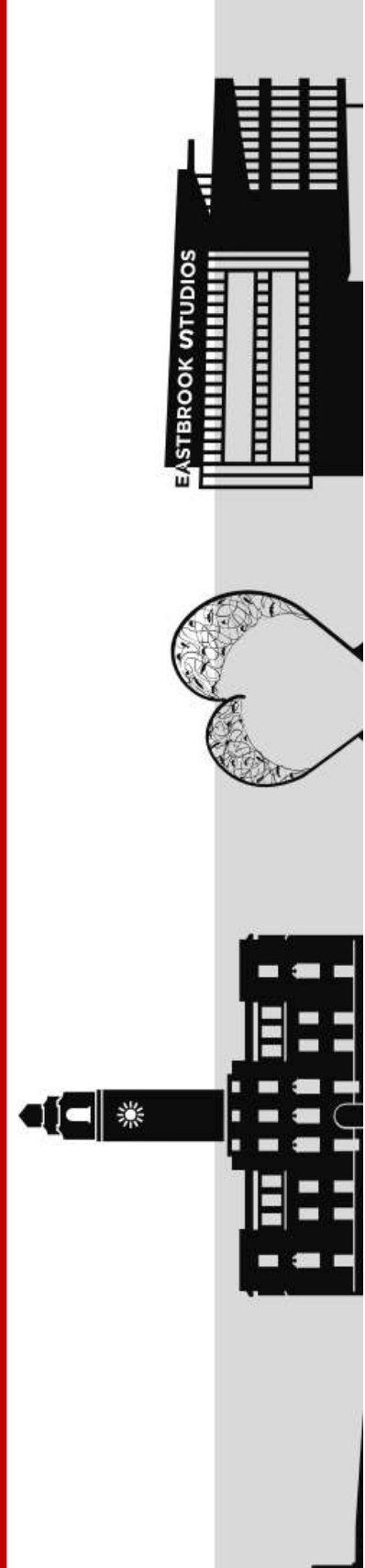


Finance Budget Monitoring – General Fund

APPENDIX A

2024/25

P02 (May 2024)



Period 2: Breakeven position

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast	Net Movement in Reserves	Variance
PEOPLE & RESILIENCE STRATEGY	135,536,424	60,154	135,596,578	12,749,952	139,888,992		4,292,413
INCLUSIVE GROWTH	6,130,023	(60,154)	6,130,023	1,204,038	6,310,023	(180,000)	0
MY PLACE	15,896,935		932,323	62,098	1,282,384		350,061
RESOURCES	30,994,057		15,896,935	10,675,990	15,254,460		(642,475)
SUB-TOTAL DIRECTORATES	189,549,916		189,549,916	46,131,582	193,729,916	(180,000)	4,000,000
CENTRAL EXPENSES	16,610,173		16,610,173	310,326	12,610,173		(4,000,000)
INTEREST PAYABLE	10,139,085		10,139,085	(3,664,178)	8,208,125		(1,930,960)
INTEREST PAYABLE ON ST BORROWWG							
CAPITALISED INTEREST							
INTEREST RECEIVED	(6,502,960)		(6,502,960)	7,082	(4,572,000)		1,930,960
MRP	10,791,938		10,791,938		10,791,938		
LEVIES PAID	16,245,900		16,245,900	2,429,342	16,245,900		
SUB-TOTAL CORPORATE EXPENSES	47,284,136		47,284,136	(917,428)	43,284,136		(4,000,000)
GENERAL FUND I&E (EXC. IAS)	236,834,052		236,834,052	45,214,154	237,014,052	(180,000)	(0)
IAS COMMERCIAL (NET OPERATING RETURN)							1,963,111
IAS RESIDENTIAL (RESIDE SCHEME SURPLUS)	(4,661,700)		(4,661,700)	172,690	(2,698,589)		(2,000,000)
IAS OTHER	(10,426,889)		(10,426,889)		(10,390,000)		36,889
IAS INTEREST PAYABLE							
INTEREST PAYABLE ON ST BORROWWG							
CAPITALISED INTEREST							
IAS INTEREST RECEIVED							
IAS MRP							
SUB-TOTAL IAS	(15,088,589)		(15,088,589)	172,690	(15,088,589)		
GENERAL FUND I&E	221,745,463		221,745,463	45,386,843	221,925,463	(180,000)	(0)

Period 2: Summary of current position

My Place: Underspend of £642k

There are underspends across Enforcement totalling £1.228m due to vacancies and off-street Parking income is forecast to over-recover by £424k, which is not restricted under Section 55 of the Road Traffic Act. The underspend will be used as an in-year mitigation. This is offset partly by overspends in Homelessness accommodation (which sit in Support Services and was transferred from Community Solutions) of £612k and Commercial income under-recovery of £406k.

Strategy: The forecast for Strategy is break-even.

Resources: The forecast for Resources is break-even.

People and Resilience: Overspend of £4.292m

There is a projected overspend of £4.292m across the whole of People and Resilience arising mainly from Adults Social Care, although there are some forecast overspends in Children's arising from placement inflation and use of external legal. A key driver for the forecast overspend in Adults is an increase in the assumption around the number of domiciliary hours required per month. During 2023/24 the average number was c54,000 with a peak at c77,000. However, since the beginning of the year prevention activity is now under the direct control of the Strategic Director, PIR and therefore it is anticipated that this activity will increase to reduce the hours required, and this reduction has fed into the forecast. However, should the preventative work not have the forecast impact, there is a risk that this pressure could rise by a further £3.6m.

Inclusive Growth: Overspend of £350k

The forecast overspend on the Leisure contract is £781k. The Council receives management fee income under the existing contract. This terminates in September 2024 and under the new contract the Council will need to pay the leisure operator. The income target of £1.2m will not be met. The overspend in Leisure is offset by other cost savings in Commercial Services and Inclusive Growth.

Central Expenses: The underspend of £4m represents the release of the PIR central contingency which is now fully utilised at Period 2.

IAS: Breakeven

The IAS budget includes a provision for interest rate pressures and the current forecast includes the full amount of the provision. There is an expectation that the interest rate pressure will ease over the year. The IAS returns are reliant on the operational assets meeting the or exceeding the assumptions made in the financial models and there are currently issues around letting of Private Rental Schemes, sale of Shared Ownership, debt collection and management and maintenance costs.

Period 2: Breakeven position

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast		
						Net Movement in Reserves	Variance
PEOPLE & RESILIENCE	135,536,424	60,154	135,596,578	12,749,952	139,888,992		4,292,413
51- Income	(92,095,531)		(92,095,531)	(14,446,420)	(95,655,520)		(3,559,989)
58- Non Controllable Income	(17,550,000)		(17,550,000)	(856,633)	(16,998,596)		551,404
61- Employees	62,899,903	60,154	62,960,057	9,888,837	63,144,823		184,765
62- Premises	1,989,450		1,989,450	35,305	2,161,089		171,639
63- Transport	2,841,910		2,841,910	248,798	3,048,541		206,631
64- Supplies and Services	33,531,562		33,531,562	2,847,606	36,410,304		2,878,742
65- Third Party Payments	129,661,410		129,661,410	11,198,158	133,292,399		3,630,989
66- Transfer Payments	13,494,720		13,494,720	3,935,585	14,357,643		862,923
67- Depreciation							
68- Non Controllable Support Costs	1,370,000		1,370,000	(101,284)	735,309		(634,691)
70- Interest received	(607,000)		(607,000)		(607,000)		
71- Transfer from GF Earmarked Reserve							
STRATEGY	6,130,023		6,130,023	1,204,038	6,310,023		(180,000)
51- Income	(1,615,181)		(1,615,181)	(402,633)	(1,615,181)		
58- Non Controllable Income	(1,662,836)		(1,662,836)	(3,000)	(1,662,836)		
61- Employees	7,941,013		7,941,013	1,185,998	7,941,013		
62- Premises	107,273		107,273	1,618	107,273		
63- Transport	5,075		5,075	324	5,075		
64- Supplies and Services	1,119,279		1,119,279	411,465	1,219,279		(100,000)
65- Third Party Payments	300,400		300,400	(1,379)	350,400		(50,000)
66- Transfer Payments							
67- Depreciation							
68- Non Controllable Support Costs	(65,000)		(65,000)	11,645	(35,000)		(30,000)
70- Interest received							
71- Transfer from GF Earmarked Reserve							
INCLUSIVE GROWTH	992,477	(60,154)	932,323	62,098	1,282,384		350,061

Period 2: Breakeven position

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	Forecast	Net Movement in Reserves		
						Variance	
INCLUSIVE GROWTH	992,477	(60,154)	932,323	1,282,384			350,061
51- Income	(15,123,210)		(15,123,210)	(14,670,961)			452,249
58- Non Controllable Income	(726,290)		(726,290)	(776,711)			(50,421)
61- Employees	7,118,837	(60,154)	7,058,683	6,514,934			(543,748)
62- Premises	7,699,284		7,699,284	7,894,287			195,003
63- Transport	10,370		10,370	11,505			1,135
64- Supplies and Services	1,717,744		1,717,744	1,979,236			261,492
65- Third Party Payments	263,860		263,860	315,714			51,854
66- Transfer Payments							
67- Depreciation							
68- Non Controllable Support Costs	31,882		31,882	14,380			(17,502)
70- Interest received							
71- Transfer from GF Earmarked Reserve							
MY PLACE	15,896,935		15,896,935	15,254,460			(642,475)
51- Income	(56,474,204)		(56,474,204)	(55,151,372)			1,322,832
58- Non Controllable Income	(9,052,615)		(9,052,615)	(11,033,557)			(1,980,942)
61- Employees	49,796,852		49,796,852	46,610,967			(3,185,885)
62- Premises	12,532,272		12,532,272	12,997,060			464,788
63- Transport	11,943,151		11,943,151	11,046,071			(897,080)
64- Supplies and Services	7,723,167		7,723,167	8,173,738			450,571
65- Third Party Payments	39,051,412		39,051,412	52,272,643			13,221,231
66- Transfer Payments	15,000		15,000	15,043			43
67- Depreciation							
68- Non Controllable Support Costs	(39,638,100)		(39,638,100)	(49,676,133)			(10,038,033)
70- Interest received							
71- Transfer from GF Earmarked Reserve							

Period 2: Breakeven position

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	Forecast	Net Movement in Reserves	Variance	
RESOURCES	30,994,057		30,994,057	30,994,057			0
51- Income	(80,438,881)		(80,438,881)	(80,438,881)			
58- Non Controllable Income	(7,568,410)		(7,568,410)	(7,568,410)			
61- Employees	33,030,896		33,030,896	33,030,896			
62- Premises	161,700		161,700	161,700			
63- Transport	52,770		52,770	52,770			
64- Supplies and Services	12,390,270		12,390,270	12,390,270			
65- Third Party Payments	1,021,213		1,021,213	1,021,213			
66- Transfer Payments	72,240,769		72,240,769	72,240,769			
67- Depreciation							
68- Non Controllable Support Costs	103,730		103,730	103,730			
70- Interest received							
71- Transfer from GF Earmarked Reserve							

Core Assumptions

- Forecasts are provided by budget holders and service managers with Finance advice and support
- Population is changing with falls in older people being replaced with working age adults, alongside increasing complexity in the needs of children and young people both social care and SEND
- Inflation rates of care services (ranging 5-20%, averaging 8-12%) are higher than general inflation rates of 2-4%
- Drivers of costs in social care such as changing needs of population, unavoidable statutory demand and placement modernisation, often outstrip the mitigations of demand such as reablement, prevention offers and market management
- Care and Support figures are based on known clients and care packages held on ContrOcc and does not factor in clients going through the onboarding process . 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.
- IBe First dividends of £10.4m will be covered by a potential dividend payment from Be First, with any shortfall paid from the IAS reserve using balance of the the Mueller Profit.

Funding assumptions

- There was a deficit on the 22/23 Collection Fund that will be brought into this year's General Fund (in accordance with regulations) budget. This will be covered by a drawdown from reserves as reported in the February 2023 budget as planned.
- The current People & Resilience placement forecast position is based on limited data so far this year, using a combination of the first two months of 24/25 along with the 23/24 outturn position. As the council progresses into the year the forecast will better reflect the true position this year, allowing for new placements, uplifts, changes in provision, progress on planned savings etc.
- There are currently no forecast variances on Corporate Funding. In previous years the Council has received additional in year section 31 grants – if this occurs again this year this will potentially be used to offset the overspend or to replenish reserves.

one borough; one community; no one left behind

Period 2 - Reserves

	Opening Balance £'m	Budgetted Drawdown 24/25 £'m	Planned Drawdown 24/25	Closing Balance After Reserve Adj's £'m
General Reserves	(14.40)			(14.40)
Budget Support Reserve	(15.40)	8.81		(6.59)
Sub total	(29.80)	8.81		(20.99)
Ring-fenced Reserves	(25.54)			(25.54)
PFI Reserves	(14.04)			(14.04)
Collection Fund Reserves	(6.70)			(6.70)
Levy Funding Reserve	(7.56)			(7.56)
Sub total	(53.84)			(53.84)
Non Ring-Fenced Reserves (Directorates)				
Corporate Reserves	(6.61)			(6.61)
People & Resilience	(0.35)			(0.35)
Legal, Governance & HR	(0.41)			(0.41)
Strategy	0.00			0.00
Inclusive Growth	(1.80)			(1.80)
Community Solutions	(2.40)			(2.40)
My Place	0.00			0.00
Non Ring-Fenced Reserves	(11.57)			(11.57)
IAS & Hotel Reserves	(33.96)		3.14	(30.82)
HRA Reserves	(37.41)			(37.41)
Schools Reserves	(21.47)			(21.47)
Capital Reserves	(106.23)			(106.23)
Total Reserves	(294.27)	8.81	3.14	(282.32)

The planned drawdown for 2024/25 includes £2.890m to support the Be First Dividend, it is assumed £7.5m dividend will be received in 2024/25.

There is also a planned drawdown of £250k to fund the IAS review, and advisor costs.

one borough; one community; no one left behind

Key risks

- The Ethical Collection Service is forecasting income of £690k. 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 £600k - £700k 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. The central £4m contingency has now been fully utilised to offset the P2 forecast cf8m overspend.
- Commercial Services – Leisure Income: The forecast for Leisure takes into account income to contract termination date in mid-September. The Council will have to pay the new operator (as opposed to LBBD receiving management fee income) from the start date of the new contract to financial year-end. This payment has not been factored into the forecast as the new operator has not yet been selected. The overspend will increase when this payment is factored into the forecast.
- 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.

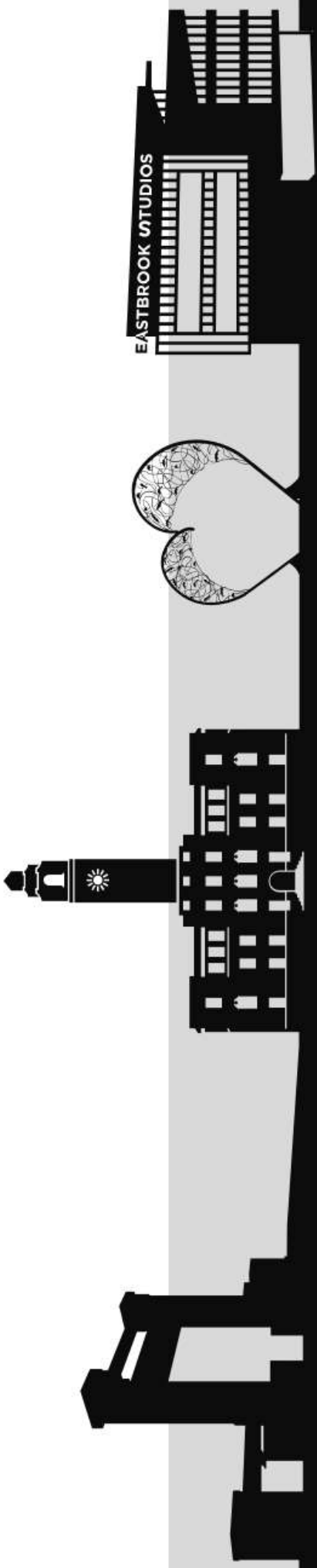
one borough; one community; no one left behind

**Barking &
Dagenham**

Finance Budget Monitoring – HRA, DSG and Investment Strategy

2024/25

P2(May 2024)



General Fund and IAS Treasury Strategy (P2)

2024/25 IAS and Treasury Forecast Borrowing (£000s)	Core Treasury		Loans to Companies		Total GF	Reside		IAS - Commercial	IAS Surplus	Total	Total IAS and GF	2024/25 Budget	Over / (Under) Spend
	46,901	5,478	13,721	5,925		28,981	279,022						
Cost Type	Other Loans / Treasury	BeFirst	Energy Company	BDTP	LEUK	Affordable Rent	SO / PRS	IAS - Commercial	IAS Surplus	Total	Total IAS and GF	2024/25 Budget	Change
Interest Payable	5,209.5	243.1	336.6	246.4	1,269.8	10,247.8	5,800.9	10,760.6	0.0	26,809.3	34,114.7	37,027.7	(2,913.0)
Interest Rate Provision	902.8		0.0			(5,310.6)	(737.2)	0.0		0.0	902.8	0.0	902.8
Capitalised Interest								(131.6)		(6,179.3)	(6,179.3)	(6,179.3)	(0.0)
MRP	10,510.0					751.2	73.4	1,437.8		0.0	0.0	12,772.5	0.0
Total Financing Costs	16,622.3	243.1	336.6	246.4	1,269.8	5,688.4	5,137.2	12,066.9	0.0	22,892.5	41,610.6	43,620.9	(2,010.2)
Interest Receivable	(3,077.4)	(424.5)	(445.4)	(624.7)	0.0	(10,168.4)	(8,177.2)	(780.1)		(19,125.7)	(23,697.7)	(25,628.7)	1,931.0
Principal Repayments						(751.2)	(73.4)	(1,437.8)		(2,262.5)	(2,262.5)	0.0	(2,262.5)
Commercial Income Residential Rents Hotels								(3,822.1)		0.0	0.0	0.0	0.0
									(2,337.5)	(3,822.1)	(3,822.1)	(5,907.7)	2,085.6
									(1,175.7)	(2,337.5)	(2,337.5)	(2,593.6)	256.1
										(1,175.7)	(1,175.7)	(1,175.7)	0.0
Total Financing Returns	(3,077.4)	(424.5)	(445.4)	(624.7)	0.0	(10,919.7)	(8,250.7)	(6,040.0)	(3,513.2)	(28,723.5)	(33,295.5)	(35,305.8)	2,010.3
Deficit / (Surplus)	13,544.9	(181.5)	(108.8)	(378.3)	1,269.8	(5,231.2)	(3,113.5)	6,026.9	(3,513.2)	(5,831.0)	8,315.2	8,315.1	0.0

Key issues:

Forecast under pressure from interest rate increases with short-term borrowing rates remaining high. Short-term borrowing allocated to variable rate loans and commercial which are both under pressure.

2024/25 budget included additional budget to cover interest pressure and this has been used to cover shortfalls from loans to Reside and from higher than forecast short-term borrowing costs.

Provisions for loans to companies remains as there is a lack of clear strategy around dealing with subsidiary loans. Loans are being reviewed with potentially some of the provision reduced.

Interest margin on IAS loans provides an additional return to the strategy. Lettings are improved for PRS but Ewars Marsh remains empty with significant interest costs of nearly £1m lost per year.

Returns from Reside are currently estimates based on outturn numbers and have shown a deterioration in forecast. In addition charges from MyPlace that are charged to the council have reduced return forecasts.

Debt repayment (MRP) is allocated to the commercial portfolio and is a cost of £2.26m but this will reduce the cost of the commercial assets.

Commercial income is forecast before interest costs and has deteriorated further as Industria lettings are still behind targets.

CR27 and Travelodge hotels have reserves that have been inflated each year but will not be inflated for 2023/24 as there is sufficient current reserves of £12.1m for both hotels.

Barking & Dagenham

one borough; one community; no one left behind

HRA: Period 2

The HRA is projecting **(£374,000) underspend** at Period 2, with this being the first reporting month, there is no prior month movement.

For 2023/24, the BDMS R&M contract was £27.801m, which included some one-off legacy related commitments. The 2024/25 contract is estimated at £22.089m. This drop has meant the HRA is not currently facing the same pressures of last year.

2024/25 FORECAST OUTTURN			
REPORT LEVEL	BUDGET	FORECAST	VARIANCE
	£'000	£'000	£'000
SUPERVISION & MANAGEMENT	51,094	48,244	(£2,849)
REPAIRS & MAINTENANCE	25,365	27,688	£2,323
RENTS, RATES ETC	3,775	4,006	£231
INTEREST PAYABLE	10,826	11,033	£207
DISREPAIR PROVISION	0	1,000	£1,000
BAD DEBT PROVISION (BDP)	3,309	3,309	£0
CDC RECHARGE	945	781	(£165)
TOTAL EXPENDITURE	95,314	96,061	£747
DWELLING RENTS	(£96,750)	(96,162)	£588
NON-DWELLING RENTS	(£801)	(776)	£25
CHARGES FOR SERVICES & FACILITIES	(£24,375)	(25,506)	(£1,131)
INTEREST & INVESTMENT INCOME	(£276)	(879)	(£602)
TOTAL INCOME	(£122,202)	(£123,323)	(£1,121)
NET TOTAL BEFORE CAPITAL	(£26,888)	(£27,262)	(£374)
DEPRECIATION	22,613	22,615	£2
TRANSFER TO MAJOR REPAIR RESERVE (MRR)	2,075	2,074	(£2)
CAPITAL PROGRAMME FUNDING	£24,688	£24,688	(£0)
NET TOTAL AFTER CAPITAL	(£2,200)	(£2,574)	(£374)
TRANSFER TO HRA LEASEHOLDER RESERVE	£2,200	2,200	£0
TRANSFER FROM/(TO) HRA RESERVE	£0	(£374)	(£374)

Key Drivers of the Position (Summary):

- Supervision & Management: (£2.849m) Underspend**
 The driving force behind the underspend is the forecast change in the recharges to the HRA (**£4.912m**). The 2024/25 budget was set before several factors such as Fixed Recharge reviews and the drive to reduce general fund spending. The BDMS contract pressure has reduced to £927,000 in 2024/25 whilst Utilities variance is £1,155m.
- Repairs and Maintenance: £2.323m overspend**
BDMS Contract £1.189m relating to service costs (materials, Fleet, subcontractors, contact centre etc) and **Compliance** £1.097m.
- Provisions: £1.000m overspend**
Bad Debt Provision is online, despite previous years underspend, there is concern about the switch to Universal Credit replacing Housing Benefit. The **Disrepair** Provision was adjusted in 2023/24 and so it is hoped that a smaller adjustment will be required in 2024/25.
- Other Expenditure Lines: £273,000 overspend**
Interest Payable £207,000 but is more than offset by interest receivable below. **Council Tax** for void properties **£250,000** above budget. This is offset in part by a reduction in the projected **CDC recharge (£165,000)** which was also reviewed alongside other recharges.
- Income: (£1.121m) over recovery**
Services & Facilities (£1.131m) is from recovery of costs incurred by BDMS on We Fix activity as part of the contract, increased recharges to the HRA of income from General Fund and increased service charges on utilities. Improved **Interest Rates** means a positive outlook for cash balances **(£602,000)**. **Rents** is reducing the recovery by **£613,000**.
- Capital Programme & Financing: online**
 This essentially finances the HRA element of the Capital Programme alongside the Transfer to MRR (Major Repairs Reserve).

HRA: Period 2 Risks and Opportunities

RISK STATEMENT

ID	Service Area	Risk Description	Likelihood	Impact	Overall	Value '000	RAG	Mitigating Action	Portfolio
QUANTIFIABLE									
R1					0	£ -			
NON-QUANTIFIABLE									
RA	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.	3	3	9			Service Charge Manager, BDMS and My Place Consultant have been working on this.	Community, Leadership and Engagement
RB	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
RC	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
RD	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.	Community, Leadership and Engagement
RE	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 12 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
RF	Universal Credit	There is now £14.7m of former HB payments now in scope of UC during the 2024 migration. This risks creating a pressure on the current Bad Debt Provision budget.	2	3	6			To be monitored by My Place, Finance and Debt Steering Group.	Community, Leadership and Engagement

OPPORTUNITIES STATEMENT

ID	Service Area	Opportunity Description	Likelihood	Impact	Overall	Value '000	RAG	Action	Portfolio
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. Also dependent on UC rollout.	3	4	12	(£1,000)		Following Qtr 3 review, forecast has been updated.	Community, Leadership and Engagement
O2	Compliance	There is a significant commitment in 2024/25 for Compliance expenditure. Some of which may be capital in nature. Opportunity to transfer costs to Capital Programme.	3	3	9	(£500)		Service continues to review contractor spend.	Community, Leadership and Engagement
O3	Energy	Energy prices have fallen since budget setting was agreed. Plus the Energy budget has been reviewed and areas clarified.	4	2	8	(£500)		Review of Energy Forecast required.	Community, Leadership and Engagement
O4				0	0	£0			
						(£2,000)			

Dedicated Schools Grant (DSG) 2024/25

The DSG forecast is mainly due to projected overspend on High Needs block due to the following:

- Increase in Panel top-up payment applications from schools. There were 1043 applications in 2023/24 as compared to 559 in 2022/23, an increase of 87%. This is not sustainable
- Forecast Out of Borough (OOB) overspend due to increase demand and uplift in placement costs from providers. The estimated average increase in OOB placement was about 13% in 2023/24 as compared to 22/23. In addition, we estimate an average of 4% - 6% increase in cost is related to uplifts provider charges.
- Post16 top up payments in support of continued growth for 16-25 due to increase placements with this cohort. There's been 15% increase in demand year on year since 2022/23. Post16 continues to be a 'demand driven area', extra commissioning of places are usually known in December/January

Dedicated schools Grant (DSG Budget)	2024/25 Funding £'000	2024/25 Outturn £'000	(Surplus) Deficit £'000
Schools Block (ISB)	197,662	197,662	0
Central Services Block	2,118	2,118	0
High Needs Block	52,296	56,433	4,137
Early Years Block	33,181	33,181	0
	285,257	289,394	4,137
DSG reserves B/f			-7,576
Revised DSG Reserve 24/25			-3,439

Capital Programme to P2 2024/25

Strategic Function	24-25 Initial Budget £000	Carry Forwards £000	24-25 Revised Budget £000	Actuals to P02 £000	Forecast £000	25-26 Budget £000	26-27 Budget £000
GF - CARE & SUPPORT	3,918	747	4,664	119	4,664	1,000	1,000
GF - INCLUSIVE GROWTH	611	3,594	4,205	33	4,205	0	0
GF - CIL	0	620	620	42	620	0	0
GF - TFL	4,861	1,910	6,771	303	6,771	2,200	0
GF - ICT	1,200	666	1,866	4	1,866	2,005	200
GF - COMMUNITY SOLUTIONS	0	4	4	0	4	0	0
GF - CULTURE & HERITAGE	294	1,059	1,353	5	1,353	294	0
GF - PARKS COMMISSIONING	153	4,042	4,195	170	4,195	83	0
GF - MY PLACE	1,434	2,221	3,655	172	3,655	1,000	0
GF - PUBLIC REALM	5,817	3,422	9,239	5	9,239	5,617	387
GF - EDUCATION, YTH & CHILD	16,660	(1,595)	15,065	834	15,065	18,246	700
GF - SALIX	0	80	80	0	80	0	0
General Fund	34,947	16,770	51,717	1,688	51,717	30,445	2,287
HRA STOCK INVESTMENT	19,289	740	20,029	(867)	20,029	27,000	36,760
HRA ESTATE RENEWAL	4,400	474	4,874	475	4,874	0	0
HRA NEW BUILD SCHEMES	0	371	371	(110)	371	0	0
HRA Total	23,689	1,585	25,274	-502	25,274	27,000	36,760
IAS RESIDENTIAL	190,378	(18,514)	171,863	13,909	171,863	111,699	18,708
IAS COMMERCIAL	3,092	3,398	6,490	63	6,490	2,000	1,000
Investments Total	193,470	(15,116)	178,354	13,972	178,354	113,699	19,708
Total	252,106	3,239	255,345	15,158	255,345	171,145	58,755
Financed By:							
Borrowing	196,190	(3,971)	192,218	6,750	192,218	120,579	20,295
Other Sources	55,916	7,210	63,127	8,408	63,127	50,566	38,460
	252,106	3,239	255,345	15,158	255,345	171,145	58,755

Forecast 2024/25

- This is the first reporting cycle of 2024-25 for current year and future years, budgets reported on are the revised budgets after 2023-24 carry forwards have been added (presented to ACB May 24). Detailed work is on-going with project managers and owners to agree reprofiled, budgets, once they are agreed budgets will be loaded onto CP this will be done to coincide with the Q1 full monitor cycle
- Spend to P02 was £15.158m, there are still approximately £6m worth of unmatched accruals which are depressing the gross spend which currently stands at £21.164m against a budget of £263.073m, full spend has been assumed for the forecast up to P02.
- P02 GF spend was £1.688m against a budget of £52.047m. scrutiny will be required for GF spend as they came in severely under budget in 2023-24 which was not in line with the forecast.
- P02 HRA spend in showing a net negative spend due to the £2.435m unpaid prior year accruals (a majority of which are in the system). The gross spend on HRA is approximately £1.900m.
- P02 IAS Residential and Commercial spend was £13.972m against a current budget of £178.353



**One borough; one community;
London's growth opportunity**

Appendices:

**Directorate Detail
Budget Monitoring**

2024/25

**Barking &
Dagenham**

one borough; one community; no one left behind



People and Resilience: Period 02

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast		
						Net Movement in Reserves	Variance
PEOPLE & RESILIENCE	135,536,424	60,154	135,596,578	12,749,952	139,888,992		4,292,413
ADULTS DISABILITY	23,273,759		23,273,759	4,804,544	23,791,233		517,474
ADULT'S CARE & SUPPORT	27,679,412		27,679,412	5,811,245	30,373,838		2,694,426
COMMISSIONING - CARE & SUPPORT	11,679,553	1,728,202	13,407,755	(659,422)	13,407,755		()
PUBLIC HEALTH	(381,250)	700,000	318,750	(4,974,294)	318,750		
CHILDREN'S CARE & SUPPORT	49,250,135	(828,202)	48,421,933	7,092,121	50,446,388		2,024,455
EDUCATION, YOUTH & CHILDCARE	4,188,114		4,188,114	(51,286)	4,197,536		9,422
EARLY HELP SERVICE	3,387,906	(1,250,000)	2,137,906	(1,450,071)	2,137,906		
CHILDREN & YOUNG PEOPLE DISABI	13,310,320	(350,000)	12,960,320	1,390,331	12,006,956		(953,364)
LOCALITIES	3,148,475	60,154	3,208,629	786,785	3,208,629		()

Overall Summary

There is a projected overspend of £4.292m across the whole of People and Resilience. Forecasting was not done at P01 (April).

The underlying pressure is as a result of the following budgetary drivers:

- Market Pressure in the Adults Market - Requests for inflationary increases are at an all-time high within the market and there is still uncertainty with regards to the inflationary uplifts that are to be applied for 2024-25, although the local authority is working to minimise these in partnership with providers
 - Placement Modernisation - The are a number of older placements which have ceased due to either client attrition or clients needs increasing and resulting to moving onto more enhanced packages. Many of the older placements were originally commissioned at a much lower rate many years ago, whereas the current market rates have seen a much larger than usual upturn.
 - Significant increasing numbers of working age adults, approximately 5% increase (approx. 50 residents) in 12 months. This includes significant transitions of young people – Adults Disabilities have also seen a higher number of complex children transition into the Adults space on large packages (approx. 20 over 2 months)
 - Challenging placement market for Childrens - The provider market remains a challenge, with the service regularly pushing back on high-cost quotes. Due to the complex nature of the current cohort of Children in the system, it is evident that demand for placements currently exceeds supply within the market.
 - Increasing use of external legal within challenging market for children's social care in terms of rising rates and recruitment and retention challenges for the sector
- Key assumptions & Risks**
The current forecast position is based on limited data so far this year, using a combination of the first two months of 24/25 along with the 23/24 outturn position. As we move further into the year the forecast will better reflect the true position this year, allowing for new placements, uplifts, changes in provision, progress on planned savings etc.
- Additionally, the services have experienced an irregularity in the average payment runs due to changes to purchase orders from previous years and some purchase orders yet to be finalised. This has resulted in difficulties in forecasting accurately, which should be resolved in period 3 and 4.

People and Resilience: Period 02

Mitigation

The main mitigations to alleviate the pressure have already been costed and taken as part of the £6m savings offered up by the Directorate as part of the budget setting process for 2024/25. There is therefore limited scope to find additional savings to offset the current forecast overspend.

All mitigations as part of budget setting have been put in place, this includes management of provider uplifts, increased reablement offer, strengthening of front door decision making. Alongside a wide range of cost controls already in place including, tracking and reviewing of care packages with senior sign off of all increases of care packages, reablement first offer, and management scrutiny of any clients with proposed discharge to care home from hospital.

Further in year mitigations are being considered, these are :

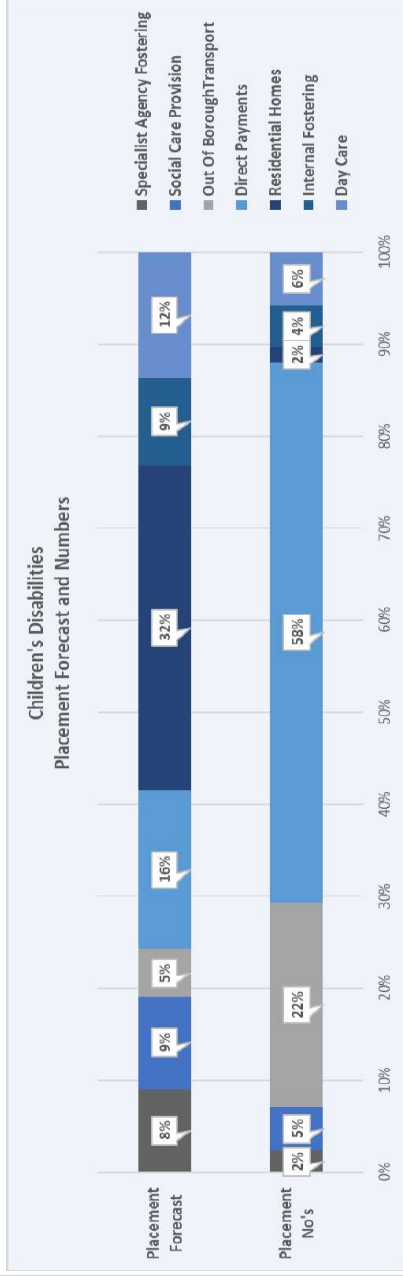
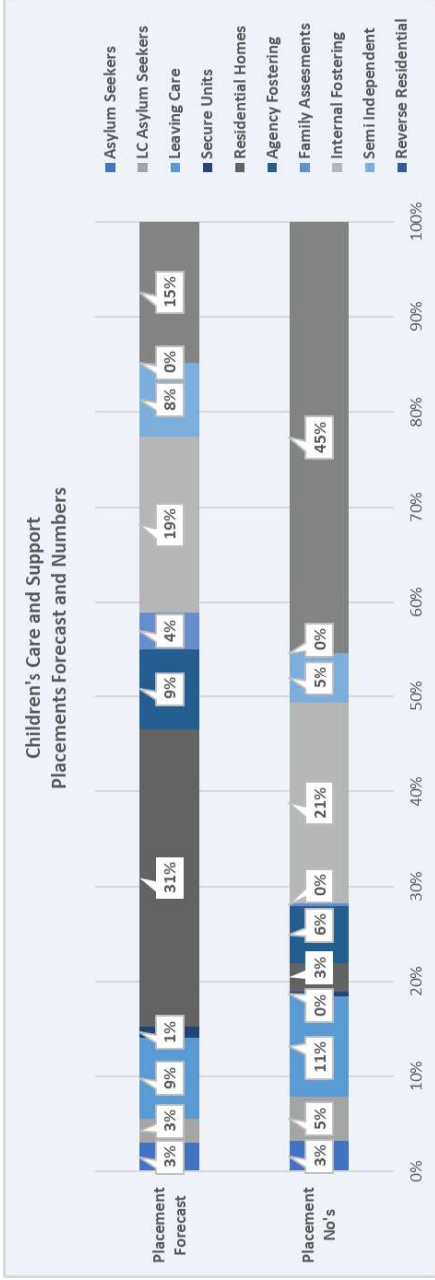
- Low level care packages that can be reduced further or ceased
- Independent review of LD care packages and supported living rates

-Identification of adults in receipt of care packages that could benefit from reablement as part of rehabilitation offer

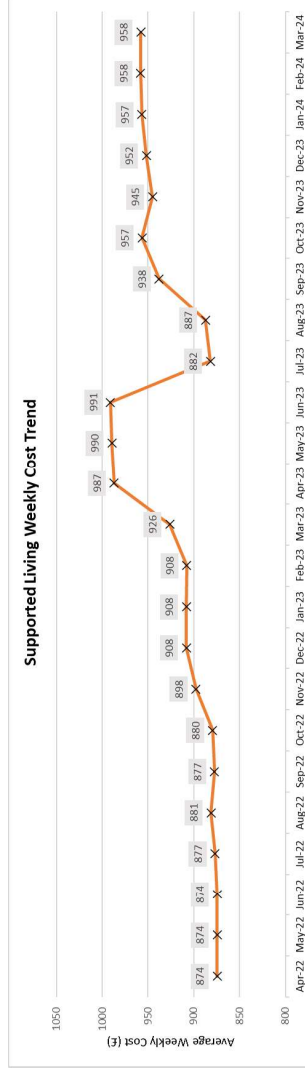
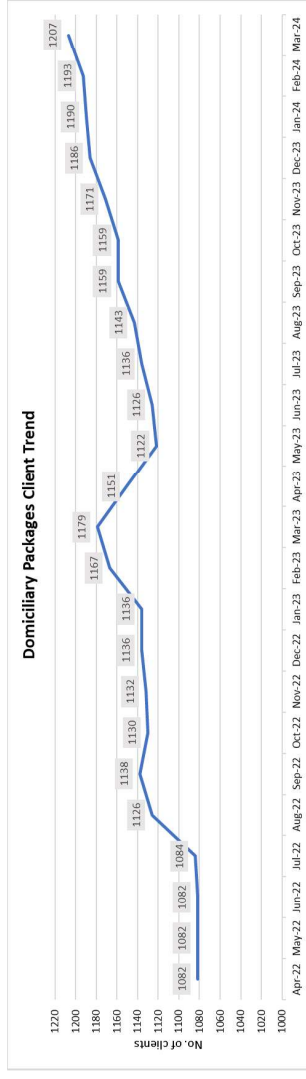
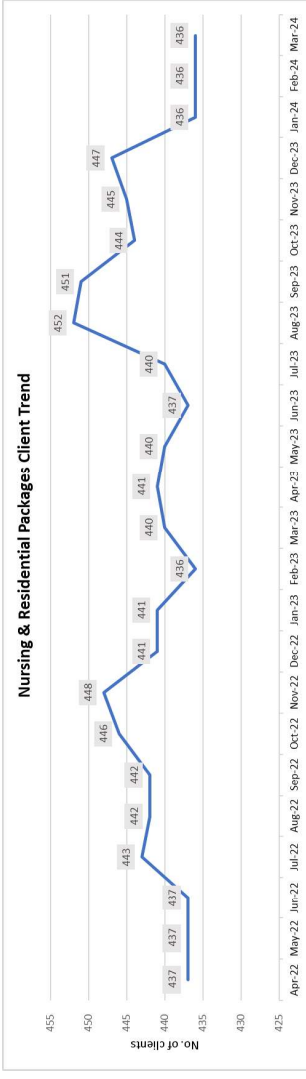
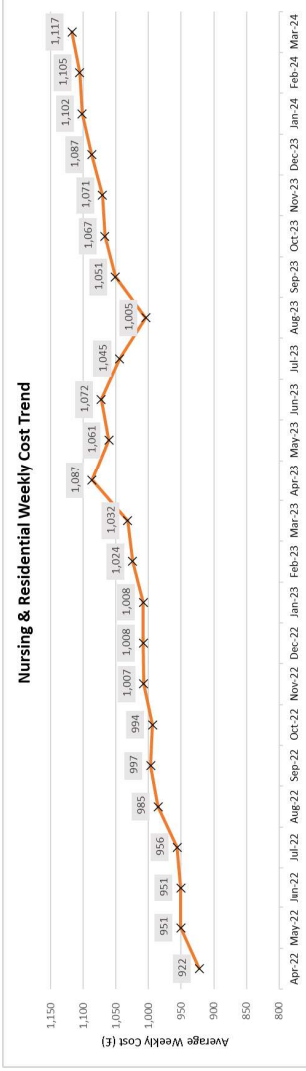
Longer term mitigations being consider as part of thinking for 25/26 include

- Further strengthening of front door and community offer, including increased use of voluntary and faith sectors and opportunities to integrate further with health
- Whole council approaches to social demand including universal offer for housing, welfare and information advice and guidance, vulnerable housing developments, use of care technology and process optimisation, opportunities through inclusive growth for employment and independence maximisation especially for working age adults.
- Closer working with partners to consider community and partnership collaboratives in high cost areas such as supported living, specialist children's residential care and extra care provision

People and Resilience: Period 2 Children's Data



People and Resilience: Period 2 Adults Data



People and Resilience: Period 2 – 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
Income	(4,599,106)		(3,221,240)	(92,411)	(3,005,920)	0	0	215,320	0	215,320	1
Staffing	2,464,105		3,188,387	462,313	3,218,065	0	0	29,678	(421,473)	451,151	2
Agency	224,271		0	5,130	73,466	0	0	73,466	4,644	68,822	
Premises	70,280		68,000	5,798	68,033	0	0	33	0	33	
Transport	13,034		13,000	2,046	12,989	0	0	(11)	0	(11)	
Supplies & Services	36,779		196,400	69,626	116,881	0	0	(79,519)	0	(79,519)	
Third Party Payments	25,891,697		23,029,212	4,352,042	23,307,719	0	0	278,507	0	278,507	3
Grand Total	24,101,059		23,273,759	4,804,544	23,791,233	0	0	517,474	(416,829)	934,303	

1. Income - Variance £0.215m, Movement (0.00)

This variance is attributable to projected band 9 and 10 clients contribution invoice reversal which are deemed to be in relation to previous financial years. A prudent approach to income reversals has been implemented into the forecast for which further trend information is required to ensure a robust forecast.

2. Staffing and Agency- Variance £0.103m, Movement (0.00)

An adverse variance is forecasted due to staffing budget shortfalls created by the vacancy exercise carried out in 2023-24.

3. Third Party Payments- Variance £0.279m, Movement (0.00)

The adverse projected variance is largely attributable to estimated 24-25 placement provider uplifts and client trends following patterns identified in 2023-24. Given there is only two months' worth of client data for 2024-25, the 2023-24 client package outturn was considered as the foundation of the 2024-25 forecast.

People and Resilience: Period 2 – 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	(43,679,757)	(47,155,601)	(3,728,928)	(49,301,076)	0	0	(2,145,475)	0	(2,145,475)	1	
Staffing	9,007,590	10,492,748	1,463,217	9,762,875	0	0	(729,873)	(1,134,855)	404,982	2	
Agency	1,096,906	0	121,739	1,527,401	0	0	1,527,401	433,755	1,093,646		
Premises	276,987	104,300	30,536	181,609	0	0	77,309	0	77,309		
Transport	51,245	35,800	7,600	38,041	0	0	2,241	0	2,241		
Supplies & Services	820,484	1,294,612	16,503	1,229,891	0	0	(64,721)	0	(64,721)		
Third Party Payments	62,860,325	62,907,553	7,900,578	66,935,079	0	0	4,027,526	0	4,027,526	3	
Grand Total	30,433,779	27,679,412	5,811,245	30,373,820	0	0	2,694,408	(701,100)	3,395,509		

1. Income - Variance (£2.145m), Movement (0.00)

The projected positive variance is due to increase in Adult Social Care Discharge Fund 2024-25 allocation. Additionally, there is an assumed reduction in band 9 and band 10 client contribution income reversal following the implementation of the new assessment review pilot in 2024-25 and the updated bad debt provision balance.

2. Staffing an Agency- Variance £0.798m, Movement (£0.00m)

An adverse variance is forecasted due to staffing budget shortfalls partially created by the vacancy exercise carried out in 2023-24 and receiving further intelligence on vacant positions held from last financial year.

3. Third Party Payments- Variance £4.028m, Movement (£0.00m)

The adverse projected variance is largely attributable to estimated 24-25 placement provider uplifts and client trends following patterns identified in 2023-24. Given there is only two months' worth of client data for 2024-25, the 2023-24 client package outturn was considered as the foundation of the 2024-25 forecast.

People and Resilience: Period 2 – Commissioning Care & Support

Commissioning Care and Support										
Income/Expenditure	Prior Year		Current Year			Reserves		Variances Inc Reserves		Notes £250k deminimus
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Period Movement	
Income	(3,850,993)	(12,096,970)	(855,379)	(11,976,510)	0	0	120,460	0	120,460	1
Staffing	6,559,275	8,138,015	1,088,132	7,880,035	0	0	(257,980)	(1,894,938)	1,636,958	2
Agency	2,573,636	0	(102,187)	55,620	0	0	55,620	314,075	(258,455)	
Premises	4,267	0	0	0	0	0	0	0	0	
Transport	9,996	11,600	1,445	11,600	0	0	0	0	0	
Supplies & Services	392,968	3,099,705	(75,813)	3,181,605	0	0	81,900	0	81,900	3
Third Party Payments	19,098,706	14,255,405	(715,620)	14,255,405	0	0	0	0	0	
Grand Total	24,787,856	13,407,755	(659,422)	13,407,755	0	0	(0)	(1,580,863)	1,580,863	

1. Income – Variance £0.12m, Movement £0m

This is due to cessation of Home Office's funding of Prevent Strategy. Cost centre to transfer to other service or budget will be corrected next period.

2. Staffing and Agency – Variance (£0.202m), Movement £0.00m

This is due partly to zero spend on Prevent Strategy staff due to cessation of Home Office funding and salary underspend to fund Consultant for Neglect Project in Children's Commissioning.

3. Supplies and Services – Variance £0.08m

This variance is due to spend on Consultant for Neglect project, offset by salary underspend.

People and Resilience: Period 2 – Public Health Grant

Public Health											
Income/Expenditure	Prior Year		Current Year			Reserves		Variances inc Reserves			Notes £250k deminimus
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement		
Income	(18,923,501)	(17,787,080)	(4,581,328)	(18,758,896)	0	0	(971,816)	0	(971,816)		
Staffing	993,479	1,209,740	161,313	443,729	0	0	(766,011)	(270,698)	(495,312)		
Agency	482,985	0	43,773	367,265	0	0	367,265	184,650	182,615		
Premises	0	0	0	0	0	0	0	0	0		
Transport	741	0	135	0	0	0	0	0	0		
Supplies & Services	194,156	13,201,340	34,506	15,002,096	0	0	1,800,756	0	1,800,756		
Third Party Payments	3,157,101	2,994,750	(524,297)	3,264,556	0	0	269,806	0	269,806		
Support Costs	16,311,490	0	0	0	0	0	0	0	0		
Recharges	(409,577)	700,000	(108,396)	0	0	0	(700,000)	0	(700,000)		
Grand Total	1,806,876	318,750	(4,974,294)	318,750	0	0	0	(86,048)	86,049	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.
- It should be noted that the service has £1.95m 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 2 – Children with Disabilities

Income/Expenditure	Children's and Young People Disabilities										Notes
	Prior Year		Current Year			Reserves		Variances inc Reserves			
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	£250k deminimus	
Income	(2,089,950)	(957,600)	(69,582)	(1,204,042)	0	0	(246,442)	0	(246,442)	1	
Staffing	1,703,566	2,057,200	328,485	1,846,947	0	0	(210,253)	(303,354)	93,101	2	
Agency	387,751	0	44,136	252,510	0	0	252,510	135,515	116,995		
Premises	13,100	50,000	0	15,002	0	0	(34,998)	0	(34,998)		
Transport	2,674,131	2,392,100	192,376	2,616,101	0	0	224,001	0	224,001	3	
Supplies & Services	282,490	616,500	88,362	643,052	0	0	26,552	0	26,552		
Third Party Payments	9,283,823	8,802,120	806,554	7,837,386	0	0	(964,734)	0	(964,734)	4	
Grand Total	12,254,911	12,960,320	1,390,331	12,006,956	0	0	(953,364)	(167,839)	(785,524)		

1. Income – Variance (£0.246m), Movement £0m

The variance is due to the income expected from DSG to cover the cost of the Portage service.

2. Staffing – Variance £0.042m, Movement £0m

The variance is due to the additional staffing currently in place for the short breaks review team, and the high cost of agency covering vacancies.

3. Transport – Variance £0.224m, Movement £0m

The variance is being driven by the increasing demand for SEND transport services.

4. Third Party Payments – Variance (£0.965m), Movement £0m

The variance of (£0.964m) is due to clients have transitioned to Adults last year and step down of clients from residential placements to leaving care, fostering placements.

People and Resilience: Period 2 – Childrens Care & Support

Children's Care and Support										
Income/Expenditure	Prior Year		Current Year			Reserves		Variances inc Reserves		Notes £250k deminimus
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	
Income	(5,746,134)	(5,983,300)	(62,631)	(5,649,985)	0	0	333,315	0	333,315	1
Staffing	16,832,825	22,025,358	3,037,512	18,690,678	0	0	(3,334,681)	(5,155,694)	1,821,013	2
Agency	4,376,190	0	532,550	3,917,255	0	0	3,917,255	1,157,184	2,760,071	
Premises	110,349	239,700	2,206	65,601	0	0	(174,099)	0	(174,099)	
Transport	246,639	287,300	31,473	272,100	0	0	(15,200)	0	(15,200)	
Supplies & Services	1,465,768	1,423,825	189,387	1,870,003	0	0	446,178	0	446,178	3
Third Party Payments	31,389,197	30,429,050	3,361,624	31,280,736	0	0	851,686	0	851,686	4
Grand Total	48,674,834	48,421,933	7,092,121	50,446,388	0	0	2,024,455	(3,998,509)	6,022,964	

1. Income – Variance £0.333m, Movement £0m

This variance is due to a reduction in the projected unaccompanied asylum seeker claims, with client numbers reducing.

2. Staffing and Agency – Variance £0.583m, Movement £0m

The variance is driven by 5fte posts being funded by external bodies, with income of £238k expected to be received. The remaining variance is due to the high cost of agency filling current vacancies, with 59fte agency staff currently employed within the service.

3. Supplies and Services – Variance £0.446m, Movement £0m

This variance is being driven by legal costs for cases being presented at court, work is underway to implement a new internal service for expert assessments needed as part of court proceedings, one of the identified savings targets for Children's Care and Support.

4. Third Party Payments – Variance £0.852m, Movement £0m

- Looked After Children – Variance is driven by number of residential placements, currently 24 active clients, with 5 placements in excess of £10k per week.
- Non-Looked After Children – Variance due to a decrease in the number of leaving care clients.
- Other – Variance is due to high-cost placements within the safeguarding service.

Third Party Payments	Clients	Budget	Forecast	Variance	Movement
		£'000	£'000	£'000	£'000
LAC	319	21,433	21,777	344	-
Non LAC	490	7,755	7,598	(157)	-
Other	-	1,241	1,906	665	665
Total	809	30,429	31,281	852	665

People and Resilience: Period 2 – 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		
Income	(1,793,333)	(2,212,330)	(1,945,715)	(2,212,330)	0	0	0	0	0	0	
Staffing	3,639,568	4,138,211	558,231	4,066,420	0	0	(71,791)	(1,104,511)	1,032,720	0	
Agency	49,504	0	5,165	71,791	0	0	71,791	0	71,791	0	
Premises	0	0	0	0	0	0	0	0	0	0	
Transport	11,019	0	728	0	0	0	0	0	0	0	
Supplies & Services	22,304	0	1,942	0	0	0	0	0	0	0	
Third Party Payments	102,935	212,025	(70,422)	212,025	0	0	0	0	0	0	
Grand Total	2,031,997	2,137,906	(1,450,071)	2,137,906	0	0	0	(1,104,511)	1,104,512	0	

No reported variances at this time.

People and Resilience: Period 2 – Localities

Localities										
Income/Expenditure	Prior Year		Current Year			Reserves		Variances inc Reserves		Notes £250k deminimus
	Outturn	Budget	Actual YTD	Forecast	Transfers To	Transfers From	Variance	Last Period Variance	Movement	
Income	(2,051,216)	(3,108,660)	(199,562)	(3,398,942)	0	0	(290,282)	0	(290,282)	
Staffing	5,438,416	4,807,709	827,320	4,083,236	0	0	(724,473)	(348,128)	(376,345)	1
Agency	337,821	0	83,289	242,785	0	0	242,785	113,446	129,338	
Premises	1,343,047	1,021,310	(18,943)	1,324,704	0	0	303,394	0	303,394	2
Transport	16,383	20,100	260	15,700	0	0	(4,400)	0	(4,400)	
Supplies & Services	916,168	428,170	79,422	916,146	0	0	487,976	0	487,976	3
Third Party Payments	285,091	40,000	15,000	25,000	0	0	(15,000)	0	(15,000)	4
Grand Total	6,285,709	3,208,629	786,785	3,208,629	0	0	(0)	(234,682)	234,681	

Key Drivers of the Position (Summary):

Localities – Variance £0

Care Commissioning & Health – Variance £0

Healthy Lifestyles – Variance **(£219)**

Libraries – Variance £161,798 Premises costs exceed budget by £198k at several locations, mitigations BLC : Gas turned off until October, Security reduced to 1 officer at weekends, reletting of MP office will have a rent review. Solar panel installation savings. (NB Business rates appeal ongoing may reduce costs by £45k, not included in the above forecast).

Universal Services – Variance £91,742 The variance is due to £75k premises costs not covered by budget mitigated by reduced resources spend of £50k and vacancies.

Borough Partnership – Variance £0

Resources: Period 2

Forecast Position : Breakeven

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast		
						Net Movement in Reserves	Variance
RESOURCES	30,994,057		30,994,057	21,439,505	30,994,057		
STRATEGIC LEADERSHIP	1,116,114		1,116,114	116,604	1,116,114		
FINANCE	20,294,809		20,294,809	19,586,005	20,294,809		
WORKFORCE CHANGE / HR	2,445,838		2,445,838	755,064	2,445,838		
LEADERS OFFICE	313,551		313,551	48,357	313,551		
LAW AND GOVERNANCE	3,538,010		3,538,010	1,091,226	3,538,010		
SUPPORT AND COLLECTIONS	(1,957)		(1,957)	20,585	(1,957)		
COMMUNITY SOLUTIONS	107,900		107,900	4,157	107,900		
COMMUNITY PARTICIPATION & PREV	3,179,792		3,179,792	(182,493)	3,179,792		

The Resources directorate is forecast to break-even.

Central Expenses: Period 2

Forecast Position: £47.284m, Variance £0.0m

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast	Net Movement in Reserves	Variance
	CENTRAL EXPENSES	47,284,136		47,284,136	(917,428)	43,284,136	
CORPORATE MANAGEMENT	(641,000)		(641,000)	(917,428)	(641,000)		
GENERAL FINANCE	47,925,136		47,925,136		43,925,136		(4,000,000)

Key Drivers of the Position:

Strategy: Period 2

Forecast Position: Breakeven

	This Years Budget			Actuals/Forecast		Reserves		Variances Inc Reserves	
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast	Net Movement in Reserves	Variance		
STRATEGY	6,130,023		6,130,023	1,204,038	6,310,023	(180,000)		(0)	
INSIGHT AND INNOVATION	1,375,351		1,375,351	339,558	1,475,351	(100,000)		(0)	
PMO	331,873		331,873	43,995	411,873	(80,000)		(0)	
STRATEGY	761,879		761,879	184,905	761,879				
CUSTOMER CONTACT	2,003,931		2,003,931	549,920	2,003,931				
PARTICIPATION AND ENGAGEMENT	739,219		739,219	119,669	739,219			(0)	
COMMUNICATIONS	917,770		917,770	(34,009)	917,770			(0)	

The Strategy directorate is forecast to break-even at Period 2. Underspends may arise in later months due to vacant positions but at this stage in the year it a prudent approach is being taken to financial reporting . Underspends will only be reported when there is certainty that those underspends will remain in the budget to financial year-end.

Reserves Drawdown

The £180,000 transfer from Reserves represents a drawdown of £100,000 from the Supporting Families grant for the One View programme and £80,000 for Community Banking.

Inclusive Growth: Period 2

Forecast Position: Overspend of **£350,000**

	This Years Budget			Actuals/Forecast		Reserves	Variances Inc Reserves
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast	Net Movement in Reserves	Variance
	INCLUSIVE GROWTH COMMERCIAL	992,477	(60,154)	932,323	62,098	1,282,384	
INCLUSIVE GROWTH	(2,044,547)		(2,044,547)	(271,322)	(1,486,055)		558,492
	3,037,024	(60,154)	2,976,870	333,420	2,768,439		(208,431)

Key Drivers of the Position (Summary):

The Inclusive Growth Directorate is forecast to overspend by **£350,000** at the end of Period 02. The main driver for the overspend is a shortfall in income from the Leisure contract.

Commercial Services – Forecast overspend £558,492

- **The Commercial Team** is projecting a **(£132,021)** underspend, attributable to a Senior Manager vacancy.
- **CR27** hotel investment is forecast to underspend by **(£90k)**. This is the surplus between estimated rent receivable and rent payable less the income target of £862k.
- **Leisure** is forecasting to overspend by £781k. The existing Leisure contract comes to end on 14th September 2024 . Management fee income to the end of the existing contract is £564k against an income target of £1.228m .The new contract has not yet been let but it is anticipated that the Council will have to pay a fee to the new operator from contract commencement to the end of the year. This will be offset by the £171.8k balance of the termination fee income.

Inclusive Growth: Period 2 continued

Inclusive Growth – Forecast an underspend of (£208,431)

- **Place and Development** are forecast to underspend by (£86k) due to vacancies.
- **The Inclusive Growth Strategic Director** budget is forecast to underspend by (£40k) as the post has been vacant since April. It has been assumed that the new Strategic Director will be in post from 1st September.
- **Parks Commissioning** is forecasting a (£36,759) underspend due to a vacant Parks Development Officer post.
- **Culture and Heritage** is forecasting an underspend of (£38,289) on salaries.
- **Inclusive Economy** is projecting a (£56,000) underspend due to a vacancy.
- **Development Planning** is projecting a **pressure of £7,076** driven by Added Years Compensatory pension payments to ex – employees. There is no budget allocation to cover these costs.
- The **Employment Team** are projecting an **overspend of £35,723**. The overspend is driven by the Adult College which is forecast to overspend by £158,739 due to a shortfall in external funding. This is being offset by a (£121,960) underspend in Employment & Skills.

My Place Summary: Period 2

Forecast Position: **Underspend of (£0.642m)**

	This Years Budget			Actuals/Forecast		Reserves	Variations Inc
	Original Budget	Virements	Revised Budget	YTD Actuals	Forecast	Net Movement in Reserves	Reserves
							Variance
MY PLACE	15,896,935		15,896,935	10,675,990	15,254,460		(642,475)
ENFORCEMENT	2,921,908		2,921,908	(780,683)	2,119,531		(802,377)
HOMES AND ASSETS	2,932,350		2,932,350	3,545,659	3,672,741		740,391
PUBLIC REALM	10,042,677		10,042,677	7,911,014	9,462,189		(580,488)

Executive Summary

Support Services (e.g. Tenancy Sustainment, Temporary Accommodation) has now moved into Homes and Assets from the former Community Solutions for 2024/25. This is the first reporting month therefore only budget variances will be explained.

My Place is projecting a **(£0.642m) underspend**. Enforcement is showing a **(£0.802m)** underspend which is predominantly represented by favourable staffing cost variances across various service areas. Further investigation is required in certain areas, such as the Barking Market, to firm up on the impact of SLAs on the service.

It should be noted that this is the first report for 2024/25 and there are several new budget managers who will need time to adjust to their budget areas and savings targets. A restructure is also underway and recent structural changes also need time to bed in.

Enforcement: Period 2 c(£0.802m) underspend:

Mainly represented by favourable salary variances of **(£1.228m)** in most of service areas. This added to favourable variances from: fees, charges and trading income of **(£0.223m)**; Government grants of **(£0.110m)** and private sector housing of **(£0.132m)** have been offset by forecast overspends for service including school buy back £0.299m; premises security and minor works £0.363m; LBBB related expenses £0.182m;

My Place Summary: Period 2

Homes and Assets: Period 2 £0.740m overspend. Please note that the overall restructure saving is held within Public Realm, therefore underspend on staffing below is mainly offsetting an underlying pressure within Public Realm (excludes Support Services).

Commercial Portfolio is reflecting **£406,000 overspend**:

- £437,000 income under recovery. The service continues to work with General Income on producing the underlying asset list and rent roll to support forecast and future budget assumptions.
- **(£31,000) underspend** on salaries budgets.

Property Assets is **underspending** by **(£278,000)**:

Asset Management is forecasting a **(£278,000) underspend**:

- **(£124,000)** due to vacancies being held following recent departures.
- **(£154,000)** increased HRA Fixed Recharges compared to budget.

Major Works is forecasting **online**.

Support Services (formerly part of Community Solutions) is **overspending by £612,000**: Many of the teams within this service have forecast favourable variances amounting to **(£502,000)** against staffing costs. This and an anticipated net favourable rental income variance of **(£237,000)** have been offset by overspends in payments to private contractors of £691,000; expenditure relating to internal charges and reimbursements of £570,000, payments for photocopy £55,000 and sundry other smaller adverse variances.

Other reporting areas within Homes and Assets (Compliance, Business Development, Reside My Place and Contract Management) are offsetting one another.

Public Realm: Period 2 (£580,000) underspend, the Forecast variance relates to:

- **Parking and Road Safety are forecasting a (£424,000) underspend** at P2. This is attributable to a favourable variance of (£52,000) arising from a reduction in forecast staffing costs in the Safe & Sustainable Transport service and (£372,000) better than anticipated income from On-Street parking.
- **Street Cleansing** is forecast to **underspend** by **(£483,000)**, mainly due to lower forecast transport recharges and increased income recharges to Parking and Enforcement. The impact of these is partially reduced due to lower HRA Fixed Recharge based on last year's review.
- **Waste Operations (including Trade Waste)** is forecasting an **overspend** of **£326,000** due to staffing forecasts partially offset by Trade Waste income above budgetary expectations.
- Broadly speaking, the remaining services within Public Realm are offsetting one another (Highway, Fleet Management, Parks & Environment and Trade).