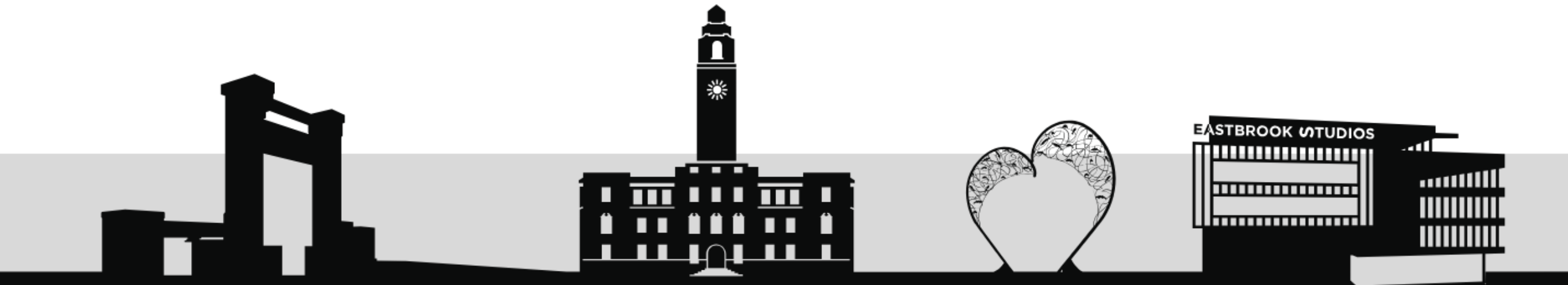


Finance Budget Monitoring – General Fund

APPENDIX A

2023/24

P4 (July 2023)



Budget Outturn Report 2023/24

Primary Focus: Top level summary of the financial position of the General Fund.

1. Operational Summary
2. Key Assumptions
3. Key Risks
4. Growth applied
5. Savings achieved
6. Reserve
7. Companies and Commercial Performance

Review the financial position, including the risks, and opportunities. Identify areas for management action or further review.

Secondary Focus: Top level summary of HRA, DSG, Companies

- 7.HRA
- 8.DSG
9. Companies

Review the financial position, including the risks, and opportunities. Identify areas for management action or further review.

Tertiary Focus: Detailed breakdown of service's financial position

10. Community Solutions
11. Corporate Management
12. Inclusive Growth
13. Law and Governance
14. My Place
15. People and Resilience
16. Strategy

Financial positions of each directorate and department.

London Borough of Barking and Dagenham Revenue Forecast PD 4: Main Forecast Overspend £14.578m

		Last year	This Years Budget	Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves			DoT
		Outturn	Revised	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance	% variance	
GENERAL FUND TOTAL		210,758,420	199,002,253	58,636,302	219,399,007	916,000	(6,734,204)	14,578,549	15,298,143	7.3%	
PEOPLE & RESILIENCE		117,190,113	116,957,652	38,661,485	127,299,347	0	0	10,341,694	13,579,144	8.8%	
CORPORATE MANAGEMEN		52,696,852	44,046,151	495,719	46,833,571	0	(99,360)	2,688,060	(2,495,689)	6.1%	
LAW AND GOVERNANCE		(5,174,523)	(4,081,919)	774,957	(5,521,195)	916,000	(30,000)	(553,276)	(553,276)	13.6%	
STRATEGY		3,546,790	3,387,678	1,232,141	3,554,271	0	(119,000)	47,593	155,053	1.4%	
INCLUSIVE GROWTH		2,229,661	1,695,078	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334	27.7%	
COMMUNITY SOLUTIONS		25,021,966	21,622,624	5,444,404	26,582,404	0	(4,731,748)	228,032	739,768	1.1%	
MY PLACE		15,247,563	15,374,989	12,047,096	16,731,195	0	0	1,356,206	3,071,809	8.8%	

- The main forecast as at period 4 is an overspend on expenditure of £14.578m. This is an improvement since last month (not reported to Cabinet) with most areas showing a reduction in the overspend. The biggest change is within Adults/Disabilities and is related to the application of grant.
- The main driver of the overspend is the high cost of placements within Care and Support. This is the biggest financial risk facing the Council.
- Another area of concern is My Place where there are pressures on contracts and under-recovery of income from Reside and Commercial Property. There is also a pressure from a change in the balance of costs between GF and the HRA.
- There are also overspends in HR (£1m,) Inclusive Growth (£0.45m) and Community solutions – £0.438m - although these last two are being managed down. This is offset by underspends in IT (£0.9m) and Parking Income.
- Services are all working to identify management action to reduce, delay or avoid spend. Actions already identified are shown in the slides.
- An overspend of this level will diminish reserves below the required level of £12m in the General Fund Reserve. This results in long term implications for financial sustainability.

Key assumptions

- Forecasts are provided by budget holders and service managers with Finance advice and support
- Staff are costed within services at 22/23 pay rates within services. An estimate of the additional costs of a 6% pay increase has been included in Central Expenses. (£9.3m – a pressure over budget of £3m.)
- There is an inflation provision held centrally of £5.5m for energy and contract costs. £2.7m has been distributed to services and a further £0.8m is shown as an underspend against declared service pressures leaving £2m
- Care and Support figures are based on known clients and care packages held on ContrOcc . Any increases in clients or shifts in types of placement above this assumption will create variances. Since individual clients can require very expensive packages these budgets can be very volatile.
- Quarter one debt monitoring did not support an increase in bad debt provision so there is currently no forecast for this being required.
- It is assumed that the company dividends total of £12m will be drawn down from reserves. Be First £10m and BDTP £2m will be covered from the IAS reserve using the Mueller Profit in part.
- Parking Income has been forecast to budget. There are several schemes to come online in year that may increase the achieved income. We have been prudent in the income forecast. There is a potential uplift of c£0.5m up to £1.0m but this will depend on the timescales of delivering schemes.
- There is no variance reported on borrowing and interest costs and income or the MRP budget – in previous years this has been managed by use of reserves.

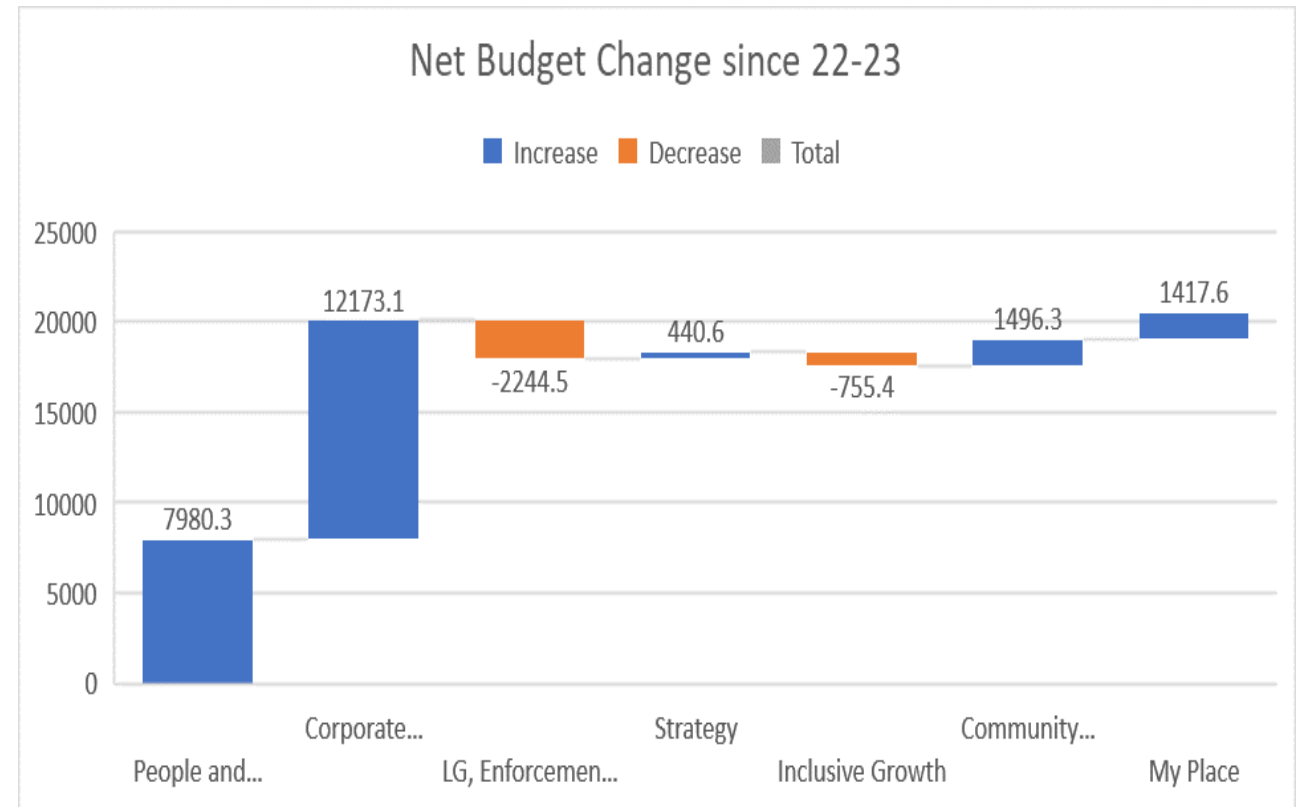
Key risks

- The Ethical Collection Service has been forecasting income of £900k. Reconciliation for 1st quarter completed and the projected income expected is £361k, in line with the performance over the past 2 years. Finance recommendation was to reduce the forecast however service is working towards a higher income collection based on having a full establishment of staff and improved flow of data, although this has been in place since January and the income is yet to have changed in response to this. There is risk that this will not be achievable. The service has now reduced the forecast income to £600k however finance still believe the income will range from £400k - £600k and this may increase the outturn variance to c.£500k.
- Temporary Accommodation rental properties available - We are currently at capacity within our own hostels and have received several hand backs requests for PSL's which may lead to an overspill into B&B's and Hotels. Modelling is being carried out against various assumptions which will enable a more robust forecast. This is a national issue. This will also impact support for Social Care clients with the immigration status of No Recourse to Public Funds (NRPF)
- Social Care budgets are highly dependent on demand for services which cannot be controlled at the point of need. As costs of care are very high even small changes in numbers of people needing support can cause large swings in the overall forecast.
- My Place is the managing agent for Reside properties. It therefore attracts expenditure which in turn must be passed to the relevant reside company. The risk if there is insufficient breakdown of the expenditure then My Place will not be able to secure invoices from the relevant company and will be left with an overspend.
- Commercial Services – Leisure Income: SLM has given notice that they will be terminating the Leisure contract from September 2024. It is assumed that SLM will continue to pay the concession fee up to the termination date. The assumed income is £665k in 2023/24. The service has not yet raised the invoices for 2023/24.
- Contaminated Land by Eastbrookend Park. Although a provision was made for this issue at the end of 21/22 until the matter is settled then there remains a risk.

Budget Increase: The Budget has increased by a net £20m from 2022-23

As part of the MTFs process growth was awarded in several areas. The most significant growth was driven by inflation and the Local Government Pay Award in Corporate Management. However, there were changes in other areas and these should be considered in line with the forecasted overspends when reviewing performance.

- **People & Resilience:**
 - Legislative Change (Adults Inspection and the Market Sustainability Fair Cost of Care Inc. London Living Wage) and Inflation growth.
- **Central**
 - LG pay award for 22/23 and 23/24, provision for energy and contracts inflation (to be distributed to services.)
- **Community Solutions**
 - Concessionary fares increases, TA inflation, additional support for residents in financial difficulties,
- **Enforcement and HR:**
 - Increased income, HR restructure post I Trent implementation
- **Inclusive Growth**
 - Additional income from Parks and Leisure concession fee
- **My Place**
 - Improving waste and recycling
- **Strategy and Culture**
 - Investment in Insight and Intelligence (Inc. One View)



2023-24 Savings Progress Overview

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

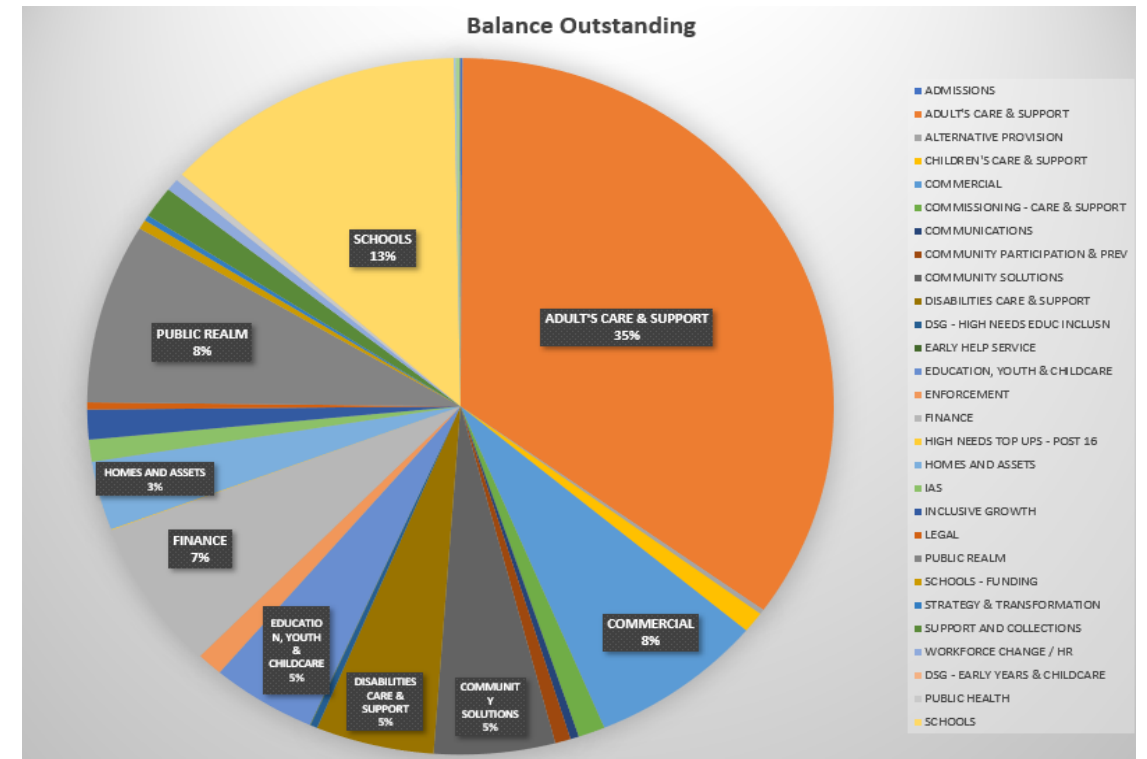
It is crucial that savings proposals are met, or alternatives found.

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

	Savings Rated Green £ 000s	Savings Rated Amber £ 000s	Savings Rated Green £ 000s
Care and Support		237	500
Community Solutions	130	220	1,122
My Place	155		153
Inclusive Growth	500		370
Finance & IT			735
Law & Governance			2,300
HR	577		
Education	15		
EYCC		35	
Total	1,377	492	5,180

Bad Debt

DIRECTORATE	Overdue 0-12 months	Overdue 12-24 months	Overdue 24-36 months	Overdue 36 months +	TOTAL Balance Outstanding
ADMISSIONS	6,019	30,174	-	1,106	37,299
ADULT'S CARE & SUPPORT	1,612,670	4,117,839	3,107,538	4,718,303	13,556,350
ALTERNATIVE PROVISION	-	50,110	6,763	29,524	86,396
CHILDREN'S CARE & SUPPORT	3,220	86,951	6,020	281,346	377,537
COMMERCIAL	2,941,916	-	230	5,643	2,947,789
COMMISSIONING - CARE & SUPPORT	2,956	202,444	154,831	92,430	452,660
COMMUNICATIONS	18,050	56,004	37,875	31,218	143,147
COMMUNITY PARTICIPATION & PREV	61,369	43,473	52,829	104,635	262,306
COMMUNITY SOLUTIONS	836,325	1,197,090	4,210	1,485	2,039,110
DISABILITIES CARE & SUPPORT	307,476	619,541	394,580	672,852	1,994,449
DSG - HIGH NEEDS EDUC INCLUSN	21,120	87,734	1,616	7,980	118,450
EARLY HELP SERVICE	-	12,893	-	-	12,893
EDUCATION, YOUTH & CHILDCARE	866,803	123,381	352,188	427,180	1,769,551
ENFORCEMENT	46,381	17,309	312,229	60,431	436,349
FINANCE	435,834	527,643	1,077,663	659,196	2,700,337
HIGH NEEDS TOP UPS - POST 16	-	14,896	-	-	14,896
HOMES AND ASSETS	585,172	243,895	199,386	212,802	1,241,254
IAS	103,716	71,959	139,946	81,000	396,621
INCLUSIVE GROWTH	27,254	173,970	298,126	37,747	537,098
LEGAL	73,839	24,863	10,729	20,632	130,062
PUBLIC REALM	545,700	903,231	1,410,981	386,731	3,246,643
SCHOOLS - FUNDING	18,683	150,000	-	-	168,683
STRATEGY & TRANSFORMATION	65,261	5,250	27,554	3,646	101,710
SUPPORT AND COLLECTIONS	-	380,468	150,590	42,956	574,015
WORKFORCE CHANGE / HR	17,174	184,093	3,540	11,131	215,938
DSG - EARLY YEARS & CHILDCARE	-	-	25	75	100
PUBLIC HEALTH	-	80,000	49,700	-	129,700
SCHOOLS	4,898,914	197,169	3,430	8,299	5,107,812
SCHOOLS - ACADEMIES	1,883	18,420	-	8,806	29,110
HRA	7,447	40,776	18,321	5,804	72,350
CENTRAL EXPENSES	307	159	-	7,648	8,115
Grand Total	13,505,490	9,661,735	7,820,899	7,920,607	38,908,731



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

The data shows total invoices outstanding as at 31st July 2023 and has been sorted into aging buckets.

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

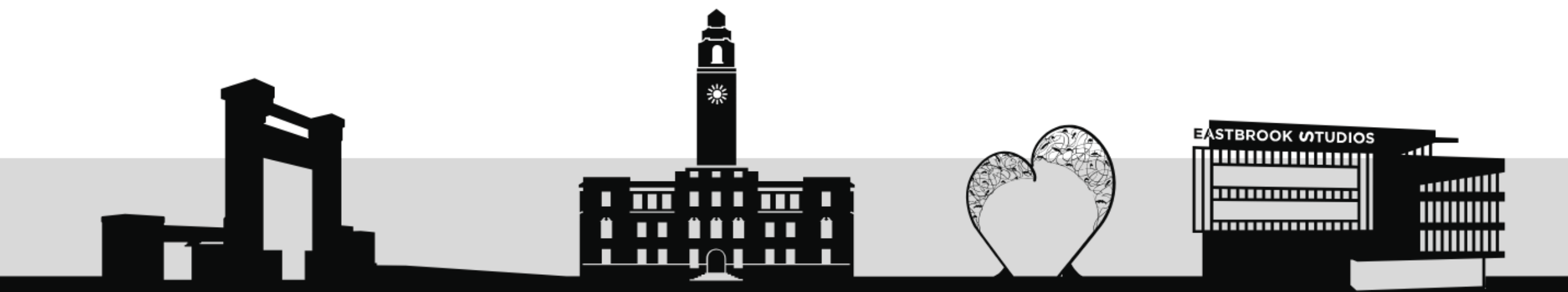
At quarter one the total level of debt had decreased since year end – however it is thought this be in part a seasonal effect. We will not include a reduction in bad debt in the forecast until the trend is clearly established.

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Finance Budget Monitoring - HRA and DSG

P4 (July 2023)

2023/24



HRA: Period 4

Executive Summary

The HRA is reporting a **£7.480m** overspend projection at Period 4. The voluntary budget allocation to support funding the HRA Stock Investment Capital Programme of £6.680m has **already** been used to mitigate the pressure in revenue. This reduces the Capital available and will have an impact on both the Capital Scheme and potentially long-term revenue positions beyond this financial year.

The primary cause of the overspend is the significant increase of the BDMS Contract for Housing Repairs and Maintenance, which has gone from a budget of £15.670m to

2023/24 FORECAST OUTTURN				
REPORT LEVEL	BUDGET	FORECAST	VARIANCE	CHANGE
	£'000	£'000	£'000	£'000
SUPERVISION & MANAGEMENT	48,394	51,070	£2,676	£0
REPAIRS & MAINTENANCE	24,473	31,297	£6,824	£500
RENTS, RATES ETC	1,587	2,261	£674	£0
INTEREST PAYABLE	11,300	11,300	£0	£0
DISREPAIR PROVISION	0	0	£0	£0
BAD DEBT PROVISION (BDP)	3,309	3,309	£0	£0
CDC RECHARGE	1,102	853	(£249)	£0
TOTAL EXPENDITURE	90,164	100,090	£9,926	£500
DWELLING RENTS	(£90,432)	(89,387)	£1,045	£0
NON-DWELLING RENTS	(£765)	(765)	£0	£0
CHARGES FOR SERVICES & FACILITIES	(£26,158)	(24,516)	£1,642	£0
INTEREST & INVESTMENT INCOME	(£400)	(400)	£0	£0
TOTAL INCOME	(£117,755)	(£115,068)	£2,687	£0
NET TOTAL BEFORE CAPITAL	(£27,591)	(£14,978)	£12,613	£500
DEPRECIATION	19,210	20,765	£1,555	£0
TRANSFER TO MAJOR REPAIR RESERVE (MRR)	6,680	0	(£6,680)	£0
CAPITAL PROGRAMME FUNDING	£25,891	£20,765	(£5,126)	£0
NET TOTAL AFTER CAPITAL	(£1,700)	£5,787	£7,487	£500
TRANSFER TO HRA LEASEHOLDER RESERVE	£1,700	1,693	(£7)	£0
TRANSFER FROM/(TO) HRA RESERVE	(£0)	£7,480	£7,480	£500

Forecast Position: £7.480m Overspend

Key Drivers of the Position (Summary):

- **Supervision & Management: £2.676m overspend**
BDMS Contract £3.565m relating to Management of We Fix and Agency offset by **(£507,000)** mostly relating to the removal of reside related costs from the HRA position in 2023/24.
- **Repairs and Maintenance: £6.824m overspend**
BDMS Contract £7.238m relating to service costs (materials, subcontractors, contact centre etc). This is partly reduced by relatable reduction in the **Direct Labour Organisation (DLO) costs (£870,000)** and **(£44,000)** on **other areas**. However, Period 4 recognises a £500,000 cost for fleet vehicles activity from Public Realm due to this activity not being part of the BDMS contract fixed price.
- **Other Expenditure Lines: £425,000 overspend**
Rents, Rates £674,000 reflects **Insurance Premiums** reflects higher 2022/23 Outturns on Building and Employer and Public Liability together with a recognition that the HRA will likely have to pay **Council Tax** for its void properties. This is offset in part by a reduction in the projected **CDC recharge (£249,000)**.
- **Income: £2.687m under recovery**
Dwelling Rents £1.045m due to housing void levels above the 1% budget. This has been previously caused, in part, by the estate regeneration programme. There are 3 phases in the void process and it is identified that the middle phase with BDMS is not currently optimal. **Services & Facilities £1.642m** is reflecting the removal of Reside income from the HRA position in 2023/24.
- **Capital Programme & Financing: (£5,126m) underspend**
This essentially finances the HRA element of the Capital Programme alongside the Transfer to MRR (Major Repairs Reserve). **Depreciation** is expected to increase by **£1.555m** compared to budget and is mandatory. The **MRR** budget allocation has been released **(£6.680m)** to offer partial mitigation to the in-year overspend but capital borrowing costs could rise in future years for the HRA.

The HRA Capital Programme is under review given the constraints linked to the BDMS Contract and Government Cap on Rents (7%).

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

HRA: Period 4 Risks

Forecast Position: **£7.480m overspend**

Despite the seriousness of the HRA Outturn Projection, there are still a considerable number of risks that are NOT reflected in that position.

The quantified value is **£1.0m plus a long list of unquantified risks.**

However, there are some **Opportunities** identified totalling **(£1.750m)**. These relate to a potential underspend on the Bad Debt Provision **(£1.5m)** and possible reduction in Overtime on DLO **(£250,000)**.

ID	Service Area	Risk Description	Likelihood	Impact	Overall	Value '000	RAG	Mitigating Action	Owner	Portfolio
QUANTIFIABLE										
R1	Service Charge Actualisation 22/23 - Housing Ops	Service Charges are raised based on an estimate, then actualised six months after the financial year. For 4 years, the process has concluded actualisation as lower than the estimate. This is down to issues in budget estimates but also being unable to identify costs at block level in certain areas (e.g. R&M).	4	1	4	£ 100		A creditor based on the last 3 years of actualisation average has been raised. This will minimise impact to estimated £100k.	Jane Shaw	Community, Leadership and Engagement
R2	Security Costs - Landlord Services	Due to the Estate Renewal Blocks being partially empty and attracting ASB/Crime we have had to increase the security patrols around these blocks. 2023/24 budget is £550k but 2022/23 Outturn was £876k.	3	1	3	£ 100		Forecast within the outturn. We have put a plan in place to empty key blocks which would then reduce the need for security	Alan Caddick	Community, Leadership and Engagement
R3	Security Costs - Compliance	Night Wake security on two HRA Blocks whilst a new Fire Alarm System is installed is costing over £300k per qtr. There remains around 26 properties that require installation and the timelines have slipped by a qtr for this unbudgeted cost.	2	4	8	£ 300		My Place to urgently push through remaining alarms and revisit the manpower requirement urgently.	Tony Wiggins/Delroy Sylvester	Community, Leadership and Engagement
R4	BDMS Fleet - BDMS Contract	Fleet Costs are not within the 2023/24 BDMS Contract Price, compared to 2022/23. The HRA is likely to have to fund Fleet costs from either BDMS or Public Realm Fleet Management or a mixture of the two. The financial value could be higher than £1m.	4	4	16	£ 500		My Place, BDMS and Finance need to visit this area and agree an approach for 2023/24.	Leona Menville	Community, Leadership and Engagement
						£ 1,000				

NON-QUANTIFIABLE										
RA	Energy	There is uncertainty over energy budgets due to the world market but also the timing delays in receiving charges. Price uplift is further expected in November 2023. Additional resources are required in the Energy team.	2	2	4			Monitor and await new Laser prices due mid-November. Energy Team being created in Commercial (Inclusive Growth).	Alan Caddick	Community, Leadership and Engagement
RB	BDMS Repairs & Maintenance	Insufficient backing information from BDMS leaves Leasehold Services unable to apply the true cost of R&M to Leaseholders, reducing cost recovery to the HRA.	4	3	12			Monitor, service and BDMS to improve validation process.	Leona Menville/Jane Shaw	Community, Leadership and Engagement
RC	Historic Water Re-selling	Contracts between the water company and Council predating 2016 have been challenged through various legal routes (e.g. Southwark). It wasn't specific that the rate difference between what the Council was charged and the tenant charged covered administration duties by the Council. Could impact over 15,000 tenants.	1	4	4			Monitor. Business is considering options to refund tenants impacted although statute of limitations now applies.	Tom Hart	Community, Leadership and Engagement
RD	Landlord Services Legal	Aside from Disrepair activity, there are other legal issues which are backlogging, causing lost rental income but will also likely cost above the budget legal costs to rectify.	4	2	8			Monitor, Landlord Services and Legal to manage	Alan Caddick	Community, Leadership and Engagement
RE	Capital Works - Blocks - Leasehold	When capital works are carried out on blocks, Leaseholder's within the block should be charged appropriate apportionment for eligible works. The actual cost should be charged within a certain timeframe. Delays from Be First providing final accounts of works causes loss of income to HRA.	3	4	12			Monitor, project group to be setup by Tony.	Tony Wiggins	Community, Leadership and Engagement
RF	Disrepair Claims	Costs of payout for damages and related legal fees for delays in rectifying repair works. A Disrepair Provision exists in the HRA to fund this activity. However, no budget exists in 2023/24 for any further increase in the provision. 2022/23 had a £1m increase.	3	4	12			Monitor. BDMS contract extension and improved performance should limit this risk.	Alan Caddick	Community, Leadership and Engagement
RG	Housing System - SIB	The project for the future system procurement for Housing Management is underway therefore a plan of costs for 2023/24 and beyond should be identified as the current budget maybe insufficient.	2	2	4			Budget Manager to liaise with project lead.	Tom Hart	Community, Leadership and Engagement
RH	Electrical Remedials - Compliance	The high level estimates for the cost of remedial works that stem from the electrical testing maybe insufficient. This would cause a pressure on the available Compliance Budget which is fully committed.	3	3	9			Budget Manager to monitor contractor activity and costs.	Delroy Sylvester	Community, Leadership and Engagement
RI	Electrical Testing - Compliance	The timeline that matches the current budget for testing of all Housing electricals within the HRA Blocks might be sped up due to Regulator pressure. This would cause an increased spend in 2023/24 but in theory would reduce spend in 2024/25.	3	4	12			My Place to continue liaising with Regulator and agree what approach to take.	Leona Menville/Delroy Sylvester	Community, Leadership and Engagement
RJ	Borrowing Costs - Interest	If the Council agrees to a Capital Programme 2023/24 which is still higher than bare essentials, then the cost of this will likely be funded by borrowing. This will incur interest charges in future years.	2	2	4			Monitor and consider revised Capital Programme once completed in the Summer.	Alan Caddick	Community, Leadership and Engagement
RK	Long Term Debt - HRA	The HRA carries long term debt from the 2012 change in Policy which it will be expected to pay back. It has not begun paying back this debt despite being 11 years on. There is still time to do this but the longer this takes, the more material the funding requirement will be in future budgets.	2	2	4			My Place and Finance to monitor.	Leona Menville	Community, Leadership and Engagement

Dedicated Schools Grant (DSG)

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

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

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

Appendices:

**Directorate Detail
Budget Monitoring**

**Barking &
Dagenham**

2023/24

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People and Resilience: Period 4

	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	115,657,652	116,534,652	423,000	38,661,485	127,299,347	0	0	10,341,694	13,579,144
ADULTS DISABILITY	19,923,983	19,923,983		7,929,849	22,402,791	0	0	2,478,808	3,580,463
ADULT'S CARE & SUPPORT	23,580,403	23,580,403		8,886,434	23,979,412	0	0	399,009	1,276,781
COMMISSIONING - CARE & SUPPORT	14,602,173	14,602,173		5,079,343	14,382,056	0	0	(220,117)	4,112
PUBLIC HEALTH	(318,250)	(381,250)	63,000	(8,926,761)	(318,249)	0	0	1	0
CHILDREN'S CARE & SUPPORT	40,186,049	41,486,049		16,022,135	46,259,789	0	0	4,773,740	6,205,110
EDUCATION, YOUTH & CHILDCARE	3,754,781	3,754,781		6,265,895	3,754,781	0	0	(0)	(0)
EARLY HELP SERVICE	3,391,965	3,331,965	60,000	(555,249)	3,091,904	0	0	(300,061)	(313,252)
CHILDREN & YOUNG PEOPLE DISABI	10,536,548	10,236,548	300,000	3,959,839	13,746,862	0	0	3,210,314	2,825,930

Overall Summary

Overall, there is an overspend of £10.34m across the whole of People and Resilience. This is an improvement of £3.2m since last month – largely driven by application of grant income in Adults/Disability and the recognition of the budget growth relating to the Foster Carers inflation uplift. The pressures mostly relate to care packages (and legal and transport costs which are also demand led.) Most other areas of controllable spend are on budget or underspending.

The following slides will provide service level analysis of the reasons behind the variances and the movements since last month.

Key assumption

Placement forecasts within Children's and Adults Services are based on actual clients full year costs as shown in the social care placements database (controcc).

People and Resilience: Period 4 – Adults with Disabilities

Adult's Disabilities									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(3,157,300)	(1,065,139)	(4,345,734)	0	0	(1,188,434)	(42,857)	(1,145,577)	1
Staffing	2,864,475	677,519	2,321,496	0	0	(542,979)	(542,979)	0	2
Agency	0	121,068	621,128	0	0	621,128	621,219	(91)	
Premises	31,600	4,470	120,117	0	0	88,517	88,517	(0)	
Transport	22,600	3,421	7,301	0	0	(15,299)	(18,299)	3,000	
Supplies & Services	328,800	9,789	162,338	0	0	(166,462)	(270,897)	104,435	
Third Party Payments	19,833,808	8,178,607	23,516,145	0	0	3,682,337	3,745,759	(63,422)	3
Grand Total	19,923,983	7,929,734	22,402,791	0	0	2,478,808	3,580,463	(1,101,655)	

1. Income - Variance (£1.188m), Movement (£1.145m)

The is because of the receipt of and £1.3m additional Market Sustainability and Improvement fund from central government to support the workforce and inflationary pressures incurred by providers. We were not previously notified of this additional funding.

2. Staffing an Agency- Variance £0.078m, Movement £0m

Whilst the variance is not material it should be noted that 7fte posts are currently being filled by agency staff, due to difficulties in recruitment.

3. Third Party Payments- Variance £3.682m, Movement £0.063m

This area is made up of two areas of material variance.

This figure incorporates an uplift of £2.9m (16.17%) which was applied to all disability placements. From the Market Sustainability Grant £1.1m was applied to mitigate this pressure. This left £1.2m in Supported Living and £0.751m in Residential and Nursing of uplift pressures un-mitigated

A further £1.7m is continuing prior year pressures on Supported Living and Residential & Nursing which were apparent in the last financial year.

People and Resilience: Period 4 – Adults Care & Support

Adult's Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(41,679,500)	(9,912,990)	(45,903,551)	0	0	(4,224,051)	(2,329,819)	(1,894,232)	1
Staffing	10,602,442	2,786,396	8,893,796	0	0	(1,708,646)	(1,708,651)	5	2
Agency	0	346,067	1,774,738	0	0	1,774,738	1,774,738	0	2
Premises	110,580	43,356	189,967	0	0	79,387	79,387	0	
Transport	36,100	15,866	46,404	0	0	10,304	10,304	0	
Supplies & Services	645,420	63,921	190,511	0	0	(454,909)	359,179	(814,088)	3
Third Party Payments	53,865,361	15,543,703	58,787,547	0	0	4,922,186	3,091,643	1,830,543	4
Grand Total	23,580,403	8,886,319	23,979,412	0	0	399,009	1,276,781	(877,772)	

- Income - Variance (£4.224m), Movement (£1.894m)
Movement is due to (£2.401m) Market Sustainability and Improvement Fund mitigation and £0.507m attributable to budget re-alignments
Variance is due to receipt of additional Discharge Funding of £1.468m, and Market Sustainability Improvement Fund £3.527m. (MSIF allocations, Adults £2.410m, Disabilities £1.127m)
- Staffing an Agency- Variance £0.066m, Movement £0m
Whilst the over variance in not material it should be noted that 19 posts are currently being filled by agency staff, due to difficulties in recruitment.
- Supplies and Service – Variance (£0.454m), Movement (£0.814m)
£0.456m better Care Fund mitigation and £0.357m bad debt provision in year in improvement.
- Third Party Payments- Variance £4.922m, Movement £1.830m
£0.400m Out of Borough Placement uplift, £1.213 Home Care forecast remodelling due to inflationary uplifts, £0.482m Mental Health Supported Living inflationary uplifts and 3 new clients, 0.221m Mental Health Residential & Nursing inflationary uplifts and 3 new clients. The rest of 0.482m favourable movement is attributable to period 4 budget re-alignment between Adults and Disability

People and Resilience: Period 4 – Childrens Care & Support

Children's Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves		Movement	Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance		£100k deminimus
Income	(5,258,300)	(204,588)	(5,583,750)	0	0	(325,450)	(665,622)	340,172	1
Staffing	19,995,516	5,507,862	15,851,399	0	0	(4,144,117)	(4,171,606)	27,488	2
Agency	522,000	1,443,423	3,663,247	0	0	3,141,247	3,276,040	(134,793)	
Premises	239,700	2,667	181,100	0	0	(58,600)	(9,600)	(49,000)	
Transport	286,900	85,348	209,362	0	0	(77,538)	(106,300)	28,762	
Supplies & Services	1,771,530	684,908	2,568,661	0	0	797,131	593,546	203,585	3
Third Party Payments	23,928,703	8,345,686	29,369,770	0	0	5,441,067	7,288,652	(1,847,585)	4
Grand Total	41,486,049	15,865,305	46,259,789	0	0	4,773,740	6,205,110	(1,431,371)	

1. Income – Variance (£0.325m), Movement £0.340m

Variance due to additional income in relation to Trading Standards, Youth Justice Board and HM Prisons and Probation

Movement is due to delays in Home Office finalising the 2022-23 grant claims for UASC, this has resulted in a reduction to the funding we can claim in 2023-24

2. Staffing and Agency – Variance (£1,003m), Movement (£0.107m)

Variance is due to the service carrying 65fte vacancies, currently covered by 55fte agency staff, along with an underspend on recruitment budget which had been used for overseas recruitment last year.

Movement is due to a reduction in the number of agency staff, with high cost consultants either having already ended or due to end within the next couple of months

3. Supplies and Services – Variance £0.797m, Movement £0.203m

Variance is being driven by court/legal costs for cases being presented at court.

Movement, there has been a significant increase in costs coming through on monthly basis reflecting the higher case load by legal services, this necessitated an increase to the forecast in P4.

4. Third Party Payments – Variance £5,441m, Movement (£1,848m)

	Variance	Movement
LAC	4,942,793	(1,452,002)
Non LAC	133,345	(405,703)
Other	364,929	10,120
Total	5,441,067	(1,847,585)

Looked After Children – Variance is driven by number of residential placements, currently 68 clients which is line with last years numbers, with 2 placements in excess of £10k per week.

Movement of (£1,300m) was due to an increase to the budget for Internal Fostering, covering the uplift to Fostering Fees agreed last year, and a change to the forecast methodology for Reverse Residential placements as it was previously assumed these placements would run for the full year whereas they generally run for no more than 8 weeks.

Non-Looked After Children – Movement is due to a reduction in the Adoption forecast which reflects the trend for this year with a reduction of 10 placements from 2022-23.

Other – Variance is due to high-cost placements within the safeguarding service.

People and Resilience: Period 4 – Children & Young People with Disabilities

Children's and Young People Disabilities									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus
Income	(757,600)	(244,699)	(920,268)	0	0	(162,668)	(149,411)	(13,257)	
Staffing	1,569,582	532,097	1,318,092	0	0	(251,490)	(416,620)	165,130	1
Agency	0	124,404	714,251	0	0	714,251	763,914	(49,663)	
Premises	50,000	13,016	32,308	0	0	(17,692)	(17,692)	0	
Transport	1,498,988	681,507	2,479,009	0	0	980,021	668,631	311,390	2
Supplies & Services	510,860	95,635	813,546	0	0	302,686	362,686	(60,000)	3
Third Party Payments	7,664,718	2,757,880	9,309,924	0	0	1,645,206	1,614,422	30,784	4
Grand Total	10,536,548	3,959,839	13,746,862	0	0	3,210,314	2,825,930	384,384	

1. Staffing and Agency – Variance £0.463m, Movement £0.115m

Variance is due to the service having 1.4fte vacancies covered by 6fte agency staff, the variance is driven by the cost of a new respite review team forecast at £0.175m.

2. Transport – Variance £0.980m, Movement £0.311m

The increase and variance for this service are driven by the demand for transport services. New routes/travel plans are in the process of being calculated, but an increase of £0.300m was agreed with the service manager at period 4

3. Supplies and Services – Variance £0.303m, Movement (£0.060m)

The variance is being driven by legal services costs charged directly to children's and young people with disabilities, demand led provision based on number of cases going through the courts.

4. Third Party Payments – Variance £1.645m, Movement £0.031m

£1.444m of the variance is pressure from residential placements, demand led service currently with 18 clients at an average cost of £0.281m per annum. Remainder of services within Third Party are close to budget.

People and Resilience: Period 4 – Commissioning Care & Support

Commissioning Care and Support									
Income/Expenditure	Current Year			Reserves		Variances inc Reserves			Notes
	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Period Movement	£250k deminimus
Income	(11,428,670)	(1,620,655)	(11,262,156)	0	0	166,514	517,407	(350,893)	1
Staffing	7,710,742	2,015,043	7,058,561	0	0	(652,181)	(842,663)	190,482	2
Agency	0	792,295	1,563,892	0	0	1,563,892	1,472,331	91,561	
Premises	0	4,681	0	0	0	0	0	0	
Transport	11,600	3,167	11,600	0	0	0	0	0	
Supplies & Services	1,864,367	(132,238)	1,373,380	0	0	(490,987)	33,109	(524,096)	3
Third Party Payments	16,444,134	4,017,049	15,636,589	0	0	(807,545)	(1,176,072)	368,527	4
Grand Total	14,602,173	5,079,343	14,381,866	0	0	(220,307)	4,112	(224,419)	

- Income – Variance £0.167m, Movement (£0.351m)
Movement due to additional recharges to Public Health and Early Help.
- Staffing and Agency – Variance £0.912m, Movement £0.282m
Variance due to service having 23fte vacancies, filled by 14fte agency staff, delays in recruiting to vacant post, with the movement due to reforecasting agency staff end dates to reflect a revised expected end date.
- Supplies and Services – Variance (£0.491m), Movement (£0.524m)
Variance and movement in period 3 forecast in relation to consultancy fees was overstated; this has been rectified in period 4.
- Third Party Payments – Variance (£0.808m), Movement £0.369m
Start for Life grant cost centre could not be completed on CP due to budget holder's non-access. Director's focus for CP forecasts was on service outturn, not on I&E category. This will have a net zero impact as both income and expenditure will be amended in period 5.

There is no forecast variance in **Public Health** which is grant funded by the Office For Health Improvement

Within **Early Help** there is a variance in Supplies and Services – Variance (£0.253m), Movement £0.031m

Variance due to underspend on staff due to holding vacancies. Need for realignment with salaries budget.

Currently 17.9fte vacancies, with 1fte agency staff member.

Corporate Management: Period 4

Forecast Position: Overspend £2,688.060

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
CORPORATE MANAGEMENT	44,046,151	44,019,381	26,770	495,717	46,833,571	0	(99,360)	2,688,060	(2,495,689)
STRATEGIC LEADERSHIP	425,369	425,369		112,485	419,597	0	(99,360)	(105,132)	(15,673)
FINANCE	12,859,478	12,813,708	45,770	7,231,688	12,226,154	0	0	(633,324)	(1,543,951)
IAS	(4,101,840)	(4,101,840)		(1,354,636)	(4,152,480)	0	0	(50,640)	(62,772)
CENTRAL EXPENSES	46,185,257	46,204,257	(19,000)	6,510,592	48,535,707	0	0	2,350,450	(2,000,000)
WORKFORCE CHANGE / HR	1,917,111	1,917,111		1,400,701	2,995,318	0	0	1,078,207	1,078,207
LEADERS OFFICE	271,251	271,251		105,363	319,750	0	0	48,499	48,499
TECHNICAL - CORP MGMT	(13,510,475)	(13,510,475)		(13,510,475)	(13,510,475)	0	0	0	0

Key Drivers of the Position:

There is a forecast overspend of £2,688,060 on Corporate Management mostly driven by the estimated impact of the pay award shown in Central Expenses.

- **Strategic Leadership (Chief Executive)** is forecast to underspend by (£105,100). This is due to (£70,000) savings from vacancies and (£31k) from HRA recharge surplus.
- **Finance** is forecast to underspend by (£633,300), due to the position in the following areas:

IT is reflecting an underspend of (£964,900):

£36,906 projected overspend in IT Third Party Contracts. The main cost driver is the maintenance and support contracts for IT systems. The forecasted overspend will be covered through the earmarked Cyber security grant not accounted for in the forecast.

(£1,1m) projected underspend on IT Staff and Agency, largely attributable to difficulties in recruiting to existing vacant positions. The underspend could decrease dependent on IT business as usual work requiring interim expertise to cover the shortfall in resource (vacant positions).

£178,000 overspend on IT Projects. There is an historical budget discrepancy which will be re-aligned to reflect service delivery as the service mostly recharges project costs to the Council wide services where the projects are being delivered.

This is offset by a net £212k overspend in Finance reflecting agency costs. This is likely to increase.

Forecast Position: Overspend of £2,688,060

Key Drivers of the Position (Continued):

Corporate Finance is reflecting an underspend of (£83,600) primarily due to delayed restructure implementation and recruitment into existing vacancies

Finance Director is projecting an overspend of £24,235 partly due to cross over costs in senior management positions and insufficient budget for added years compensatory payments

Service Teams Finance is reflecting a projected overspend £271,636 largely attributable to agency resource costs covering vacancies

- **IAS - Investment Strategy** - is reflecting a surplus of (£50,640,) on the (£4.1m) budget largely due to projected commercial rental income exceeding budget.
- **Central Expenses** - £3.5m inflation provision has been released from here to support services. The assumption in the previous forecast was a pay award of 4% considering the offers to other Public Sector workers averaging at 6% the forecast has increased the pay award assumption to 6%. This is a change in assumption from last period.
- We also hold a budget of £1.3m for redundancy costs. This currently is assumed to be fully spent. There is a £5m budget for contracts/energy inflation - £3.5m has been released . There are around £1.8m of other provisions and contingencies currently shown as fully spent.
- In previous years the Council has usually made a healthy underspend on net interest income and expenditure – up to £7m in a really good year. However this made not be so achievable in the current economic climate. This is currently not included in the forecast as is generally taken to the IAS reserve to fund future borrowing/investment,
- **Workforce Change/HR and Leader's office** is forecast an overspend of £1.1m. The recalculation of the HRA recharge has resulted in an income shortfall within HR of £437k. HR are unable to deliver the MTFs savings of £577k in 2023/24 due to delays in implementation of the ERP system and delays in implementing the Self-Service Manager model. The Leaders Office has a historic budget pressure of £50k.
- The £99,300 drawdown from Invest to Save reserves is to fund a diagnostic social care service review.

Law and Governance: Period 4

Forecast Position: Underspend of £553k after transfer of estimated £0.9m PRPL income to reserve

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
LAW AND GOVERNANCE	(4,081,919)	(4,081,919)		774,957	(5,521,195)	916,000	(30,000)	(553,276)	(553,276)
LEGAL	3,628,084	3,628,084		1,720,157	3,713,236	0	(30,000)	55,152	55,152
ENFORCEMENT	(7,710,003)	(7,710,003)		(945,200)	(9,234,431)	916,000	0	(608,428)	(608,428)

Key Drivers of the Position (Summary):

The recalculation of the HRA recharge has resulted in an income shortfall within Legal of £180k

There are currently 95 vacant positions within Enforcement of which 56 are covered by agency staff. This is the key driver of the forecast underspend of £553k.

The Private Sector Property Licensing (PRPL) scheme income target will be met and a transfer of c£0.9m to reserve for future years.

The in-year Parking Off-Street income **c£0.5m** will not be transferred to reserve and is included in the outturn forecast as a mitigation.

Strategy: Period 4

Forecast Position: Overspend of £47,600

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
STRATEGY	3,387,678	3,387,678		1,232,141	3,554,271	0	(119,000)	47,593	238,753
STRATEGY & TRANSFORMATION	2,024,438	2,024,438		713,412	2,019,322	0	(119,000)	(124,116)	68,250
COMMUNICATIONS	1,363,240	1,363,240		518,729	1,534,949	0	0	171,709	170,503

Key Drivers of the Position:

The Strategy directorate is forecast to overspend by £47,600 at the end of Period 4 which is a reduction of £191,100 from Period 3. The recalculation of the HRA recharge has resulted in an income shortfall of £271,000 across Strategy.

Strategy– Forecast Position (£124,100) underspend:

- **The Advertising contract** is expected to exceed the £236,000 income target by (£56,000) based historical revenue information. Nonetheless, the excess income is variable and subject to change based on economic conditions.
- **Insight hub** is forecast to underspend by (£37,600) mainly due to delayed recruitment of vacant roles and £100,000 drawdown from reserves in respect of the One View contract.
- **The PMO** is forecasting an overspend of £87,462 due the removal of the HRA income (the net result of which is a shortfall of £116,643); two vacancies are being held, though are wanting to be recruited to.
- **The Corporate Strategy team** is forecast to underspend by £139,000. However, this underspend is needed to directly support the overspend in PMO (lost HRA income).
- **Director of Strategy** is forecast to overspend by £20,900 largely due to cross over of posts.

The above 3 cost centres (PMO, Corporate Strategy Team and Director of Strategy) report to a single Head of Service and the net result will be a balanced budget.

Forecast Position: Overspend of £47,600

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
STRATEGY	3,387,678	3,387,678		1,232,141	3,554,271	0	(119,000)	47,593	238,753
STRATEGY & TRANSFORMATION	2,024,438	2,024,438		713,412	2,019,322	0	(119,000)	(124,116)	68,250
COMMUNICATIONS	1,363,240	1,363,240		518,729	1,534,949	0	0	171,709	170,503

Key Drivers of the Position: (Continued)

Communications, Campaigns and Events – Forecast Position: £171,700 overspend:

- **Community Events** are forecast to overspend by £14,200 as a result of potential mounds and tree falling replacements costs at Parsloes Park for the Elrow Town Fest. Assumptions in the forecast include sponsorship income to be received to meet planned events costs.
- **Civic Events** are reflecting £31,700 over budget, largely attributable to a forecast overspend of £18,300 on salaries and £12,000 on overtime most of which will be reclaimed from the Mayors Charity income generation as incurred whilst running charity events.
- **Marketing & Communications** is forecast to overspend by £125,700. The £112,500 reduced HRA income is a large contributing factor to the position plus £17,000 overspend due to cancelled duplicate invoices pertaining to previous financial years. The main cost drivers are residents mailouts which have been reduced from four to three to contain costs.

The £119,000 transfer from Reserves represents a drawdown of £100,000 from the Supporting Families grant for the One View programme and £19k towards the salaries cost of the WRES post in the Director of Strategy service.

Strategy: Period 4 Mitigations Table

Forecast Position: Overspend of £47,593

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
PMO	87,462	0	Pressure relates to £116k HRA shortfall, mitigated by managed underspend in Corporate Strategy Team and will resolve in a budget transfer.
Director of Strategy	20,972	0	Mitigated by managed underspend in Corporate Strategy Team
Community Events	14,237	(14,237)	Pressure due to £14,200 possible costs for mound/tree relocation at Parsloes Park for Elrow. May be able to mitigate through a few more sponsors and a contribution from My Place for £20k for Barking Mad About Christmas (BMAC)
Civic Events	31,724	(9,000)	Mitigation : Purchase cards spend - Team are working hard to keep spends to an absolute minimum. Members Allowance- A spending cap has been introduced on the engagements that the Mayor and her guests attend to ensure budget is not exceeded To gather different quotes and choose the cheapest option for all events to ensure value for money.
Marketing & Communication	125,747	0	The Mayors Fundraising events - now solely funded from the Mayors Charity Account from which overtime for these events will be funded
Other underspends	(232,549)		The Pressure largely due to HRA income shortfall
Total	47,593	(23,237)	

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

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

Inclusive Growth: Period 4

Forecast Position: £3.9m (Overspend of £470,200)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,695,078	1,664,946	30,132	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334
COMMERCIAL	(679,237)	(679,237)		(1,454,043)	(661,437)	0	0	17,800	49,125
INCLUSIVE GROWTH	2,374,315	2,344,183	30,132	1,434,545	4,580,851	0	(1,754,096)	452,440	752,209

Key Drivers of the Position (Summary):

The Inclusive Growth Directorate is forecast to overspend by £470,240 at the end of Period 4, an improvement of £331,100 from the Period 3 variance.

Commercial Services – Forecast an overspend of £17,800

- **The Core Commercial Team** is projecting a (£28,000) underspend attributable to a vacancy in the service and other commercial services administrative service costs.
- **Procurement and Accounts Payable** – (£94,000) underspend – Procurement is affected by **£117,000 HRA income shortfall**, mitigated partly through vacancies and an £18k Accounts Payable HRA recharge income increase. It is assumed the position will change adversely in P5 due to planned budget movements within Inclusive Growth and recruitment into vacancies.
- **The Film Office** is projecting £70,200 income underachievement as a result of ongoing industry strikes leading to income generation uncertainties. The forecast assumes there will be some productions re- commencing although is impossible to predict the level of full year income achievable given the ad hoc and site-specific requirements.
- **The CR27** Investment is forecasting a £45,700 income underachievement. Further work is underway to determine insurance recharge to tenants (via the Insurance department) which may favourably alter this position.
- **The Isle of Dogs TL** investment is forecast to overachieve by (£10,000) due to reduction in the level of external advice required.
- **Leisure** is forecast to overspend by £46,000 on re- procurement costs as a result of SLM terminating the LBB Leisure contract. As a result of the termination a payment of £200,000 has been billed which will cover the overspend and indicatively hold £154,000 in reserves. **Leisure income for financial years 24/25 to 27/28 will be reduced by £5.8m as it is unlikely the new Leisure contract will provide the return as modelled in the existing MTFS.**
Assumptions in the revised MTFS must align with procurement expectations.

Forecast Position: £3.9m (Overspend of £470,200)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
INCLUSIVE GROWTH	1,695,078	1,664,946	30,132	(19,498)	3,919,414	0	(1,754,096)	470,240	801,334
COMMERCIAL	(679,237)	(679,237)		(1,454,043)	(661,437)	0	0	17,800	49,125
INCLUSIVE GROWTH	2,374,315	2,344,183	30,132	1,434,545	4,580,851	0	(1,754,096)	452,440	752,209

Key Drivers of the Position (continued):

Inclusive Growth – Forecast an overspend of £452,400

- **Parks Commissioning** forecast £565,375 overspend. Parks Commissioning main cost driver is the £500,000 income generation target from the soil importation that cannot be achieved in year OR in future years; one final payment of £74,250 is to be received in year from the legacy Central Park scheme. There is a further pressure of £133,000 income generation from Parks commercialisation projects which will not be achieved as part of the 23/24 MTFS OR in future years, as commercial returns are credited to the events team budget. The remainder of the overspend, is attributable to budget inflationary pressures in relation to the management of Eastbrookend Country Park Discovery Centre.
- **Culture and Heritage** are reflecting a £101,000 overspend. The main contributing factors being £83,500 income targets shortfall at Eastbury Manor with building and maintenance costs at both Eastbury and Valence House; including utilities inflationary pressures.
- The **Inclusive growth core teams** are reflecting a (£232,500) underspend partly due to delayed recruitment to vacant roles and a £58,000 HRA recharge contribution adjustment, pending review.
- **Development Planning** reflects a projected pressure of £38,000 due to Added Years Compensatory pension payments to ex – employees, subject to increase.
- **Adult College, Apprenticeships and Employment & skills** are currently projecting an aggregate overspend of £571,400. The services are largely grant funded with the current projected overspend on staff ascribable to income shortfalls (grants awarded but pending receipt of funds) and inflationary pressures to be covered through reserves. Further work is underway to determine the viability of the apprenticeships service.

The £1.7m transfer from Reserves, represents a drawdown from Inclusive Growth reserves: Made in Dagenham Endowment programme (£259,000), Employment Team overspend drawdown (£571,434) and (£924,000) grants brought forward drawdowns.

Inclusive Growth: Period 4 Mitigations Table

Forecast Position: £3.9m (Overspend of £470,200, potential mitigation of £163,700)

Service	Pressure	RAG/ Mitigation Amount	In Year Mitigation Comment
CR27 Investment	45,777	(78,000)	LBBB Insurance department to confirm insurance value to recharge directly to tenants. The net amount between CR27 insurance paid and recharge to tenants should offset wholly or in part this overspend. In 22/23 the surplus from recharge was £42,000. The rent levels are also due to be indexed upwards by 4.25% (capped) in July with potential income achievable of £36,000
Film	70,220	(40,000)	Seek other domestic income generating opportunities. Although film industry strikes have led to uncertainties, large film enquiries are being received through for Autumn and early 2024 which could see a reversal of the projected overspend. Use Reserve of £40k to partly mitigate overspend.
Leisure	45,658	(45,658)	Letter requesting termination fee of £200k payable has been sent out to SLM. The payment should cover the overspend once received.
Commissioning & programmes	37,643	0	No planned mitigation. Pressure relates to Added Years Compensatory pension costs with no supporting budget
Employment Team (Adult College, Apprenticeship, Kickstart, Employment & Skills)	0	0	<p>Overspend of £571,434 mitigated in the P4 forecasted outturn by reflecting a draw down from departmental ringfenced reserves: Adult College (£124,254) and Employment skills (£447,180) reserves with individual service mitigation actions planned:</p> <p>Adult College - £124,254 overspend - Mitigate by investigating potential overcharge for water and possibility of Business Rates relief; review of potential salary underspend from vacancies and increase income from assets and training.</p> <p>Apprenticeships - £131,512 overspend- grow the number of employers/learners on courses and review staff structure and costs by September 2023.</p> <p>Kickstart: £5,000 overspend - Mitigate the increase in outstanding training payments by reconciling and reviewing miscodes with the Treasury department.</p> <p>Employment & Skills: £310,800 overspend- £334,000 Salary costs will potentially be fully funded through the Welfare cost of living reserve with additional funding for staff costs from ESF and up to £40K from S106 monitoring fees.</p>
Heritage & Culture	100,919	0	A final mitigation plan is underway and to include: Potential reduction in opening days for Eastbury and Valence House in order to cut running costs. (Value to be fully quantified); increase income through engagement activities (Valence House) and increasing venue hire for weddings and other appropriate events/hires (Eastbury Manor). Further mitigation include potential receipt of the Valence House NNDR rebate (value to be confirmed) following Business rates reduction to be backdated to prior years.
Parks Commissioning	565,375	0	Parks Commissioning main cost driver is the £500,000 income generation target from the soil importation that cannot be achieved in year. In addition a further pressure of £133,000 income generation from Parks commercialisation projects which will not be achieved as part of the 23/24 MTFS
Other underspends	(395,352)		
Total	470,240	(163,658)	

Inclusive Growth: Period 4 Risk and Opportunities

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

Food Sector, Make it Here, Employment & Skills

- We have scope to draw down further funding for Employment for staff costs from an existing European Social Fund contract up to the value of £114K – we are looking to maximise this.
- We are using the food and film sector endowments from the City of London and MBS/Hackman to leverage additional funding from external funders – including a potential grant from Film London – and establish sustainable training programmes that do not require significant ongoing funding from the Council/key partners.

Heritage and Culture

- The Business Rates bills for Valence House has been appealed successfully and may result in a significant rebate payable in the 23/24 Financial year.

Parks Commissioning:

- Tennis Development Proposal – as per the associated report presented to Cabinet on 21.03.23 Parks Commissioning has secured internal (£75,400) and external funding from the LTA (£327,417) to invest in the borough's 17 tennis courts to bring them back up to a playable standard. Work on site is expected to commence in January 2024.
- External funding – Parks commissioning was successful in securing Rewild London (Round 2) funding including £39,000 and £35,410 respectively to deliver the River Rom Phase II and Reptile Survey projects. These projects will deliver significant social, environmental, and economic benefits for the borough and residents. In addition, two bids have been submitted to Natural England's Species Recovery Grant programme. If successful (the announcement is expected late July/early August) these bids will bring in significant additional funding to deliver the House Sparrow and Water Vole projects.

Community Solutions: Period 4

Forecast Position: £26.5m (overspend of £0.2m, 1% Variance)

	This Years Budget			Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised	Controlled	UnControlled	YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
COMMUNITY SOLUTIONS	21,622,624	21,622,624		5,444,404	26,582,404	0	-4,731,748	228,032	739,768
SUPPORT AND COLLECTIONS	7,820,304	7,820,304		1,473,335	10,708,005	0	-1,511,164	1,376,537	1,206,175
COMMUNITY SOLUTIONS	7,437,372	7,437,372		2,412,708	6,886,439	0	-438,662	-989,595	-548,895
COMMUNITY PARTICIPATION & PREV	7,669,948	7,669,948		2,863,361	10,292,960	0	-2,781,922	-158,910	82,489
TECHNICAL - COMSOLS	-1,305,000	-1,305,000		-1,305,000	-1,305,000	0	0	0	0

Key Drivers of the Position:

The total overspend pressure for Community Solutions is **c£3.4m**

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

Community Solutions have taken a number of difficult decisions and identified one-off mitigations of **c£3.4m** to reduce the outturn variance, which are listed in the mitigations table. It is to be noted that these mitigations come with their own level of risk/impact and this will be closely monitored.

The Ethical Collection Service has been forecasting income of **£900k**. Reconciliation for 1st quarter completed and the projected income expected is **£361k**, in line with the performance over the past 2 years. Finance recommendation was to reduce the forecast however service is working towards a higher income collection based on having a full establishment of staff and improved flow of data, although this has been in place since January and the income is yet to have changed in response to this. There is risk that this will not be achievable. The service has now reduced the forecast income to **£600k** however finance still believe the income will range from **£400k - £600k** and this may increase the outturn variance to **c.£500k**.

Community Solutions: Period 4 Mitigations Table

Forecast Position: £26.5m (overspend of £0.2m, 1% Variance)

In Year Mitigation	Amount	Comments
Service Development Salary underspend	100,000	A decision has been taken to not fill the Transformation Manager Position in the current financial year
Strategic Director Salary underspend	188,000	The Strategic Director position will not be filled in 2023/24.
Triage Salary underspend	80,000	There is a vacancy and not all staff are at the top of the grade.
Digitalisation Recruitment	306,000	Delay in recruitment process for the digitalisation team
Funding swap with additional HPG Grant - release GF	1,135,000	Additional grant to support Ukraine, will be delivered from existing stock
Additional Asylum Dispersal Grant - Funding Swap	475,000	Additional grant to support dispersal of Asylum seekers, using existing stock
Hold vacancy in CPP	40,000	RR Service area vacancy
P&E Vacancy	31,000	Hold vacancy
Court officers	25,000	Excelerate savings
SD Officer Secondment Cover	25,000	Hold vacancy
Consultancy Fee (SM)	100,000	Release of funding
Migration reserve release	200,000	
Taxi card reserve release	282,662	
Household Support Fund Admin Fee	400,000	HSF allocation for 2023/24 has been confirmed and attracts a fee income
Total Mitigations	3,387,662	

My Place Summary: Period 4

Forecast Position: £1,356k overspend

	This Years Budget		Actuals/Forecast		Transfers to/from Reserves		Variances Inc Reserves	
	Revised		YTD Actuals	Current Forecast	Transfers to	Transfers from	Variance	Last Period Variance
MY PLACE	15,374,989		12,047,096	16,731,195	0	0	1,356,206	3,071,809
HOMES AND ASSETS	1,815,764		7,786,625	4,040,557	0	0	2,224,793	12,321,280
PUBLIC REALM	13,559,225		4,260,471	12,690,638	0	0	(868,587)	(571,100)

Executive Summary (for more details, see subsequent slides)

The service is projecting a £1.356m overspend . The budget has been increased since period 3 to fund inflationary pressures of £1,418k. This accounts for the majority of the change in the variance. There has also been a reduction in the underlying overspend of £297k.

- **Commercial Portfolio: £885,000** overspend, Income under recovery and therefore non-delivery of savings £537,000 and pressures on expenditure £348,000.
- **My Place Recharge Budget: £1.068m** overspend, is caused by the change in non-controllable budgets and how they are funded by the HRA. The related non-controllable budget and charge was removed but the loss of charging it to the HRA must still be addressed.
- **Property Portfolio: (£157,000)** underspend due to vacancies
- **Reside My Place: £637,000** non-recovery of Reside Ltd Management Fee for 2023/24. Last two quarters not received. **It may be possible to fund from IAS.**
- **Contract Management: (£64,000)** underspend due to vacancies
- **Homes & Assets (Other Areas): (£144,000)** underspend across other areas are offering partial mitigation to the Commercial Portfolio pressure.
- **Public Realm: (£869,000)**, mainly across Waste Operations and Compliance, **although this is anticipated to reduce as a result of the HRA recharges review.**
- Quantifiable Risks stand at **£1.9m** vs **Opportunities of (£500,000)** – see subsequent slides.

My Place – Homes & Assets: Period 4

Forecast Position: £2,225k overspend

Commercial Portfolio is reflecting **£885,000** overspend. £537,000 income under recovery including £30,000 of non-deliverable income, £139,000 security of premises, £91,000 over establishment budget on agency and £118,000 on contractors mostly related to rent reviews. The income pressure is to do with the need for a complete asset list and rent roll to show what the achievable budget should be. The service continues to work on this.

Property Assets is underspending by **(£157,000)**.

My Place Recharge Budget: £1.068m overspend, is caused by the change in non-controllable budgets and how they are funded by the HRA. The related non-controllable budget and charge was removed but the loss of charging it to the HRA must still be addressed. This is included in the mitigation table as a potential reserve drawdown with the Council gap increasing by this amount for 2023/24.

Reside My Place: £637,000 non-recovery of Reside Ltd Management Fee for 2023/24. Reside Ltd is making a loss due mainly to rents increasing by less than the lease. This impacts My Place through the Property Management Agreement which covers managerial and service charge areas such as tenancy management, rent collection, caretaking and energy costs to name a few. Reside Ltd have been unable to pay any of the last 2 quarters and the pressure represents a full loss to My Place and the Council. Discussions are ongoing as to whether this will be transferred to the IAS and potentially funded by its reserve. It may also be possible that Reside Ltd can pay something this year, but no estimate has been provided. This will likely remain a reoccurring problem if not addressed.

Contract Management: (£64,000) underspend due to staff vacancies.

Homes & Assets (Other Areas): (£144,000) underspends across other areas are offering partial mitigation to the Commercial Portfolio pressure. This is mainly from Quality and Compliance reprofiling and staffing in areas like Business Development and Improvement.

My Place - Public Realm: Period 4

Forecast Position: (£869,000) underspend,

Waste Operations is reflecting a **£50,000 overspend**. The £4.3m Staffing budget, which is in line with last year's Outturn, is now projected to overspend by £159,000 but there is a level of uncertainty as staff convert from agency to be resolved in Period 5. Fleet Transport budgets are (£100,000) underspent currently but it is likely that during the year, we will see this reduce as costs transfer from Fleet (below).

Fleet & PTS is reflecting a **£251,000 overspend**. **Fleet Management** is (£39,000) underspent due to a staffing vacancy. **Frizlands Workshop** is reflecting a **£481,000 overspend** primarily due to income recharges being lower in Quarter 1. As the year goes on, this pressure will likely transfer to the relevant services.. **Passenger Transport** is reflecting a forecast underspend of (£148,000) due to staffing vacancies not completely covered by agency/overtime (£86,000) and Transport (£61,000).

Compliance (£475,000) underspend on PEST Control and Compliance, Green & Garden Waste, Projects and Administration (CPA). Trade Waste (£257,000) mainly due to above budget income recovery. CPA is underspending due to vacancies held ahead of restructure at (£146,000), PEST Control (£125,000) over recovery despite reduction in SLA to HRA, Garden Waste £53,000 overspend due to lower subscriptions.

Street Cleansing (£290,000) underspend due to Fleet Transport recharges being lower in Quarter 1 compared to 2022/23 Outturn. This service is expecting to operate within its budget position in 2023/24 because the current underspend will likely disappear due to the cost of 2022/23 vehicle purchases being paid for (currently projected in PR Director) and a share of the fleet overspend above will likely migrate.

Parks and Environment is reflecting a (£600,000) underspend. The My Place Directorate HRA Fixed Recharge budgets have been realigned to remove unnecessary variances leaving the net balance on Parks (£621,000). This is because Parks and Street Cleansing are still subject to review.

PR Director is reflecting a **£195,000 overspend**. This is predominantly due to the inclusion here of the cost to revenue of funding 2022/23 Fleet Vehicles that were purchased for Public Realm, mostly Street Cleansing. Once the virement is calculated, a budget reduction will occur in the relevant service.

My Place: Period 4 Risks

ID	Service Area	Risk Description	Likelihood	Impact	Overall	Value '000	RAG	Mitigating Action	Owner	Portfolio	Within Outturn Forecast	Prior Month Mov £'000
QUANTIFIABLE												
R1	R&M - Reside My Place	BDMS will carry out repairs and maintenance works on Reside Group assets and charge My Place. If they provide insufficient cost information and/or My Place do not appropriately pass on that information to service charge Reside Group, then My Place will be left with the bill. The financial value of the risk should be a maximum.	2	4	8	£ 750		Strategic Director has asked BDMS to supply cost information on a monthly basis and for works to go through the monthly validation process.	Alan Caddick/Olatunde Olayiwola	Community, Leadership and Engagement	£ -	(£200)
R2	Capitalisation of Staff Property Mngmt	If the HRA Capital Programme requires significant curtailment in 2023/24, then it is likely the level of project work available for staff within Asset Management and Major Works will reduce. This will leave a shortfall in capitalised recharges on staff time.	3	3	9	£ 450		Address impact of revised Capital Programme when available in the Summer.	Andy Bere / Anthony Wiggins / Garry Proctor	Community, Leadership and Engagement	£ -	£ -
R3	Public Realm Market SLA - Trade & Street Cleansing	Trade Waste must agree with other budget areas the appropriate service provision for 2023/24 that those areas which to pay for. Otherwise, it will suffer budget pressures from not being able to recharge (for example, Barking Market).	2	2	4	£ 100		Service is liaising with representatives to agree a new SLA.	Eric Writtle	Public Realm & Climate Change	£ -	£ -
R4	Optibag Savings - ELWA	Redbridge Council are seeking an end to the Optibag Savings within the Contract. This would require agreement from all four Borough's involved. For LBB, this would represent a lost income from the invoices raised to ELWA.	1	4	4	£ 588		Awaiting formal confirmation that this request is being rejected.	Rebecca Johnson	Public Realm & Climate Change	£ -	£ -
R5					0						£ -	£ -
						£ 1,888					£0	(£200)
NON-QUANTIFIABLE												
RA	Fleet Management	There is an anticipation for new Public Realm lease vehicles to be brought into areas like Street Cleansing.	2	1	2			Street Cleansing sweepers now included. Services continue to monitor.	Michael Bishop	Public Realm & Climate Change		
RB	Fleet Management	Income raised to BDMS in 2023/24 relating to Fleet Management services such as fuel, repairs and maintenance, may not be paid. This may result in a BDP adjustment impacting the PR outturn as was the case in 2022/23.	3	3	9			Monitor and for Budget Manager to keep communications with BDMS.	Michael Bishop	Public Realm & Climate Change		
RC	Bad Debt My Place	Invoices raised across Highways and Commercial Portfolio in particular, if unpaid, may likely result in an increase in the required Bad Debt Provision. This will negatively impact the My Place Outturn.	3	4	12			Monitor and for Budget Managers to keep liaising with General Income, Customers and Finance.	Ron Chaggar/Nick Davies/Andy Bere	Community, Leadership and Engagement		
RD	Costs of Reside - Reside My Place	2023/24 is the first year we are forming GF budget for Reside services provided by My Place and the Council. There is a risk that the costs will simply outway the income due. This is especially the case given the slow rate of bringing new tenants into the new developments and have no Property Management Agreements in place.	4	4	16			Significant attention and team work required between My Place, Reside and Finance.	Leona Menville	Community, Leadership and Engagement		
RE	Bad Debt - Public Realm	Invoices raised to customers of Trade and Bulky Waste recovery rates may mean a provision adjustment is required at year end. This would negatively impact the Outturn.	2	1	2			Monitor and for Budget Managers to keep liaising with General Income, Customers and Finance.	Michael Bishop	Public Realm & Climate Change		

My Place: Period 4 Opportunities

ID	Service Area	Opportunity Description	Likelihood	Impact	Overall	Value '000	RAG	Action	Owner	Portfolio	Prior Month Mov £'000
QUANTIFIABLE											
O1	Commercial Portfolio	GMB - There are some Commercial Properties managed by an intermediary (GMB) which pay LBBB on a 'cash basis'. The authority should be accruing on 'income due' basis but the service needs to work with the company to agree what that position is.	4	2	8	(£50)		Service to investigate and provide response.	Ron Chaggar	Community, Leadership and Engagement	
O2	Waste Growth - Public Realm	There is a chance that some of the Waste Growth built into the 2023/24 budget might not come to fruition in this year but be delayed until 2024/25. The figure included here is the maximum potential opportunity.	1	3	3	(£350)		Service Director monitoring	Rebecca Johnson	Public Realm & Climate Change	
O3	Parks - Public Realm	Parks is looking at ways to reduce reliance on contractors for certain workstreams.	1	1	1	(£100)		Service lead to monitor	Paul Clark	Public Realm & Climate Change	(£100)
						(£500)					(£100)
NON-QUANTIFIABLE											
OA	Energy	Should world energy prices reduce below budget expectations for 2023/24 then there is a potential for an underspend. This would benefit Facilities and Highways mostly within My Place.	2	1	2			Energy prices are fixed under laser contract, await November prices.	Andy Bere/Nick Davies	Community, Leadership and Engagement	

2023-24 Savings

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

2023-24 Savings

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

GREEN	4548
AMBER/G	1124
RED	1377
	7049