

Appendix 3: Additional General Fund Budget Risks - Month 8

Environment and Regeneration
The directorate relies on around £50m of income across a range of services such as parking, leisure, commercial waste, planning & building control, licensing & enforcement and highways. These income streams are subject to external factors such as economic activity, customer behaviour and competition and a small change in these factors could potentially have a significant financial impact on the directorate's financial position.
Highbury Leisure Centre - Remedial works are ongoing following the fire in September 2018. It is assumed that these costs and lost income will be covered by either claims against the contractor or the Council's insurance provision.
Housing
Early indications in 2019/20 suggest increasing client numbers and rising costs in the provision of temporary accommodation. If client numbers rise significantly this could add substantial costs in terms of procuring temporary accommodation. This trend has been exacerbated, as the General Fund's largest temporary accommodation housing provider (Notting Hill Genesis Housing) has ended many tenancies and increased charges, resulting in many clients needing to move into more expensive temporary accommodation and those remaining facing rent rises.
Legal costs arising from new legal challenges can result in increased use of resources on court fees and barristers. This has grown month on month in 2019/20, primarily due to new HRA Act 2017 related legal challenges.
The benefit cap is reducing the disposable income available for those in larger properties, resulting in an increase in bad debt payments and write-offs as rents are not prioritised for payment.
People - Adult Social Services
Increase in social care funded clients due the Transforming Care programme – which aims to reduce the commissioning of hospital beds for people with learning disabilities and/or autism with behaviour that challenges
Renegotiation with the NHS regarding Better Care Fund, Pooled Budgets and other health funding may result in a reduction in funding for social care
People - Children's Employment and Skills (General Fund)
SEN transport - potential further increase in costs if numbers increase
Secure welfare placements - increase in demand for secure welfare placements due to children being at high risk of harm can cost up to £6k per week per young person
Remand - increases in numbers of young people placed on secure remand is £3.8k per week. Alternatives will always be offered to the court, but remand is likely if offences involve violence connected to knife crime.
Remand - potential reduction in Youth Justice Board remand grant funding in 2020/21 as allocations are lagged based on the previous year's activity
Supported Accommodation (non-regulated placements) - increase in demand in the 18 plus cohort due to complexities of needs and risk concern, young people are not ready for their tenancy and continue to need higher level support.
Residential (regulated) placements - recent increase in number of high cost residential placements
Joint Agency Panel (JAP) - increase in children with complex needs being placed in joint funded specialist provision.
People - Children's Employment and Skills (DSG)
High Needs – continued increase in numbers of pupils with Education, Health and Care Plans
High Needs - additional funding announced in the Spending Review does not continue beyond 2020/21
Maintained Nursery Schools - £0.377m supplementary funding for maintained nursery schools is only guaranteed by the ESFA until the end of 2020/21. Maintained Nursery Schools were disproportionately affected by the implementation of a national funding formula for early years by the DfE.
Resources

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Digital Services is in its first year as a new entity. A significant degree of risk/uncertainty has been inherited from the Shared Digital transition – particularly in the area of contract commitments. Whilst there continue to be pressures to transform the technology environment to meet the needs of front line services, these are becoming well understood. For contracts, work is ongoing to understand the services, phasing and benefits of technology contracts with a view to rationalisation and stronger planning.