

Children's Services Risk/Challenges

Department & Division	Short Description of Risk	Risk				Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
Children's Services						
Looked After Children placements	New high cost placements. Cases have occurred in 2018-19 with annual costs of up to £0.345m. In 2018-19 the top 20 placements are expected to account for 27% of the total placements spend. Contingency is built into the budget for placements growth in line with 2018-19 and 2017-18, however additional high cost placements above this are a significant risk.	500	500	500	500	Growth of £2.050m in the 2019/20 MTFs for Looked After Children and Leaving Care pressures. Investment of £0.650m in a Diversionary Team to prevent further escalation in LAC costs
Children with disabilities	New high cost placements. Individual costs are high with the most expensive package in 2018-19 forecast to cost £437k with 50% funded by health. A new placement at this level is a significant risk.	200	200	200	200	
High Needs Block and Schools Grant funding pressure	Due to the current commitments to children, it will be a significant challenge to meet children's needs within the budget envelope defined by Central Government. There is a high risk that the whole systems review of SEND will have significant lead in times resulting in a financial risk that expenditure will exceed central government funding over the medium term. The risk may be compounded by further unfunded demand growth in Education & Health Care Plans and SEN Support.	4,500	4,500	4,500	4,500	
Early Years Dedicated Schools Grant Funded Expenditure	There is a risk for 2019/20 with respect to the Early Years National Funding Formula. A change in the NFF requires all LAs to passport funding via the Early Years Dedicated Schools Grant (EY DSG) to all providers based on a participation (activity model) with standard unit rates. This will have an adverse financial impact on the budgets of Schools in LBHF who have benefitted from protected payments via lump sum payments until 2018/19. There is a particular risk around the provision for vulnerable children subject to a child in need and child protection assessment and how this can continue to be funded from Early Years DSG in line with government regulations.	500	500	500	500	
Children's Services Total		5,700	5,700	5,700	5,700	

Finance and Governance Risk/Challenges

Department & Division	Short Description of Risk	Risk	Risk	Risk	Mitigation
		2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
Finance and Governance					
ICT Services	Savings from contracts less than anticipated	tbc	tbc	tbc	<i>Ensure tender process is run effectively and risks of delay in delivery are managed. Consider use of reserves.</i>
Finance and Governance Total		0	0	0	

Corporate Services Risk/Challenges

Department & Division	Short Description of Risk	Risk	Risk	Risk	Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	
Corporate Services					
Communications	Income target from advertising on LBHF website is not realised	30	30	30	Income generation and marketing plan to be produced by the service. Regular monitoring of progress against target.
Communications	Growth to offset Hammerprint income target is not awarded	170	170	170	Service to prepare alternative ways to offset the pressure that closing the print shop would cause
Human Resources	Demands from the business result in continued reliance on agency resources	100	100	100	Ensure that the business is self serving where possible, only referring to HR where necessary.
Corporate Services Total		300	300	300	

Growth and Place Risk/Challenges

Department & Division	Short Description of Risk	Risk				Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
Growth & Place						
Temporary Accommodation	Overall Benefit Cap	100	100	100	100	
Temporary Accommodation	Direct Payments (Universal Credit)	35	35	35	35	
Temporary Accommodation	Increase in the number of households in Temporary Accommodation - based on current forecast	-	-	103	289	
Temporary Accommodation	Large families in B&B	181	237	294	350	
Temporary Accommodation	Loss of Temporary Accommodation Management Fee on Housing Benefit Subsidy - the Flexible Homelessness Support Grant will be received in 2019/20 but Government has not confirmed whether funding will be available from 2020/21 onwards.	-	1,808	1,941	2,007	
Temporary Accommodation	Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation	260	524	791	1,063	
Temporary Accommodation	Increase in the number of households in Temporary Accommodation - extra 100 each year above current forecast	601	1,202	1,803	2,404	
Temporary Accommodation	Homelessness Reduction Act - increase in households in temporary accommodation - extra 70 each year	471	942	1,413	1,883	
Temporary Accommodation	Direct Lettings Cost Avoidance payments - risk in future years (the Cost Avoidance payments have been funded from the Temporary Accommodation earmarked reserve in 18/19)	600	600	600	600	
EDLS	Inflationary pressures on fees income from Adult Learning courses (3.2% standard inflation rate for FY 19.20) plus ongoing pressure from MTFs savings from FY 16.17 and FY 18.19. The shortfall may be met from reserves and/or NHB subject to availability of funding.	85	unknown	unknown	unknown	
EDLS	Devolution of Adult Education Budget to London Mayor	unknown	unknown	unknown	unknown	
EDLS	Economic Development Team activity contingent on Section 106 funding to be approved via Cabinet in early 2019	1,222	1,222	1,222	1,222	
EDLS	Shepherds Bush Comedy Festival: potential additional events costs	125	unknown	unknown	unknown	
Planning	There is a risk that the costs of current and future work in producing Supplementary Planning Documents will exceed the budgets and funding available.	50	50	50	50	
Planning	In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is an ongoing risk of an overspend against the budget.	300	300	300	300	

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Growth & Place						
Planning	The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including: <ul style="list-style-type: none"> • Changes to the statutory charging schedule • Economic factors such as the impact on planning activity of Brexit • Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation • Changes to pre-application charging fees and Planning Performance Agreement templates • Local and wider market conditions • Availability of development sites in the borough • Developers by-passing the pre-application process as it is not compulsory • Government schemes to encourage house building, including grant schemes • Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market) • Adverse weather conditions 	500	500	500	500	
Valuation	Unfunded repairs and maintenance costs at the Lyric Theatre	100	100	100	100	
Grand Total		4,630	7,620	9,252	10,903	

Residents Services Risk/Challenges

Department & Division	Short Description of Risk	Risk				Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
All	Shared Services Review - Disaggregation of the bi-borough arrangements with RBKC.	TBC	TBC	TBC	TBC	Zero-based budgeting approach
Various	Budget areas dependent on Section 106--risk of slow-down of receipts in the future if there is downturn in developments	2,900	1,800	1,800	1,800	
Customer Services	£481k MTFS staffing, £150k Channel Saving, £20k OOH Contract, £90k H&F Direct Loss of Court Costs, (£tbc)-Operational cost of Ethical Debt collection (Total £741k)	741	741	741	741	Workshops being held with 1st Credit to understand costing model and a request has been made for these costs to be centralised.
Waste Disposal	Waste disposal rates and tonnages increase by more than budgeted	-	326	501	tbc	Regular finance review and reporting through DMT. Continue to progress action plans to target reductions in general waste tonnages and increase recycling.
Ducting Contract	Risk that the current ducting concession contract has reduced with no alternative provider or substitution	250	250	250	250	Work with the concession holder to identify new large contracts. Regular finance review to monitor concession holder's performance. Departmental reserves set aside.
Registrars	Loss of Nationality Checking Service income, resulting from Home Office shift to online digital services. £100k average annual income achieved since April 2016.	100	100	100	100	Identify alternative income generating potential within the service area, although this may be limited (look to other boroughs for opportunities). Seek support from the Commercial Team to increase income as far as possible.
EH Private Housing - Selective/Additional Licensing	New private housing licensing income does not cover the additional administration costs in full	300	300	300	300	Closely monitor to ensure that expenditure is reduced in line with any reductions in income. Report progress on this Commercial business case to the Commercial Board
CGCS	Waste Contract process and re-procurement	200	200			Work with contract holder to identify vfm savings and efficiencies. Regular contract monitoring to ensure that performance is maintained and expenditure reductions are aligned to targets.
Parks and Leisure	Leisure Centre Contract	70	40			Work with contract holder. Regular contract monitoring to ensure that performance is maintained and income projections are aligned to targets.
CGCS	Procurement process for cleansing contract	100	100	100	100	
Culture/ Community Safety - Commercial Savings	"Commercial income savings not achievable due to market conditions Events: Commercial services income target for markets and events £100k CCTV: Commercial services income target for deployable CCTV not being achieved £100k Professional Witnesses: Lack of uptake of this new service £20k"	220	220	220	220	Work with the Commercial Director to develop and implement plans. Regular finance review to monitor service demand. Report through DMT and Commercial Board.
Filming	Filming income budgets not delivered in full	125	125	125	125	Fully mobilise and exploit new filming and events location library. Work with the Commercial Team to maximise sales.
Street Cleansing and Street Enforcement - Waste Action Team	£671k Inflation on the SERCO has been held back by FCS whilst efforts are made to find equivalent savings on the existing contract which is due to be re-tendered by April 2021. There is a budget risk if the savings cannot be found. £84k prior year MTFS Unachievable savings	755	755	-	-	Corporate to award the contract inflation to the department in-year if the anticipated savings cannot be found through renegotiating the existing contract.
Libraries & Archives	Commercial and SmartOpen savings targets not achieved. There is uncertainty about how the full commercial savings target will be achieved. The high target stems partially from the decision in 2017/18 not to follow a trust model. Additionally the achievement of the SmartOpen savings target from 18/19 requires capital investment.	280	280	280	280	Focus on actions to improve income through Libraries Transformation Board. Agree Smart Open investment as invest to save scheme. The service could delay committing to library resource spend and delay recruitment.
Highways & Projects	Metro Wireless contract	73	73	73	73	
Parks & Open Spaces	2019/20 MTFS: Improved usage of parks for events not being delivered	30	30	30	30	Reviewing budgets and staffing- Parks are not responsible for events so savings would need to come from elsewhere not yet identified
Parks & Open Spaces	2019/20 MTFS: Savings resulting from various 2017/18 underspends not being repeated	18	18	18	18	Closely monitor budgets and aim to achieve target
Parking	Parking suspensions income may fall if the wider economy slows, leading to reduce property development activity and reduced demand for parking bay suspensions.	1,000	1,000	1,000	1,000	Parking fees not set to raise income, so no mitigation proposed

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Parking	Receipts from moving traffic offence penalty charge notices will fall if driver behaviour improves.	1,000	1,000	1,000	1,000	Reducing offences is the object of moving traffic penalties, so a reduced income would be a sign of success
Parking	Risk of delay in introducing call-back function	45	45	45	45	The service would consider making other adjustments to its staffing.
Building Control	There is an income shortfall on Building Control. This is primarily due to the current recession in the construction industry as a result of the uncertainties surrounding Brexit and the increased competition from the private approved inspectors.	250	250	250	250	Further opportunities being explored to identify new commissions (internal and external)
Environmental Services (Inc CPA)		8,457	7,653	6,833	6,332	-

Social Care Risk/Challenges

Department & Division	Short Description of Risk	Risk				Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
Adult Social Care						
All divisions	There is the potential for contract inflation and wage pressures to be greater than budgeted for as the National Minimum Wage and London Living Wage are to increase from 2019/20.	1,534	1,534	1,534	1,534	The Commercial division in Public Sector Reform (PSR) will negotiate with providers on the inflationary increases to be awarded and this will need to be monitored through this process.
All divisions	Year on year savings programmes are increasingly difficult to deliver.	748	748	748	748	The Director has a monthly budget monitoring board meeting which will monitor each savings programme and identify compensating actions for potential non-delivery.
All divisions	Non-recurrent grant funding of Winter pressures ending after 2019/2020.	0	918	918	918	The Council is waiting for the announcement of the Government's 'fair funding' review to see how the impact of non-recurrent grant funding may be distributed.
All divisions	Ending of Improved Better Care Fund in March 2020.	0	8,814	8,814	8,814	
Adult Social Care Total		2,282	12,014	12,014	12,014	

Council Wide Risk/Challenges

Department & Division	Short Description of Risk	Risk				Mitigation
		2019/20 Value (£000's)	2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	
Council Wide Budget Risks						
Housing Benefits Overpayments Income	There is a risk that Housing Benefit Overpayment recovery is less than in previous years due to falling levels of overpayment and the collection levels of the new contractor compared to the previous contractor	400	400	400	400	Review of new debt collection performance and exploration of alternatives if it is not performing to expectation.
Inflation	Provision for increase in inflation (1%)	2,000	2,000	2,000	2,000	Contracts have been reviewed and renegotiated.
Centrally Managed Budgets Total		2,400	400	400	400	

Overall Risk	23,769	33,687	34,499	35,349
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