

## London Borough of Barking and Dagenham Budget Monitor: Period 5

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## London Borough of Barking and Dagenham Budget Monitor: Period 5

Table 1.	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month	Direction of Travel
COMMUNITY SOLUTIONS	17,168,748	6,840,150	27,138,926	3,130,028	-	-	3,130,028	-	
CORPORATE MANAGEMENT	3,968,140	1,342,250	2,902,612	(2,407,778)	-	-	(2,407,778)	-	
INCLUSIVE GROWTH	272,991	1,018,760	1,967,446	675,695	-	-	675,695	-	
LAW AND GOVERNANCE	1,341,900	(2,663,360)	(3,821,059)	(2,499,599)	-	2,552,607	53,008	(85,238)	✓
MY PLACE	9,331,640	7,196,870	19,161,348	2,632,838	(50,000)	-	2,582,838	<u>253,714</u>	^
PEOPLE AND RESILIENCE	99,835,601	24,343,420	129,818,646	5,639,625	(486,740)	-	5,152,885	<u>857,093</u>	^
STRATEGY & CULTURE	8,978,030	(5,361,190)	7,576,162	3,959,322	(1,888,012)	-	2,071,310	-	
<b>TOTAL EXPENDITURE</b>	<b>140,897,050</b>	<b>32,716,900</b>	<b>184,744,081</b>	<b>11,130,131</b>	<b>(2,424,752)</b>		<b>11,257,986</b>	<b>1,025,569</b>	^
FUNDING	(140,897,050)	(32,716,900)	(174,134,408)	(520,458)			(520,458)		
<b>TOTAL NET POSITION</b>	<b>0</b>	<b>0</b>	<b>10,609,673</b>	<b>10,609,673</b>	<b>(2,424,752)</b>	<b>0</b>	<b>10,737,528</b>	<b>1,025,569</b>	^

Summary: £11.3m Overspend , 8% of Budget  
This is a worsening position from last period by

### Key Risks and Opportunities:

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

## Community Solutions: Period 5

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

Table 2.

COMMUNITY SOLUTIONS	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
SUPPORT AND COLLECTIONS	1,570,897	4,603,920	7,196,345	1,021,528			1,021,528	
COMMUNITY SOLUTIONS	8,903,837	762,310	11,558,147	1,892,500			1,892,500	
COMMUNITY PARTICIPATION AND PREVENTION	6,694,014	1,473,920	8,383,934	216,000			216,000	
<b>TOTAL NET POSITION</b>	<b>17,168,748</b>	<b>6,840,150</b>	<b>27,138,926</b>	<b>3,130,028</b>	<b>0</b>	<b>0</b>	<b>3,130,028</b>	<b>0</b>

### Key Drivers of the Position:

The total overspend for the Department is **£4.8m**.

This has been reduced by (£1.6m) mitigations.

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

This excludes COVID related costs charged to COMF.

- Income target for Brocklebank & Foyer have not been removed, the buildings have been decommissioned. £775k
- CC & Careline (historic budget gap) £459k
- Works & Skills Loss of grant £400k
- R&B Contact Centre (pressure of Agency cost) £380k
- Comsol gap (includes £250k income target) £315k
- Pressure of TA (Voids & demand led) £250k
- Pressure of NRPF £216k
- Digitalisation £180k
- Contribution to Innovate system which was unbudgeted £155k

**Total Variance £3.130m**

The loss of grant are due to combination of reduced amounts previously confirmed by grant providers , unsuccessful bids and ceased grants

Agency costs are due to increased demand and dealing with backlog of cases at contact centre

### Mitigation Table (Mitigations are included in the forecast):

In Year Mitigation	Amount	RAG Rating
Coroners court - One Year Lease (from July)	112,500	Green
RSI funding SO1 posts	42,000	Green
Homelessness growth for 21/22	260,000	Green
Homelessness growth for 21/22	280,000	Green
Gatefiled Final Payment	53,000	Green
new burdens grant for Bus Rate	229,000	Green
Social Care funding 2 posts PO2 & Scale 5	96,000	Amber
2x Scale 5 - Frontline post	66,000	Amber
Invest to Save (from Growth)	100,000	Amber
GLA collection grant	250,000	Amber
Brocklebank Rent	58,000	Red
Transformation or CSR	100,000	Red
<b>Total Potential Savings</b>	<b>1,646,500</b>	

## Community Solutions: Period 5 Risk and Opportunities

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

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

- Although Brocklebank has been decommissioned, there are ancillary costs being charged to the cost centre which may have an aggregate impact on the budget. We are investigating what these costs relates to.
- There are inherit risk associated with expected grants for Works & Skills, as there are possibility of the bids not being approved.
- Contributions towards additional costs associated with Community Banking worth £100k may not materialised.
- We are not able to identify Impacts which may arise from the Afghanistan Support Scheme. However, we do expect financial implications to arise.
- It is assumed COVID-19 related costs c£1m will be funded from COMF and other COVID Grants.

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

- Additional funding from corporate worth £400k to support the careline budget may reduce the forecasted overspend.
- Possible recharge of £300k to BDMS for additional duties at Contact centre will have a positive impact on the forecast
- Works & Skills have put forward grant bids worth circa £245k, if successful will reduce the overspend forecast
- A £250k gatekeeping buffer has been set-aside for Temporary accommodation due to Voids and demand, if unused will reduce the forecast.
- An amount of £775k is earmarked to be funded from Treasury relating to decommissioning of Brocklebank and development of Foyer.

## Community Solutions: Period 5

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

		Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
COMMUNITY SOLUTIONS								
SUPPORT AND COLLECTIONS	SUPPORT SERVICES	1,525,920	3,310,220	2,550,920	1,021,528			1,021,528
COMMUNITY SOLUTIONS	DIRECTOR OF COMMUNITY SOLUTIONS	405,250	276,700	878,250	473,000			473,000
	WORK & SKILLS	1,298,120	903,860	1,698,120	400,000			400,000
	CUSTOMER CONTACT	6,994,192	-460,050	8,013,692	1,019,500			1,019,500
COMMUNITY PARTICIPATION AND PREVENTION	TRIAGE SERVICES	2,671,044	174,000	2,887,044	216,000			216,000
<b>TOTAL NET POSITION</b>		<b>12,894,526</b>	<b>4,204,730</b>	<b>16,028,026</b>	<b>3,130,028</b>	<b>0</b>	<b>0</b>	<b>3,130,028</b>

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

**Support & Collections:** £1.021m (Decommissioning of Brocklebank £525k, development of Foyer £250k, TA voids and demand £250k)

**Community Solutions:** £1.892m (relates to Comsol historic gap £318k, cost of Innovate (one-off) £155k, W&S loss of grants £400k, digitalisation costs for Intranet re-design and strategy £180k and customer contact caseload agency costs (one-off) £380k & historic budget gap £459k). The Contact Centre is working on automation and efficiencies currently with a view to realise cost reductions by mid October 2022. This should bring the service back in line within budget.

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

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

## Corporate Management: Period 5

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

Table 3.

CORPORATE MANAGEMENT	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
STRATEGIC LEADERSHIP	442,560	(746,620)	(303,060)	1,000			1,000
FINANCE	2,852,430	(537,890)	2,314,540				
IAS	(4,368,610)	11,720	(4,356,890)				
CENTRAL EXPENSES	5,041,760	2,615,040	5,248,022	(2,408,778)			(2,408,778)
<b>TOTAL NET POSITION</b>	<b>3,968,140</b>	<b>1,342,250</b>	<b>2,902,612</b>	<b>(2,407,778)</b>	<b>0</b>	<b>0</b>	<b>(2,407,778)</b>

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

### Mitigation Table

NONE required in this area

## Corporate Management: Period 5 Risk and Opportunities

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

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

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

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

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

## Inclusive Growth: Period 5

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

Table 4.

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

### Key Drivers of the Position (Summary)

The £676k variance is caused by:

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

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

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

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



## Law and Governance: Period 5

Forecast Position: Net income of £3.821m; overspend of £53k; 4% adverse variance)

Table 5.

<b>LAW AND GOVERNANCE</b>	<b>Controllable BUDGET FY</b>	<b>Non-Controllable BUDGET FY</b>	<b>Full Year Forecast</b>	<b>Variance</b>	<b>Transfer (from) reserve</b>	<b>Transfer to reserve</b>	<b>Variance inc. Reserves</b>
WORKFORCE CHANGE / HR	2,132,460	(1,762,520)	406,540	36,600			36,600
LAW & ASSURANCE	3,804,180	(1,935,890)	1,910,703	42,413			42,413
ENFORCEMENT	(4,846,530)	1,293,500	(6,174,842)	(2,621,812)		2,552,607	(69,205)
LEADERS OFFICE	251,790	(258,450)	36,540	43,200			43,200
<b>TOTAL NET POSITION</b>	<b>1,341,900</b>	<b>(2,663,360)</b>	<b>(3,821,059)</b>	<b>(2,499,599)</b>	<b>0</b>	<b>2,552,607</b>	<b>53,008</b>

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

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

Enforcement-Parking income is forecast to over-achieve by £2.5m. PCN income over the first quarter has been strong, averaging £886k per month. It is anticipated that income will dip towards the end of the calendar year when some cameras will be out of use, but overall annual income including permits is forecast to be £14m. The excess will be taken to the Parking reserve at year end.

### Mitigation Table:

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

## Law and Governance: Period 5 Risk and Opportunities

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

- The Private Sector Property Licensing (PRPL) scheme has a challenging income target across five years and so there is a long term risk that it might not generate sufficient net income to meet the income target of £1.924m. This is not currently assessed as high risk but must be monitored.
- Parking income is volatile and depends on driver behaviour and compliance. There is a risk that the income forecast will not be met although this is currently considered unlikely. Performance will be closely monitored, and the forecast will be updated over the course of the year based on actuals.

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

- There are significant staff vacancies currently being recruited to following major reorganisation. The level of underspend may vary depending on the success of the recruitment campaign.
- Barking Market Income: The current income level is influenced by post COVID activities. The monthly income can increase or decrease in future. An extra day was added based on a return to pre COVID levels, this is not being achieved yet and it depends on how COVID impact develops.

## My Place: Period 5

Forecast Position: £19.161m (overspend of £2.633m, 13.7% variance)

Table 6.

MY PLACE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
MY PLACE	(396,200)	7,784,670	9,056,890	1,668,420	(50,000)		1,618,420	89,664
PUBLIC REALM	9,727,840	(587,800)	10,104,458	964,418			964,418	214,050
<b>TOTAL NET POSITION</b>	<b>9,331,640</b>	<b>7,196,870</b>	<b>19,161,348</b>	<b>2,632,838</b>	<b>(50,000)</b>	<b>0</b>	<b>2,582,838</b>	<b>303,714</b>

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

- My Place: £1.668m adverse variance due mainly to the recharge of expenditure to the HRA being below budget. The expenditure is being incurred, but was identified as non-HRA after the 2021/22 budget was set.
- Public Realm:
  - a. Operations - £1.207m adverse variance related to excess expenditure on transport (£949k) and staff (£336k).
  - b. The above line is offset partly by Parks and Environments (£143k) due to excess income recharges for Ground Maintenance and Compliance (£129k) having favourable income forecasts, mainly on pest control.

**Mitigation Table:** No mitigations currently in place. The underlying cause of the HRA recharge budget issue is being investigated to help determine where the service goes from there.

## My Place: Period 5 Risk and Opportunities

Forecast Position: £19.161m (overspend of £2.633m, 13.7% variance)

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

- £230k: Commercial Rental Income due fell in 2020/21 by £170k compared to budget. The service lead is reviewing the current leases in time for Period 6. Outturn is online at Period 5 therefore a risk if 2020/21 is a trend.
- £150k: Dispersed Working Saving (Roycraft House) £312k - the original projected timeline of the closure date has slipped. £50k already in Outturn but risk of further slippage. This is a one off risk for 2021/22.

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

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

## People and Resilience: Period 5

Forecast Position: £130m (overspend of £5.15m, 4.1% variance)

PEOPLE AND RESILIENCE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves	Movement from last month
DISABILITIES CARE AND SUPPORT	28,904,297	2,376,440	33,601,567	2,320,830			2,320,830	586,271
ADULT'S CARE & SUPPORT	19,493,720	3,076,900	22,570,620					
COMMISSIONING - CARE AND SUPPORT	10,167,314	965,320	11,651,673	519,039			519,039	519,039
PUBLIC HEALTH	(559,250)	63,000	19,406	515,656	(486,740)		28,916	
CHILDREN'S CARE & SUPPORT	38,253,960	1,216,300	41,557,360	2,087,100			2,087,100	(248,216)
EDUCATION, YOUTH & CHILDCARE	3,575,560	16,645,460	20,418,020	197,000			197,000	
<b>TOTAL NET POSITION</b>	<b>99,835,601</b>	<b>24,343,420</b>	<b>129,818,646</b>	<b>5,639,625</b>	<b>(486,740)</b>	<b>0</b>	<b>5,152,885</b>	<b>857,094</b>

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

- **Disabilities Service:**
  - CWD LAC Disaggregation –is responsible for the majority of the pressure this is due to a total of 7 new clients since April at an average cost of £4k per week.
  - There is also one off pressure of £300k in the minor Equipment & Adaptations budget due to a backlog of works built up over the pandemic.
- **Commissioning Care and Support**
  - Early Help Service has transferred over to Commissioning this month, bringing with it a pressure of £450k, this is due to a shortage of staff which need immediate short term coverage.
- **Children's Care & Support:**
  - Approx. £900k of the £2.0m pressure is due to additional staffing required to manage increased caseloads over the past year due to COVID
  - The remaining pressure is within Corporate Parenting, in particular Residential placement costs which has seen a substantial increase over the past year due to a lack of suitable affordable placements, which has been exasperated because of COVID.
- **Education, Youth & Childcare:**
  - £197k relates to unachievable income budgets due to historical corporate budget adjustments

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

## People and Resilience: Period 5 Risk and Opportunities

Forecast Position: £130m (overspend of £5.15m, 4.1% variance)

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

- D2A CCG Funding to cease – Nursing placement rates inflated due to COVID Discharges which will be difficult to bring back down to LBBB rates in the short term, this additional cost currently being covered by CCG funding which is due to end in September.
- The outcome of the Norfolk judgement is still a significant risk factor, the cost to the service is currently unknown but it is likely to be very significant if the legal case goes against us.
- Early Help service TOM has yet to be finalised, it is expected that the cost of the service will significantly rise once this is complete as the service is currently significantly understaffed.
- Loss of funding such as the BCF in the future is a significant risk for Commissioning as it generally funds annual contract uplifts.
- The Sexual Health service commissioned by Public Health is a demand led service, although there is no data to support a significant increase in demand, if such a scenario was to occur this could cause the service to overspend.

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

- Grant funding of £750k is available for LBBB to bid for. The department is in the process of doing so. The cost of delivering the service would be £500k, this would allow £250k of staff costs to be offset against this project. Decision on award to be in September.
- The use of Care Technology is the biggest opportunity care and support has to exploit, currently going through a tendering process, this is not expected to bring about any cost's reductions/avoidance this financial year, but the hope is that we should see these benefits in the coming years.
- The successful step down on any LAC in a high-cost placement will help reduce overall costs. The service conducts regular panel meetings to assess suitability of the children to be moved into less expensive settings whilst not compromising on the quality of care.
- Potential funding of £277k to mitigate part of the Early Help pressure available from the transformation pot if approval is given.

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

Forecast Position: £33.6m (overspend of £2.32m, 7.4% against Budget)

DISABILITIES CARE AND SUPPORT	FULL BUDGET FY	DEPRECIATION	RECHARGES	Non-Controllable BUDGET FY	Controllable BUDGET FY	Full Year Forecast	Variance	Movement from last month
DISABILITIES CENTRES	1,950,310	32,480	472,650	505,130	1,445,180	1,988,016	37,706	50,189
DISABILITIES CARE PACKAGES	15,467,360	4,660	234,500	239,160	15,228,200	16,356,773	889,413	300,000
DISABILITIES TEAMS	4,883,467		243,950	243,950	4,639,517	2,954,747	(1,928,720)	
CHILDRENS CARE PACKAGES	2,605,600				2,605,600	2,941,981	336,381	
SEND PACKAGES	2,892,200		1,388,200	1,388,200	1,504,000	3,745,148	852,948	(194,792)
CWD PLACEMENTS	3,481,800				3,481,800	5,614,903	2,133,103	430,874
<b>TOTAL NET POSITION</b>	<b>31,280,737</b>	<b>37,140</b>	<b>2,339,300</b>	<b>2,376,440</b>	<b>28,904,297</b>	<b>33,601,567</b>	<b>2,320,830</b>	<b>586,271</b>

The disabilities service is showing a net £2.3m pressure at P5 which is a £586k increase from last month.

This position can be attributable to two keys budget pressures in this financial year;

- First is the one-off pressure on the equipment and adaptations budget due to a backlog caused by the pandemic last year now coming through, this will cause a £300k pressure on the budget this year, but demand is expected to return to normal once this backlog is cleared.
- The remaining pressure is on the new Children with Disabilities budget which now has a pressure of £2.1m due partially to 7 new clients costing an average of £4k per week, as well as an inherent budget shortfall of £900k that the service came over with.

It should be noted that the disabilities service received £5.1m in growth funding that has been partially distributed to the services with the remainder being held in the Disabilities team service thus the large underspend on this line, this should have been allocated by P6 monitoring.

There has been an increase of £586k to the projected overspend from P4, the reasons for this are as follows;

- £300k - Increase in cost of equipment and minor adaptations as mentioned above.
- £481k – Packages for CWD in care due to a couple of new clients that have been added to the 5 already factored into last month's position, as well as approximately £250k of miscoded transactions moved over from children's care and support.
- (£195k)- Reduction in the Home to School transport costs, due mainly to now forecasting the COMF funding that will mitigate one-off COVID related expenses.

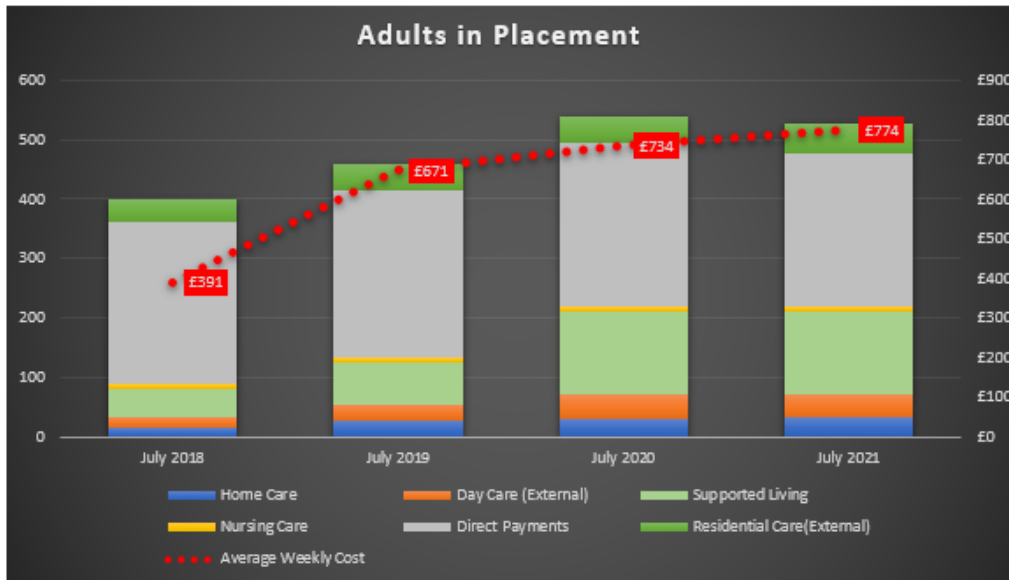
## People and Resilience: Disability Services Financial Risk Deep Dive Full Year - Continued

Forecast Position: £33.6m (overspend of £2.32m, 7.4% against Budget)

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

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

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



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

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

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

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

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



## People and Resilience: Children's Financial Risk Deep Dive Full Year

Forecast Position: £41.6m (overspend of £2.087m, 5% against Budget)

CHILDREN'S CARE AND SUPPORT	FULL BUDGET FY	DEPRECIATION	RECHARGES	Non-Controllable BUDGET FY	Controllable BUDGET FY	Full Year Forecast	Variance	Movement from last month
YOUTH OFFENDING SERVICE	1,254,930		145,260	145,260	1,109,670	1,129,909	(125,021)	(5,287)
ASSESSMENTS	3,795,440		196,250	196,250	3,599,190	4,561,458	766,018	5,983
OPERATIONAL DIRECTOR AND CENTRAL SPEND	7,344,500		27,420	27,420	7,317,080	2,428,914	(4,915,586)	60,768
EMERGENCY DUTY	275,000				275,000	278,000	3,000	
CARE MANAGEMENT	5,639,700		350,820	350,820	5,288,880	5,857,665	217,965	18,096
PLACEMENTS CLIENT COSTS	14,249,210		14,830	14,830	14,234,380	20,356,717	6,107,507	(376,706)
ASYLUM SEEKERS	219,200				219,200	286,735	67,535	
PLACEMENTS INTERNAL COSTS	4,118,300		347,030	347,030	3,771,270	4,033,291	(85,009)	35,218
EXPLOITATION & MISSING	450,590				450,590	501,281	50,691	13,713
SPECIALIST INTERVENTION HUB	2,123,390		134,690	134,690	1,988,700	2,123,390		
<b>TOTAL NET POSITION</b>	<b>39,470,260</b>	<b>0</b>	<b>1,216,300</b>	<b>1,216,300</b>	<b>38,253,960</b>	<b>41,557,360</b>	<b>2,087,100</b>	<b>(248,216)</b>

There has been a reduction of £248k in the net position primarily down to a correction of miscoded placements costs which has now been transferred to Disabilities services. As it stands we can summarise **the overspend position of £2.0m** into two key areas, staffing and placements.

The impact of COVID has significantly impacted the services ability to achieve the efficient levels of staffing as expected from the implementation of the TOM, due to rise in number of cases, staff isolating, shielding and not being able to travel and meet clients thus delaying assessments, which has meant more staff have been employed and interim staff retained, leading to an **approx. £900k increased pressure on Staffing budgets**.

The second part is placements costs which for a number of reasons have continued to rise, ultimately the impact of COVID has affected the provider market, raising the cost of placements even where numbers have not increased. Residential, secure and Family Assessment units are our most costly placement types and there has been a steady rise in the numbers placed in these types of care but there has also been a significant rise in the cost of these placements year on year too.

In terms of the overspend position this year, our placement costs have increased by **just over £1.1m**, this can be attributed largely to secure placements and residential. The pandemic has caused the cost of residential placements to surge due to a lack of alternative provisions or options during lockdown, which led to an inflated market that cannot be easily stepped down. Secure was an area that saw significant reduction during the pandemic, however since the return to normal we have seen numbers increase, these placements are inherently costly with one example of a child placed at £10.5k per week, any rise in numbers here can easily tip the budget significantly overspent.

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

## Strategy and Culture: Period 5

Forecast Position: £7.653m net expenditure; overspend of £2.057m; 57% adverse variance

Table 8.

STRATEGY & CULTURE	Controllable BUDGET FY	Non-Controllable BUDGET FY	Full Year Forecast	Variance	Transfer (from) reserve	Transfer to reserve	Variance inc. Reserves
CULTURE & RECREATION	(83,350)	1,041,190	3,385,153	2,427,313	(786,006)		1,641,307
CHIEF INFORMATION OFFICER	7,160,730	(5,596,210)	2,050,520	486,000			486,000
STRATEGY & PROGRAMMES	562,140	349,570	1,943,219	1,031,509	(1,102,006)		(70,497)
COMMUNICATIONS	1,338,510	(1,155,740)	197,270	14,500			14,500
<b>TOTAL NET POSITION</b>	<b>8,978,030</b>	<b>(5,361,190)</b>	<b>7,576,162</b>	<b>3,959,322</b>	<b>(1,888,012)</b>	<b>0</b>	<b>2,071,310</b>

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

#### Leisure:

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

#### IT :

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

### Mitigation Table:

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

## Strategy and Culture: Period 5 Risk and Opportunities

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

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

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

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

## HRA: Period 5

Forecast Position: Online

P4 VARIANCE	REPORT LEVEL	2021/22 PERIOD 5			
		BUDGET £'000	FORECAST £'000	VARIANCE £'000	CHANGE £'000
(£1,356)	SUPERVISION & MANAGEMENT	44,514	42,598	(£1,916)	(£560)
(£272)	REPAIRS & MAINTENANCE	18,564	18,233	(£331)	(£60)
£326	RENTS, RATES ETC	423	752	£329	£3
£0	INTEREST PAYABLE	10,742	10,742	£0	£0
£0	DEPRECIATION	16,879	16,879	£0	£0
£0	DISREPAIR PROVISION	0	0	£0	£0
£0	BAD DEBT PROVISION	3,309	2,782	(£527)	(£527)
£0	CDC RECHARGE	685	685	£0	£0
(£1,301)	<b>TOTAL EXPENDITURE</b>	<b>95,116</b>	<b>92,671</b>	<b>(£2,445)</b>	<b>(£1,144)</b>
(£798)	CHARGES FOR SERVICES & FACILITIES	(£20,581)	(£21,261)	(£680)	£118
£808	DWELLING RENTS	(£86,882)	(£85,059)	£1,823	£1,015
£8	NON-DWELLING RENTS	(£770)	(£752)	£18	£10
£0	INTEREST & INVESTMENT INCOME	(£50)	(£50)	£0	£0
£17	<b>TOTAL INCOME</b>	<b>(£108,283)</b>	<b>(£107,122)</b>	<b>£1,161</b>	<b>£1,144</b>
£1,284	TRANSFER TO HRA RESERVE	£ -	£1,284	£1,284	£ -
0	TRANSFER TO MRR	13,167	13,167	£ -	£ -
0		£0	£ 0	£ 0	£ 0

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

- Supervision & Management: **(£1.916m)**

(£1.432m) of underspend on internal recharges which is predominantly due to the My Place Recharge reduction compared to budget for BD Cleaning. An investigation is ongoing. (£300,000) on utilities, (£100,000) on security of premises budget not required this year and (£44,000) on Service Improvement Budget.

The **movement** from Period 4 of **(£560,000)** was primarily down to a further forecast reduction in the My Place HRA Recharge **(£522,000)** and the Service Improvement Budget **(£44,000)**.

- Bad Debt Provision: **(£527,000)**

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

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

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

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

## HRA: Period 5 Risk and Opportunities

Forecast Position: online

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

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

- £1.0m - The Bad Debt Provision budget is set at £3.309m and has historically not been fully required at year end. The opportunity value allows for some growth in the overall BDP but should be seen as a maximum figure. A review of the BDP is planned in September in time for Period 6. The current outturn reflects a forecast £527,000 underutilisation.

## In Year Savings: Period 5

### Savings

Delivered	£238,000	5%
High Risk	£961,000	20%
Low Risk	£449,000	9%
Medium Risk	£3,151,147	66%
<b>Total</b>	<b>£4,799,147</b>	<b>100%</b>

### Income

Delivered	£143,000	3%
High Risk	£2,201,000	46%
Low Risk	£442,070	9%
Medium Risk	£625,000	13%
<b>Total</b>	<b>£3,411,070</b>	<b>100%</b>

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

#### Savings:

High Risk: The contact Centre Restructure identified c£560k of savings which are recorded as high risk. A savings target of £250k has been added to the Foyer, which is unachievable until the site is re-developed. This will be an on-going issue until such time the Council purchases the lease from L&Q and re-develops the site. Initial assessments would indicate that the Council may no longer wish to pursue the purchase of the lease. We are awaiting a formal decision.

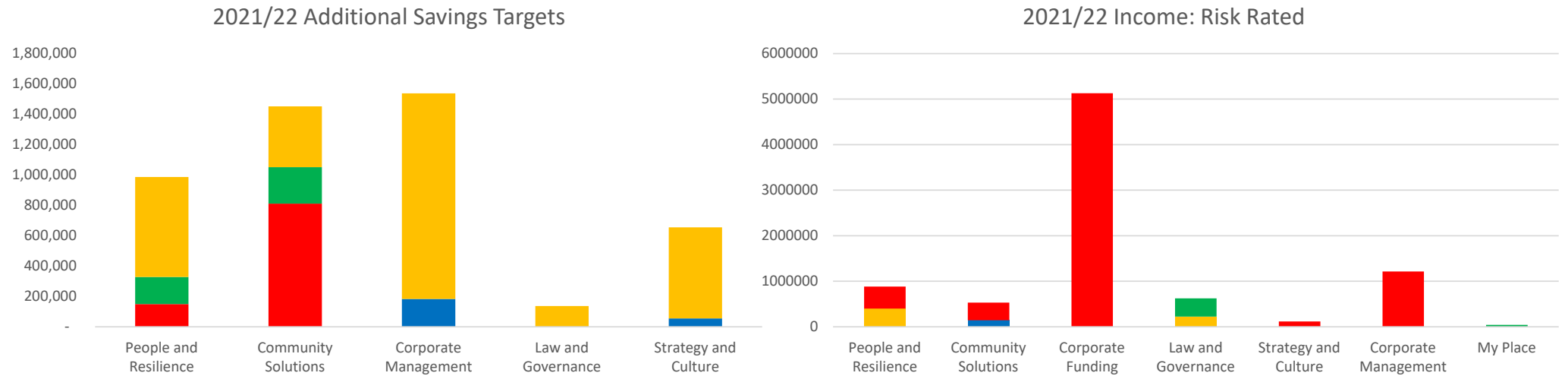
Medium Risk: At 66% this is the biggest segment of savings. £1m of this is the result of Elevate Exit savings being identified as at risk. £600k relating to Central Park landscaping, further information will be available in September. c.£650k of savings from Children's Efficiencies are also recorded as medium risk. The remainder is a timing delay in exiting Roycraft House and HR restructure resulting in the savings being unlikely to be recognised in full.

#### Income:

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

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

## In Year Savings: Period 5



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

Across the MTFS c£16m in savings needs to be delivered. 75% of these proposals are to be delivered in 2021/22, c£13m, meaning that it is crucial that savings are delivered in this year. Of these 66% rated as high risk. C£2.7m is to be made in 2022/23 and c£0.1k is due in 2023/24. Across the MTFS 57% is high risk.

## COMF: Period 5

Forecast Position: £ 3.2m , Pressure of £89k , 3% Overspend

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

To date we have spent £0.9m, with c£300k on vaccination support, c£300k on SEND travel, c£200k on one off equipment purchase, enhanced cleaning and comms and security for TA. The remaining amounts are focused on enforcement.

LBBD is forecasting to spend £3.2m, the biggest driver in the forecast is £500k on enhanced cleaning, c£500k on Homelessness and TA with the need to hold voids for self-isolation, additional enforcement actions and cleaning.

Actual	Forecast
£0.9m	£2.3m



## Companies Position: Period 5

Dividend income remains high risk.

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

At present we are forecasting the following for each company:

- BDTP – no dividend is forecast for this financial year and over the next two years of the MTFP
- Be First – we are forecasting £14.4m for this year, post tax, this is the dividend for 2019/20 and 2020/21. c£2m of this will be transferred to reserves
- Reside – There will be a marginal dividend, this will not offset the pressures and we will not be certain on the position until closer to year end
- BD Energy – no income is forecasted in this financial year

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

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

## Transformation: Period 5

Forecast Position: c5.7m

	21/22 Total Forecast Costs	
Core	£428,000	
Trans: Adults	£650,000	
Trans: Childrens	£72,000	
Trans: ComSol	£383,000	
Trans: Dispersed Working Programme Costs (exc AB's Capital Works)	£638,000	This amount is going to rise as the team provide more detail on forecasts - Will update ASAP. £887k is left of budget after 20/21 actuals
Transformation	£280,000	
ERP	£3,240,000	
<b>Total</b>	<b>£5,691,000</b>	

### Transformation Programme:

The above information needs to be overlayed with the available capital receipts. With the decision to not sell Roycraft there is a high risk of a need to fund some of this activity from reserves. This will be the next step in reporting on transformation. It is important we track this spend and ensure we have avenues to meet any shortfalls.

The programme at most risk is ERP, there has been a delay in the delivery date of the new ERP. Currently the medium-term delivery date forecast can be met within existing budget of £4.9m and contingency of c£2.9m.