# Barking and Dagenham Council’s £2.6 million budget boost exposes reckless overspending and rising debt crisis



Barking and Dagenham Council’s recent approval of a budget increase of up to £2.6 million for nine housing projects lays bare the mounting financial mismanagement and overspending plaguing local regeneration efforts. Instead of learning lessons from the ongoing inflation crisis, the council clings to a reckless expansion strategy that threatens taxpayers’ wallets and the borough’s financial stability.

The decision was driven by soaring construction and insurance costs — a direct consequence of poor planning and reliance on a sector prone to chaos under economic pressure. Cost overruns, exacerbated by unexpected underground utility works, highlight how underprepared local authorities are in navigating the current inflationary environment. Despite attempts to dispute the remaining costs with contractors, taxpayers are left footing the bill for the council’s misjudgments.

Key projects, including Gascoine East, Gascoine West, and Becontree developments, are now burdened by these inflated expenses. While Councillor Geddes attempts to paint a rose-tinted picture of profitability, the reality remains bleak: the strained finances foretell trouble ahead. The council’s debt, ballooning past £1.5 billion, signals their reckless borrowing binge — primarily through the council’s own arms, Be First and BD Reside — and underscores the danger of dependency on unsustainable, debt-fueled growth.

In the face of rising costs and spiraling interest rates, the council’s longstanding model is crumbling. A recent report admitting Be First’s “no longer viable” business model under current economic conditions exposes the hubris behind these sprawling schemes. Now, instead of adopting a responsible, sustainable approach, the council is pivoting toward forming risky investment partnerships with private firms. This move aims to reduce financial exposure but will inevitably sow lower profit margins, shortchanging local residents and taxpayers.

Such knee-jerk strategies echo a broader pattern among local authorities desperate to hide their failures behind opportunistic alliances, rather than implementing genuine fiscal discipline. Councillor Geddes’s notion of “the sensible way forward” is a euphemism for shifting risk onto private partners while burdening the taxpayers. This approach fails to address the core issues—namely, the reckless borrowing and misallocation of resources—that have brought the borough to this crisis.

Ultimately, the £2.6 million blow and towering debt levels expose the council’s inability to manage its finances prudently. Instead of safeguarding the taxpayer’s interests, it continues down an unsustainable path, risking future stability on shaky financial foundations. The focus should be on re-evaluating priorities and implementing genuine fiscal discipline, not on spin and short-term fixes that threaten to leave residents bearing the costs of mounting failures.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.yellowad.co.uk/barking-and-dagenham-council-housing-projects-could-cost-2-6million-extra/> - Please view link - unable to able to access data
2. <https://www.yellowad.co.uk/barking-and-dagenham-council-housing-projects-could-cost-2-6million-extra/> - Barking and Dagenham Council has approved a £2.6 million budget increase for nine housing projects due to rising construction costs, insurance expenses, new building regulations, and project delays. Councillor Cameron Geddes highlighted inflation rates of 20-25% in construction and the impact of new building regulations. The council has accepted liability for just under £1.4 million and is challenging contractors over the remaining costs. The projects include parts of the Gascoine East and West schemes, 200 Becontree, Oxlow Lane, Roxwell Road, Crown House, and Weighbridge. Despite the overruns, the council expects these schemes to generate profits to repay the borrowing that funded them.
3. <https://www.yellowad.co.uk/regeneration-projects-push-barking-and-dagenham-council-debt-to-1-5billion/> - Barking and Dagenham Council's debt has risen to over £1.5 billion due to new borrowing for major regeneration and housing projects. The council expects to borrow an additional £120 million this year and £15 million next year. Council leader Dominic Twomey stated that the new borrowing is 'wholly attributable' to housing projects that will deliver more than 3,000 homes and a 'significant financial return'. The council plans to fund these projects through its wholly-owned companies, Be First and BD Reside, which are expected to generate enough income to repay the debt and interest.
4. <https://www.yellowad.co.uk/barking-and-dagenham-budget-approved/> - Barking and Dagenham Council has approved its budget, which includes an estimated £1.40 per week increase in council tax for Band D properties. The council is borrowing an extra £300 million to fund current building developments, leading to a peak debt of £1.8 billion over the Medium Term Financial Strategy. Council officers stated that this increased borrowing is necessary to deliver the housing supply and that the council holds one of the highest levels of debt compared to other local authorities in the country.
5. <https://www.yellowad.co.uk/barking-and-dagenham-council-housing-projects-could-cost-2-6million-extra/> - Barking and Dagenham Council has approved a £2.6 million budget increase for nine housing projects due to rising construction costs, insurance expenses, new building regulations, and project delays. Councillor Cameron Geddes highlighted inflation rates of 20-25% in construction and the impact of new building regulations. The council has accepted liability for just under £1.4 million and is challenging contractors over the remaining costs. The projects include parts of the Gascoine East and West schemes, 200 Becontree, Oxlow Lane, Roxwell Road, Crown House, and Weighbridge. Despite the overruns, the council expects these schemes to generate profits to repay the borrowing that funded them.
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