduction in books & resources, +£8k income in sale of publications. Barking Central Library: -£2.2k spend on events, £+1k landlines, -£500 equipment. Dagenham Library: +£1.2k increase in premisses insurance, +£430 stationery, and Barking Learning Centre :+£40k for 1 FTE funding from within Universal and - £10k overtime.

Universal Services have a favourable movement of **£36k**: £29k Business Rates rebate adj for Gascoigne, £7k reduction in Agency staff for Abbey Nursery.

Community Solutions: Period 9 Data

Forecast Position: £16m (underspend of £2.5m, -17% Variance)



My Place Summary: Period 9

Forecast Position: **(£1.411m) 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
MY PLACE	4,448,439	4,448,439	0	35,299,708	2,654,579	383,000	0	(1,410,859)	(1,404,079)
HOMES AND ASSETS	(1,145,987)	(1,145,987)	0	17,223,524	(685,465)	0	0	460,522	735,837
PUBLIC REALM	5,594,426	5,594,426	0	18,076,184	3,340,045	383,000	0	(1,871,381)	(2,139,916)

Executive Summary

My Place is projecting a **(£1.411m) underspend**, an overall favourable movement of **(£7,000)**.

It should be noted that the service is carrying significant risks of £1.5m, mainly related to risk of recovery from Reside Group of costs incurred as the managing agent, with **(£50,000) Opportunities**.

The variance is driven by:

- **Parking (£1.079m) surplus, HRA Fixed Recharges (£999,000), Employee Expenses (£731,000)** across Public Realm mainly and areas of Homes and Assets **(£721,000)**. Offset by **Commercial Portfolio £478,000, My Place Recharge £656,000 and £264,000** mainly on contributions to the provision for **bad debt**.

Homes & Assets: Period 9 £461,000 overspend, a favourable movement of (£275,000)

Commercial Portfolio is reflecting **£478,000 overspend**, an improvement of **(£95,000)** due to increased income projection.

- £423,000 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.
- £55,000 expenditure budgets, mainly from insurance of premises.

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 **(£100,000)**, an adverse movement of £20,000

Asset Management is forecasting a **(£55,000) underspend**:

- **(£168,000)** due to vacancies being held pending restructure.
- £320,000 on premises costs.
- **(£207,000)** forecast income for ELWA use of depot and increased staff capitalisation.

Major Works is forecasting a **(45,000) underspend** due to increased income projection from Education recharges.

Homes & Assets (Other Areas): (£573,000) underspend offering partial mitigation to the Commercial Portfolio and Recharge pressure. This is mainly from Compliance Services but also staffing in areas like Business Development and Contract Management.

Public Realm: Period 9 (£1.871m) underspend, an adverse movement of £268,000

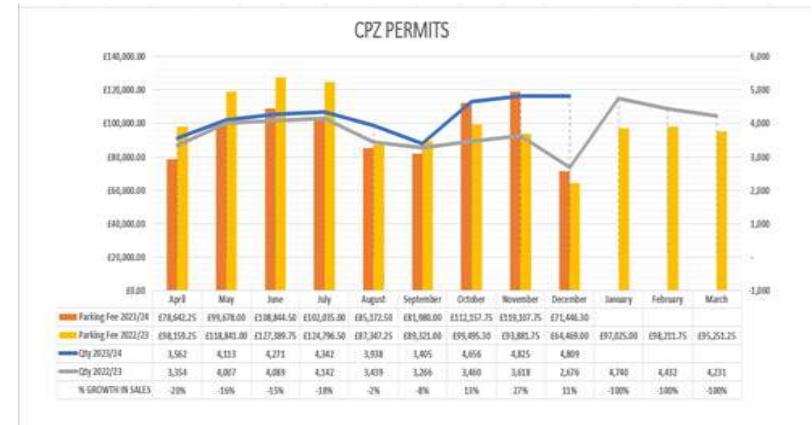
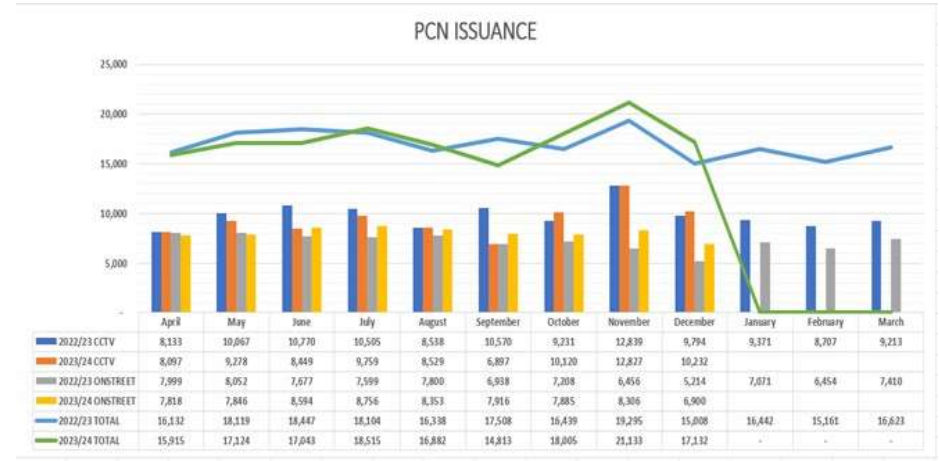
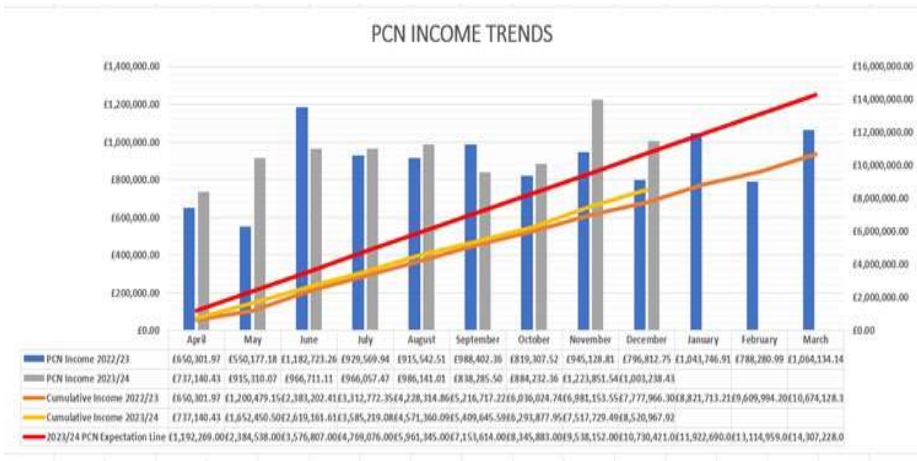
The Forecast variance relates to:

- **Parking is (£1.079m)** underspent after the transfer of **(£0.173m)** surplus to Parking reserves (ring fenced) in P9. The Traffic Management Order income is also overachieving by **(£0.250m)**.
- **Public Realm Commercial and Admin** is forecasting an **underspend of (£764,000)**, due to income over-recovery in areas such as Trade Waste and Pest Control.
- **Parks and Environment** are forecasting an underspend of **(£499,000)**, 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 **£595,000**, mainly within **Fleet**, where the Fleet Workshop is forecasting a shortfall on recharge income.

There has been an adverse movement since Period 8 of **£268,000**:

- Fleet expenditure projections have increased £213,000 due to increased costs caused by damaged vehicles.
- The remaining adverse movement can be attributed to Street Cleansing where an invoice has been written off.

Parking Income Data: Period 9



2023-24 Savings

		2023/24	RAG
*negative values (in brackets) are savings		Target £k	RATING
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)	
Community Solutions	Everyone Everyday	(100)	
Inclusive Growth	Parks Commissioning - Soil Importation	(500)	
HR	Restructure	(577)	
Total		(7,049)	

GREEN	4548
AMBER/G	1124
RED	1377
	7049

2023-24 Savings

*negative values (in brackets) are savings		2023/24 Target £k	RAG RATING
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