

## APPENDIX A



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## London Borough of Barking and Dagenham Budget Monitor: Period 4

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**Barking &  
Dagenham**

## Revenue Outturn - There is a c£16m overspend forecast as at P4, £14m overspent on services and a £2m under recovery of funding

### Summary:

This is a worse position since last month mainly driven by the increased forecast for the pay award and a worsening position in My Place mainly in Commercial and Property Services.

### Key Drivers

#### • People & Resilience:

- The position is c£6m over. **c£2m** within disabilities driven by the overspend in **the SEND travel spend and LAC with disabilities**. Children's is **c£4m** overspent as a result as a result of Corporate Parenting, with a pressure of £3.9m, a £900k increase from last year. This is solely down to **Fostering**, where the full year effect of the uplift given to carers is now being felt. **The remaining pressure is on staffing where there has been special dispensation given to increase spend in order to bring in temporary resource to manage the rising caseloads within CIN.**

#### • Corp Management:

- The budget reflects a 2% pay rise provision. Noting inflation and public sector pay awards the forecast **reflects a 6% pay rise resulting in a £4m overspend** within this area. Contingency budgets held here in previous years have been redistributed to services leaving **no central underspend cushion.**

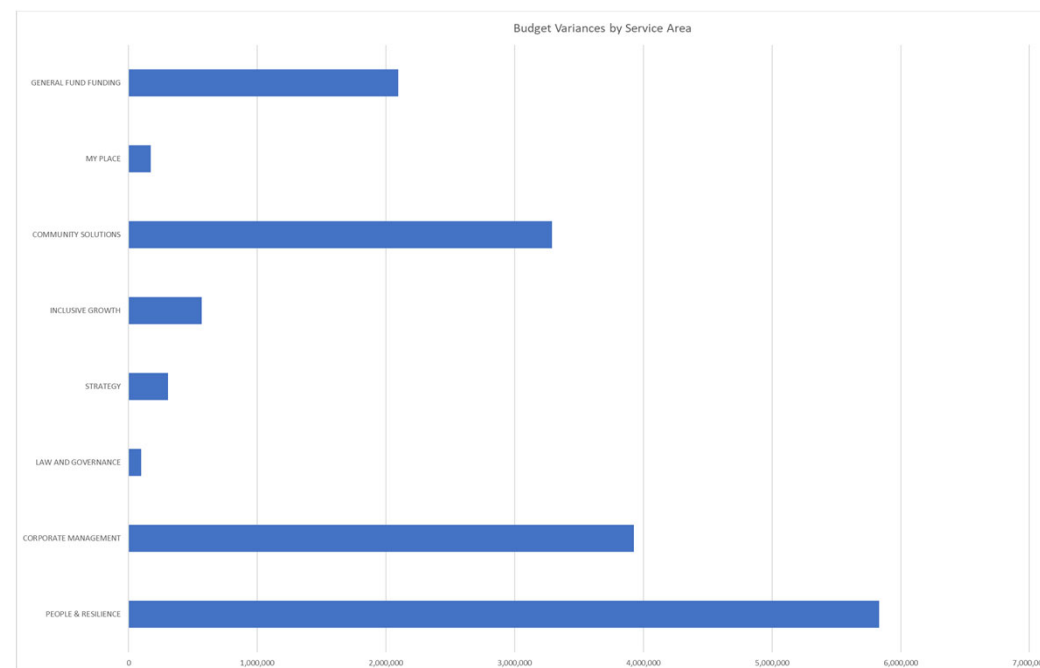
#### • Community Solutions:

- £3.3m variance from budget. This is driven by the change in the HRA recharge policy which has had a **c£2m impact**. The remainder are variance across the services.

#### • Company Dividends:

- The company dividends are forecast to be **£2m lower as a result of BDTP being unable to meet the budgeted income.**

### Variance against Budget



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## London Borough of Barking and Dagenham Revenue Forecast

	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
PEOPLE & RESILIENCE	129,963,050	107,566,760	22,396,290	7,538,307	135,795,193	0	0	5,832,143	6,030,053
CORPORATE MANAGEMENT	4,933,320	9,602,910	-4,669,590	6,148,252	8,861,065	0	0	3,927,745	2,442,861
LAW AND GOVERNANCE	-2,777,915	-265,175	-2,512,740	248,100	-3,131,002	1,946,433	-1,495,824	97,522	617,699
STRATEGY	2,026,429	2,832,599	-806,170	930,062	3,406,824	0	-1,076,147	304,248	232,136
INCLUSIVE GROWTH	4,737,340	1,797,630	2,939,710	-1,599,564	5,608,972	0	-302,817	568,815	791,925
COMMUNITY SOLUTIONS	25,421,128	19,527,638	5,893,490	1,504,176	30,222,484	295,000	-1,807,000	3,289,356	3,356,163
MY PLACE	18,756,779	37,279,549	-18,522,770	7,440,672	18,929,337	0	0	172,558	-420,537
<b>GENERAL FUND I&amp;E</b>	<b>183,060,131</b>	<b>178,341,911</b>	<b>4,718,221</b>	<b>22,210,006</b>	<b>199,692,873</b>	<b>2,241,433</b>	<b>-4,681,788</b>	<b>14,192,387</b>	<b>13,050,300</b>
<b>GENERAL FUND FUNDING</b>	<b>-183,060,131</b>	<b>-183,060,131</b>		<b>-5,763,627</b>	<b>-180,965,131</b>	<b>0</b>	<b>0</b>	<b>2,095,000</b>	<b>2,095,000</b>
<b>GENERAL FUND</b>	<b>0</b>	<b>-4,718,221</b>	<b>4,718,221</b>	<b>16,446,379</b>	<b>18,727,742</b>	<b>2,241,433</b>	<b>-4,681,788</b>	<b>16,287,387</b>	<b>15,145,300</b>

The main drivers of the variance to budget are the change in HRA policy, which is seen across several areas within the Council, most notably Community Solutions, Inclusive Growth and Law and Governance.

Aside from this People and Resilience is the most significant area of overspend of **£6m, 5.6% of the overall budget**. This is primarily driven by the overspend within Children's. The area has received £5m in growth in 2021/22 to their base budget. This is a key area of risk for the Council as a small variance can have a significant impact on the overall position.

Community Solutions is a volatile area that is demand driven, **although £2m of it's overspend is driven by the HRA**. This is a key area of risk where mitigations are being developed, growth was allocated to this area to write off unachievable savings in prior years.

Corporate Management has been reduced to allocate budgets to services. There is less availability of this resource to cover other overspends. The area is forecasting an overspend as a **result of the forecasted 6% pay award**.

BDTP is not assumed to **make £2m in dividend payment this year**, which has reduced funding. The Be First contribution is currently assumed to be secure as a result of the Mueller site profits.

## London Borough of Barking and Dagenham Budget Monitor: Period 4 Risk and opportunities

### Risk

- There are still some data and reporting issues arising from the implementation of the new ERP and Financial Systems which are making it harder for Finance and budget holders to gain full and up to date financial information. This has been improving over time but remains a significant financial risk with incomplete data available to make financial decisions, or to take remedial action if spend profiles are driving an overspend or under achievement in income.
- This month the Finance team have had access to Collaborative Planning and have carried out a monitoring dry run – however budget holders have not been able to engage with the new system yet. (Go live was 1<sup>st</sup> September.)
- The cost-of- living crisis and increased inflation has meant pressure on the pay award request. Built into the budget was a 2% award however the LGA employers offer amounts to around a 6% increase creating a significant pressure. In addition, we have made £0.5m provision for the PWC review of Senior Pay and £0.5m for other potential recruitment/retention requirements.
- HRA and General Fund recharge policy change has resulted in an increase of costs of c£2.7m within the General Fund. This will drive an overspend to be managed in year as this was not built into the budget.
- The income for PRPL is forecasting a shortfall of c£1.5m and will require a drawdown from reserve. This will leave a balance of c£0.3m on the reserve. The scheme is currently in year 3 of 5. A full review of the scheme will be carried out in the current year.

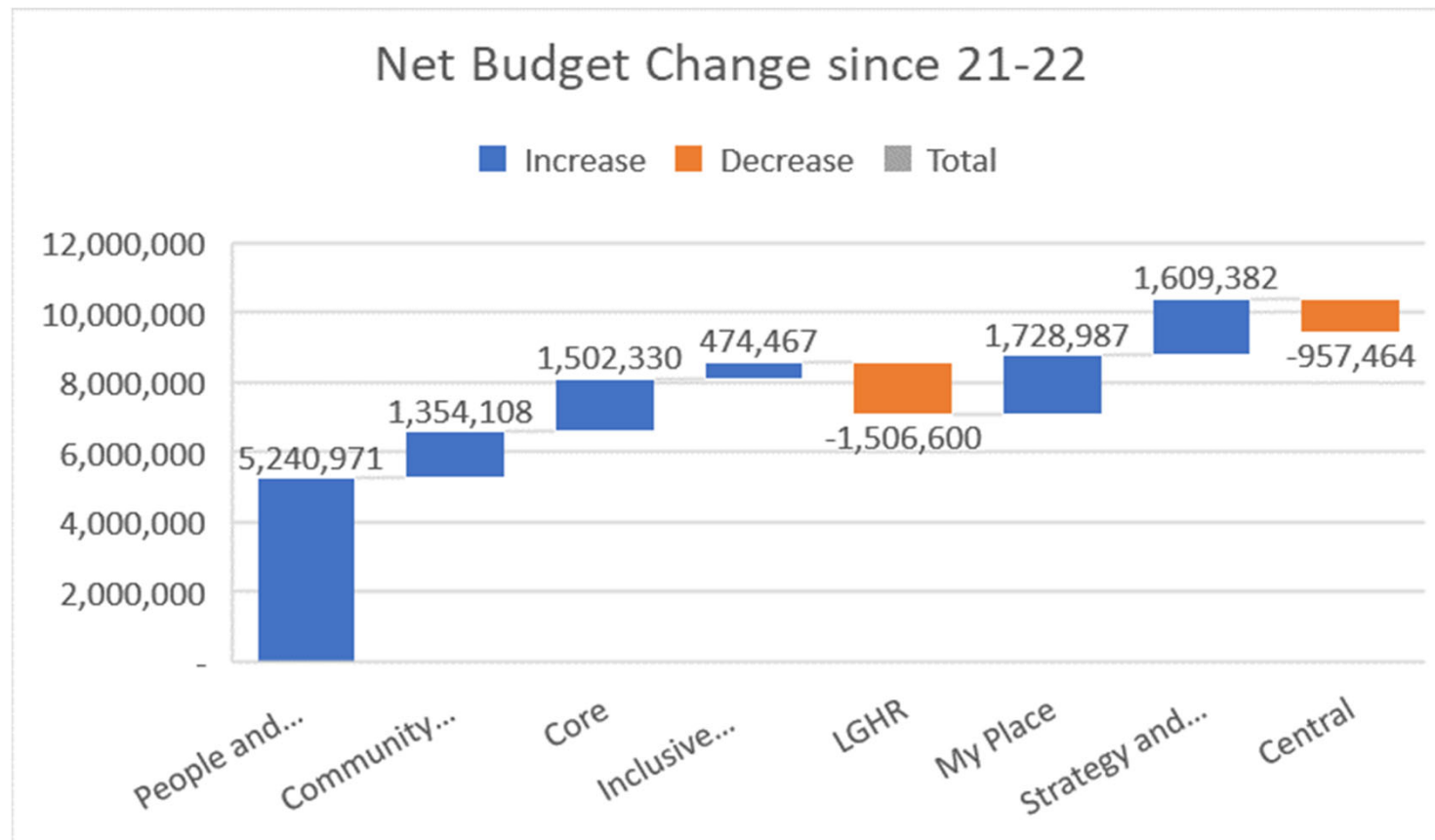
### Opportunities

- At this early point of the year forecasts will reflect risks but there has been little time to build an enact mitigations. We would therefore anticipate that this forecast will reduce as the year progresses and mitigations take effect.
- Income for Parking is forecasting a c£2m surplus. This is in-line with prior year income. The income target has been increased by c£3.5m in the current year. There is a likelihood that the income will be higher than forecast. This will be a result of introduction of new CPZ schemes and Safer School Streets, but this is currently difficult to quantify.

## Budget Increase: The Budget has increased by a net £9.4m from £173.6m to £183.1m since 2021-22

### Several areas have received growth since 2021/22.

- **People & Resilience:**
  - Demographic and Inflation growth and investment in Early Help, Coroners
- **Community Solutions**
  - Concessionary Fares (-), debt strategy, NRPf, Core savings written off, loss of Brocklebank income, community hubs
- **Law and Governance:**
  - Increased income
- **Inclusive Growth**
  - Foyer written off, old income written off
- **Core:**
  - Investment in IT and HR
- **My Place**
  - Improving waste and recycling
- **Strategy and Culture**
  - Realignment of Leisure fees post Covid, small increase in Policy/strategy team
- **Central**
  - Distribution of centrally held contingency budgets to support services



Note: this is based on the structure at the time of the MTFs so may differ slightly from current.  
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## 2022- 23 Savings

	2022-23 MTFS Savings	£000s	RAG RATING	Comments
EYC	Fixed Penalty Income	50	Amber	
ComSol	Working with VCS in community centres	90	Achieved	albeit by other means
LGHR	Parking Income	250	Achieved	
LGHR	Other Income - fines and market	70	Green	Income running slightly under profile but forecast to be achieved
LGHR	Further Parking Income	1,498	Green	Income very robust
IT	Cyber Security	40	Achieved	
ComSol	Debt and Affordable Credit	580	Green	
My Place	Property Management	154	Red	Won't be achieved in 22/23 as dependent on restructure.
IT	various efficiencies	167	Achieved	
Disabilities	New CHC Monies from Transition clients	240	Amber	
Disabilities	Brocklebank	1,100	Red	Plans still being decided, timeline not achieved
Childrens	Efficient TOM	1,100	Red	Implementation postponed
		5,339		

## Prior Year Savings Not Yet Achieved

There were a large number of savings last year totalling £5.3m including some brought forward from previous years where it is not clear whether they have been met. In a couple of cases they are potentially expected in 22-23 (parks landscaping, market income) but in most they are now part of the services position and are being managed/mitigated within the overall underspend/overspend. A number of these services did receive some additional funding in the MTFs to reduce the associated pressures. See table on next slide for details.

### **DECISION POINT: There are three differing solutions for how we treat savings in 2021/22 and those high risk within 2022/23**

- 1. £3.128m of savings are no longer being pursued because circumstances have changed or the action has already been taken but not achieved the target saving. They have now effectively been absorbed into the base budget of the service and in many cases can no longer be clearly tracked back to the original budget change (because of subsequent realignments.) It is proposed that these are no longer monitored but services should treat them as any other budget pressure and find mitigations/management action.**
- 2. £1.141m have been resolved in budget setting because they have been recognised as no longer achievable for reasons outside service control.**
- 3. £1.080m are assessed as still achievable and will be monitored in 2022-23.**



## Prior Year Savings Not Yet Fully Achieved

Directorate	Department	Savings Description	SAVINGS PR 21/22		Comments	Proposal
PEOPLE AND RESILIENCE	ADULTS	Charging policy - DRE	A2020 bf	150,000	Policy change not implemented but service underspent overall so impact has been absorbed	Consider achieved by other means
PEOPLE AND RESILIENCE	Childrens	Various efficiency/commissioning improvements	A2020 bf	659,147	Service overspent overall, some initiatives no longer being pursued, others impact less than expected or offset by other pressures	Absorb into overall service pressures - to be resolved by management action and/or budget growth
PEOPLE AND RESILIENCE	Disabilities	Further Income Improvements	A2020 bf	483,000	Some improvements in income but overall offset by pressures on service	Absorb into overall service pressures - to be resolved by management action and/or budget growth
COMMUNITY SOLUTIONS	Across service	Staffing Savings	A2020 bf	400,000	residual savings from restructure not fully achieved, balance now treated as part of overall service position	Absorb into overall service pressures - to be resolved by management action and/or budget growth
CORE/COMMUNITY SOLUTIONS	Core/Support & Collections	Elevate Exit	A2020 bf	1,043,000	residual savings from restructure not fully achieved, balance now treated as part of overall service position	£100k Transformation Director post achieved, £450k was formally written off in 22/23 MTFs, rest to be absorbed into overall service pressures
Corporate Management STRATEGY & CULTURE	Central Expenses	CTSS	A2020 bf	600,000	reduction in Council Tax Support completed reversed by Covid	Already resolved through budget setting process
STRATEGY & CULTURE	Leisure/Parks	Concession Fee	A2020 bf	91,000	Not achieved because of Covid - Leisure income renegotiated	Already resolved through budget setting process
STRATEGY & CULTURE	Leisure/Parks	Central Park Landscaping	A2020 bf	600,000	One off cash - part received in 21/22, balance expected this year	Retain and monitor
STRATEGY & CULTURE	Heritage	increased income	A2020 bf	25,000	Now part of overall income shortfall on service	Absorb into overall service pressures - to be resolved by management action and/or budget growth
PEOPLE AND RESILIENCE	Disabilities	CHC/Transitions	Transforma	120,000	Service overspent overall, increasing income important for service sustainability but is largely offset by other pressures	Absorb into overall service pressures - to be resolved by management action and/or budget growth
PEOPLE AND RESILIENCE	Adults	Income Generation	Transforma	400,000	Partly achieved already, rest forecast to be delivered	Continue to monitor
COMMUNITY SOLUTIONS	Participation	Contact Centre Restructure	MTFS 21/22	561,000	Contact centre activity increasing, full achievement unlikely	Absorb into overall service pressures - to be resolved by management action and/or budget growth
LAW AND GOVERNANCE	LGHR	Barking Market extra day	MTFS 21/22	80,000	Impact of Covid has delayed but expected to be achieved	Continue to monitor
LAW AND GOVERNANCE	LGHR	HR Service Restructure - increased income	MTFS 21/22	137,000	ERP efficiencies delayed and income targets hard to achieve	Absorb into overall service pressures - to be resolved by management action and/or budget growth
				5,349,147		

## Community Solutions: Period 4

Forecast Position: £30.2m (overspend of £3.3m, 12.9% 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
<b>COMMUNITY SOLUTIONS</b>	<b>25,421,128</b>	<b>19,527,638</b>	<b>5,893,490</b>	<b>1,504,176</b>	<b>30,222,484</b>	<b>295,000</b>	<b>(1,807,000)</b>	<b>3,289,356</b>	
SUPPORT AND COLLECTIONS	9,261,950	4,569,330	4,692,620	2,046,810	12,644,659		(800,000)	2,582,709	
COMMUNITY SOLUTIONS	6,698,956	6,851,506	(152,550)	13,737	7,623,300	130,000	(215,000)	839,344	
COMMUNITY PARTICIPATION & PREV	9,460,222	8,106,802	1,353,420	(556,371)	9,954,524	165,000	(792,000)	(132,698)	

### Key Drivers of the Position:

The reported overspend of **£3,289k** is caused by the following:

#### **Support & Collections;**

• Impact of HRA recalculation	£1,656k	
• Pressure on TA (Voids & demand led)	£250k	
• Under recovery on Bailiff Fees	£545k	
• Under Recovery of Court Cost Income (Historic Budget Pressure)	<u>£132k</u>	
		<b>£2,583k</b>

#### **Community Solutions;**

• Impact of HRA recalculation	£311k	
• Oneview System Annual Subscription	£300k	
• Customer Services FTC Staff	<u>£228k</u>	
		<b>£839k</b>

#### **Community Participation & Prevention;**

• Impact of HRA recalculation	-£33k	
• Everyone Everyday	<u>-£100k</u>	
		<b>-£133k</b>
		<b><u>£3,289k</u></b>

## Community Solutions: Period 4 Risk and Opportunities

Forecast Position: £30.2m (overspend of £3.3m, 12.9% 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 not able to identify Impacts which may arise from the Homes for Ukraine scheme. However, we do expect financial implications to arise.
- It is assumed COVID-19 related costs c£0.1m will be funded from COMF and other COVID Grants.
- The Ethical Collection Service Fee Income is impacted due to delay in data.

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

- A **£250k** gatekeeping buffer has been set-aside for Temporary accommodation due to Voids and demand, if unused will reduce the forecast.

## Corporate Management: Period 4

Forecast Position: £8.9m (Overspend of 3.9m)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>CORPORATE MANAGEMENT TOTAL</b>	<b>4,933,320</b>	<b>9,602,910</b>	<b>(4,669,590)</b>	<b>6,148,252</b>	<b>8,861,065</b>	<b>0</b>	<b>0</b>	<b>3,927,745</b>	<b>0</b>
STRATEGIC LEADERSHIP	(272,344)	474,276	(746,620)	33,438	(274,671)	0	0	(2,327)	0
FINANCE	5,517,201	12,110,931	(6,593,730)	1,556,257	5,266,451	0	0	(250,750)	0
IAS	(4,167,250)	(4,178,970)	11,720	(21,718)	(4,167,250)	0	0	0	0
CENTRAL EXPENSES	3,855,713	1,196,673	2,659,040	4,580,275	8,036,535	0	0	4,180,822	0

### Key Drivers of the Position:

Corporate Management are forecasting an overspend of 3.9m. There is a net shortfall in income from the HRA of £338k.

- **Central Expenses** – The Local Government employers offer is an approx. 6% pay increase on average (higher for lower grades, lower for managers/professional grades). This is significantly higher than the roughly 2% provision made in the MTFS. Currently other contingencies and provisions are assumed to be fully used. It should be noted that these are much lower than in previous years as funds have been transferred to services.
- **Strategic Leadership** - £2.3K underspend : HRA recharge shortfall of £103k less staff vacancy saving of £97k
- **Finance** - £251k underspend : £183k underspend in IT mainly due to vacancies, £102k underspend in Audit and Insurance, £36k net overspend in other teams within Finance, largely driven by £100k overspend in Service Finance.

## Corporate Management: Period 4 Risk and Opportunities

Forecast Position: £8.9m (Overspend of 3.9m)

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

- A £2m budget provision made for the 22/23 pay award. If a higher award is made this will cause a budget pressure (either here or dispersed among services.) The forecast assumes an approx. 6% award in line with offers made to other public service workers. However the final position is unlikely to be settled for some time. In addition there are risks from the Senior Leadership review and also a number of services are reporting recruitment/retention issues that mean result in other upwards pressures on pay.
- Debt management improvement savings have reduced the budget available for providing against bad debt. The forecast currently assumes spend to budget – however the economic situation may mean that debt could rise.
- Finance recruitment and staff retention becoming increasingly difficult
- Insufficient engagement within the Council over risk management & Internal audit practices
- IT forecasts requires further work on agreeing expenditure as currently cost model review is pending and new posts are being advertised for recruitment.

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

- Currently the forecast assumes full spend against several contingency budgets including the central redundancy pot and insurance. If these are not required, then this will contribute further underspends the Council position.

## Inclusive Growth: Period 4

Forecast Position: Overspend of £569k

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>INCLUSIVE GROWTH TOTAL</b>	<b>4,737,340</b>	<b>1,797,630</b>	<b>2,939,710</b>	<b>(1,599,564)</b>	<b>5,608,972</b>	<b>0</b>	<b>(302,817)</b>	<b>568,815</b>	<b>0</b>
COMMERCIAL	257,849	(368,111)	625,960	(366,416)	773,781	0	0	515,932	0
INCLUSIVE GROWTH	4,479,491	2,165,741	2,313,750	(1,233,147)	4,835,191	0	(302,817)	52,883	0

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

Inclusive Growth are forecasting an overspend of £569k. There is a net shortfall in income from the HRA of £312k. This is because the value of the recharges to the HRA has been recalculated but the budget has not been adjusted.

- **Commercial Services – 516k overspend**
- £370k relates to the reduced HRA recharge. The greatest impact is in Procurement where there was a historic fixed fee of £331k chargeable by Agilisys to the HRA. As part of the Elevate exit business case it was agreed that Procurement would continue to make the charge to the HRA. Now the recharge no longer takes place this has left a budget gap of £331k.
- £159k estimated Film Income shortfall. The Film Office is finding it increasingly difficult to meet the income target, as the number of filming locations dwindles as the borough is being regenerated.
- Added years pension top ups are causing a budget pressure of £33k. This is an unavoidable cost which is not fully-funded, and in the main relates to staff who were employed by services that are now delivered by Be First.
- **Inclusive Growth – 53k overspend**
- There are pressures within Parks Commissioning on a number of fronts. There is no revenue budget associated with capital schemes, such as the schemes at Parsloes Parks and Central Park. As not all expenditure associated with capital projects can be treated as capital expenditure, this is creating a pressure on revenue budgets, currently offset by a projected one off income over achievement of £17k on Central Park soil importation.
- Country Side and Conservation: £17k budget pressure costs for Eastbrookend Discovery Centre (inc. utilities, building, management costs) and £21k shortfall in budgeted income for Licence & Permit income as budget set in excess of achievable amount.
- Heritage services are forecasting an overspend of £275k on salaries, NNDR and income under-achievement.
- Inclusive growth core team estimated underspend £208k due to 58K HRA recharge income increase, anticipated CIL admin fee income £40k and staffing underspend of £84k due to restructure implementation.

## Inclusive Growth: Period 4 Risk and Opportunities

Forecast Position: **£569,000** overspend (£257,000 underlying after adjusting for HRA Recharges impact)

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

- Key risk is that the film studios operator MBS/Hackman do not continue to fund the existing post or the programme beyond the initial endowment, which is projected to last 5 years.
- There is a risk that the City of London does not re-locate the wholesale markets to the borough, in which case we will not receive additional funding beyond the s106 funding received to date. This would shorten the impact and length of the programme to 2 years. Longer term, there is a risk that the City of London does not provide funding to support the ongoing nature of the programme beyond the s106 funding.
- Heritage income remains at risk with Eastbury Manor House only open 1 day per week, making it difficult to meet income targets.

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

- The opportunity is to establish ongoing sponsorship from MBS/Hackman for the film studios, as well as using the endowment to leverage additional funding and resources from the sector and visiting productions. There are also opportunities to commercialise/self-fund elements of the programme, to ensure long term sustainability, including by creating a training space that can be leased to different providers to deliver sector-specific training.
- The opportunity for the food sector is to establish ongoing sponsorship from the City of London, and leverage further additional funding from external sponsors.
- The Business Rates bills for Eastbury Manor and Valence House have been appealed and, if successful, may result in a refund of up to £200k.

## Law and Governance: Period 4

Forecast Position: Overspend of £98k after transfer of c£2m parking surplus to reserves and drawdown c£1.5m PRPL from reserve

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>LAW AND GOVERNANCE</b>	<b>-2,777,915.00</b>	<b>-265,175.00</b>	<b>-2,512,740.00</b>	<b>248,099.64</b>	<b>-3,131,001.85</b>	<b>1,946,433.00</b>	<b>-1,495,824.00</b>	<b>97,522.15</b>	<b>0.00</b>
WORKFORCE CHANGE / HR	569,217.00	2,331,737.00	-1,762,520.00	396,535.71	1,038,712.03	0.00	0.00	469,495.03	0.00
LAW & ASSURANCE	1,749,180.00	3,225,440.00	-1,476,260.00	405,668.54	1,926,868.02	0.00	0.00	177,688.02	0.00
ENFORCEMENT	-5,096,733.00	-6,081,223.00	984,490.00	-584,442.58	-6,097,002.91	1,946,433.00	-1,495,824.00	-549,660.91	0.00
LEADERS OFFICE	421.00	258,871.00	-258,450.00	30,337.97	421.00	0.00	0.00	0.00	0.00

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

The HRA recharge has been recalculated and this has resulted in an income shortfall across Law and Governance of £615k.

There are significant staff vacancies within the Enforcement Service which has resulted in a forecast underspend of c£0.5m. A recruitment campaign is currently in process, which may slightly impact the forecast underspend.

Parking income is forecast to be around £2m above the expected level as traffic levels have increased after lockdown and the introduction of new CPZ schemes. This additional income will be taken to the Parking reserve at year end while proposals for its use to improve local transport, highways management, community safety, mobility and environmental concerns are developed. The focus of investment will be to generate future improvements for residents of the Borough. The Private Sector Property Licensing (PRPL) scheme income target will not be met and a drawdown of c£1.5m will be required from reserves.



## Law and Governance: Period 3 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 actual income will be lower than the current forecast. Performance will be closely monitored, and the forecast will be updated over the course of the year based on actuals.
- Private sector Housing Income target of 100k. There is a risk that this may not be achieved.

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

- 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 4

Forecast Position: **£173,000** overspend (£720,000 underlying after adjusting for HRA Fixed Recharges impact)

Table 6.

MY PLACE	Controllable BUDGET FY	Non- Controllable BUDGET FY	Full Year Forecast (Excluding Reserves)	Variance (Excluding reserves)	Transfer TO Reserves	Transfer FROM Reserves	Forecast inc. Reserves	Variance Including Reserves	Movement in Variance from Previous Period	Previous Month Variance
MY PLACE	23,657,772	(15,379,928)	8,963,492	685,648			8,963,492	685,648	293,272	392,376
PUBLIC REALM	13,611,935	(3,133,000)	9,965,844	(513,091)			9,965,844	(513,091)	299,822	(812,913)
<b>TOTAL NET POSITION</b>	<b>37,269,707</b>	<b>(18,512,928)</b>	<b>18,929,336</b>	<b>172,557</b>	<b>0</b>	<b>0</b>	<b>18,929,336</b>	<b>172,557</b>	<b>593,095</b>	<b>(420,537)</b>

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

- My Place **£686,000**:
  - a. £266,000 reflects the variance in the HRA Fixed Recharges that were reviewed in April 2022 compared to the current budget. These affect Depots, Highways and Compliance.
  - b. Further HRA Fixed recharges are scheduled for review this year.

Therefore, the underlying variance is **£420,000** driven by:

- a. Commercial Assets: £645,000

The income budget was profiled on the expectation of increased rental income due to rent reviews, however, this has not occurred yet due to changes in the team and limited capacity. Furthermore, increased costs from insurance, repairs and maintenance have exacerbated the position

- b. Service Area Underspends: **(£225,000)**

Underspends within Business Development and Contract Management are the primary generators of this forecast. This is a mixture of staffing where vacancies are held pending a restructure and BD Cleaning Contract changes post budget.

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

- **Public Realm (£513,000)** underspend:
  - **(£813,000)** the HRA Fixed Recharges that were reviewed in April 2022 compared to the current budget. These affect Caretaking, Ground Maintenance and Fleet Management.
  - Further HRA Fixed recharges are scheduled for review this year.
  - Therefore, the underlying variance is **£300,000** driven by:
    - Waste Operations: £325,000
    - Street Cleansing: £406,000

The environment has played a factor in putting pressure on the 2022/23 budget, with Storm Eunice and the pandemic impacting carried forward leave for staff, creating a need for overtime and agency cover whilst staff have taken leave entitlement. Compounding this in year, the fire in Beam Parklands and the ongoing heatwave and drought has had its effect.

- Offset by: **(£431,000)** predominantly within Compliance with increased income forecast compared to budget and underspends from vacancies.

## My Place: Period 4 Risk and Opportunities

Forecast Position: **£173,000** overspend (£720,000 underlying after adjusting for HRA Fixed Recharges impact)

Risks: **£3.0m** (These are risks that are NOT in the forecast that we are monitoring)

- £2.0m: Total of outstanding invoices with BD Management Services relating to Fleet running costs.
- £250k: Transport expenditure is online awaiting quarter 1 activity, this was a key pressure area in 2021/22.
- £550k: Highways is facing inflationary pressures (£150k) on maintenance contracts and energy Street Lighting (£400k).
- £75k: Ward Budget expenditure should only be capital in nature. However, sometimes schemes are progressed that do not meet the definition and this expenditure must be charged to the general fund revenue budget. The value is based on last years impact.
- £75k: Cemetery and Crematoria income is at risk despite prudently reducing the income budget for 2022/23. This risk is based on current fees and charges.
- Unquantifiable Risks:
  1. Energy Budget uncertainty (other than Street Lighting).
  2. Corporate Repairs and Maintenance charges from BDMS for 2022/23 are now due for Quarter 1.
  3. Arboriculture planned works relies on one FTE, therefore it is a recognised point of failure. This could impact forecast income recharges in Parks & Environments. Succession planning and the reduction in overreliance to the post is being factored into the future establishment structure.
  4. Further HRA Fixed Recharges are expected to be reviewed which could generate further adverse variances until funding is identified from the general fund.

Opportunities: **(£102k)** (These are opportunities that are NOT in the forecast that we are monitoring)

- Commercial: The overspend in Commercial Assets could be reduced if the service is able to initiate some of the budgeted plans around rent reviews and letting voided properties.

## People and Resilience: Period 3

Forecast Position: £136m (overspend of £5.8m, 4.5% 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	Movement from Previous Period	Last Period Variance
<b>10A</b>	<b>PEOPLE &amp; RESILIENCE</b>	<b>129,963,050</b>	<b>107,566,760</b>	<b>22,396,290</b>	<b>7,538,307</b>	<b>135,795,193</b>	<b>0</b>	<b>0</b>	<b>5,832,145</b>	<b>-197,209</b>	<b>6,029,354</b>
10AA	DISABILITIES CARE & SUPPORT	29,550,582	28,757,822	792,760	2,817,259	31,431,647	0	0	1,881,065	-12,216	1,893,281
10AB	ADULT'S CARE & SUPPORT	23,629,160	20,937,980	2,691,180	1,237,506	23,467,277	0	0	-161,883	0	-161,883
10AC	COMMISSIONING - CARE & SUPPORT	15,836,938	14,811,618	1,025,320	2,841,691	15,836,938	0	0	0	0	0
10AD	PUBLIC HEALTH	-318,250	-381,250	63,000	-4,267,808	-318,250	0	0	0	0	0
10AE	CHILDREN'S CARE & SUPPORT	40,741,709	39,525,409	1,216,300	3,438,118	44,854,670	0	0	4,112,961	-184,995	4,297,956
10AF	EDUCATION, YOUTH & CHILDCARE	20,522,911	3,915,181	16,607,730	1,471,542	20,522,911	0	0	0	0	0

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

- **Disabilities Service:**
  - CWD LAC Disaggregation –is responsible for most of the pressure mainly due to the high-cost residential placements. The average weekly cost being £4,600.
  - Home to school transport continues to carry an overspend due to the increasing demand for transport and the complexities of our children, this should be noted as not being within the control of the Disabilities director, but currently reports under here.
- **Adults Care and Support**
  - Adults Care and Support currently reporting a small underspend.
- **Commissioning Care and Support**
  - Currently reporting breakeven, EH which sits within this service is expected to be moved out into its own Service level before the next monitoring period, this is also currently reporting a breakeven position.
- **Public Health**
  - Growth was awarded to the Coroners and mortuary service which means this service currently has no budget pressure, PH is grant funded and is expected to remain within its allocation.
- **Children's Care & Support:**
  - The overall budget pressure for the Services sits mainly within Corporate Parenting, with a pressure of £3.9m, a £900k increase from last year.
  - The increase is currently solely down to Fostering, where the full year effect of the uplift given to carers is now being felt.
  - The remaining pressure is on staffing where there has been special dispensation given to increase spend in order to bring in temporary resource to manage the rising caseloads within CIN.
  - This has been partly offset by the growth award for 22/23.
- **Education, Youth & Childcare:**
  - Currently reporting Breakeven.

## People and Resilience: Period 3 Risk and Opportunities

Forecast Position: £136m (overspend of £5.8m, 4.5% variance)

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

- D2A CCG Funding has now ceased, although there is some short term funding, the lasting impact of the pandemic is expected to increase base costs permanently.
- 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.
- Market stabilisation and Fair Cost of Care impact is currently being worked on, although there is some short term funding to mitigate this, the ongoing impact is currently unfunded and will increase our base care rates.
- Cap on Care Costs legislative change will mean that more costs will fall on the LA rather than the individual within Adults Care and Support.
- 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.
- Hays Social Worker Review may lead to an increase in salary and incentive offers to social workers across the board.

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

- The use of Care Technology is the biggest opportunity care and support has to exploit, service is in now implemented and client reviews starting to take place, we hope to see savings/cost avoidance this year and in the future.

## Strategy: Period 4

Forecast Position: Overspend of £304k

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
<b>STRATEGY TOTAL</b>	<b>2,026,429</b>	<b>2,832,599</b>	<b>(806,170)</b>	<b>930,062</b>	<b>3,406,824</b>	<b>0</b>	<b>(1,076,147)</b>	<b>304,248</b>	<b>0</b>
STRATEGY & TRANSFORMATION	1,147,369	1,459,659	(312,290)	706,070	2,135,333	0	(1,076,147)	(88,183)	0
COMMUNICATIONS	879,060	1,372,940	(493,880)	223,992	1,271,491	0	0	392,431	0

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

The Strategy directorate is forecast to overspend by £304k. This is in the main attributable to the revised HRA recharge which is causing a budget pressure of £259k.

- **Strategy and Programmes – Forecast 88k underspend**
- There is a budget pressure from the reduced HRA recharge in Strategy and the PMO of £141k. This is offset by vacancies in the PMO and the Strategy team. The Insight team are forecast to overspend by £75k. Advertising is forecasting an income surplus of £95k.
- **Communications (including Events) – Forecast 392k overspend**
- There is a budget pressure of £118k from the reduced HRA recharge. There is also a pressure of £275k in Events due to salaries, increased costs and an increase in the number of events being staged.
- The £1.076m transfer from Reserves represents a drawdown to finance the ERP programme from the budget support reserve. The £1.076m is indicative as further work needs to be done to establish the expenditure forecast.

## Strategy Period 4 Risk and Opportunities

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

- Community events recently transferred from Heritage to communications and marketing. Community events are now set to deliver most or all LBBD events programme which further raises the risk of an underspend.

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

- Income from Digital Advertising is potentially set to increase. There is potential for new units coming on-stream and will generate additional income.