

Finance Budget Monitoring – General Fund APPENDIX A

2023/24

P5 (August 2023)



Period 5: Overspend of £11.04m a favourable movement of c£3.5m

| | This Years Budget | | Actuals/Forecast | | Reserves | Variances Inc Reserves | | |
|-----------------------------|--------------------|--------------------|-------------------|--------------------|--------------------------|------------------------|----------------------|---------------------------|
| | Outturn 2022/23 | Revised | YTD Actuals | Current Forecast | Net Movement in Reserves | Variance | Last Period Variance | Movement from Last Period |
| GENERAL FUND I&E | 210,758,420 | 199,002,253 | 79,355,312 | 215,652,183 | (5,612,534) | 11,037,395 | 14,578,549 | (3,541,154) |
| PEOPLE & RESILIENCE | 117,190,113 | 116,957,652 | 43,102,001 | 127,978,450 | 0 | 11,020,797 | 10,341,694 | 679,103 |
| CORPORATE MANAGEMENT | 52,696,852 | 44,965,743 | 10,246,878 | 47,368,216 | (161,574) | 2,240,899 | 2,688,060 | (447,161) |
| LAW AND GOVERNANCE | (5,174,523) | (4,081,919) | 791,864 | (6,275,694) | 1,248,000 | (945,775) | (553,276) | (392,499) |
| STRATEGY | 3,546,790 | 9,755,640 | 4,063,153 | 9,355,726 | (413,662) | (813,576) | (652,261) | (161,315) |
| INCLUSIVE GROWTH | 2,229,661 | 1,695,078 | 1,160,816 | 3,806,138 | (1,836,212) | 274,848 | 470,240 | (195,392) |
| COMMUNITY SOLUTIONS | 25,021,966 | 14,335,070 | 3,943,012 | 17,352,491 | (4,449,086) | (1,431,665) | 927,886 | (2,359,551) |
| MY PLACE | 15,247,563 | 15,374,989 | 16,047,588 | 16,066,856 | 0 | 691,867 | 1,356,206 | (664,339) |

Key Drivers for the movement:

The biggest movements have occurred in Community Solutions and MyPlace, with the only negative movement occurring in People and Resilience which has arisen as the result of the incorrect accounting treatment of a central government grant, not within the control of the PIR Directorate.

Community Solutions: £2.4m decrease in forecast

NB: Last period's variance does not match the P4 due to a service structural movement with the Customer Contact Services moving from Community Solutions to Strategy (as highlighted in yellow above). The table above has been updated to reflect what last month's variance would have been under the new structure. Customer contact centre forecast underspend of c£0.7m. The £2.4m positive movement comprises: additional funding from the GLA of £515k relating to improvements to council tax collection; ICB funding confirmation for 2023/24 of £188k; Play and Comm recharge confirmed £160k; correction of the cleaning forecast, which was not removed in P4 despite a budget virement of £100k; and HRA additional charge of £1.3m relating to housing advice.

My Place : £0.7m decrease forecast

The main driver of the favourable movement is the recognition of income from Reside LTD of £0.64m. Discussions are currently in progress and this could result in an increase in bad debt provision for the next period.

People and Resilience: Movement of £0.7m increase in spend.

There has been a decrease in the forecast for Adults BCF with the release of the Winter Pressures Fund, Discharge Fund (£0.386m), Adults with Disabilities Discharge Fund (£0.186m). This carries a significant amount of risk, if demand increases dramatically over this period there will now be no funding to cover that pressure unless more funding becomes available. Commissioning Public Health Grant (£0.458m) and Children's Public Health Grant (£0.389m), which have reduced the overspend. This has been offset by the correction of the Market Sustainability Improvement Fund £2.138m incorrect accounting treatment.

Strategy: (as Community Solutions above) Last month variance has been updated to incorporate the underspend within the customer contact centre of c£0.7m (mainly vacancies) which has now moved into this Directorate. This has slightly increased in this period but the movement in this area is now only £0.16m. The key driver of this movement of £861k reduction in spending is the Customer contact centre, which has moved into this area.

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 6.5% pay increase has been included in Central Expenses resulting in a £3.7m overspend (budget provision £6.3m)
- 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 £0.7m is shown as an underspend against declared service pressures leaving c£2m to be allocated
- 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. Bad debt is revisited Quarterly and will be updated in P6
- It is assumed that the Be First company dividends total of £10m will not be received from the company and will be met partly from a draw down from reserves using the Muller Profit in part.
- Parking Income has been forecast to include the current trend. Currently forecasting additional income of £1.2m of which £0.2m relates to on-street and will be transferred to the ring-fenced reserve and c£1m relates to off-street parking and TMO income and is therefore able to be included in the outturn position. There are schemes to come online in year that may increase the achieved income. We have been prudent in the income forecast.
- 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.
- There was a deficit of £4.567m on the 22/23 Collection Fund that will be brought into this year's General Fund (in accordance with regulations.) This will be covered by a drawdown from the budget smoothing reserve.

Key risks

- The Ethical Collection Service is forecasting income of £600k. The service is working towards a higher income collection. However, it is currently unable to cover its costs. Finance believe the income will range between £400k - £600k and this may increase the outturn variance.
- Temporary Accommodation rental properties available - We are currently at capacity within our own hostels and have received several hand backs requests for PSL's which may lead to an overspill into B&B's and Hotels. Modelling is being carried out against various assumptions which will enable a more robust forecast. This is a national issue. This will also impact support for Social Care clients with the immigration status of No Recourse to Public Funds (NRPF)
- Social Care budgets are highly dependent on demand for services which cannot be controlled at the point of need. As costs of care are very high even small changes in numbers of people needing support can cause large swings in the overall forecast. The Adult's service was holding some health funding in reserve to offset against potential winter pressures, but this has now been released, which carries significant risk.
- My Place is the managing agent for Reside properties. It therefore attracts expenditure which in turn must be passed to the relevant reside company. The risk if there is insufficient breakdown of the expenditure then My Place will not be able to secure invoices from the relevant company and will be left with an overspend.
- Commercial Services – Leisure Income: SLM has given notice that they will be terminating the Leisure contract from September 2024. It is assumed that SLM will continue to pay the concession fee up to the termination date. The assumed income is £665k in 2023/24.
- 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.
- HB subsidy and overpayments recovery, the forecasts are based on the current returns and are subject to change throughout the year. There are new players in the market that are claiming the Supported Exempt Status, this means they are exempt from Universal Credit and can claim HB. DWP will only pay the amount in rent to the LA that is advised by the rent officer. Where there are new entrants to the market there is no comparator for rent and therefore there are risks that the LA will be picking up the cost of the gap between the rent officer rate and the provider rate.

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.

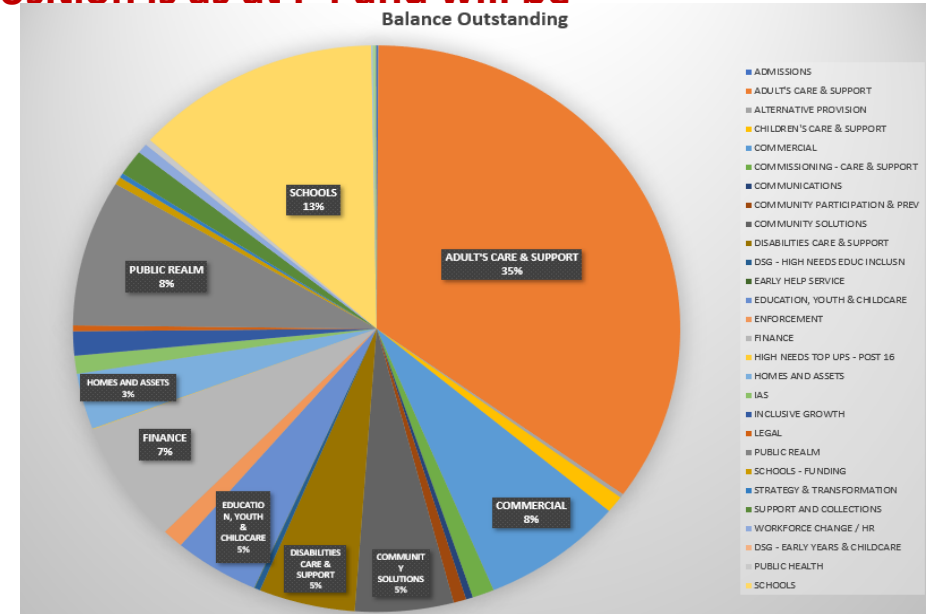
It is crucial that savings proposals are met, or alternatives found although there is currently no permanent alternatives proposed

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 – This is Updated Quarterly. The current position is as at P4 and will be

| 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 LBBB 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.

Finance Budget Monitoring – Housing Revenue Account (HRA),
Dedicated Schools Grant (DSG) and Investment and Acquisition
Strategy (IAS)

P4

2023/24

P5 (August 2023)



HRA: Period 5

Executive Summary

The HRA is reporting a **£6.899m** overspend projection at Period 5. The voluntary budget allocation to support the Capital Programme of £6.680m has **already** been released in part mitigation. 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 £26.472m. **The contract was agreed after the budget was set.** After taking account of changes, the net pressure caused is £10.089m.

(£582,000) positive movement in Period 5 HRA Forecast. **(£1.1m)** improvement on rental income due to materially lower RTB sales and slippage in planned Estate Renewal timelines. Offset partly by £594,000 increase with Leasehold Premium Building Insurance after a 3 year procurement contract was agreed.

| P4 | | 2023/24 FORECAST OUTTURN | | | |
|-----------------|--|--------------------------|-------------------|-----------------|-----------------|
| VARIANCE | REPORT LEVEL | BUDGET | FORECAST | VARIANCE | CHANGE |
| | | £'000 | £'000 | £'000 | £'000 |
| £2,676 | SUPERVISION & MANAGEMENT | 48,394 | 50,997 | £2,603 | (£73) |
| £6,824 | REPAIRS & MAINTENANCE | 24,473 | 31,232 | £6,759 | (£65) |
| £674 | RENTS, RATES ETC | 1,587 | 2,855 | £1,268 | £594 |
| £0 | INTEREST PAYABLE | 11,300 | 11,300 | £0 | £0 |
| £0 | DISREPAIR PROVISION | 0 | 0 | £0 | £0 |
| £0 | BAD DEBT PROVISION (BDP) | 3,309 | 3,309 | £0 | £0 |
| (£249) | CDC RECHARGE | 1,102 | 844 | (£257) | (£9) |
| £9,926 | TOTAL EXPENDITURE | 90,164 | 100,536 | £10,372 | £446 |
| £1,045 | DWELLING RENTS | (£90,432) | (90,491) | (£59) | (£1,104) |
| £0 | NON-DWELLING RENTS | (£765) | (754) | £11 | £11 |
| £1,642 | CHARGES FOR SERVICES & FACILITIES | (£26,158) | (24,466) | £1,691 | £49 |
| £0 | INTEREST & INVESTMENT INCOME | (£400) | (400) | £0 | £0 |
| £2,687 | TOTAL INCOME | (£117,755) | (£116,111) | £1,644 | (£1,044) |
| £12,613 | NET TOTAL BEFORE CAPITAL | (£27,591) | (£15,575) | £12,016 | (£597) |
| £1,555 | DEPRECIATION | 19,210 | 20,765 | £1,555 | £0 |
| (£6,680) | TRANSFER TO MAJOR REPAIR RESERVE (MRR) | 6,680 | 0 | (£6,680) | £0 |
| (£5,126) | CAPITAL PROGRAMME FUNDING | £25,891 | £20,765 | (£5,126) | £0 |
| £7,487 | NET TOTAL AFTER CAPITAL | (£1,700) | £5,190 | £6,890 | (£597) |
| (£7) | TRANSFER TO HRA LEASEHOLDER RESERVE | £1,700 | 1,708 | £8 | £16 |
| £7,480 | TRANSFER FROM/(TO) HRA RESERVE | (£0) | £6,899 | £6,899 | (£582) |

Forecast Position: £6.899m Overspend

Key Drivers of the Position (Summary):

- Supervision & Management: £2.603m overspend**
BDMS Contract £3.565m relating to Management of We Fix and Agency offset by **(£962,000)** mostly relating to the removal of reside related costs from the HRA position in 2023/24.

Repairs and Maintenance: £6.759m overspend

We Fix activity is the driving cause, **BDMS Contract £7.238m** relating to service costs (materials, subcontractors, contact centre etc) and Fleet costs **£500,000** are slightly offset by **Direct Labour Organisation (DLO) (£720,000)** underspend.

(£259,000) is predominantly related to Compliance activity which is still at £4.7m forecast outturn. The cancelling of current night wake contract is reason for positive movement this month.

- Other Expenditure Lines: £1.010m overspend**
Rents, Rates: £1.268m 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 (£257,000)**.
- Income: £1.644m under recovery**
Services & Facilities £1.691m 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 has been reduced to 18.5m this year 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 **(£18.4m)**.

HRA: Period 5 Quantifiable Risks & Opportunities

Forecast Position: **£6.899m 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 **£1.9m plus a long list of unquantified risks (next slide).**

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 | Portfolio | Prior Month Mov £'000 |
|---------------------|--|---|------------|--------|---------|----------------|-----|--|--------------------------------------|-----------------------|
| 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. | Community, Leadership and Engagement | £0 |
| 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 | 3 | 9 | £ 350 | | Forecast within the outturn. We have put a plan in place to empty key blocks which would then reduce the need for security | Community, Leadership and Engagement | £250 |
| R3 | 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. | 4 | 4 | 16 | £ 1,440 | | My Place, BDMS and Finance need to visit this area and agree an approach for 2023/24. | Community, Leadership and Engagement | £440 |
| R4 | | Night Wake contract has ceased. Alarm system online imminently. | | | 0 | | | | | (£300) |
| | | | | | | £ 1,890 | | | | £390 |

| ID | Service Area | Opportunity Description | Likelihood | Impact | Overall | Value '000 | RAG | Action | Portfolio | Prior Month Mov £'000 |
|---------------------|--------------|--|------------|--------|---------|-----------------|-----|--|--------------------------------------|-----------------------|
| QUANTIFIABLE | | | | | | | | | | |
| O1 | BDP | The Bad Debt Provision Budget is set at £3.309m and has historically not been fully required at year end. The opportunity value allows for some growth in the overall BDP but should be seen as an maximum figure. | 3 | 4 | 12 | (£1,500) | | Monitor - Qtr 1 requirement £643k, extrapolation full year £2.5m budget requirement. | Community, Leadership and Engagement | £0 |
| O2 | DLO Overtime | Due to the BDMS Contract, it maybe viable to recharge or offset the costs of DLO Overtime as this is potentially covered under the contract arrangement for 2023/24. | 2 | 2 | 4 | (£250) | | Monitor | Community, Leadership and Engagement | £0 |
| | | | | | | (£1,750) | | | | £0 |

HRA: Period 5 Non-Quantifiable Risks

| ID | Service Area | Risk Description | Likelihood | Impact | Overall | Value '000 | RAG | Mitigating Action | Portfolio |
|-------------------------|------------------------------------|--|------------|--------|---------|------------|-----|--|--------------------------------------|
| 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). | 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. | 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. | 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 | 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. | 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. | 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. | 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. | 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. | 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. | 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. | 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 |

General Fund Treasury Strategy as at 31 August 2023 (P5)

| Type of Income / Expense | P4 Holdings | Rate | P4 Forecast | P4 Budget | P4 Variance | P5 Holdings | Rate | P5 Forecast | P5 Budget | P5 Variance | Comments |
|---------------------------------|----------------|--------------|---------------|---------------|---------------|----------------|--------------|---------------|---------------|---------------|--|
| General Fund Borrowing | | | | | | | | | | | |
| GF - Market | 16,733 | 3.76% | 631 | | | 16,733 | 3.76% | 631 | | | Borrowing for Street lights and original LOBO |
| GF – ST Borrowing | 52,017 | 3.85% | 1,868 | | | 81,887 | 4.35% | 2,000 | | | ST borrowing allocated to variable loans but there is some pressure |
| Total GF Borrowing | 68,749 | 3.64% | 2,500 | 9,501 | -7,001 | 98,620 | 2.67% | 2,631 | 10,139 | -7,507 | Budget adjusted for the £4.542m capitalised interest and TA interest virement of £638k |
| | | | | | | | | | | | |
| General Fund Investments | | | | | | | | | | | |
| Company WC Loan | -10,382 | 9.78% | -968 | | | -10,046 | 9.78% | -984 | | | Working Capital loan interest (Be First and BDTP)- revised dates |
| Energy Company Loan | -7,259 | 5.98% | -431 | | | -7,259 | 5.98% | -436 | | | Loans to the Energy Company |
| LEUK Loan | -26,476 | 8.06% | -2,140 | | | -26,476 | 8.06% | -2,140 | | | Loan to BDTP for LEUK. Purchased for £22m, valued at £30m, BDTP sold £8m of land but used to fund operational cost. Company valued at £21.7m now and cannot pay interest |
| Other Loans | -6,659 | 7.32% | -477 | | | -6,650 | 7.32% | -487 | | | Small loans, generally fixed rate |
| Total GF Investments | -50,776 | 7.91% | -4,016 | -6,503 | 2,487 | -50,431 | 8.02% | -4,046 | -6,503 | 2,457 | |
| | | | | | | | | | | | |
| LEUK Loan Writeoff | | | 2,140 | | 2,140 | | | 2,140 | | 2,140 | Likely write-off of interest from LEUK |
| Interest Pressure Provision | | | 1,000 | | 1,000 | | | 1,000 | | 1,000 | |
| Be First and BDTP Interest | | | 968 | 0 | 968 | | | 984 | 0 | 968 | Possible loss of interest from loan to Be First and BDTP |
| Net General Fund | 17,973 | | 2,591 | 2,998 | -407 | 48,189 | | 2,709 | 3,636 | -943 | Small Surplus against net budget cost of £3m |

Key issues:

- Investment strategy income and expenditure removed but budget remains. Forecast is for a small surplus of £1.9m after a number of provisions.
- Forecast under pressure from interest rate increases on short-term borrowing but this may decrease between now and year end – provision included but may not be needed.
- Interest payable budget adjusted for £4.5m virement for capitalised interest and £638k Temporary Accommodation virement.
- ST borrowing allocated to variable rate loans to reduce risk but variable rate loans include working capital loans and LEUK loans are under pressure.
- ST borrowing also used to replace internal borrowing, with remaining ST borrowing used to fund IAS commercial.
- Provision for LEUK, Be First and BDTP interest as will struggle to pay and capitalising interest not preferred option due to operational difficulties at each.
- ST borrowing costs have increased significantly with rates over 5% and average rate at 4.35%.
- Borrowing relates to the non-IAS capital spend, which includes Temporary Accommodation, and is profiled to the asset life.
- There is the potential that the energy company capital loan and LEUK loan will transfer across to the IAS if formally agreed.



Investment and Acquisition Strategy Funding as at 31 August 2023 (P5)

| Type of Income / Expense | P4 Holdings | Rate | P4 Forecast | P4 Budget | P4 Variance | P5 Holdings | Rate | P5 Forecast | P5 Budget | P5 Variance | Comments |
|--------------------------------|-----------------|--------------|---------------|-----------|---------------|-----------------|--------------|---------------|-----------|---------------|---|
| IAS Borrowing | | | | | | | | | | | |
| IAS - Market | 71,563 | 2.21% | 1,584 | | 1,584 | 71,563 | 2.21% | 1,584 | | 1,584 | Initial EIB loan to fund initial developments - on-lending rate is 3% = 0.8% margin |
| IAS - PWLB | 608,914 | 1.91% | 11,669 | | 11,669 | 606,383 | 1.91% | 11,644 | | 11,669 | Forecast based on completions, new schemes, rate at 2.6% = 0.8% margin |
| IAS - ST Borrowing | 143,483 | 3.85% | 5,154 | | 5,154 | 142,113 | 4.35% | 3,471 | | 3,471 | Includes £50m additional borrowing |
| IAS - Interest Recharge | | | -5,143 | | -5,143 | | | -5,143 | | -5,143 | Based on commercial portfolio (no new schemes) - average rate is 3.62% = loss of 0.18% |
| Capitalised Interest | | | -10,231 | | -10,231 | | | -10,231 | | -10,231 | Based on AUC - currently WACC is 2.4%, budgeted 2.5% - when complete moves to 2.6% Reside loan |
| Interest Pressure Provision | | | 1,000 | | 1,000 | | | 1,000 | | 1,000 | |
| Muller Equity | 26,111 | | 0 | | | 26,111 | | 0 | | | Currently ST borrowing but also same as return from MMF so net nil |
| Total IAS Borrowing | 850,072 | 2.13% | 4,032 | 0 | 4,032 | 846,171 | 2.13% | 2,324 | 0 | 2,350 | Small(ish) overspend from commercial and delays in handing over properties |
| Reside Loans | -190,418 | 2.61% | -5,568 | 0 | -5,568 | -190,418 | 2.61% | -5,568 | 0 | -5,568 | Interest from Reside - average 2.61% compared to average borrowing of 1.87%- 0.74% margin |
| Treasury Investments | -46,450 | 4.00% | -1,279 | | -1,279 | -46,450 | 4.00% | -1,279 | | -1,279 | Returns on cash held. In my opinion this can be part of IAS as used to cover ST borrowing costs |
| Reside Leases | -105,659 | | | | 0 | -105,659 | | | | 0 | Leases for Private Rents and Shared Ownership - forecast is currently nil due to delays in lettings and sales |
| Total IAS Returns | -342,527 | 2.00% | -6,848 | 0 | -6,848 | -342,527 | 2.00% | -6,848 | 0 | -6,848 | Surplus return |
| Net IAS Treasury Return | 507,545 | | -2,815 | 0 | -2,815 | 503,644 | | -4,523 | 0 | -4,523 | IAS return on Treasury part of developments |

Key issues:

- Investment strategy income and expenditure separated from General Fund and HRA and now has no budget allocated as needs to cover costs with no Council funding.
- Interest payable shows is netted off against capitalised interest and interest from internal lending for commercial schemes.
- Lease income is currently forecast as a net nil position due to significant delays in letting PRS properties and slow sales for shared ownership schemes. As more certainty over the lettings and sales is confirmed then it may produce a net income for 2023/24.
- ST borrowing allocated to commercial schemes but this has put pressure on the net return from commercial that gets allocated to Be First and a provision has been included.
- A significant number of schemes became operational in 2022/23 and the on-lending interest rate of 2.65% is higher than the average capitalised interest rate of 2.40% (which was 2% in 2022/23). This has provided an additional return to the strategy, although this has been reduced by the poor lettings of private rental schemes.
- The net surplus from treasury management for the IAS is £4.5m, which will be used to support underperformance in the surplus returns for the IAS, which is covered in the next slide.
- Total IAS borrowing is £846m at an average cost of 2.13%. Residential average on-lending rate is 2.65% and commercial is 3.62%, with a blended rate of 3.21%



Investment and Acquisition Strategy Returns as at 31 August 2023 (P5)

| Type of Income / Expense | P4 Holdings | Rate | P4 Forecast | P4 Budget | P4 Variance | P5 Holdings | Rate | P5 Forecast | P5 Budget | P5 Variance | Comments |
|---------------------------------------|-------------|------|---------------|---------------|--------------|-------------|------|---------------|---------------|--------------|--|
| IAS Return | | | | | | | | | | | |
| IAS Commercial Income | | | -7,828 | -1,252 | -6,576 | | | -7,828 | -1,252 | -6,576 | Gross Rent from Commercial holdings |
| Borrowing Costs - Commercial | | | 4,443 | 0 | 4,443 | | | 4,443 | 0 | 4,443 | Borrowing costs for ST borrowing on commercial portfolio |
| Costs | | | 1,838 | 0 | 1,838 | | | 1,838 | 0 | 1,838 | Mainly Industria - reduces return to Be First |
| Abbey Road MRP | | | -600 | -600 | 0 | | | -600 | -600 | 0 | This was initially a saving (was not paying MRP on a development) - this is now part of the IAS return |
| IAS Residential Income | | | -1,706 | -2,810 | 1,104 | | | -1,706 | -2,810 | 1,104 | Forecast net surplus from Reside |
| MRP | | | 1,024 | -1,024 | 2,048 | | | 1,024 | -1,024 | 2,048 | Charged as assets have no firm plan for redevelopment |
| CR27 Lease and Leasback | | | -862 | -862 | 0 | | | -862 | -862 | 0 | Travelodge and CR27 Hotel deals - lease surplus |
| Leases and Reserves | | | -314 | -314 | 0 | | | -314 | -314 | 0 | Travelodge and CR27 Hotel deals - lease surplus |
| CR27 Hotel Inflation | | | 413 | | 413 | | | 413 | | 413 | |
| Travelodge Hotel Inflation | | | 390 | | 390 | | | 390 | | 390 | |
| Net IAS Position | | | -3,201 | -6,861 | 3,660 | | | -3,201 | -6,861 | 3,660 | |
| GF Net IAS & Interest Cost | | | -6,017 | -6,861 | 845 | | | -7,725 | -6,861 | -863 | IAS and Treasury Forecast is £567k surplus, with an additional £803k transferred to reserves for hotel inflation |

Key issues:

- Overall there is a shortfall of £3.7m from the IAS, with a return of £3.2m forecast against a target of £6.9m. With the IAS treasury return the net surplus of £863k
- The strategy includes the two-hotel lease and lease back deals (CR27 and Travelodge). Both hotels have reserves that include an inflation link, with inflation currently at high levels. The reserves are inflated by CPIH and this has had an unintended pressure on the IAS as it is used to fund the inflation. The result of this is that the hotel reserves are forecast to be £12.9m.
- Returns from Reside are currently rough estimates as the pressures from operational costs make forecasting difficult. Further work is required with Reside to firm up the net contribution.
- Commercial income is currently forecasting no return as the net return is a loss, which will be picked up Be First as part of their return.
- Debt repayment (MRP) is allocated to the commercial portfolio and is a cost of £1.02m but this will reduce the cost of the commercial assets.
- A total of £1.8m will be transferred to reserves based on current forecasts but pressures within the IAS commercial may require this due to increased costs with a number of new completed commercial developments.



Investment and Acquisition Reserves forecast 2023/24 – P5

| | Reserves | 2022/23 | 2023/24 |
|---------------------------|----------------------------|---------------|---------------|
| BR0014 | CAPITAL INVESTMENT RESERVE | 3,779 | 3,779 |
| BR0029 | INVESTMENT RESERVE | 15,067 | 15,930 |
| BR0029 | CR27 Hotel Inflation | 720 | 1,133 |
| BR0029 | Travelodge Hotel Interest | 381 | 771 |
| F00000.351100.0000.BR0033 | CR27 Reserve | 5,500 | 5,500 |
| F00000.351100.0000.BR0044 | Travelodge Reserve | 5,500 | 5,500 |
| | Total Reserves | 30,947 | 32,614 |

Key issues:

- The value of the reserves is forecast to increase from £30.95m to £32.61m.
- The IAS reserve is used to protect the IAS from significant market fluctuations, including interest rates and losses.
- Each individual scheme within the IAS has a number of assumptions that include some contingency and it is only as a last resort that this reserve will be required.
- However, there are pressure from losses incurred at handover, with significant delays from Private Rental lets.
- Pressures on the strategy is also from interest rate increases, with short-term borrowing increasing from near zero in 2021 to 5.5% currently. This has reduced the surplus return from commercial.
- Interest rate increases and build costs have put pressure on the pipeline of schemes, with many schemes now unviable based on the current assumptions used to calculate the viability of schemes.



Appendices:

**Directorate Detail
Budget Monitoring**

2023/24

**Barking &
Dagenham**

one borough; one community; no one left behind

People and Resilience: Period 5

| People and Resilience | | | | | | | | | |
|--|--------------------|--------------------|-------------------|--------------------|--------------|----------------|------------------------|----------------------|----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement |
| Adult's Disabilities | 20,056,478 | 19,878,126 | 10,234,680 | 22,731,690 | 0 | 0 | 2,853,564 | 2,478,808 | 374,756 |
| Adult's Care and Support | 22,025,777 | 23,535,403 | 3,817,173 | 25,672,412 | 0 | 0 | 2,137,009 | 399,009 | 1,738,000 |
| Commissioning Care and Support | 9,849,999 | 14,602,173 | 6,303,662 | 13,934,551 | 0 | 0 | (667,622) | (220,117) | (447,505) |
| Public Health | (339,189) | (318,250) | (8,743,346) | (318,249) | 0 | 0 | 1 | 1 | 0 |
| Children's Care and Support | 45,863,019 | 41,486,049 | 20,106,026 | 45,958,299 | 0 | 0 | 4,472,249 | 4,773,740 | (301,490) |
| Education, Youth and Childcare | 4,102,925 | 3,754,781 | 6,104,831 | 3,754,781 | 0 | 0 | (0) | (0) | (0) |
| Early Help Service | 2,876,729 | 3,391,965 | (254,585) | 2,959,589 | 0 | 0 | (432,376) | (300,061) | (132,315) |
| Children's and Young People Disabilities | 13,913,317 | 10,627,405 | 5,251,514 | 13,285,377 | 0 | 0 | 2,657,972 | 3,210,314 | (552,343) |
| Grand Total | 118,349,054 | 116,957,652 | 42,819,954 | 127,978,449 | 0 | 0 | 11,020,797 | 10,341,694 | 679,103 |

Overall Summary

Overall, there is an overspend of £11.021m across the whole of People and Resilience. This is an adverse movement of £0.679mm since last month

This is largely due to Market Sustainability Improvement Fund £2.138m being moved from the service to a grant that is recognised centrally. However, this has partially been mitigated by the utilisation of grant funding.

- Adults BCF, Winter & Demand Fund, Discharge Fund (£0.386m), Adults with Disabilities Discharge Fund (£0.186m) had been held in opportunities to offset emerging pressures over the winter period but these have been released into the forecast. This does create a risk. Commissioning Public Health Grant (£0.458m) was outlined in Star Chamber and Children's Public Health Grant (£0.389m) has been the result of additional review of staff that can be funded from Public Health Grant in the Start for Life program. These conversations were started post Star Chamber as reviews continued to take place to look to minimise the pressure on the General Fund and maximise the use of Public Health Grant.
- Whilst these provide a headline for the movements, it should be noted that there are several variables in each service and the following slides provide the reasons behind the variances and movements in more detail.

Key assumption

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

People and Resilience: Period 5 – Adults with Disabilities

| Adult's Disabilities | | | | | | | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|--------------|----------------|------------------------|----------------------|----------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (3,445,678) | (3,337,300) | (1,112,259) | (4,382,324) | 0 | 0 | (1,045,024) | (1,188,434) | 143,410 | 1 |
| Staffing | 1,913,592 | 2,998,618 | 862,668 | 2,408,028 | 0 | 0 | (590,590) | (542,979) | (47,611) | 2 |
| Agency | 468,468 | 0 | 153,078 | 399,437 | 0 | 0 | 399,437 | 621,128 | (221,691) | |
| Premises | 73,874 | 31,600 | 7,907 | 120,117 | 0 | 0 | 88,517 | 88,517 | 0 | |
| Transport | 5,781 | 22,600 | 8,111 | 7,301 | 0 | 0 | (15,299) | (15,299) | 0 | |
| Supplies & Services | 116,672 | 328,800 | 13,077 | 208,148 | 0 | 0 | (120,652) | (166,462) | 45,810 | |
| Third Party Payments | 20,923,769 | 19,833,808 | 10,302,099 | 23,970,983 | 0 | 0 | 4,137,175 | 3,682,337 | 454,838 | 3 |
| Grand Total | 20,056,478 | 19,878,126 | 10,234,680 | 22,731,690 | 0 | 0 | 2,853,564 | 2,478,808 | 374,756 | |

1. Income - Variance (£1.0m), Movement £0.1m

The underspend is largely due to the receipt of and £1.1m additional Market Sustainability and Improvement fund from central government to support the workforce and inflationary pressures incurred by providers. We were not previously notified of this additional funding until July. As it was not previously been included in Corporate Funding this has been passported to the service.

The adverse movement of £0.1m is because of a client previously being assessed as responsible for the cost of their care. This decision has now been reversed, by the Financial Assessment Team.

2. Staffing and Agency- Variance (£0.2m), Movement (£0.3m)

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 £4.1m, Movement £0.5m

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

- This figure incorporates an uplift of £2.9m (16.17%) which was applied to all disability placements in 23-24. 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.

Movements

- In Home Care the forecast increased by £0.300m, which is due to a back payment of £0.200m. However, this sum is being invested, with a further update on any movement to be reported in Period 6.
- A further £0.200m is as a result of minor increases across the services areas (£0.08m Residential & Nursing, £0.06m Day Care, £0.09m Direct Payments)

People and Resilience: Period 5 – Adults Care & Support

| Adult's Care and Support | | | | | | | | | | |
|--------------------------|-------------------|-------------------|------------------|-------------------|--------------|----------------|------------------------|----------------------|------------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (45,031,421) | (41,589,500) | (19,740,705) | (44,218,666) | 0 | 0 | (2,629,166) | (4,224,051) | 1,594,885 | 1 |
| Staffing | 8,665,541 | 10,467,442 | 3,467,838 | 8,592,433 | 0 | 0 | (1,875,009) | (1,708,646) | (166,363) | 2 |
| Agency | 696,896 | 0 | 443,415 | 1,581,118 | 0 | 0 | 1,581,118 | 1,774,738 | (193,620) | |
| Premises | 225,553 | 110,580 | 64,678 | 189,967 | 0 | 0 | 79,387 | 79,387 | 0 | |
| Transport | 48,628 | 36,100 | 21,445 | 46,404 | 0 | 0 | 10,304 | 10,304 | 0 | |
| Supplies & Services | 2,982,059 | 645,420 | (276,897) | 190,511 | 0 | 0 | (454,909) | (454,909) | 0 | 3 |
| Third Party Payments | 54,438,521 | 53,865,361 | 19,837,397 | 59,290,645 | 0 | 0 | 5,425,284 | 4,922,186 | 503,098 | 4 |
| Grand Total | 22,025,777 | 23,535,403 | 3,817,173 | 25,672,412 | 0 | 0 | 2,137,009 | 399,009 | 1,738,000 | |

1. Income - Variance (£2.6m), Movement £1.6m

The variance is due to receipt of additional Discharge Funding of £1.851m, £2.402m Market Sustainability Improvement and £0.414m Kallar Lodge uplift in income.

The movement is due to the recognition of £2.038m Market Sustainability Fund centrally as opposed to with the service. This is partially mitigated by £0.265m BCF uplift, £0.076m Discharge Fund and £0.042m Demand & Winter Capacity and a slight uplift in client contributions.

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

The improvement is due to Mental Health AMHP incentive pay being fully funded (£0.125m), Gascoigne (£0.127m) staffing forecast being overstated in previous months and an underspend of £0.145m against the team that were funded to support the council readiness for CQC inspection.

3. Supplies and Service – Variance (£0.5m), Movement (£0m)

This variance is due to the allocation of £0.456m better Care Fund.

4. Third Party Payments- Variance £5.4m, Movement £0.5m Variance

This is largely attributable to the 16.17% uplift across all care types, which has caused an increased cost of £5.6m and the ongoing pressure of £2.9m in Mental Health, which overall has been part mitigated by the growth allocation of £3m.

Movement

Residential & Nursing has increased by £0.566m due to 13 new clients, 2 further prices due to changing client needs and 4 clients leaving care.

People and Resilience: Period 5 – Commissioning Care & Support

| Commissioning Care and Support | | | | | | | | | | |
|--------------------------------|------------------|-------------------|------------------|-------------------|--------------|----------------|------------------------|----------------------|------------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Period Movement | £250k deminimus |
| Income | (13,578,742) | (11,428,670) | (1,640,407) | (12,817,725) | 0 | 0 | (1,389,055) | 166,514 | (1,555,569) | 1 |
| Staffing | 6,206,405 | 7,710,742 | 2,557,822 | 6,595,229 | 0 | 0 | (1,115,513) | (652,181) | (463,333) | 2 |
| Agency | 1,787,606 | 0 | 1,033,839 | 2,304,887 | 0 | 0 | 2,304,887 | 1,563,892 | 740,995 | |
| Premises | 2,678 | 0 | 4,681 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transport | 10,447 | 11,600 | 3,808 | 4,945 | 0 | 0 | (6,655) | 0 | (6,655) | |
| Supplies & Services | 198,750 | 1,864,367 | (157,186) | 1,531,909 | 0 | 0 | (332,458) | (490,797) | 158,339 | 3 |
| Third Party Payments | 15,222,854 | 16,444,134 | 4,501,104 | 16,315,306 | 0 | 0 | (128,828) | (807,545) | 678,717 | 4 |
| Grand Total | 9,849,999 | 14,602,173 | 6,303,662 | 13,934,551 | 0 | 0 | (667,622) | (220,117) | (447,505) | |

1. Income – Variance (£1.3m), Movement (£1.5m)

•This is following the full recognition of the Start For Life Grant of (£1.5m). The grossing up exercise has been undertaken in conjunction with "third party payments."

2. Staffing and Agency – Variance £1.2m, Movement £0.3m

•This is due to service agency staff costs mainly for Early Help and Start for Life projects. The service has 23fte vacancies, filled by 14fte agency staff, due to delays in recruiting to vacant posts.
 •The movement is due to reforecasting agency staff end dates to reflect a revised expected end dates due to the importance of the roles they are currently undertaking in completing key projects.

3. Supplies and Services – Variance (£0.3m), Movement £0.2m

•This variance is due largely to underspend meant to fund agency staff costs. This will be re-aligned into the staffing budget for Period 6.

4. Third Party Payments – Variance (£0.1m), Movement £0.7m

•The movement is largely due to the recognition £1.5 m of Start for Life Grant expenditure which wasn't done so in previous months. This has been part offset by (£0.3m) saving in the recently tendered Extra Care Contract and Public Health Grant reserve usage of (£0.5m) which is now recognised this month.

People and Resilience: Period 5 – Public Health Grant

| Public Health | | | | | | | | | | |
|----------------------|------------------|------------------|--------------------|------------------|--------------|----------------|------------------------|----------------------|----------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (19,381,114) | (17,787,080) | (9,183,066) | (18,367,243) | 0 | 0 | (580,163) | (580,163) | 0 | |
| Staffing | 737,863 | 1,209,740 | 361,524 | 1,229,959 | 0 | 0 | 20,219 | 20,219 | 0 | |
| Agency | 425,327 | 0 | 197,433 | 337,760 | 0 | 0 | 337,760 | 337,760 | 0 | |
| Premises | 73 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transport | 216 | 0 | 407 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 603,868 | 13,201,340 | 83,595 | 6,054,102 | 0 | 0 | (7,147,238) | (7,147,238) | 0 | |
| Third Party Payments | 4,001,161 | 2,994,750 | (283,238) | 2,756,750 | 0 | 0 | (238,000) | (238,000) | 0 | |
| Recharges | 13,273,418 | 63,000 | 80,000 | 7,670,423 | 0 | 0 | 7,607,423 | 7,607,423 | 0 | |
| Grand Total | (339,189) | (318,250) | (8,743,346) | (318,249) | 0 | 0 | 1 | 1 | 0 | 1 |

- Public Health (PH) is grant funded by Office for Health Improvement and Disparities (OHID), forecast includes reserve movement resulting in a net nil overall variance.
- Even though PH is reporting a breakeven, the Senior Procurement and Contracts Manager has identified a potential underspend of £0.550m and is looking at re-prioritising budgets towards services permitted within the terms of the grant.
- It should be noted that the service has £3.94m in reserves, which has been raised as a concern by OHID. A 3-year business plan has been developed and the expenditure against allocations is being closely monitored.
- The service will continue to review allocations for levels of spend, with the objective of re-prioritising where underspends are identified.

People and Resilience: Period 5 – Childrens Care & Support

| Children's Care and Support | | | | | | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------|----------------|------------------------|----------------------|------------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (6,625,992) | (5,258,300) | (489,734) | (6,004,872) | 0 | 0 | (746,572) | (325,450) | (421,122) | 1 |
| Staffing | 16,535,939 | 19,995,516 | 6,778,291 | 15,952,984 | 0 | 0 | (4,042,533) | (4,144,117) | 101,585 | 2 |
| Agency | 4,199,453 | 522,000 | 1,811,841 | 4,231,326 | 0 | 0 | 3,709,326 | 3,141,247 | 568,079 | |
| Premises | 223,932 | 239,700 | 6,421 | 181,100 | 0 | 0 | (58,600) | (58,600) | 0 | |
| Transport | 274,443 | 286,900 | 110,512 | 210,300 | 0 | 0 | (76,600) | (77,538) | 938 | |
| Supplies & Services | 2,605,859 | 1,771,530 | 746,789 | 2,438,161 | 0 | 0 | 666,631 | 797,131 | (130,500) | 3 |
| Third Party Payments | 28,649,385 | 23,928,703 | 11,141,906 | 28,949,300 | 0 | 0 | 5,020,597 | 5,441,067 | (420,470) | 4 |
| Grand Total | 45,863,019 | 41,486,049 | 20,106,026 | 45,958,299 | 0 | 0 | 4,472,249 | 4,773,740 | (301,490) | |

1. Income – Variance (£0.7m), Movement (£0.4m)

This variance is due to additional income from Trading Standards, Youth Justice Board, Public Health, and HM Prisons and Probation

The movement is due to Public Health agreeing to provide funding for services/roles within Children's Care and Support. There is potential for further funding being agreed and conversations are ongoing at present.

2. Staffing and Agency – Variance (£0.3m), Movement £0.7m

This variance is due to the service carrying 68fte vacancies, currently covered by 57.6fte agency staff, along with an underspend on recruitment budget which had been used for overseas recruitment last year.

The movement is due to an increase in the number of agency staff overall, with some of them having been not fully recognised in prior months forecasting.

Currently Public Health have agreed to provide funding of circa £0.4m to cover staffing costs for PAUSE and other roles within the service.

3. Supplies and Services – Variance £0.7m, Movement (£0.1m)

This variance is being driven by legal costs for cases being presented at court.

The movement reflects the reduced recharge for legal advocacy work over and above the standard corporate legal recharge.

• Third Party Payments – Variance £5.0m, Movement (£0.4m)

| | Variance | Movement |
|--------------|------------------|------------------|
| LAC | 4,392,221 | (550,572) |
| Non LAC | 186,581 | 53,236 |
| Other | 441,795 | 76,866 |
| Total | 5,020,597 | (420,470) |

- Looked After Children – Variance is driven by number of residential placements, currently 46 active clients, with 2 placements in excess of £10k per week.
- The movement of (£0.4m) was due to a drop in the number of clients (14) being reported in Internal Fostering, and a reduction in costs within Semi-independent, with one high-cost placement reducing in cost by £3k per week.
- However, we have noted that the movement in Internal Fostering is larger than normal levels. The service is currently in the process of verifying that this is accurate.
- Non-Looked After Children – Movement is due to a small increase in the Adoption forecast.
- Other – Variance is due to high-cost placements within the safeguarding service.

Special Note: A proposal is in draft to increase Foster Care Allowances by 10% and back date it to April 1st 2023. This is going to cost £0.4m. This proposal is unfunded and will create an increased overspend in the service.

People and Resilience: Period 5 – Early Help

| Early Help Service | | | | | | | | | | |
|----------------------|------------------|------------------|------------------|------------------|--------------|----------------|------------------------|----------------------|------------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (1,909,529) | (1,462,330) | (1,793,333) | (1,462,333) | 0 | 0 | (3) | (125,003) | 125,000 | |
| Staffing | 2,741,402 | 4,739,270 | 1,460,615 | 4,279,580 | 0 | 0 | (459,690) | 49,912 | (509,602) | 1 |
| Agency | 1,056,302 | 0 | 65,050 | 27,317 | 0 | 0 | 27,317 | 28,331 | (1,014) | |
| Premises | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transport | 6,848 | 0 | 3,161 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 965,301 | 0 | 9,922 | 0 | 0 | 0 | 0 | (253,301) | 253,301 | 2 |
| Third Party Payments | 16,405 | 115,025 | 0 | 115,025 | 0 | 0 | 0 | 0 | 0 | |
| Grand Total | 2,876,729 | 3,391,965 | (254,585) | 2,959,589 | 0 | 0 | (432,376) | (300,061) | (132,315) | |

1. Staffing and Agency – Variance (£0.4m), Movement (£0.5m)

This is due to the services inability to fill all vacancies. The movement is due to review of start dates for vacant positions and postponing them to a later date.

2. Supplies and Services – Variance £0m, Movement £0.3m

The movement due to budget realignment into staffing.

People and Resilience: Period 5 – Children with Disabilities

| Children's and Young People Disabilities | | | | | | | | | | |
|--|-------------------|-------------------|------------------|-------------------|--------------|----------------|------------------------|----------------------|------------------|-----------------|
| Income/Expenditure | Prior Year | Current Year | | | Reserves | | Variances inc Reserves | | | Notes |
| | Outturn | Budget | Actual YTD | Forecast | Transfers To | Transfers From | Variance | Last Period Variance | Movement | £250k deminimus |
| Income | (902,139) | (757,600) | (308,068) | (920,268) | 0 | 0 | (162,668) | (162,668) | 0 | |
| Staffing | 939,002 | 1,660,439 | 656,782 | 1,326,986 | 0 | 0 | (333,453) | (251,490) | (81,964) | 1 |
| Agency | 1,088,694 | 0 | 138,842 | 585,447 | 0 | 0 | 585,447 | 714,251 | (128,804) | |
| Premises | 12,307 | 50,000 | 13,016 | 32,308 | 0 | 0 | (17,692) | (17,692) | 0 | |
| Transport | 2,167,617 | 1,498,988 | 859,454 | 2,479,009 | 0 | 0 | 980,021 | 980,021 | 0 | 2 |
| Supplies & Services | 1,329,250 | 510,860 | 212,016 | 730,180 | 0 | 0 | 219,320 | 302,686 | (83,366) | |
| Third Party Payments | 9,278,586 | 7,664,718 | 3,679,472 | 9,051,715 | 0 | 0 | 1,386,997 | 1,645,206 | (258,209) | 3 |
| Grand Total | 13,913,317 | 10,627,405 | 5,251,514 | 13,285,377 | 0 | 0 | 2,657,972 | 3,210,314 | (552,343) | |

1. Staffing and Agency – Variance £0.3m, Movement (£0.2m)

Variance is due to the higher cost of agency staff covering vacancies and the inclusion of a forecast for an unfunded new team (short break review team).

The movement is due to a number of agency staff having ended in the last month.

2. Transport – Variance £1.0m, Movement £0m

The variance for this service is driven by the demand for transport services. New routes/travel plans have mostly been completed, but there are some outstanding requests being reviewed, though not all are expected to be approved. This risk is not considered significant.

3. Third Party Payments – Variance £1.4m, Movement (£0.3m)

The variance of £1.4m is pressure from residential placements, demand led service currently with 18 clients at an average cost of £0.281m per annum. The favourable movement of £0.3m is due to 2 clients turning 18 and moving out of children's services. Remainder of services within Third Party are close to budget.

Corporate Management: Period 5

Forecast Position: £47.4m (Overspend £2.24m)

| | This Years Budget | Actuals/Forecast | | Net Reserve Movements | Variances Inc Reserves | |
|-----------------------|-------------------|------------------|------------------|-----------------------|------------------------|----------------------|
| | Budget | YTD Actuals | Current Forecast | | Variance | Last Period Variance |
| CORPORATE MANAGEMENT | 44,965,743 | 10,246,878 | 47,368,216 | (161,574) | 2,240,899 | 2,688,060 |
| STRATEGIC LEADERSHIP | 425,369 | 145,009 | 419,597 | (99,360) | (105,132) | (105,132) |
| FINANCE | 12,859,478 | 8,516,790 | 11,985,523 | (62,214) | (936,169) | (633,324) |
| IAS | (4,101,840) | (1,461,651) | (4,152,843) | 0 | (51,003) | (50,640) |
| CENTRAL EXPENSES | 47,104,849 | 14,677,711 | 49,496,862 | 0 | 2,392,013 | 2,350,450 |
| WORKFORCE CHANGE / HR | 1,917,111 | 1,745,668 | 2,809,802 | 0 | 892,691 | 1,078,207 |
| LEADERS OFFICE | 271,251 | 133,827 | 319,750 | 0 | 48,499 | 48,499 |
| TECHNICAL - CORP MGMT | (13,510,475) | (13,510,475) | (13,510,475) | 0 | 0 | 0 |

Key Drivers of the Position:

There is a forecast overspend of £2.24m on Corporate Management mostly driven by the expected pay award offset by underspends in IT.

- **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 (936,200), due to the position in the following areas:

IT is reflecting an underspend of (£1.1m), (151k) favourable movement due to delayed recruitment to vacancies and £62k drawdown outlined below:

(£11,000) projected underspend in IT Third Party Contracts after drawing down from reserves the remaining £62,200 Cyber security grant funding. The main cost driver for the cost centre is the maintenance and support contracts for IT systems.

(£1.2m) projected underspend on IT Staff and Agency, is largely attributable to difficulties in recruiting to existing vacant positions. The underspend could decrease depending on IT business as usual work requiring interim expertise to cover the shortfall in resource (vacant positions).

£184,779 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.

The underspend in IT is offset by a net £180k overspend in other Finance areas, mainly reflecting agency costs. This is likely to increase. The favourable (152k) movement from P4 is due to forecast underspend in Corporate Finance and a Transformation vacancy.

Forecast Position: £47.3m (Overspend £2.24m)

| | This Years Budget | Actuals/Forecast | | Net Reserve Movements | Variances Inc Reserves | |
|-----------------------|-------------------|------------------|------------------|-----------------------|------------------------|----------------------|
| | Budget | YTD Actuals | Current Forecast | | Variance | Last Period Variance |
| CORPORATE MANAGEMENT | 44,965,743 | 10,246,878 | 47,368,216 | (161,574) | 2,240,899 | 2,688,060 |
| STRATEGIC LEADERSHIP | 425,369 | 145,009 | 419,597 | (99,360) | (105,132) | (105,132) |
| FINANCE | 12,859,478 | 8,516,790 | 11,985,523 | (62,214) | (936,169) | (633,324) |
| IAS | (4,101,840) | (1,461,651) | (4,152,843) | 0 | (51,003) | (50,640) |
| CENTRAL EXPENSES | 47,104,849 | 14,677,711 | 49,496,862 | 0 | 2,392,013 | 2,350,450 |
| WORKFORCE CHANGE / HR | 1,917,111 | 1,745,668 | 2,809,802 | 0 | 892,691 | 1,078,207 |
| LEADERS OFFICE | 271,251 | 133,827 | 319,750 | 0 | 48,499 | 48,499 |
| TECHNICAL - CORP MGMT | (13,510,475) | (13,510,475) | (13,510,475) | 0 | 0 | 0 |

Key Drivers of the Position (Continued):

- **IAS - Investment Strategy** - is reflecting a surplus of (£51,000) on the (£4.1m) budget largely due to projected commercial rental income exceeding budget.
- **Central Expenses** - £2.7m inflation provision has been released from here to support services and a further £0.7m is shown as offsetting overspends elsewhere. The assumption in the previous forecast was a pay award of 4% considering the offers to other Public Sector workers averaging over 6% the forecast has increased the pay award assumption to 6.5%. This is a change in assumption from last period. This is resulting in a net forecast overspend of £2.6m. There is a small underspend of £0.2m on MRP.
- In previous years the Council has usually made a healthy underspend on net interest income and expenditure – up to £7m in a 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. More information is available in the IAS section earlier in this report.
- **Workforce Change/HR** and Leader's office is forecast an overspend of £950k down from £1.1m in P4, (176k) movement. HR have identified in year savings of c£64k thus reducing the overspend. 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 161,574 transfer from reserves covers a £99,300 drawdown from Invest to Save reserves to fund a diagnostic social care service review and £62,200 IT Cyber Security grant brought forward.

Law and Governance: Period 5

Forecast Position: Underspend of c£0.9m after transfer of c£1m PRPL income to reserve and transfer of c£0.2m parking surplus to reserves.

| | | 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 |
| 10C | LAW AND GOVERNANCE | (4,081,919) | (4,081,919) | | 791,864 | (6,274,976) | 1,278,000 | (30,000) | (945,057) | (553,276) |
| 10CB | LEGAL | 3,628,084 | 3,628,084 | | 2,149,541 | 3,687,797 | 0 | (30,000) | 29,713 | 55,152 |
| 10CC | ENFORCEMENT | (7,710,003) | (7,710,003) | | (1,357,677) | (9,962,773) | 1,278,000 | 0 | (974,770) | (608,428) |

Key Drivers of the Position (Summary):

There was a favourable movement of **c£0.4m** from Period 4. The movement is largely within Enforcement.

LEGAL

Legal and Democratic services are reporting an overspend of c£30k, a favourable movement of c£25k from P4. This is due to delays in recruitment of vacant posts within Democratic Services c£140k. Legal are forecasting an overspend of c£170k, the recalculation of the HRA recharge has resulted in an income shortfall within Legal of £180k. Vacancies within Democratic Services has mitigated this overspend.

ENFORCEMENT

The in-year Parking Off-Street income surplus of **c£0.75m** will not be transferred to reserve and is included in the outturn forecast as a mitigation. Parking are also overachieving the Traffic Management Order income by net **c£0.25m**, which is also included in the outturn forecast. Parking surplus of **c£0.2m** will be transferred into Parking reserves (ring fenced).

The Private Sector Property Licensing (PRPL) scheme income target will be met and a transfer of **c£1m** to reserve for future years.

Strategy: Period 5

Forecast Position: Forecast £9.4m (underspend of £0.8m)

| | 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 |
| STRATEGY | 9,755,640 | 9,755,640 | | 4,063,153 | 9,355,726 | 0 | (413,662) | (813,576) | (652,261) |
| STRATEGY & INSIGHT | 8,392,400 | 8,392,400 | | 3,310,158 | 7,838,809 | 0 | (401,662) | (955,253) | (823,970) |
| COMMUNICATIONS | 1,363,240 | 1,363,240 | | 752,995 | 1,516,917 | 0 | (12,000) | 141,677 | 171,709 |

Key Drivers of the Position:

The Strategy directorate is forecast to underspend by £813,576 at the end of Period 5 with over 90% of the underspend attributable to the customer contact department recently transferred over to Strategy from Community Solutions.

Strategy & Insight – Forecast Position (955,253) underspend, (131,283) favourable movement due to a decrease in employee cost in Insight hub and Customer Contact

Strategy:

The following 3 cost centres (PMO, Corporate Strategy Team and Director of Strategy) net result will be a balanced budget.

- **The PMO** is forecasting an **overspend of £59,721** 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 **(£137,000)**. However, this underspend is needed to directly support the overspend in PMO (due to lost HRA income).
- **Director of Strategy** is forecast to **overspend by £20,900** due to the potential cross over of posts.

Insight:

- **The Advertising contract** is expected to exceed the £236,000 income target by **(£56,000)** based on historical revenue information. Nonetheless, the excess income is variable and subject to change based on economic conditions.
- **Insight hub** is forecast to underspend by **(£78,657)** due to delayed recruitment of vacant roles and £100,000 drawdown from reserves in respect of the One View contract.
- **Customer contact:** With a budget of £6,368m has a forecast underspend of **(£764,300)** mainly due to delayed recruitment of vacant roles.

Forecast Position: Forecast £9.4m (underspend of £0.8m)

| | 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 |
| STRATEGY | 9,755,640 | 9,755,640 | | 4,063,153 | 9,355,726 | 0 | (413,662) | (813,576) | (652,261) |
| STRATEGY & INSIGHT | 8,392,400 | 8,392,400 | | 3,310,158 | 7,838,809 | 0 | (401,662) | (955,253) | (823,970) |
| COMMUNICATIONS | 1,363,240 | 1,363,240 | | 752,995 | 1,516,917 | 0 | (12,000) | 141,677 | 171,709 |

Key Drivers of the Position: (Continued)

Communications (Campaigns and Events) – Forecast Position: £141,677 overspend, (30,000) favourable movement due to a £10,700 reduction in event and employee costs in Community events plus £12,000 women empowerment one off funding drawdown from reserves.

- **Community Events** are forecast to underspend by £13,000. Assumptions in the forecast include sponsorship income to be received to meet planned events costs
- **Civic Events** are reflecting £29,500 over budget, largely attributable to a forecast overspend of £14,000 on salaries and £13,000 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 £125,200. 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 £413,600 transfer from Reserves represents a drawdown of £100,000 from the Supporting Families grant for the One View programme, £19k towards the salaries cost of the WRES post in the Director of Strategy service, £282,662 for Customer Experience Team Growth bid and £12k towards Women Empowerment event.

Strategy Period 5 Opportunities

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.

Strategy: Period 5 Mitigations Table

Forecast Position: Forecast £9.4m (underspend £0.8m)

| Service | Pressure | RAG/ Mitigation Amount | In Year Mitigation Comment |
|---------------------------|------------------|------------------------|--|
| PMO | 59,721 | 0 | Pressure relates to £116,643 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 |
| | | | Mitigation : Purchase cards spend - Team are working hard to keep spends to an absolute minimum. Members Allowance- A spending cap has been introduced on the engagements that the Mayor and her guests attend to ensure budget is not exceeded To gather different quotes and choose the cheapest option for all events to ensure value for money. The Mayors Fundraising events - now solely funded from the Mayors Charity Account from which overtime for these events will be funded |
| Civic Events | 29,508 | | |
| Marketing & Communication | 125,126 | 0 | The Pressure largely due to HRA income shortfall of £112,491 |
| Other underspends | (1,048,903) | | |
| Total | (813,576) | 0 | |

Inclusive Growth: Period 5

Forecast Position: £3.8m (Overspend of £0.2m)

| | 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 | 1,160,816 | 3,806,138 | 0 | (1,836,212) | 274,848 | 470,240 |
| COMMERCIAL | (679,237) | (679,237) | | (505,240) | (593,504) | 0 | (40,000) | 45,733 | 17,800 |
| INCLUSIVE GROWTH | 2,374,315 | 2,344,183 | 30,132 | 1,666,056 | 4,399,642 | 0 | (1,796,212) | 229,115 | 452,440 |

Key Drivers of the Position (Summary):

The Inclusive Growth Directorate is forecast to **overspend by £274,848** at the end of Period 5, an improvement of (£195,000) from Period 4. The improvement is due to the elimination of the overspend within Culture and Heritage due to the use of grant funding and inflation funding (£97,000); an improvement in the forecast for Employment and Skills due to additional grant funding (£77,000); and a (£20,000) improvement in Parks Commissioning due to increased income.

Commercial Services – Forecast an overspend of £45,733

- **The Core Commercial Team** is projecting a (£49,900) underspend mainly attributable to difficulty recruiting into a vacancy in the service.
- **Procurement – £17,600 overspend** – the adverse movement from P4 of £83,000 is due to a budget re-alignment within inclusive growth relating to the energy category manager role. Procurement also remains affected by the existing £117,000 HRA income shortfall.
- **Accounts Payable – £12,000 overspend** – the £40,000 movement from P4 is driven by the current recruitment process for the Accounts Payable Manager vacant position. Although this is an existing post within the structure, due to the £36,000 HRA income shortfall there is insufficient budget to cover the cost if it becomes filled.
- **The Film Office** is projecting £30,460 income underachievement due to ongoing industry strikes leading to income generation uncertainties. The forecast includes a drawdown of £40,000 and 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 is expected to favourably alter this position.
- **The Isle of Dogs TL investment** is forecast to overachieve by (£10,000) due to a reduction in the level of external advice required.
- **Leisure** is now forecasting a breakeven position. The positive movement of £45,658 from P4 is a result of incorporating part of the £200,000 termination payment billed to SLM and indicatively propose to hold £154,000 in reserves. **Leisure income for financial years 24/25 to 27/28 will be reduced as it is unlikely the new Leisure contract will provide the return as modelled in the existing MTFS. The forecast further assumes the 23/24 concession income of £665,575 will be received.**

Forecast Position: £3.8m (Overspend of £0.2m)

| | 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 | 1,160,816 | 3,806,138 | 0 | (1,836,212) | 274,848 | 470,240 |
| COMMERCIAL | (679,237) | (679,237) | | (505,240) | (593,504) | 0 | (40,000) | 45,733 | 17,800 |
| INCLUSIVE GROWTH | 2,374,315 | 2,344,183 | 30,132 | 1,666,056 | 4,399,642 | 0 | (1,796,212) | 229,115 | 452,440 |

Key Drivers of the Position (continued):

Inclusive Growth – Forecast an overspend of £229,115

- **Parks Commissioning** is forecasting £537,154 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 has been 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.
- **Culture and Heritage** is reflecting a £3,800 overspend, a favourable movement 97,000 from P4. The main contributing factor to the reduced overspend is utilising the allocated £57,000 UKSPF funding, £30,600 central funding towards inflationary pressures at Valance House and Eastbury Manor and a reduction in the forecast for casual staff in Eastbury Manor. The staff cost reduction follows the recent change in the building opening days from 4 days down to 3 a week in the quest to drive down costs. Further mitigating actions are being worked on to deliver services that can sustainably operate within budget.
- The **Inclusive growth core teams** (Inclusive Economy, place and development, Sustainability and core IG) are reflecting a combined (272,291) underspend mainly due to delayed recruitment to vacant roles. The HRA recharge review may slightly alter this position towards a potentially reduced underspend.
- **Development Planning** is projecting a pressure of £38,000 driven by Added Years Compensatory pension payments to ex – employees, subject to a potential increase. There is no existing budget allocation to cover these costs.
- **Adult College, Apprenticeships and Employment & skills** are projecting an underspend of (£78,000). The service were forecasting breakeven in P4 after departmental reserve drawdowns, however, the forecast in P5 no longer necessitates these reserves support due to utilising the Welfare Bid reserve. Whilst an overall underspend is projected, the Apprenticeships service alone has been unable to cover overspends over the years and following a review of its financial sustainability, it will be winding down apprenticeship delivery.

The £1.8m transfer from Reserves, represents a drawdown from Inclusive Growth and other reserves: Made in Dagenham Endowment programme (£273,200), Welfare reserve (567,600) and (£1 m) from grants brought forward.

Inclusive Growth: Period 5 Mitigations Table

Forecast Position: £3.8m (Overspend of £0.2m, potential mitigation of £78,000)

| Service | Pressure | RAG/ Mitigation Amount | In Year Mitigation Comment |
|-----------------------------------|----------------|------------------------|---|
| CR27 Investment | 45,777 | (78,000) | LBBD Insurance department is yet 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 | 30,460 | 0 | 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. |
| Procurement | 17,639 | 0 | No planned mitigation |
| Accounts Payable | 11,718 | 0 | No planned mitigation |
| Commissioning & programmes | 37,643 | 0 | No planned mitigation. Pressure relates to Added Years Compensatory pension costs with no supporting budget |
| Employment Team (Apprenticeships) | 129,284 | 0 | Although the Employment Team service is now forecasting an underspend as a whole, the apprenticeships service will be winding down delivery to mitigate the cost pressure in the long run. The mitigating value is to be confirmed, but will result in a reduction of the overspend in year and savings in the coming financial years. Apprenticeships - £129,300 overspend |
| Heritage & Culture | 3,800 | 0 | A final mitigation plan is underway and to include: Potential reduction in opening days 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 backdated to prior years. |
| Parks Commissioning | 537,154 | 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 | (538,627) | | |
| Total | 274,848 | (78,000) | |

Inclusive Growth: Period 5 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 5

Forecast Position: £17.4m (underspend of £1.4m, -10% Variance)

| | This Years Budget | | | Actuals/Forecast | | Transfers to/from Reserves | | Variances Inc Reserves | |
|--------------------------------|-------------------|-------------------|--------------|------------------|-------------------|----------------------------|--------------------|------------------------|----------------------|
| | Revised | Controlled | UnControlled | YTD Actuals | Current Forecast | Transfers to | Transfers from | Variance | Last Period Variance |
| COMMUNITY SOLUTIONS | 14,335,070 | 14,335,070 | | 3,943,012 | 17,352,491 | | (4,449,086) | (1,431,665) | 927,886 |
| SUPPORT AND COLLECTIONS | 6,900,712 | 6,900,712 | | 1,124,267 | 7,754,120 | | (1,511,164) | (657,756) | 1,376,537 |
| COMMUNITY SOLUTIONS | 1,069,410 | 1,069,410 | | 333,925 | 909,400 | | (156,000) | (316,010) | (289,741) |
| COMMUNITY PARTICIPATION & PREV | 7,669,948 | 7,669,948 | | 3,789,821 | 9,993,972 | | (2,781,922) | (457,898) | (158,910) |
| TECHNICAL - COMSOLS | (1,305,000) | (1,305,000) | | (1,305,000) | (1,305,000) | | | | |

Key Drivers of the Position:

The total overspend pressure for Community Solutions is **cf£3.8m**

The recalculation of the HRA recharge has resulted in an income shortfall of **cf£3.1m** across Community Solutions. There are delays in delivering MTFS savings across Community Participation & Prevention of **£0.3m** which is being closely monitored. The MTFS savings for transfer of buildings to VCS has been paused due to the emerging locality model proposals from Adults.

The Ethical Collection Service is forecasting an overspend of **£0.4m**. The service is working towards a higher income collection. However, it is currently unable to cover its costs. Finance still believe the overspend will range from **£0.4m - £0.6m** and this may increase the outturn variance.

HRA income recognition correction **cf£1.3m**

Community Solutions have taken a number of difficult decisions and identified one-off mitigations of **cf£3.9m** to reduce the outturn variance, which are listed in the mitigations table. It is to be noted that these mitigations come with their own level of risk/impact and this will be closely monitored.

Community Solutions: Period 5 Mitigations Table

Forecast Position: £17.4m (underspend of £1.4m, -10% Variance)

| | 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. |
| 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 |
| Court officers | 25,000 | Accelerate savings |
| SD Officer Secondment Cover | 25,000 | Hold vacancy |
| Consultancy Fee (SM) | 100,000 | Release of funding |
| Household Support Fund Admin Fee | 400,000 | HSF allocation for 2023/24 has been confirmed and attracts a fee income |
| Triage Salary underspend | 80,000 | There is a vacancy and not all staff are at the top of the grade. |
| Hold vacancy in CPP | 40,000 | RR Service area vacancy |
| P&E Vacancy | 31,000 | Hold vacancy |
| Migration reserve release | 200,000 | |
| GLA CTAX Income | 515,000 | Confirmation of grant for CTAX |
| Correction of cleaning forecast | 100,000 | Budget vired - forecast updated |
| Other corrections | 100,000 | |
| Play & Comm Recharge agreed | 160,000 | Recharge only for 2023/24 |
| ICB Funding for 2023/24 confirmed | 188,000 | |
| Total Mitigations | 3,862,000 | |

Mitigations highlighted in blue have been added in P5

Community Solutions: Period 5 Risk and Opportunities

Forecast Position: £17.4m (underspend of £1.4m, -10% Variance)

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

- The Ethical Collection Service is forecasting fee income of **£600k**. The income is dependent on a steady flow of warrants from Parking, Council Tax and Business rates. There is currently a delay in the warrants from Parking and the age of the debt is causing issues with recovery. Finance believe the fee income will range between **£0.4m - £0.6m**.
- Temporary Accommodation – due to the current climate, the use of B&B's and Hotels is on the rise. This is causing LA's to overspend against their TA budget. We are currently at capacity within our own hostels and have received a number of hand backs requests for PSL's which may lead to an overflow into B&B's and Hotels. Modelling will be carried out in August against various assumptions which will enable a more robust forecast. This is a national issue.

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

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

My Place Summary: Period 5

Forecast Position: £692,000 overspend

| | This Years Budget | | | Actuals/Forecast | | Transfers to/from | | Variances Inc Reserves | |
|------------------|-------------------|------------|--------------|------------------|------------------|-------------------|----------------|------------------------|----------------------|
| | Revised | Controlled | UnControlled | YTD Actuals | Current Forecast | Transfers to | Transfers from | Variance | Last Period Variance |
| MY PLACE | 15,374,989 | 55,085,048 | (39,710,059) | 16,047,588 | 16,066,856 | 0 | 0 | 691,867 | 1,356,206 |
| HOMES AND ASSETS | 1,815,764 | 38,661,617 | (36,845,853) | 10,179,550 | 3,258,538 | 0 | 0 | 1,442,774 | 2,224,793 |
| PUBLIC REALM | 13,559,225 | 16,423,431 | (2,864,206) | 5,868,038 | 12,808,318 | 0 | 0 | (750,907) | (868,587) |

Executive Summary (for more details, see subsequent slides)

The service is projecting a **£692,000 overspend**. The budget has been increased since Period 3 to fund inflationary pressures of £1.418m. The main positive movement in the variance at Period 5 is the recognition of the Reside Ltd income. This does create a risk if Reside Ltd cannot pay that IAS income will reduce or the Bad debt provision will have to increase.

- **Commercial Portfolio: £816,000 overspend**, Income under recovery and therefore non-delivery of savings £537,000 and pressures on expenditure £279,000.
- **My Place Recharge Budget: £1.056m 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: (£206,000) underspend** due to vacancies and an improved forecast for energy costs for the final two quarters.
- **Reside My Place:** non-recovery of Reside Ltd Management Fee for 2023/24 has transferred to the IAS budget. My Place improvement of (£637,000).
- **Homes & Assets (Other Areas): (£223,000) underspend** across other areas are offering partial mitigation to the overspend.
- **Public Realm: (£751,000) underspend**, mainly across Parks and Compliance, **although this is anticipated to reduce as a result of the HRA recharges review** (see next slide regarding £494,000).
- Quantifiable **Risks** stand at **£2.1m** vs **Opportunities** of **(£250,000)** – see subsequent slides.

My Place Summary: Period 5

| Mitigation Table | | | | |
|---------------------------|--------------------|----------------------|---|-----------------------|
| My Place | Over/(Under) Spend | Potential Mitigation | Mitigation Commentary | Non-Mitigated Balance |
| Homes & Assets | | | | |
| Commercial Portfolio | 816,000 | - | | 816,000 |
| My Place Recharge | 1,056,000 | - | | 1,056,000 |
| Property Portfolio | (206,000) | - | Increased Energy budget reflected in P5 | (206,000) |
| Reside My Place | - | - | Reside pressure now with IAS. | 0 |
| Contract Management | 6,000 | - | Increased Energy budget reflected in P5 | 6,000 |
| Other areas underspending | (229,000) | | | (229,000) |
| Homes & Assets | 1,443,000 | 0 | | 1,443,000 |
| Public Realm | | | | |
| Public Realm | (751,000) | 494,000 | Increased Energy budget reflected in P5 | (257,000) |
| Public Realm | (751,000) | 494,000 | | (257,000) |
| My Place Overall | 692,000 | 494,000 | | 1,186,000 |

The **Reside My Place pressure** has now transferred to the IAS. However, the **My Place HRA Recharge pressure** mitigation is not currently being pursued and therefore it is assumed the service must find mitigation for this as well. This is the cause of the non-mitigated value increasing for Homes and Assets from £520,000 to **£1.443m**.

The **£494,000 (amber)** in the table represents the current forecast underspend on HRA Fixed Recharges following reviews to date in My Place. Once reviews are complete, it is expected that any unutilised budget will be used as mitigation towards overspend elsewhere in the Council where Fixed Recharge reviews have caused a pressure.

My Place – Homes & Assets: Period 5

Forecast Position: £1.443m overspend

Commercial Portfolio is reflecting **£816,000 overspend**. £537,000 income under recovery including £30,000 of non-deliverable income, £139,000 security of premises, £72,000 over establishment budget on agency and £68,000 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 improvement of **(£70,000)** was mainly due to slow down in rent and lease renewals being carried out by the contractor which is troubling.

Property Assets is **underspending** by **(£206,000)**. **Highways** **(£148,000) underspend**, with two thirds relating to an improved energy forecast following Laser update. **Asset Management** **(£116,000) underspend** due to vacancies held and a reduction in Business Rate expenditure due to closer of Pondfield Depot. **Major Works** £58,000 overspend, with increased agency expenditure projected.

My Place Recharge Budget: £1.056m 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.

Reside My Place: The pressure on Reside My Place has been mitigated by confirmation that the IAS Reserve will cover this. Therefore, an improvement of **(£637,000)** for My Place, but not overall for the Council.

Homes & Assets (Other Areas): (£223,000) underspends across other areas are offering partial mitigation to the Commercial Portfolio and Recharge pressure. This is mainly from Quality and Compliance reprofiling and staffing in areas like Business Development and Improvement.

My Place - Public Realm: Period 5

Forecast Position: (£751,000) underspend

The movement from Period 4 is **£118,000 adverse**, this is down to the completion of the HRA Fixed Recharge review on *Parks Ground Maintenance*. Street Cleansing and Waste Operations reviews remain to be completed. Main reasons for the overall variance are as follows:

Fleet & PTS is projecting **£70,000 overspend** in Fleet Management. This is due to increased vehicle hire costs for 11 Street Cleansing sweepers.

Compliance (£492,000) 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 (£158,000), PEST Control (£125,000) over recovery despite reduction in SLA to HRA, Garden Waste £48,000 overspend due to lower subscriptions.

Parks and Environment is reflecting a **(£349,000) underspend**. The My Place Directorate HRA Fixed Recharge budgets have been realigned to remove unnecessary variances leaving the net balance on Parks (£494,000). Parks has just been reviewed with Street Cleansing outstanding. £145,000 underlying pressure is caused mainly by increased R&M forecasts around compliance and building repair costs and reduced income expectation from sports on Parks.

My Place: Period 5 Risks

| ID | Service Area | Risk Description | Likelihood | Impact | Overall | Value '000 | RAG | Mitigating Action | Portfolio |
|-------------------------|--|--|------------|--------|---------|----------------|-----|---|--------------------------------------|
| 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 | £ 950 | | Strategic Director has asked BDMS to supply cost information on a monthly basis and for works to go through the monthly validation process. | Community, Leadership and Engagement |
| 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. | 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. | 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 LBBD, this would represent a lost income from the invoices raised to ELWA. | 1 | 4 | 4 | £ 588 | | End of September Board meeting to confirm they will remain. Subject to confirmation. | Public Realm & Climate Change |
| R10 | | | | | 0 | | | | |
| | | | | | | £ 2,088 | | | |
| NON-QUANTIFIABLE | | | | | | | | | |
| RA | Fleet Management | There is an anticipation for new Public Realm lease vehicles to be brought into areas like Street Cleansing. It is unclear whether this is fully reflected in the Fleet Outturn for P3. | 1 | 1 | 1 | | | £150k included in Outturn | Public Realm & Climate Change |
| RB | Fleet Management | Income raised to date to BDMS 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. | 2 | 2 | 4 | | | Monitor and for Budget Manager to keep communications with BDMS. | 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. | 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. | 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. | Public Realm & Climate Change |

My Place: Period 5 Opportunities

| ID | Service Area | Opportunity Description | Likelihood | Impact | Overall | Value '000 | RAG | Action | Portfolio |
|-------------------------|-----------------------------|---|------------|--------|---------|---------------|-----|--|--------------------------------------|
| 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. | 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 | (£200) | | Service Director monitoring | Community, Leadership and Engagement |
| O3 | | | | | 0 | | | | |
| | | | | | | (£250) | | | |
| 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. | 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 | NRSA 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 |