

Appendix A Revenue Outturn

Barking &
Dagenham

2022/23

one borough; one community; no one left behind

General Fund Revenue Position 2022/23

	Final Revised Budget 2022/23	YTD Actuals	Transfers to Reserves	Transfers from Reserves	Outturn	SERVICE PRESSURES	TOTAL YEAR END ADJUSTMENTS
PEOPLE & RESILIENCE	130,687,336	140,565,307	2,726,084	(1,870,799)	141,420,591	9,278,495	1,454,760
CORPORATE MANAGEMENT	(6,407,369)	(9,491,851)	(20,172,229)	33,124,253	3,460,173	(2,475,852)	12,343,394
LAW AND GOVERNANCE	(3,658,958)	(4,301,433)	932,633	(883,586)	(4,252,386)	(543,235)	(50,193)
STRATEGY	1,412,900	1,994,228	119,000	(364,059)	1,749,169	(23,815)	360,084
INCLUSIVE GROWTH	3,574,574	3,387,246	633,334	(544,557)	3,476,023	272,369	(370,920)
COMMUNITY SOLUTIONS	26,510,652	30,643,455	3,474,178	(2,580,356)	31,537,277	(877,116)	5,903,741
MY PLACE	28,824,676	31,282,741	287,000	(31,000)	31,538,741	2,453,460	260,605
GENERAL FUND I&E TOTAL	180,943,811	194,079,692	(12,000,000)	26,849,896	208,929,587	8,084,306	19,901,470
GENERAL FUND I&E FUNDING	(180,943,811)	(195,419,629)	12,000,000	0	(183,419,629)	0	(2,475,818)
NET GF BALANCE	0	(1,339,937)	(0)	26,849,896	25,509,958	8,084,306	17,425,652

This financial year has been particularly challenging for several reasons resulting in a service driven overspend of £8m (4.4%) . In addition, increases in Bad Debt and the need to financially support BDTP, as well as a review of the application of the HRA recharge policy has led to other costs of £19.91m. Corporate income including section 31 grants was £2.475m over budget resulting in a final variance after transfers to and from reserves **of £25.509m**

In April 2022, LBBDD implemented a new Financial System which impacted the complete visibility of financial information throughout the year until November. The implementation of the new system has been a substantial cultural shift for the organisation, especially Budget Holders, and there has only been the existing resources in place to support this change during 2022/23. Although progress has been made, this is still a journey the organisation is on.

Inflationary pressures have contributed to increased costs in many parts of the organisation, particularly energy costs and staff pay. We continue to see demand pressure within the Children's and Disabilities placements and staffing costs. There has been ongoing work in the Children's service with the Children's improvement program and Disabilities is now set to be reviewed. We are therefore working through this current MTFS cycle to zero base the budget.

General Fund Revenue Position 2022/23 TOTAL YEAR END ADJUSTMENTS

There were known financial pressures on the services that led to an overspend of £10.560 against service departments and £8.084 including central costs. As an overall figure this was broadly in line with the last reported forecast (£10.7m at period 10) with an increase in People and Resilience and My Place offset by reduction in central budgets.

	SERVICE PRESSURES	General Debt	BDTP Debt	Oracle Write Back	Court Cost Bad Debt	HRA Recharges variance to budget	TOTAL YEAR END ADJUSTMENTS	Variance
PEOPLE & RESILIENCE	9,278,495	5,275,875		(3,821,115)		0	1,454,760	10,733,255
CORPORATE MANAGEMENT	(2,475,852)	283,250	11,992,848	(109,964)	611,563	(434,303)	12,343,394	9,867,542
LAW AND GOVERNANCE	(543,235)	144,272	221,824	(272,930)		(143,359)	(50,193)	(593,428)
STRATEGY	(23,815)	25,497	400	(31,613)		365,800	360,084	336,269
INCLUSIVE GROWTH	272,369	118,009	3,292	(531,480)		39,259	(370,920)	(98,551)
COMMUNITY SOLUTIONS	(877,116)	422,361	2,668,002	(199,598)	2,060,191	952,785	5,903,741	5,026,624
MY PLACE	2,453,460	244,127	1,151,955	(883,490)		(251,987)	260,605	2,714,065
GENERAL FUND I&E TOTAL	8,084,306	6,513,391	16,038,321	(5,850,191)	2,671,754	528,195	19,901,470	27,985,776

In addition, at year end we included several other adjustments for pressures that were not wholly within the control of services. These increased the overall expenditure variance by £19.901m to £27.985m .

Further detail on these areas is included within the Directorate Detail Revenue Outturn section later in this appendix.

Key Drivers for Overspend

The cost of living increased sharply across the UK during 2021 and 2022. The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before easing in subsequent months. It was 10.1% in March 2023, the seventh successive month of double-digit inflation.

This has impacted service costs in several areas but most notably in energy costs and the pay award.

- Inflation impact – Energy costs of Gas and Electricity of c£14.8m against a budget of c£8m. This figure includes HRA, which is still in draft so subject to change.
- Pay Award – Local Government Employers and Unions agreed a flat rate pay award (in London) of £2,229 per FTE. For LBBD this amounted to an average 6.6% increase at a cost of £7m. This was above the budgeted amount by £4m.
- We have also seen a large increase in demand for services this year especially in social care. The increase has been both an increase in numbers and also in the levels of need experienced by individuals. For example there has not only been a small net increase in the number of Looked After Children but within that number there has been an increase in the proportion in residential care.

Housing Revenue Account Position 2022/23 _ DRAFT

PERIOD 10		2022/23 FORECAST OUTTURN			
VARIANCE	REPORT LEVEL	BUDGET	OUTTURN	VARIANCE	CHANGE
		£'000	£'000	£'000	£'000
£3,152	SUPERVISION & MANAGEMENT	43,523	47,972	£4,450	£1,298
(£1,529)	REPAIRS & MAINTENANCE	24,215	21,665	(£2,550)	(£1,021)
£341	RENTS, RATES ETC	950	1,846	£896	£555
£356	INTEREST PAYABLE	10,944	11,215	£271	(£85)
£0	DISREPAIR PROVISION	0	1,064	£1,064	£1,064
(£1,309)	BAD DEBT PROVISION (BDP)	3,309	1,752	(£1,557)	(£248)
£0	CDC RECHARGE	1,003	844	(£158)	(£158)
£1,010	TOTAL EXPENDITURE	83,942	86,358	£2,415	£1,405
£852	DWELLING RENTS	(£88,255)	(86,281)	£1,974	£1,122
£2	NON-DWELLING RENTS	(£770)	(764)	£6	£5
(£768)	CHARGES FOR SERVICES & FACILITIES	(£22,186)	(21,479)	£707	£1,475
(£51)	INTEREST & INVESTMENT INCOME	(£299)	(341)	(£42)	£9
£34	TOTAL INCOME	(£111,509)	(£108,865)	£2,644	£2,610
£255	TRANSFER TO HRA LEASEHOLDER RESERVE	£1,281	1,644	£363	£108
£0	TRANSFER FROM HRA RESERVE	£0		£0	£0
£1,300	NET TOTAL	(£26,286)	(£20,863)	£5,423	£4,123
£2,122	DEPRECIATION	17,088	19,210	£2,122	£0
(£3,422)	TRANSFER TO MAJOR REPAIR RESERVE (MRR)	9,198	4,057	(£5,141)	(£1,719)
(£1,300)	CAPITAL PROGRAMME FUNDING	£26,286	£23,268	(£3,018)	(£1,719)
(£0)		(£0)	£2,405	£2,405	£2,405

The Housing Revenue Account is still in draft but the indicative outturn is an overspend of £2.4m which will be drawn down from the HRA reserve.

	2022/23 Budget	2022/23 Outturn	Surplus / (Deficit) Outturn
	£'000	£'000	£'000
Schools Block – ISB	180,624	180,004	621
Central Block	2,224	2,227	(3)
High Needs Block	44,509	47,024	(2,515)
Early Years Block	21,877	20,570	1,307
Total	249,234	249,825	(591)
DSG Surplus B/F			10,664
Revised DSG Reserve			10,073
Less EY clawback			(1,041)
22/23 DSG Reserve			9,032
Of which:			
SFFD retained		963	
Growth & Falling Fund C/F		309	
Net DSG Reserve			7,760

The Dedicated Schools Grant is reporting an overall in-year overspend of £592k (please refer to DSG table below). This consists of an overspend on High needs of £2,515k and a small overspend of £3k on the Schools Central Services block. This combined overspend of £2,518k has been mitigated by underspends against the Early Years and Schools block of £1,307k and £620k, respectively.

The Early Years funding is based on prior year allocations and funding is only finalised using the previous two spring census data. The underspend of £1,307k is made up of £154k underspend on the 2-year-old funding and £887k on the 3- and 4-year-old funding. The central early years budget reported an underspend of £266k. As in previous years, we have assumed a full claw back of the in-year underspend of £1,041k being the sum of the underspend on the 2- and 3 and 4-year-old funding. Although there will be a retained element, this will not be known until July 2023.

The total DSG reserves brought forward from 2021/22 was £10,664k. This amount is reduced by the 22/23 in-year overspend of £591k to give the revised DSG reserve of £10,073k. We have assumed the full clawback of the early years underspend on the 2-year-old and 3- to 4-year-old funding of £1,041k, therefore adjusted reserve is £9,032k. £309k of this amount relates to the underspend of the growth fund allocation which is earmarked to support future growth proposals and schools facing falling rolls. And 963k is the year-end balance held against the Schools Facing Financial Difficulty fund.

	Opening Balance	2022/23	Closing Balance
	£000	£000	£000
General Fund	17,030	0	17,030
Budget Support Reserve	22,839	-13,895	8,944
Collection Fund Reserve	16,254	-16,254	0
Investment Strategy Reserve	9,578	18,590	28,168
Capital Reserves	3,779	0	3,779
Planned Future Spend	14,590	-112	14,478
Ring Fenced Reserves	30,826	9,068	39,894
Risk Reserves	21,104	1,518	22,621
Specific Service Reserves/Trading Accounts	1,092	-56	1,037
TOTAL GF RESERVES	137,093	-1,142	135,951

Despite the overspend the net movement in reserves was relatively small. This is because there were some large transfers to reserves related to specific transactions where monies are being held for future spend or to mitigate investment risk. These include £15.5m related to the Isle of Dogs Travelodge, £12m from the sale of the Mueller site and £7m in year surplus on the Investment strategy carried forward.

Although the reserves look healthy many of them are already intended for use in 23/24 and following – more analysis will be provided in the MTFS update.

Directorate Detail Revenue Outturn

**Barking &
Dagenham**

2022/23

one borough; one community; no one left behind

Outturn Position - £141.4m - there was a service driven variance of £9.3m (7%).

	Final Revised Budget 2022/23	YTD Actuals	Transfers to Reserves	Transfers from Reserves	Outturn	Variance	SERVICE PRESSURES	TOTAL YEAR END ADJUSTMENTS
PEOPLE & RESILIENCE	130,687,336	140,565,307	2,726,084	(1,870,799)	141,420,591	10,733,255	9,278,495	1,454,760
DISABILITIES CARE & SUPPORT								
	28,933,247	34,582,093	0	0	34,582,093	5,648,846	5,048,026	600,820
ADULT'S CARE & SUPPORT	21,240,332	24,068,673	1,076,250	(1,138,970)	24,005,953	2,765,621	(821,097)	3,586,718
COMMISSIONING - CARE & SUPPORT	13,277,028	10,199,669	803,517	(362,829)	10,640,357	(2,636,671)	(91,113)	(2,545,558)
PUBLIC HEALTH	(318,250)	(787,782)	511,593	(63,000)	(339,189)	(20,939)	34,413	(55,352)
CHILDREN'S CARE & SUPPORT	42,835,419	48,520,155	0	(206,000)	48,314,155	5,478,736	5,413,382	65,354
EDUCATION, YOUTH & CHILDCARE	20,815,423	20,628,388	334,724	(100,000)	20,863,111	47,688	245,111	(197,423)
EARLY HELP SERVICE	3,904,137	3,354,111	0	0	3,354,111	(550,026)	(550,397)	371

These services had been forecasting an overspend all year and the position worsened further at year end.

Key Drivers of Variance(Service Pressures)

- **Disabilities Service: - £5.048m**
 - **Children with Disability Residential placement with Education need**, £2.334m overspend – largely attributable to high costs of packages and historical insufficient budget to contain the pressure.
 - **Out of Borough School Transport**, £1.069m overspend – Lack of special schools in the Borough, hence children being transported out of the Borough to attend special schools
 - **Supported Living**, £0.935m overspend- Rise in unit costs, client numbers and complexity & Chronicity .
 - **Life Planning Team B Staffing Costs**, £0.476m – The decision to employ agency staff through Innovate Agency Services and having two posts above establishment has resulted in an overspend in staffing costs.
 - **Day Care**, £0.374m – Client numbers increasing as COVID is over and people feel more confident going out to public places. The budget is not right sized for the demand and prior to Covid was overspending. Management action needs to be taken to realign budgets and mitigate spend in other areas within Disabilities, if this is not possible it will need to be within Adults.
- **Adults Care and Support: - (£0.821m)**
 - £0.560m Additional Hospital discharge fund from ICB and other improvements
- **Commissioning Care and Support: - (£0.091m)**
 - No material variances
- **Public Health: - £0.034m**
 - No material variances
- **Children’s Care and Support: - £5.413m**
 - **Staffing costs**, £1.235m overspend – reliance on agency staff to fill vacant roles accounting for circa 15-20% of the workforce at any given time.
 - **Placements**, £4.104m overspend – Fostering allowances were increased at the start of the year with no additional funding in place to cover the cost, resulting in a £1.4m overspend. Residential placements overspent by £3.618m, demand led service that saw an increase in number of placements from 32 in April to 64 in March. With underspends on Adoption and Secure Units of £0.340m and £0.483m respectively offsetting some of the costs, due in part to miscodings when placements are set up.
 - **Legal Services Charge**, £0.370m overspend – Legal services salary recharge received at year end with no funding agreement in place to cover the cost, this if for additional legal staff to cover the increase in the number of cases and workload for children’s legal services.
- **Education, Youth and Childcare: - £0.245m**
- **Early Help Service: - (£0.550m)**
 - Grant funding of (£1.543m) was received in year against a budget of (£0.992m)

The table below outlines the requests for transfers to and from reserves for People and Resilience for 2022/23

	Reserve Name	2022/23 Reserves Balance	Transfers to Reserves	Transfers from Reserves	2022/23 Closing Balance	Comments
	Service Grant C/F- Social Care	-2,140,536				
Children's Care and Support	MOPAC - Your Choice funding			100,000		Funding rolled over from 21/22 had to be used in 22/23, drawn down to cover costs of delivering service
Children's Care and Support	CCG- Emotional Wellbeing and Mental Health Practitioner for Care Leavers			60,000		Drawn down to cover cost of Emotional Wellbeing and MH Practitioner in 22/23
Children's Care and Support	CCG Respite Risk Register Funding			46,000		Drawn down to cover an element of placements costs
Adults Care and Support	Winter fund		-210,000			To fund Social workers and Occupational therapist
Adults Care and Support	ASC Discharge fund		-95,000			To fund Commissioning manager and Consultant Social Work
Adults Care and Support	Virtual Ward NEL		-537,000			Providing support in the community to people with the most complex medical and social needs
Adults Care and Support	Streamline Local Authority ASC Assessments grant		-130,000			To fund Streamlining Local Authority ASC Assessments
Adults Care and Support	Charging Reform Implementation Support Grant		-104,250			To fund IT and other set up costs for Adults Social Care reform
Adults Care and Support	BCF Underspend 21/22 (Demand pressure on D2A)			1,000,000		To mitigate demand discharge pressures
Adults Care and Support	Unspent Winter access fund			110,000		To mitigate demand pressures
Public Health	Service Grant C/F- Social Care		-114,365		-114,365	Unspent DLUHC grant from 2021/22
Commissioning - Care and Support	Service Grant C/F- Social Care		-394,998	314,078		To fund future drug and alcohol detox and rehabilitation programmes
Commissioning - Care and Support	Service Grant C/F- Social Care		-43,619			To fund future weight management programmes or return to OHID
Commissioning - Care and Support	Service Grant C/F- Social Care			23,751		To fund ReMove DA Perpetrator expenditure relating to 21/22
Commissioning - Care and Support	Service Grant C/F- Social Care		-214,900			Additional Ageing Well BCF (Bal b/f was £514k) - To fund future Ageing Well programme of Adults commissioning
	Service Grant C/F- Social Care				-2,330,839	
Commissioning - Care and Support	Departmental Reserve - Social Care	-413,886	-150,000	25,000	-538,886	£150k - To fund future Children & Young People Mental Health programmes; £50k was used for extra capacity in Brokerage team (Adults Commissioning)
Children's Care and Support	Grants - Dept for Education	-38,700			-38,700	CF: To fund new placement SW in 23/24 - as agreed with P.Williams/J.Tarbutt
Children's Care and Support	LEAVING CARE NEET FUNDING CMF	-140,074			-140,074	CF: Will be used to fund participation posts in 23/24, as per S.Girty
Adults Care and Support	MS0102 - Welfare - Cost of Living			28,970		To fund cost of living costs charged to project MS0102; Check ComSol Reserves
Public Health	Public Health Reserve	-3,591,199	-397,228	63,000	-3,925,427	Unspent Public Health Grant
Children's Care and Support	YOS Health & Justice From CCG	-115,766			-115,766	YOS Health & Justice From CCG
Education, Youth & Childcare			-334,724	100,000		

The My Place Service Pressure is £2.45m

	Final Revised Budget 2022/23	YTD Actuals	Transfers to Reserves	Transfers from Reserves	Outturn	Variance	SERVICE PRESSURES	TOTAL YEAR END ADJUSTMENTS
MY PLACE	28,824,676	31,282,741	287,000	(31,000)	31,538,741	2,714,065	2,453,460	260,605
MY PLACE CENTRAL	(17,570,839)	(23,832,858)	0	0	(23,832,858)	(6,262,020)	(7,549,429)	1,287,409
HOMES AND ASSETS	30,356,728	38,222,839	0	(31,000)	38,191,839	7,835,112	9,130,019	(1,294,907)
PUBLIC REALM	16,038,787	16,892,760	287,000	0	17,179,760	1,140,973	872,870	268,103

Highways £1,392k overspent. The overspend is driven by Highways contract inflation of £570k, Street Lighting electricity inflation of £452k and unrecoverable Street Lighting staffing costs of £20k.

Asset Management £216k overspent. The overspend is largely due to energy costs, particularly B&D Energy.

Major Works - £94k overspent, largely due to a lower recharge of salary costs to the capital programme.

Commercial Property £435k overspent, due to a shortfall in income. The Commercial Rents income target was increased by £300k in 2022/23 to £6m, but the additional income was not achieved.

Public Realm £224k overspent due to agency staffing costs in Waste Operations.

Reserves adjustments: Growth funding of £287k has been carried forwards due to delays around DEFRA'S Waste Strategy consultation and the requirement to finance the Cleaner Communities campaign in 2023/24. The £31k drawdown is a developer contribution to Highways in support of resurfacing work in Abbey Road.

Outturn Position – £3.5m (£272k overspend)

	Final Revised Budget 2022/23	YTD Actuals	Year end adjs	Transfers to Reserves	Transfers from Reserves	Outturn	TOTAL YEAR END ADJUSTMENTS	SERVICE PRESSURES
COMMERCIAL	(210,660)	384,932	0	0	0	384,932	166,028	429,564
INCLUSIVE GROWTH	3,785,234	3,002,314	0	633,334	(544,557)	3,091,090	(536,948)	(157,196)
INCLUSIVE GROWTH	3,574,574	3,387,246	0	633,334	(544,557)	3,476,023	(370,920)	272,369

Key Drivers of Variance (Service Pressures) - £272k overspend:

- **Commercial: - £429k overspend:**
 - **Film Unit** – £167k overspend due to a shortfall in income generation.
 - **CR27** – 103k overspend due to the increased rent payable by LBB, whilst tenant is on a rent free period.
 - **Procurement /Accounts Payable-** £231k HRA recharge allocated to front line service level, leaving a shortfall.
 - **Leisure** - £18k underspend on non -pay budgets;
 - **Isle of Dogs Travelodge** – £13.5k Investment income surplus
- **Inclusive Growth – (£157k) underspend:**
 - **Heritage NNDR Refund of (£108k)** for Eastbury Manor offset by Valance House overspend of £142k mainly on backdated salaries and business rates
 - **Inclusive Growth core team - (£151k)** underspend attributable to carrying staff vacancies offset by agency costs and approx. (£40k) in additional fees and charges

The table below outlines the 2022/23 request for transfer to and from reserve for Inclusive Growth

Inclusive Growth Service	Reserve Name	22/23 Reserve Balance	Transfer to Reserves	Transfers From Reserves	22/23 Closing Balance	Comments
	SHDF Balance	(280,074)				
Inclusive Growth	Social Housing Decarbonisation Fund			99,500		Drawdown Request to cover grant expenditure
Sustainability	Social Housing Decarbonisation Fund			128,527		Drawdown Request to cover grant expenditure
Sustainability	Social Housing Decarbonisation Fund		(78,898)			Grant Carry Forward for committed spend
	SHDF Balance c/f				(130,945)	
	IG Departmental Balance	(1,301,564)				
Inclusive Growth	IG departmental reserve			5,730		Drawdown Economic development growth funding to cover spend
Sustainability	IG departmental reserve		(45,190)			Carry Forward Electric charging points income
	IG Departmental Reserve Balance c/f				(1,341,024)	
	IG Grant Balance c/f	(409,850)				
Culture & Heritage	IG grant reserve			84,186		New Town Culture Drawdown to offset spend
Employment & Skills	IG grant reserve		(90,733)			Multiply bid for Adult College carry forward Request
Inclusive Economy	IG grant reserve		(286,368)			UK Shared Prosperity Fund grant carry forward for committed spend
Inclusive Growth	IG grant reserve			1,860		Welcome Trust grant Drawdown
Inclusive Growth	IG grant reserve			30,000		Drawdown GLA Neighbourhoods grant to offset spend
Inclusive Growth	IG grant reserve			9,800.00		BioDiversity Net Gain grant 21/22 - Drawdown Request
Inclusive Growth	IG grant reserve		(26,807)			BioDiversity Net Gain 22/23 grant carry forward request
Inclusive Growth	IG grant reserve			15,446		Design Code Pathfinder Programme (DLUHC) adjustment- Drawdown Request
Inclusive Growth	IG grant reserve		(77,766)			Design Code Pathfinder Programme (DLUHC)- Carry forward Request
Parks Commissioning	IG grant reserve		(22,647)			DLUHC Levelling Up Fund Grant (Tree Uplift) - Carry forward Request
	IG Grant reserve Balance c/f				(772,879)	
	Film Studios Balance	(991,502)				
Inclusive Economy	Film Studios			148,368		Film studios costs - Drawdown Request
Inclusive Economy	Film Studios		(1,105)			Film studios adjustment - Carry forward Request
	Film Studios Balance c/f				(844,239)	
Inclusive Economy	Welfare reserve		(3,820)			Food Sector Cost of Living funding adj Carry Forward request; see Comsol Reserves
Inclusive Economy	Welfare reserve			13,500		Food sector Costs of living funding Drawdown Request; see Comsol Reserves
Employment Team	Welfare reserve			7,640		Employment team costs of living funding Drawdown Request; see Comsol Reserves
Total 22/23 Inclusive Growth Transfers to/from Reserves Requests			(633,334)	544,557		

Outturn Position – £1.7m (£70k overspend)

	Final Revised Budget 2022/23	YTD Actuals	Year end adjs	Transfers to Reserves	Transfers from Reserves	Outturn	TOTAL YEAR END ADJUSTMENTS	SERVICE PRESSURES
STRATEGY & TRANSFORMATION	694,433	827,394	0	119,000	(364,059)	582,335	139,231	(251,329)
COMMUNICATIONS	718,467	1,166,834	0	0	0	1,166,834	126,934	321,433
STRATEGY	1,412,900	1,994,228	0	119,000	(364,059)	1,749,169	266,165	70,104

The Key service driven variance to budget is an overspend of **£70k**:

- **Strategy & Transformation - (251k):**
 - **Advertising - (£54k)** income overachievement on advertising contract.
 - **The PMO – (£86.6k)** underspend on salaries
 - **Strategy – (138k)** underspend, mainly attributable to (£133k) underspend on the £167k Growth funding.
- **Communications - £321k:**
 - **Community Events** - £160k overspend on non-pay budgets of which £94k relates to Events. £105k overspend is attributable to pay budgets, made up of £56k on salaries and agency costs and £49k on overtime.
 - **Civic Events** - £37k overspend on both pay and non - pay budgets.
 - **Marketing and Communications** – £31k overspend is primarily due to agency costs.

The table below outlines the 2022/23 request for transfer to and from reserve for Strategy

Strategy Service	Reserve Name	22/23 Reserve Balance	Transfer to Reserves	Transfers From Reserves	22/23 Closing Balance	Comments
Strategy	Strategy departmental reserve	(33,012)	(19,000)		(52,012)	Growth funding for WRES post carry forward
	Strategy Grant Balance	(497,899)				
Strategy	Strategy grants reserve			364,059		CEV grant expenditure drawdown
Insight and Innovation	Strategy grants reserve		(100,000)			One View Supporting families project carry forward
	Strategy Grant Balance c/f				(233,840)	
Total Strategy Transfer to/from Reserves Requests 22/23			(119,000)	364,059		

Outturn Position – £3.4m - £9.867m overspent mostly related to BDTP

	Final Revised Budget 2022/23	YTD Actuals	Transfers to Reserves	Transfers from Reserves	Outturn	Variance	SERVICE PRESSURES	TOTAL YEAR END ADJUSTMENTS
CORPORATE MANAGEMENT	(6,407,369)	(9,491,851)	(20,172,229)	33,124,253	3,460,173	9,867,542	(2,475,852)	12,343,394
STRATEGIC LEADERSHIP	457,365	645,897	0	0	645,897	188,532	(164,236)	352,767
FINANCE	4,646,152	3,829,871	62,214	(43,036)	3,849,049	(797,103)	(1,668,590)	871,488
IAS	(4,786,491)	(23,402,672)	22,500,000	0	(902,672)	3,883,819	3,710,250	173,569
CENTRAL EXPENSES	(6,724,396)	9,435,053	(42,734,443)	33,167,289	(132,101)	6,592,294	(4,353,276)	10,945,570

Key Drivers of Variance (Service Pressures) - £ (3.3m) underspend:

- **Strategic Leadership- (£164k)** underspend - (£144k) is due to senior management vacancy and (£20k) underspend due to non-pay budgets.
- **Finance (£1.6m)**
 - **IT (£1.04m)** underspend:
 - Third Party Contracts (£618k) underspend as a result of savings from the Oracle to Advanced E5, Itrent and Brent Hosting contract costs of £540,000
 - IT Staff and Agency (£1.08m) underspend due to staff vacancies, net of agency costs
 - IT Projects – £181k overspend. Historical issue with the budget of (£170k) as IT projects does not operate as an income generating cost centre.
 - **Corporate Finance** – (£327k) underspend due to staff vacancies and
 - **Service Finance** - £244k net overspend on Salaries and agency costs
 - **Audit and Insurance** - (£400k) underspend largely attributable to Insurance recharges
- **IAS:- £3.7m** – Overspend
- **Central Expenses:** £6.6m of which the majority relates to the pay award (£3m) and BDTP £11m offset by underspends on other contingencies.

The table below outlines the 2022/23 request for transfer to and from reserve for Corporate Management

Corporate Management Service	Reserve Name	Transfer to Reserves	Transfers From Reserves	Comments
Investment Strategy	Investment Reserve	15,500,000		Income receipt for Lease Inducement - Movement in Reserves - MIRS
Investment Strategy	Investment Reserve	7,000,000		Carry forward Treasury Management surplus- Movement in Reserves - MIRS
Central Expenses	Levy Funding	564,177		22-23 Underspend carry forward towards future cost increases - Movement in Reserves - MIRS
Central Expenses	Lifestyle Reserve	196,235		Carry forward to adjust Lifestyle Account - Movement in Reserves - MIRS
Corporate Finance	Property Reserve	532		Carry forward to Adjust Property Account - Movement in Reserves - MIRS
IT	IT Core Fund		(43,036)	Drawdown to cover IT core spend - Movement in Reserves - MIRS
Central Expenses	Service Grant C/F - Corp (Finance & IT grants)		(54,221)	Drawdown to cover costs incurred for COMF Grant funded expenditure 22-23 - Movement in Reserves - MIRS
Finance	Service Grant C/F - Corp (Finance & IT grants)	62,214		IT - LUHC Local Digital Cyber Fund grant carry forward - Movement in Reserves - MIRS
Central Expenses	Earmarked reserves	(43,495,387)	33,237,309	Re-apportionment of MIRS transactions
Total Corporate Management Transfer to/from Reserves 22/23		(20,172,229)	33,140,052	

Outturn Position – £32m (underspend of £0.9m, 3.3% variance)

	Final Revised Budget 2022/23	YTD Actuals	Year end adjs	Transfers to Reserves	Transfers from Reserves	Outturn	TOTAL YEAR END ADJUSTMENTS	SERVICE PRESSURES
SUPPORT AND COLLECTIONS	10,249,151	14,368,811		1,261,164	(1,071,253)	14,558,722	3,096,828	1,212,743
COMMUNITY SOLUTIONS	5,103,530	7,276,972		170,000	(472,109)	6,974,863	2,764,445	(893,112)
COMMUNITY PARTICIPATION & PREV	11,157,971	8,997,672		2,043,014	(1,036,994)	10,003,692	42,468	(1,196,747)
COMMUNITY SOLUTIONS	26,510,652	30,643,455		3,474,178	(2,580,356)	31,537,277	5,903,741	(877,116)

Key Drivers of Variance(Service Pressures)

- **Support & Collections: - £1.2m**
 - The recalculation of the HRA recharge from 2021/22 created a budget gap of £1.7m for 2022/23.
 - As part of budget monitoring the service identified one-off mitigations of c£0.8m
 - The new security contract has led to an increase in cost c£0.2m
 - Under recovery on forecast income for the Becontree Collection Service c£0.1m
- **Community Solutions: - (£0.9m)**
 - As part of budget monitoring, one-off in-year mitigations of c£0.6m were identified
 - One-off Taxi Card refund c£0.2m
- **Community Participation & Prevention: - (£1.2m)**
 - As part of budget monitoring, one-off in-year mitigations of c£1.2m were identified

Court Cost BDP

The move to E5 has allowed better reporting and outstanding of debt at a granular level. This has resulted in the creation of a new provision for outstanding Court Costs (Council Tax, Business Rates and Rents).

The table below outlines the request for transfer to and from reserve for Community Solutions for 2022/23

	Reserve Name	22/23 Reserve Balance	Transfers to Reserves	Transfers from Reserves	2022/23 Closing Balance	Comments
	COMSOL Service Grant c/f	(913,814)				
Support & Collections	HSF Reserve		(1,211,164)			Grant carry forward for committed spend
Support & Collections	P2P Reserve			481,930		Drawdown off grant repaid
Support & Collections	ASC Grant carry orward		(50,000)			Grant carry forward for committed spend
Community Solutions	Housing Advisory programme Grant		(20,000)			Carry forward of grant for committed spend
Community Participation & Prevention	Pen to Print			61,084		Drawdown of reserve to offset expenditure
Community Participation & Prevention	CEV Grant		(42,185)			Carry forward of grant for 1 year fixed term post
Community Participation & Prevention	Ukraine Refugee Scheme		(1,603,673)			Grant carry forward for committed spend
Community Participation & Prevention	Asylum Grant		(185,750)			Grant carry forward for committed spend
	COMSOL Service Grant c/f				(3,483,573)	
	COMSOL Departmental Reserve	(2,979,589)				
Support & Collections	Cost of Living			500,000		Drawdown to offset expenditure relating to cost of living
Community Solutions	Community Banking		(150,000)			Carry forward of CSR payment for payment to Community Banking partner in 2023/24 and 2024/25
Community Solutions	Community Banking			35,000		Drawdown of reserve to offset expenditure
Community Solutions	Oneview			300,000		Oneview back posting 2021/22 drawdown
Community Solutions	Digitalisation			128,250		Drawdown of reserve to offset expenditure
Community Participation & Prevention	P&E Staffing			243,922		Drawdown of reserve to offset expenditure
Community Participation & Prevention	P&E Staffing		(60,000)			Carry forward of part 1year growth for fixed term posts
Community Participation & Prevention	Community Hubs			247,922		Drawdown of reserve to offset expenditure
	COMSOL Departmental Reserve				(1,734,495)	
	Welfare Reserve c/f	(4,500,000)				
Community Solutions	Welfare Reserve			8,859		Drawdown of reserve to offset expenditure
Community Participation & Prevention	Welfare Reserve			141,996		Drawdown of reserve to offset expenditure
Community Participation & Prevention	Welfare Reserve			242,000		Drawdown of reserve to offset expenditure
Other Directorates	Welfare Reserve			46,290		Drawdown of reserve to offset expenditure
	Welfare Reserve c/f				(4,060,855)	
Support & Collections	Butler Court	(89,323)		89,323		Drawdown of reserve to offset expenditure
Community Participation & Prevention	Connected Communities			100,000		Drawdown of reserve to offset expenditure (Budget Support Reserve)
Community Participation & Prevention	NCIL Reserve	(410,000)	(151,406)		(561,406)	NCIL Carry forward

Outturn Position – (£6m) (underspend of £1m, 20% variance)

	Final Revised Budget 2022/23	YTD Actuals	Year end adjs	Transfers to Reserves	Transfers from Reserves	Outturn	TOTAL YEAR END ADJUSTMENTS	SERVICE PRESSURES
LEGAL	1,118,211	1,924,508		30,000	(789,062)	1,165,446	(28,930)	76,165
ENFORCEMENT	(5,877,837)	(7,893,228)		902,633	(94,524)	(7,085,119)	(99,619)	(1,107,663)
LAW AND ENFORCEMENT	(4,759,626)	(5,968,719)		932,633	(883,586)	(5,919,672)	(128,549)	(1,031,497)

Key Drivers of Variance(Service Pressures)

- **Legal: - £76k**
 - The recalculation of the HRA recharge from 2021/22 created a budget gap of £177k for 2022/23.
- **Enforcement: - (£1.1)m**
 - Vacancies across Enforcement led to an in-year savings of c£780k.
 - Additional TMO income within Parking c£180k
 - Additional Private Sector Housing Income c£171k

The table below outlines the request for transfer to and from reserve for Law and Enforcement for 2022/23

	Reserve Name	22/23 Reserve Balance	Transfers to Reserves	Transfers from Reserves	2022/23 Closing Balance	Comments
Legal	Elections Reserve	(371,755)		242,755	(129,000)	Drawdown to offset electin costs
Legal	Legal Trading Reserve	(794,108)		516,307	(277,801)	Drawdown to offset Be-First advisory service fees
Enforcement	LEP Housing Rental (PRPL) Reserve	(1,911,284)		94,524	(1,816,760)	Drawdown of income recognised in 2022/23
Enforcement	Parking Reserve (On-Street)	(7,144,081)	(381,533)		(7,525,614)	Transfer of surplus to reserve
Enforcement	Parking (Off-Street) Reserve	(633,000)	(521,100)		(1,154,100)	Transfer of surplus to reserve

Outturn Position - £1.7m (overspend of £0.5m, 45% variance)

	Final Revised Budget 2022/23	YTD Actuals	Year end adjs	Transfers to Reserves	Transfers from Reserves	Outturn	TOTAL YEAR END ADJUSTMENTS	SERVICE PRESSURES
WORKFORCE CHANGE / HR	790,111	1,302,994				1,302,994	80,020	432,863
LEADERS OFFICE	310,557	364,292				364,292	(1,664)	55,400
HR & LEADERS OFFICE	1,100,668	1,667,286				1,667,286	78,356	488,262

Key Drivers of Variance(Service Pressures)

- **Workforce Change/HR: - £432k**
 - The recalculation of the HRA recharge from 2021/22 created a budget gap of £437k for 2022/23.
- **Leaders Office: - £55k**
 - Historic budget pressure within the staffing establishment as a result of a unfunded restructure many years ago.

Cross Council Impact of ADJUSTMENTS Detail

**Barking &
Dagenham**

2022/23

one borough; one community; no one left behind

Bad Debt Provision

Following the implementation of the new financial system the way bad debt is categorised has improved – previously it was treated as a central expense but the new system allows debt to be broken down by service. Over time this will allow greater transparency and control – however as this is a new methodology we have shown it separately for this year.

The overall level of debt held by the Council has increased – as has the amount of older debt (more than one year.) This is particularly the case in Adults and Disabilities where debt has been re-categorised from sundry debt requiring an increase in bad debt provision as the collection rate for social care debt is lower than sundry debt. Overall, the impact of the economic downturn and the increase in bad debt has added £6.5m to our final outturn. The impact of bad debt by service is shown below.

	General Debt
PEOPLE & RESILIENCE	5,275,875
CORPORATE MANAGEMENT	283,250
LAW AND GOVERNANCE	144,272
STRATEGY	25,497
INCLUSIVE GROWTH	118,009
COMMUNITY SOLUTIONS	422,361
MY PLACE	244,127
GENERAL FUND I&E	6,513,391

	Oracle Write Back
PEOPLE & RESILIENCE	(3,821,115)
CORPORATE MANAGEMENT	(109,964)
LAW AND GOVERNANCE	(272,930)
STRATEGY	(31,613)
INCLUSIVE GROWTH	(531,480)
COMMUNITY SOLUTIONS	(199,598)
MY PLACE	(883,490)
GENERAL FUND I&E	(5,850,191)

Following the changeover of systems there were balances brought forward from Oracle relating to old purchase orders that have either been paid directly from E5 (ie double counted) or are no longer required. These balances have been written off as a one off accounting adjustment.

BDTP are a company that provide repairs and maintenance, cleaning and catering services. They are a wholly owned subsidiary of the council. The company has been experiencing financial pressures and this means that we must make provision in our accounts for the possibility that some or all debts to us will not be paid.

The following amounts have therefore been reflected in the accounts.

Within the year-end adjustments to Service Departments there is:

£5.9 m which is a 100% provision for debt owed by BDTP in unpaid invoices to LBBD. This has been reflected in

There have also been a number of impairments which have been offset against income flows:

£2.4m impairment of the asset value for LEUK in 21/22. This is to be funded from 21/22 Reside income.

£2.4m impairment of the LEUK asset value in 22/23

£5.0m Impairment of the Working Capital Loan to BDTP

£0.3m Interest costs on the above

The above is to be funded from Travelodge income of (£8.0m). This had originally been intended to create an Invest to Save pot)