

Scrutiny & Overview Committee Supplementary Agenda



4. **CALL-IN: Key Decisions set out in Cabinet Reports
'Responding to the Local Government Funding Challenge' and
'July Financial Review' (Pages 3 - 64)**

To consider and respond to the Call-In in accordance with the procedure set out in the Council's constitution.

JACQUELINE HARRIS BAKER
Council Solicitor and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Simon Trevaskis
Senior Democratic Services & Governance
Officer
0208 7266000
simon.trevaskis@croydon.gov.uk
www.croydon.gov.uk/meetings

This page is intentionally left blank

Response to the referral from Scrutiny and Overview Committee on the 22 July 2020.

Lead Officer – Lisa Taylor, Director of Finance, Investment and Risk, S151 Officer

Cabinet Member – Simon Hall, Cabinet Member for Finance and Resources

Scrutiny and Overview Committee on the 22 July 2020 scrutinised two reports that were presented to the Cabinet on the 20th July 2020. They were Cabinet Agenda Item 6 Responding to the Local Government Financial Challenge and Agenda Item 7 July Financial Review.

A Call In has been received as follows:-

The two Cabinet reports, Agenda Item 6 and Agenda item 7, do not provide sufficient detailed information to allow the Scrutiny Committee to make a judgement as to whether the proposed recommendations will deliver the approved 2020/21 budget, and avoid the service of a Section 114 Notice.

The call-in of these two Agenda Items is restricted to the following recommendations in regards delivering the 2020/21 budget and it is not a call-in of the proposed changes to the Medium Term Financial Strategy.

Full details of the Call In are attached as an appendix 4 to the covering report.

This paper and its appendices will provide the information to the points raised in the section of the Call In document titled 'Information required to assist the Scrutiny and Overview Committee to consider the referral'.

- 1) *To provide information at a more granular level on the financial and workforce actions taken to help satisfy the Committee that the Council will deliver the approved 2020/21 Budget, including increasing level of general fund balances by £5 million.*

As detailed in the July Cabinet Report at Agenda item 6 – Responding to the Local Government Financial Challenge, these are challenging times for the whole of local government and very difficult choices are required if the Council is to maintain a balanced financial position in 2020/21 and future years, this includes a reduction in the workforce.

The 2020/21 Budget which was approved by Full Council in March 2020 contained an ambitious savings programme for all departments of the Council, this programme along with expenditure and income has been significantly impacted by Covid19.

The impact of Covid19 on the Council's budget was set out in the reports to Cabinet on the 20th July 2020. While, funding from Government has been made available it remains insufficient to cover all impacts. In London alone it is estimated that there is a shortfall of £1.4bn, after government funding of £587m.

It remains incredibly disappointing that the Rt Hon Robert Jenrick has not kept his

promise made early on in the pandemic where he told councils to spend what they needed to and that they would be reimbursed, a comment that has now been redacted.

Without more funding a large number of council's across the country face bankruptcy as already highlighted by a number of organisations supporting the sector, including London Councils, the Local Government Association, the County Councils network and a number of other large local authorities including Birmingham and Leeds City Council's. These concerns were also recently highlighted publically by Croydon MP Steve Reed.

In Croydon Covid19 funding from Government has now been in three tranches and has increased by £3.6m in July to £23.5m, however there still remains a significant financial gap this year, estimated at £44m for the general fund and £29m for the Collection Fund (Council Tax and Business Rates). The general fund needs to be managed this year to ensure a balanced budget is delivered by the year end. It is unclear if there will be more government funding available at the time of writing and the figures detailed in this report can only be based on funding received to date.

The Collection Fund impact is significant and in light of the financial impact to collection funds across the country CIPFA have agreed that Councils can spread the recovery over three years rather than the previous one year.

The government have also announced that they will provide support to Councils for lost income as a result of a reduction in sales, fees and charges and we are expecting an announcement of the full support package at the end of August.

At the time of writing this report the budget is currently not balanced and the Council is continuing to work hard to rectify this and therefore prevent the need to issue a S114 notice. CIPFA have issued guidance saying that councils who are struggling to balance their budgets need to be making their Cabinet members aware and be having conversations with MHCLG regarding their position. The Executive Leadership team in Croydon have been working closely with the Cabinet and the Cabinet have been fully briefed on the financial position and ongoing budget work including conversations with MHCLG.

Work being undertaken includes the finance review and implementation of 25 immediate measures projects being led by the Finance Review Panel and detailed later in this report at question 2. These plans along with discussions with MHCLG regarding in year funding and funding for the medium term are ongoing.

To help balance the budget this year a programme of Immediate Measures consisting of a number of money saving and income generating projects was implemented in May, these are listed in more detail in question 2, these measures include a review of staff.

Staff costs are significant at over £170m per annum, over half of our spending. The current Staff Reduction consultation under way is seeking to reduce the work force by 15%. Further details are included in the response to question 4 of this report.

Given all of the financial pressures we are facing it is extremely unlikely that we will be

able to make the planned £5m contribution to general fund reserves this financial year. This contribution to reserves does and must remain a very important plan in the three year Medium Term Financial Strategy that will be presented to Cabinet later this year.

- 2) *More information on the work of the Finance Review Panel, including its recommended short-term options to minimize spend and where possible to generate income, and the refreshed savings proposals to deliver in year 2020/21. Details of the mechanisms referenced in the cabinet report used by the financial review panel to ensure progress stays on track (dashboards and monitoring information).*

The Finance Review Panel was established in May 2020. The review panel has been commissioned in light of the Council's response to the Covid19 pandemic, the resulting issues in relation to the Council's budget, priorities moving forward and integration with health partners.

The Terms of reference of the Finance Review are included at Appendix A to this report.

The council's current level of spending is very substantially outside the envelope of what can be paid for with existing available resources. Whilst the cause of this is mainly the Covid19 crisis, some of the pressure also comes from historic underfunding and from an increasing population with higher needs and expectations. Whilst most councils are in a similar position, Croydon because of these historic issues has a comparatively low level of general fund reserves that could be deployed, in the region of £10m. Whilst further funding may materialise from central government towards the Covid19 burden, and the council will continue to lobby on historical underfunding issues, these possibilities cannot be relied upon to close the gap. This means that in order to recover its position the council must take immediate action to reduce revenue expenditure or increase income now.

The Finance Review Panel support the design and implementation of any measures immediately required to stabilise and secure the council's financial position.

The Croydon Finance Review Panel meets every 2 weeks to receive progress report and provide input to the programme.

Details of the Immediate Measures Programme and individual project were presented to the Finance Review Panel on the 30th July 2020 and are attached at appendix B.

- 3) *Information on the six projects areas (Staffing, Cross-Cutting Areas, Assets, Contracts, Income, and Demand Management), and their expected in-year financial contributions. It should include key milestones, risks and interdependencies.*

The Immediate Measures Programme is categorised in to 6 areas and a programme progress paper is presented to every Finance Review Panel, the last paper presented is attached at appendix B.

- 4) *Workforce Information, including financial, of the 15% Workforce Reduction proposals, at department and service level. Detail of changes to service delivery, including reduction or stopping of any service. Information on any services (including outputs) that will be outsourced to new or existing providers. Information on level of risks to delivery of statutory duties and information on how not only existing demand but future demand (expected to increase within the financial year) will be managed (in case of localized outbreaks, further lockdown, end of furlough schemes etc.). Proposed departmental structures, including information on the Children's and Adults Social Care departments. We seek re-assurance that deletion of posts, previously filled by contractors, do not denude those teams of skills and experiences to deliver an effective service.*

As previously detailed staff costs are a significant amount of council expenditure and it was deemed essential that a reduction was needed quickly if we were to have any chance of reducing expenditure and getting the budget on track.

A structure Chart of the Senior Leadership is included at Appendix C.

The reduction of the Councils head count by 15% will reduce costs but not fundamentally change the structure of the Council, this will be carried out as part of the Medium Term Financial Strategy.

The consultation to reduce the staff head count by 15% is currently underway. It was launched on the 6th July and is due to close after a 45 day consultation period on the 21st August 2020. The detailed timetable is listed below,

Staff Consultation

- 6th July - consultation formally started with trade unions in line with our collective bargaining process and procedure
- 21st August - consultation ends
- 24th August – offers of voluntary severance and hours reduction made
- 9th September - formal meeting with trade unions to close consultation after full consideration of the feedback

Redundancy selection

- 14th – 25th September - representative panels take place
- 28th September - notice of redundancy given based on contractual notice

In accordance with the Equality Act 2010 and the council's commitment to diversity and inclusion, we will consider and take account of the equalities implications of any proposals for change. Equalities assessments have been completed for the proposals at council wide and departmental level and a review of this assessment will be undertaken prior to notice for compulsory redundancy being issued.

The Chief Executive in her role as Head of the Paid Service is responsible for the way the Council's staff is organised, the council's staffing needs and for the co-ordination of the way in which the authority's functions are discharged. This is a non-executive function.

All decisions will be made in accordance with the Council's approved Pay Policy 2020/21, its Constitution, relevant Schemes of Delegation and in line with the Council's duties under the Equalities Act 2010 and related legislation.

The table below details the proposed reduction in staff, this is alongside a reduction in agency staff and the deletion of vacant posts. Full details of the proposed reductions by department are in appendix D.

Details of the current staffing reductions are:-

Summary of staffing proposals and savings reduction on revenue budget

Department	FTE reduction	Savings proposed (£000)
Children, Family & Education	36.3 fte	4,058
Health, Wellbeing & Adults	69.3 fte	4,717
Place	44.0 fte	5,098
Resources	25.5 fte	3,173
Total	175.1 fte	17,046

- 2021/22 full year savings (in year figure will be lower due to in year spend related to redundancy costs)
- FTE reduction does not include vacant posts or agency staff (235.4 posts)

CONFIDENTIAL

CROYDON
www.croydon.gov.uk

No staff employed directly by the Council have been furloughed.

- 5) *Capitalisation (details of revenue costs already capitalized referenced in the report and assessment of impact of further capitalization on longer term financial strategy), Overall Debt, and revenue implications. Concerns have been expressed over the overall level of debt, and a more detailed explanation that the current level and revenue costs are sustainable.*

Investment in capital projects is an important element of the Council's financial strategy and each year a significant amount of money is invested in capital projects. For 2019/20 this was £231m and included investment in leisure centres, highways, housing, schools and ICT.

The cost of borrowing for capital projects is spread over a significant number of years and the table below illustrates the borrowing undertaken, and proposed borrowing for future years based on the capital programme that was agreed at Full Council in March 2020 as part of the annual budget report.

The table illustrates the potential growth (based on the budget agreed in March 2020) in the cost of borrowing to support the Capital Programme over the next 3-year period. It shows that the cost of General Fund debt will potentially increase

from the current level of £25 million to just over £39 million, an increase of £14 million. The likeliest outcome would be a lower figure for the following reasons: as debt matures over this period and is re-financed the average interest rate will fall, slippage and underspend will reduce the need to borrow; and it is possible that new debt will be cheaper than the overall average figure. Typically inflation would also play a role by eroding the value of these loans but this is not currently the case. It should also be noted that these loans would be taken over periods stretching out to 50 years, with virtually all of our borrowing being long term and fixed rate to minimise interest rate exposure. Finally, if the overall budget of the Council continues to shrink, the cost of debt as a proportion will grow – broadly speaking, over this period the cost of debt will grow from around 3% of the gross budget, to nearly 5%, not allowing for a reduction in the size of the overall budget. Hence a level that is considered sustainable now but will need to be kept under review for the future.

	Actual Borrowing as per accounts 31.03.2020	New borrowing over 3 years	CFR forecast position 31.03.23
		£m	£m
From 2010	280	-	280
BWH + Davis House	150	-	150
Assets acquisition*	70	100	200
Education	200	-	200
Housing and RIF*	250	200	450
Growth Zone*	-	80	80
HRA*	338	25	345
Other General	158	95	325
Other long term liabilities (PFI)	78	- 3	75
Total	1,523	497	2,105
Cost of debt HRA	12		12
Cost of Debt General Fund	24.5		39.3
	36.5		51.3
Cost of borrowing (exclude PFI)	2.53%		2.53%
* these schemes have their own income streams that service the debt			

6) *A copy of full unredacted return submission to MHCLG, broken down by section.*

Since April MHCLG have on a monthly basis collected a series of data from all Councils to help them better understand the financial impact of COVID19. Data collected has included additional costs, lost income and progress on the delivery of planned savings and the impact on the delivery of these plans as a result of Covid19. As well as the financial impact on the Collection Fund (Council Tax and Business Rates) from Covid19. These returns are very detailed at over 20 pages long. Like most Council's in London we decided early on to provide a summary to elected

members rather than the whole document and will continue to provide this summary. Attached at appendix E is a summary of our July 2020 return, submitted on the 31.7.20.

7) *A copy of the corporate risk register updated in relation to new transformation programme objectives/work streams.*

The Council's Risk Register is reviewed and presented regularly. Attached as appendix F to this report is a copy of the Council's Risk Register showing all the Red risks. While the Risk Register is updated regularly but it must be appreciated that Council risks are rapidly moving especially in the current pandemic and therefore some of the risks could already be slightly out dated, these will be updated in time for the next General Purposes and Audit Committee in October 2020 where the risk register is presented as a standard item on every agenda.

Also attached at appendix G is the Risk Register for the all of the risks regardless of score for the Immediate Measures Programme, this Register was presented to the Finance Review Panel on the 15th July 2020 and is presented to the panel on a regular basis.

Like the Council's Risk Register this register is regularly updated and work has been ongoing in the last month since this was presented to the Finance Review Panel to review all risks and measures and controls. The updated register will be presented at the Finance Review Panel on the 10th September.

8) *Any other information that will help provide the re-assurance the committee is seeking that the Council will deliver the 2020/21 approved budget.*

At the time of writing this report, I as the S151 Officer for Croydon Council cannot give full assurance that the Council will be able to deliver a balanced budget in 2020/21 or future years. This is as detailed above, due to a number of different factors and financial pressures that have impacted the Council since the start of the COVID19 pandemic in March 2020.

I can confirm that the Executive Leadership Team and Cabinet are working together supported by the work of the Financial Review Panel and external partners including MHCLG and CIPFA to manage the budget and balance it. This work and the development of these plans at the current time mean that as per the CIPFA guidance I have not had to issue a S114 notice. However, if at any time I do not feel that these plans are developing at the right pace or are actually not deliverable I will have no choice but to issue a S114 notice.

The Cabinet Member for Finance and Resources:-

Managing the budget is extremely challenging and difficult choices need to be made both in year and as part of the Medium Term Financial Strategy.

The Council needs to reduce costs and to do this there needs to a different organisational structure and model which will need to focus on delivering services to those in need with early intervention and localities being at the heart, along with a

focus on sustainability and the use of digital.

19/8/2020.

**Finance Review Panel
Terms of Reference
May 2020**

1. Context

In light of the Council's response to the Covid 19 pandemic, the resulting issues in relation to the Council's budget, priorities moving forward and integration with health partners, it has been agreed to undertake a full root and branch review of the council's financial governance, strategy and planning, leadership, decision making, management and group company structures.

Further, this is within a wider context of historical underfunding of Croydon over the last 15-20 years, notably, cumulative cuts, substantial population increase, significant growth in demand across all welfare services, delivering improvements in children services and funding the significant gap in costs for Unaccompanied Asylum Seeking Children.

The objectives of the Panel's work will be underpinned by political and expert financial challenge testing the deliverable of the objectives below against specified timescales. Grant Thornton, as the Council's external Auditor, will engage with the Panel as part of their value for money work.

2. Objectives

These include but are not limited to the following:-

- To endorse the finance review project initiation document, programme and schedule of work.
- To consider and endorse the S151 Officer's full and detailed response to Grant Thornton's audit concerns, as set out in their letter dated 22nd April.
- To agree the identified short term options to minimise spend and where possible generate income.
- To review options for a refreshed savings proposals for 2020/21.
- To endorse the proposal of a full review of all financial systems, structures, processes and decision-making.
- Review all group and company structures to ensure that the financial implications are fully understood.
- To receive and endorse a report from the S151 Officer of the refreshed MTFS in light of new normal, covid19 implications, health integration work and state of property and commercial markets, for recommendation to the Cabinet and Council.
- To receive regular updates on programme deliverables and schedule of work.
- To endorse a final report with recommendations outlining areas for strengthening and improvement on the areas identified in the above objectives.

3. Membership

- Duncan Whitfield Independent Chair
- Jo Negrini CEO
- Lisa Taylor S151 Officer
- Jacqueline Harris Baker Monitoring Officer
- Cllr Simon Hall Lead member for Finance
- Cllr Alison Butler Deputy Leader
- Matthew Kershaw CEO (Health)
- Debbie Warren LB Greenwich CEO
- Executive Leadership Team
- Sabrina Cummings Executive Officer Support

4. Panel support

The Panel's administrative support will be provided by the CEO's office and when necessary technical advice or other expertise will be drawn from across the Council.

5. Accountability

The work of the Panel will be accountable to the Leader of the Council and any final recommendations will be presented to the Leader and Lead Member for Finance and Resources and the Cabinet, for approval.

6. Timescale

The Panel will be provided with regular review reports at each meeting set against the schedule of work and timescales contained within the project initiation document.

7. Confidentiality and Access to Information

All papers and reports to the panel will be marked "strictly confidential". All information provided to panel members is confidential to Croydon Council and should not be released, communicated, nor disclosed by any member either during their appointment or following termination (by whatever means), to third parties without prior clearance from the monitoring officer. Panel members are required to hold and retain information (in whatever format received) under appropriately secure conditions.

Information may be the subject of requests under the FOiA. All requests for information should be referred to the monitoring officer. A blanket approach cannot be applied, but where applicable a section **36(2)** FOiA exemption may be relevant, in so far that it exempts information "*if in the reasonable opinion of [the Monitoring Officer] disclosure of the information.*"

APPENDIX A

(b) would or would be likely to inhibit (i) the free and frank provision of advice, or (ii) the free and frank exchange of views for the purposes of deliberation, or (c) would otherwise prejudice or would be likely otherwise to prejudice, the effective conduct of public affairs”.

This and any other exemptions applied are reviewable, on application, to the ICO.

8. Frequency of meetings

Bi - weekly from week commencing 18 May 2020.

This page is intentionally left blank

Finance Review Panel

Agenda Item 4

Immediate Measures Programme Update #5

30 July 2020

Version 2 (24/07)

PURPOSE	This paper provides an update on progress against the immediate measures identified to deliver in years savings in response to the overspend caused by the Covid-19 pandemic.
SRO (lead)	<i>Lisa Taylor, Director of Finance, Investment and Risk and S151 Officer Ian O'Donnell, Finance Consultant</i>
AUTHOR	<i>Gavin Handford, Director of Policy & Partnership Programme Management Office</i>
WORKSTREAM/S	<i>Immediate measures - all</i>

Background and context (including current challenges)

1. In response to the current year overspend caused by the Covid19 pandemic, the council immediately mobilised a programme of 25 projects aimed at delivering in-year savings.
2. Due principally to the impact of the Covid19 crisis, with further underlying pressure coming from historic underfunding and from an increasing population with higher needs and expectations, the council's current level of spending is very substantially outside the envelope of what can be paid for with its existing available resources: a net £65.4m over budget in the current year including all Covid19 funding received from the government.
3. Whilst most councils are in a similar position, Croydon has a comparatively low level of general and earmarked reserves that could be deployed, in the region of £10m. The 2020/21 budget included a contribution to the general fund reserves of £5m, with further contributions planned in future years. Although further funding may materialise from central government towards the Covid19 burden, and the council will continue to lobby on historical underfunding issues, these possibilities cannot be relied upon to close the gap.
4. In response to the scale of the immediate financial challenge, the council recognised the need to act swiftly and decisively. At its meeting on 21 May 2020 the Croydon Finance Review Panel considered and endorsed the recommendations of a report setting out a range of immediate and short term measures that the council will take to address its 2020/21 forecast overspend of £62.7m, which have since increased to £65.4m as reported at the 2 July 2020 Finance Review Panel. Since then the council has proceeded with the implementation of the measures.
5. This report provides an update on the progress made to date.

Recommendations and board action (if applicable)

1. *That the Finance Review Panel endorse and comment on the proposals to consolidate the range of projects aimed at making in-year savings, as set out in Appendix 3*
2. *That the Finance Review Panel considers and comments upon the progress made in implementing the immediate savings measures*

Evidence and supporting information

Appendix 1: Progress updates
Appendix 2: Consolidation proposals
Appendix 3: Delivery phase dashboard

Main body (e.g. summary of progress or proposal)

The Programme Management Office continues to support SROs with finalising Project Initiation Documents and financial targets for all workstreams as part of the mobilisation phase. Progress can be summarised as follows:

- Project Initiation Document (PID) and Target signed off – 16 (was 15 last meeting)
- Target signed off but not PID – 1 (unchanged)
- Under way but PID and Target overdue – 5 (was 6)
- Target and PID not applicable – 4 (was 3)

The 4 PIDs that are outstanding are:

- Deferral of all new projects (revenue)
- Review of all planned budget savings and growth as agreed at March cabinet
- Review of all savings and income proposals previously considered but not approved (Target approved)
- Review of capital programme
- Review of consultancy contracts

Progress updates for all workstreams are set out in Appendix 1.

The Finance Review Panel has previously noted the potential for duplication across the 25 workstreams, and that work was underway to consolidate the programme and bring together projects where there was significant overlap or double counting of savings. This review has been completed and the consolidation proposal is set out in Appendix 2 for approval.

Focus is shifting to the delivery phase. A new dashboard has been developed, moving from the current dashboard, which is focused on outputs such as PIDs to a qualitative outcomes dashboard showing progress and confidence in delivering savings. The dashboard will be iterative, expanding as workstreams develop further. The concept dashboard is shown in Appendix 3. This will also provide the panel with a breakdown of whether savings are one off (e.g. deferred spend) or an ongoing saving that can be incorporated into the base budget.

The Programme Management Office working with SROs to map resource requirements across the workstreams. Where additional resources are needed to support successful delivery, redeployment from existing roles will be prioritised. Only where the skills or capacity are unavailable within the organisation will external support be sought, and subject to approval from ELT.

Risks and issues (including barriers to delivery)

The main risk continues to be capacity to deliver all the immediate measures whilst simultaneously supporting the Council's ongoing Covid19 responses, planning for any potential outbreak or second wave, and delivering our normal services (including restarting services as lockdown measures continue to be relaxed).

The risk of duplication of savings across the workstreams will be reduced through the consolidation proposals.

Financial implications

Progress against the financial targets is shown in the attached dashboards.

Next steps

Outstanding PIDs and financial targets to be agreed
Confirm resources for delivery phase of workstreams
Further develop delivery dashboard

Appendix 1: Progress updates

Progress with Implementation of Immediate and Short Term Measures at 30/7/2020

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Staffing						
Recruitment freeze	All vacancies are frozen: no recruitment of permanent or temporary staff. No recruitment of new supernumerary staff, agency staff, consultants	SRO Jacqueline Harris-Baker (Executive Director of Resources and Monitoring Officer), and lead officer Sue Moorman (Director of Human Resources)	Included in 15% Staffing Reductions	Included in 15% Staffing Reductions	Included in 15% Staffing Reductions	Programme manager appointed Freeze actively in place. Protocol for exceptions agreed. Process mapped. Review of compliance controls commenced. PID complete & signed-off Project team met Panel set up to deal with any exceptions, with regular meetings taking place
Furlough	Possibility of some staff groups being put on furlough to be considered in the context of government emergency funding arrangements, redeployment of staff into Covid19 related activities, and timing of Covid19 recovery plan	SRO Jo Negrini (Chief Executive), and lead officer Sue Moorman (Director of Human Resources)	Nil	Nil	Nil	PID complete & signed-off Project team met. Furlough has been discussed and considered as an option, but is not considered to be an approach the council wants to implement. It will be kept under review as a potential future option. It has been announced that the national furlough scheme will end in October 2020. Furlough payments are being tapered down from 80% to 60% between July and October. Recommendation to remove this work-stream as part of proposed consolidation.
Layers and spans review	Significant reduction in the number of managers at all levels through review of the number of layers of management and spans of control against a new target operating model – already started	SRO Jo Negrini (Chief Executive) and lead officer Sue Moorman (Director of HR)	Included in 15% Staffing Reductions	Included in 15% Staffing Reductions	Included in 15% Staffing Reductions	Programme manager appointed PID complete & signed-off Project team met Modelling to be reviewed initially as part of 15% staffing savings work-stream. A second phase will revisit management structures in light of significant changes to the council's operating model that will be experienced this year.

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Staffing reductions	Departments to set out options for permanent 15% reduction in their staff numbers with exemplification of impact upon services. To be supported by a voluntary redundancy scheme as an option, part-time options, flexible retirement, redeployment. Already initiated.	SRO Jo Negrini (Chief Executive) and lead officer Sue Moorman (Director of HR)	£21,403,000	£7,134,000 assuming 4 months of realisable benefit	£1,783,500 reduced by 75% due to the high risk of duplication across other work-streams	Programme manager appointed PID complete & signed-off Project team met Timescale for implementation: minimum of 45 day consultation from 6th July with implementation Oct/Nov 2020 Consultation is process is underway Work ongoing to capture budget codes and associated adjustments. Target savings may be lower than initially estimated.
Use of agency staff	Focus on reducing the numbers of agency staff in all areas, contracts terminated unless work is demonstrably essential and cannot be delivered otherwise. Already initiated but needs a further review in light of Covid19. Target 15% reduction in use of agency staff compared to April 2020 by end Aug	SRO Jacqueline Harris-Baker (Executive Director of Resources and Monitoring Officer), and lead officer Sarah Hayward (Director Violence Reduction Unit)	Staffing Reductions 10% reduction. Timescale aligned with the one for overall headcount reduction	Staffing Reductions	Staffing Reductions	Programme manager appointed PID complete & signed-off Project team met Timescale for implementation: Aligned with the one for overall headcount reduction. Target set at 10% cost reduction following headcount reduction process. High cost discussions beginning at DLT's
Cross-cutting						
Freeze on all non-essential expenditure	Immediate stop on all forms on outlay where essential services will not be significantly affected. Examples of non-essential expenditure: <ul style="list-style-type: none"> • Training • Conferences / room hire • Travel / subsistence • Overtime / acting up / any other payments for additional duties • Hospitality • Supplies and services – stationery, subscriptions 	SRO Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer) and lead officer Paula Murray (Creative Director)	N/A	£675,000	N/A	PID complete & signed-off Target confirmed at £675k (part year, no full year target) Budget codes identified No double counting anticipated

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Deferral of all new projects	All new revenue and capital projects are deferred except where they generate a net saving in the current year. This includes acquisition of / investment in assets.	SRO Guy Van Dichele (Executive Director Health, Wellbeing & Adults) and lead officer Gavin Handford (Director of Policy & Partnership)	Being calculated based on identification of established baseline of projects and pipeline	Being calculated based on identification of established baseline of projects and pipeline	Being calculated based on identification of established baseline of projects and pipeline	Project pipeline created and cross checked with capital review programme. HRA and capital funded projects moved out of scope, leaving projects with total revenue value of £2.3m in scope. Stop, defer, continue decisions discussed with services to identify saving opportunity PID and saving target drafted and awaiting approval. High risk around control of spend identified Associated budget codes not yet Identified
Covid19 additional spending controls	Set in place strict controls and governance to ensure new spending proposals in relation to the Covid19 emergency are both essential and affordable	SRO Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer) and lead officer Gavin Handford (Director of Policy & Partnership)	Cost avoidance	Cost avoidance	Cost avoidance	PID signed-off Target signed-off as cost avoidance only Recommendation to consolidate as sufficient controls exist in Silver group
Review of all planned budget savings and growth	A review of all savings in the 20/21 budget. Where savings are being reported as undeliverable or at risk, a deep dive to be carried out into what can be achieved. Budgeted growth to be reviewed and where possible deferred.	SRO Shifa Mustafa (Executive Director of Place) and lead officer Heather Cheesbrough (Director of Planning and Strategic Transport)	Target under review by SRO	Target under review by SRO	Target under review by SRO	Review of budget savings underway PID drafted, savings/growth lead officers contacted, awaiting finalisation of target
Review of savings and income proposals previously considered but not approved	Consideration of proposals already worked up but not approved from last budget round that could deliver an in-year saving.	SRO Shifa Mustafa (Executive Director of Place) and lead officer Shelley Davies (Head of Standards Safeguarding Learning Access and Inclusion)	£5,235,000	£2,618,000 assuming 6 months of realisable benefit	£654,500 reduced by 75% due to the high risk of duplication across other work-streams	Director conversations underway to understand risk and detail behind proposals CLT lead confidence in delivery is low PID not signed off Target signed off Report being prepared

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Additional departmental savings & income generation options	Departments to put forward additional proposals for in-year spending reductions. These may be efficiencies or service reductions. Departmental targets to be set, departments will receive support to help generate and develop options, working to an agreed timetable and a controlled process.	SRO Shifa Mustafa (Executive Director of Place) and lead officer Steve Iles (Director of Public Realms)	£2,500,000	£800,000	£800,000	PID complete & signed-off Process map designed. Template forms designed Workshops underway w/c 22/6 complete by 3/7 £2.5m identified after first week (£800k in year) Budget code capture outstanding Expectations around proposals for service cuts have not materialised. Consider further action.
Review of spending against other funding streams	A review of whether costs are being accurately charged to other funding streams such as the HRA, Public Health Grant and other grants, Pension Fund, and capital. To include a review of recharges.	SRO Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer) and lead officer Neil Williams (Chief Digital Officer)	£500,000	£500,000 costs can be recharged across full year	£125,000 reduced by 75% due to the high risk of duplication across other work-streams	PID complete & signed-off Work commenced on assembling data Timescale for implementation: by end July Recharges model indicates changes could increase costs, so confidence level low. However, there has been a focus on HRA, now reviewing CIL & S.106 unallocated funding, awaiting outcome Note: not time critical as in year recharges can be retrospective.
Review of the use of Transformation Funding in 20/21	To consider the use of capitalisation of revenue expenditure in line with the government's Transformation Funding scheme	SRO Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer) and lead officer Sarah Hayward (Director Violence Reduction Unit)	£1,500,000	£1,190,000	£1,190,000	Programme manager appointed PID complete & signed-off Timescale for implementation: end of July Transformation schedule reviewed (£7.5m spend). Identified activity received Target confirmed £1.19m Will present as underspend on transformation funds
Application to MHCLG for a capital direction	To explore with MHCLG the opportunity to further capitalise revenue expenditure.	SROs Jo Negrini (Chief Executive) and Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer), lead officer Sean Murphy (Interim Director of Law and Governance)	N/A	N/A	N/A	Discussions with MHCLG ongoing but no formal application made yet. PID and Target not required.

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Consolidate savings from working from home, digital delivery, and accelerate digital implementation	To identify savings based on home working being continued at or near current levels post Covid19, consolidate new ways of working/future delivery model developed during Covid19 crisis in social care and other front line services, and look at opportunities to accelerate the digitisation of council services to support this and remove double counting	SRO Hazel Simmonds covered by Rob Henderson (Executive Director) and lead officer Neil Williams (Chief Digital Officer)	£332,000	£155,000	£77,500	Project team met 25th June PID complete & signed-off Identified activity received Budget code capture exercise not yet completed
Implementation of localities model	Accelerate savings associated with localities model	SRO Hazel Simmonds covered by Guy Van Dichele (Executive Director) and lead officer Rachel Soni (Director of Integration and Innovation)	Nil	Nil	Nil	Project team meeting 2nd July PID complete & signed-off No savings expected Fundamental review around costs and requirements required
Shared services	Exploration of shared services model to generate efficiencies.	SRO Jacqueline Harris-Baker (Executive Director of Resources and Monitoring Officer), and lead officer Sean Murphy (Interim Director of Law & Governance)	Nil	Nil	Nil	Project team met 19th June, in year savings not expected. Exploration and analysis underway with recommendations on next steps due in August, longer term implications PID complete & signed-off No in-year target
Partnerships	Consideration of partnership arrangements, possible renegotiation or acceleration of planned change, NHS payments	SRO Guy Van Dichele (Executive Director Health, Wellbeing & Adults) and lead officer Rachel Soni (Director of Integration and Innovation)	£6,200,000	£6,200,000 it is expected all monies will be received	£6,200,000	Programme manager appointed PID complete & signed-off Longer term review of partnerships underway Timescale for implementation: by end July Project team met Brief extended for £340k and £2m health Covid monies Target increased by £200k Identified activity deadline not met Budget code deadline not met

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Assets						
Review of capital programme	The council has a large capital programme. The review will identify underspends, spending that can be reprofiled into a later year, and projects that can be deferred indefinitely or stopped	SRO Shifa Mustafa (Executive Director of Place) and lead officer Stephen Tate (Director of Growth Employment and Regeneration)	£20,000,000	£20,000,000 costs can be recharged across full year	£10,000,000 reduced by 50% due to the medium risk of duplication across other work-streams	Review of capital programme underway Review outturn to identify slippages year to year underway PID drafted (confirmation of sign-off is awaited), target is identified in PID. CLT lead confidence in delivery is low Awaiting list of projects recommended to be deferred. Savings will be considerably lower than estimated at start Overlap with MRP project
Contracts						
Review of consultancy contracts	Terminate or suspend consultancy contracts (except where driving savings / income generation)	SRO Hazel Simmonds covered by Jacqueline Harris-Baker (Executive Director) and lead officer Yvonne Murray (Director of Housing)	TBC	TBC	TBC	Project team meeting held PID drafted First data-set from finance received Financial Target not yet signed off - Finance lead is taking steps to verify target, initial investigation indicates that savings might not be possible.
Review of contracts	Systematic and prioritised review of contracts with a view to negotiating reductions add commissioning and insourcing activities	SRO Robert Henderson (Executive Director Children, Families and Education) and lead officer Sarah Warman (Director of Commissioning and Procurement)	£3,900,000	£1,300,000 assuming 4 months of realisable benefit	£650,000 reduced by 50% due to the medium risk of duplication across other work-streams	Analysis of contract value £404.4m and scope Reviewing resourcing requirements for project Creating quick wins & priority list PID complete & signed-off Report to ELT on approach approved 8/7/20
Income						
Fees & Charges	A review of fees and charges forecasts for 20/21 and any opportunities to increase revenues; to include parking	SRO Shifa Mustafa (Executive Director of Place) and lead officer Steve Iles (Director of Public Realm)	£3,000,000	£3,000,000 assuming all identified savings can be realised in-year	£1,500,000 reduced by 50% due to the medium risk of duplication across other work-streams	PID complete & signed-off Most gains relate to parking.

Measure	Description	SRO & Lead Officer	Agreed Full Year Target 20/21	Cashable Part Year Effect 20/21	Cashable Deduped Benefit 20/21	Progress Update at 30 July 2020
Demand Management						
Early Help / Looked after Children	Modelling reductions in LAC arising from investment in prevention.	SRO Guy Van Dichele (Executive Director Health, Wellbeing & Adults) and lead officer Nick Pendry (Director of Early Help and Children's Social Care)	£500,000	£500,000	£500,000	PID and Target signed off Targeted reduction in LAC of 33 by March 2021
Placement / package review – adults, children's, Housing	Prioritised and systematic review of placement and support packages beginning with high-cost. Tighten gateway by including senior review of all awards.	SRO Jacqueline Harris-Baker (Executive Director of Resources) and lead officer Sarah Warman (Director of Commissioning and Procurement)	Nil	Nil	Nil	Report to ELT 8/7/20 recommending fundamental review of process and systems from commissioning to payments in both Children's and Adults. Recommendation agreed with external resource. Quick wins to be prioritised but reduction in spend in current year considered unachievable.
Social care spend, commissioning & payments process review	The aim is to understand the current process, roles and responsibilities and the risks and redesign the payments process in adults and children's	SRO Jacqueline Harris-Baker lead officers Annette McPartland (Director of Operations) & Nick Pendry (Director of Early Help and Children's Social Care)	N/A	N/A	N/A	Regular project team meetings held Consolidation of meetings with duplicate scope Project team being finalised PID drafted Project plan created No Target expected SRO changed to Jacqueline Harris-Baker Leads assigned to Annette McPartland and Nick Pendry
TOTAL			£65,070,000	£44,072,000	£23,480,500	

Appendix 2: Consolidation proposals

Workstreams	Consolidated grouping	ELT Sponsor	CLT Lead	Finance Lead
<ul style="list-style-type: none"> Recruitment Freeze Layers and spans review Staffing reductions Use of agency staff Review of consultancy contracts <p><i>(Furlough workstream ceased)</i></p>	Staffing	Jo Negrini	Sue Moorman	Felicia Wright
<ul style="list-style-type: none"> Freeze on all non-essential expenditure Deferral of all new projects (revenue only – capital in review below) Covid19 additional spending controls 	Spending controls	Guy Van Dichele	Gavin Handford	Matt Davis
<ul style="list-style-type: none"> Review of all planned budget savings and growth 	Savings and Growth Proposals	Shifa Mustafa	Heather Cheesbrough	Matt Davis
<ul style="list-style-type: none"> Review of savings and income proposals previously considered but not approved 	Savings and Growth Proposals	Shifa Mustafa	Shelley Davies	Matt Davis
<ul style="list-style-type: none"> Additional departmental savings and income generation options Fees and charges 	Savings and Growth Proposals	Shifa Mustafa	Steve Iles	Matt Davis
<ul style="list-style-type: none"> Review of spending against other funding streams Review of the use of Transformation Funding 2020/21 Application to MHCLG for a capital direction 	Funding Streams	Lisa Taylor	Sarah Hayward	Matt Davis
<ul style="list-style-type: none"> Consolidate savings from working from home, digital delivery, and accelerate digital implementation Implementation of localities model 	Business Model Change	Hazel Simmonds	Rachel Soni	Josephine Lyseight

Workstreams	Consolidated grouping	ELT Sponsor	CLT Lead	Finance Lead
<ul style="list-style-type: none"> • Shared services 				
<ul style="list-style-type: none"> • Partnerships 	Partnerships	Guy Van Dichele	Rachel Soni	Kate Bingham
<ul style="list-style-type: none"> • Review of capital programme 	Capital	Shifa Mustafa	Stephen Tate	Felicia Wright
<ul style="list-style-type: none"> • Review of contracts 	Contracts	Guy Van Dichele	Sarah Warman	Tina Stankley
<ul style="list-style-type: none"> • Early help / Looked after children • Placement / package review – adults, children's, housing • Children's FP&A 	Social Care Placements and Process	Jacqueline Harris-Baker supported by external resource	Nick Pendry and Annette McPartland	Kate Bingham

Appendix 3: Delivery phase dashboard

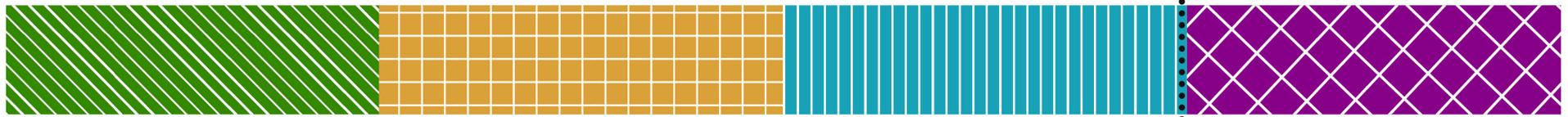
Key stages

We are here



Progress of savings target

Number we need £



A. Savings banked
£N

B. Savings at risk
£N

C. Planned savings
£N

Contingency
£N

Workstream ▼

Lead ▼

Planned

At Risk

Banked

Rag

—

👤 —

£

£

£

●

—

👤 —

£

£

£

●

Executive Leadership Team

JO NEGRINI
Chief Executive



JACQUELINE HARRIS-BAKER
Executive Director
Resources



SHIFA MUSTAFA
Executive Director
Place



GUY VAN-DICHELE
Executive
Director Health,
Wellbeing
& Adults



ROB HENDERSON
Executive Director
& DCS Children
Families & Education



HAZEL SIMMONDS
Executive Director
Localities &
Resident Pathway



Lisa Taylor
Director
of
Finance,
Investment
& Risk
(S151 Officer)



Sue Moorman
Director
of Human
Resources



Resources

JACQUELINE HARRIS-BAKER
Executive Director Resources



Sean Murphy
Director of Law & Governance



Neil Williams
Chief Digital Officer



Lisa Taylor
Director of Finance, Investment & Risk
(S151 Officer)



Sue Moorman
Director of Human Resources



Gavin Handford
Director of Policy & Engagement



Sarah Warman
Director of Commissioning & Procurement



Place

SHIFA MUSTAFA
Executive Director
Place



Steve Iles
Director of Public Realm



Steven Tate
Director of Growth, Employment & Regeneration



Paula Murray
Culture Programme Director



Heather Cheesbrough
Director of Planning & Strategic Transport



Sarah Hayward
Director of Violence Reduction Network



Ozay Ali
Interim Director of Homes & Social Investment

Health, Wellbeing & Adults

GUY VAN-DICHELE
Executive
Director Health, Wellbeing
& Adults



Julia Pitt
Director of
Gateway
Services



Rachel Soni
Director of
Integration
and Innovation



Rachel Flowers
Director
of Public
Health



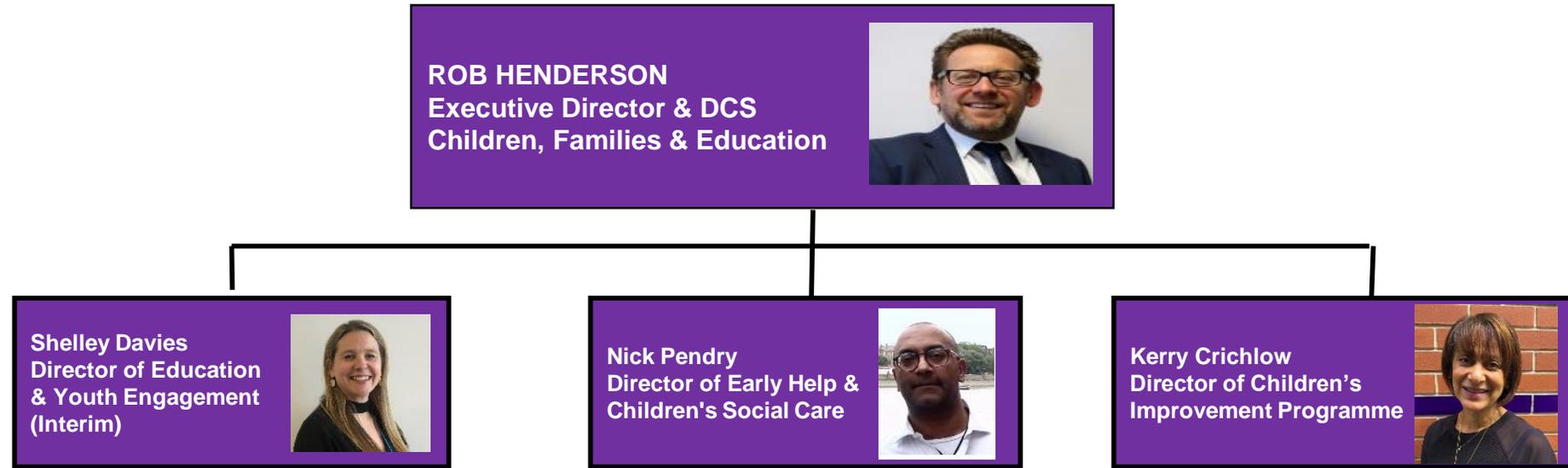
Annette McPartland
Director
of Operations
SEN



Yvonne Murray
Director of
Housing
Assessment
& Solutions



Children, Families & Education



This page is intentionally left blank

Summary of staffing proposals

Appendix D

Division	Headcount of employees in scope	FTE employee reduction	FTE agency reduction	FTE vacancy reduction	Total FTE reduction
Resources	50	25.5	3	51.9	80.4
Place	73	44	12	71	127
Children, Families and Education	58	36.3	32	14.8	83.1
Health, Wellbeing and Adults	336	69.3	10.9	40.8	121
Total	517	175.1	57.9	178.5	411.5

Resources Department – post deletions

Division	Headcount of employees in scope	FTE employee reduction	FTE agency reduction	FTE vacancy reduction	Total FTE reduction
Digital and Communications	9	6	0	3.5	9.5
Policy and Partnerships	0	0	0	1	1
Law and Governance	4	3	0	6.6	9.6
Human Resources	16	4	0	5	9
Finance Investment and Risk	4	1.5	0	19.8	21.3
Commissioning and Procurement	17	11	3	16	30
TOTAL	50	25.5	3	51.9	80.4

Page 36

Explanation of columns in table:

Headcount of employees in scope – *staff at risk of redundancy and in scope for formal consultation*

FTE Employee reduction – *actual number of employees/posts proposed for redundancies*

FTE Agency reduction – *number of agency FTE to mitigate redundancies for staff*

FTE Vacancy reduction - *number of vacancy FTE to mitigate redundancies for staff*

Place department – post deletions

Division	Headcount of employees in scope	FTE employee reduction	FTE agency reduction	FTE vacancy reduction	Total FTE reduction
Directorate	0	0	1	0	1
Business Support & ESO	9	4	0	3	7
VRN	16	8	0	0	8
Strategic Transport & Planning	12	4	0	12	16
Culture & Leisure	2	2	0	5	7
Homes & Social Investment	0	0	0	10	10
Growth, Employment & Regeneration	5	4	0	0	4
Public Realm	29	22	11	41	74
Totals	73	44	12	71	127

Explanation of columns in table:

Headcount of employees in scope – *staff at risk of redundancy and in scope for formal consultation*

FTE Employee reduction – *actual number of employees/posts proposed for redundancies*

FTE Agency reduction – *number of agency FTE to mitigate redundancies for staff*

FTE Vacancy reduction - *number of vacancy FTE to mitigate redundancies for staff*

Children, Families & Education – post deletions

Division	Headcount of employees in scope	FTE Employee reduction	FTE Agency reduction	FTE Vacancy reduction	Total Post FTE reduction
Early Help and Children Social Care	46	25.8	32.00	11.80	69.60
Education	12	10.5	0.00	3.00	13.50
Total	58	36.3	32.00	14.80	83.10

Explanation of columns in table:

Headcount of employees in scope – staff at risk of redundancy and in scope for formal consultation

FTE Employee reduction – actual number of employees/posts proposed for redundancies

FTE Agency reduction – number of agency FTE to mitigate redundancies for staff

FTE Vacancy reduction - number of vacancy FTE to mitigate redundancies for staff

Health, Wellbeing & Adults – post deletions

Division	Headcount of employees in scope	FTE employee reduction	FTE agency reduction	FTE vacancy reduction	Total FTE reduction
Operations – ASC	152	13.1	3.9	18.8	35.8
Integration and Innovation	59	13	7	9	29
Gateway Services	118	38	0	4	42
Housing Assessment and Solutions	0	0	0	7	7
Public Health	7	5.2	0	2	7.2
TOTAL	336	69.3	10.9	40.8	121

Explanation of columns in table:

Headcount of employees in scope – staff at risk of redundancy and in scope for formal consultation

FTE Employee reduction – actual number of employees/posts proposed for redundancies

FTE Agency reduction – number of agency FTE to mitigate redundancies for staff

FTE Vacancy reduction - number of vacancy FTE to mitigate redundancies for staff

This page is intentionally left blank

APPENDIX E

	June Return £m	July Return £m
Social Care - Adults and Children's	17.89	23.557
Education	1.764	1.448
Environment	2.053	1.238
Housing	2.244	1.697
Other	2.342	2.169
	26.293	30.109
<u>Lost Income</u>		
collection fund losses	14.792	26.875
Highways and Transport including parking	6.787	6.807
Commercial income	2.122	2.122
Culture and planning	0.656	0.809
Other Fees and Charges	2.951	2.851
	27.308	39.464
<u>Unachieved savings</u>	31.747	25.116
	85.348	94.689
<u>Govt funding to date</u>	19.926	23.511
<u>June MHCLG return</u>	65.422	71.178
Less collection fund	-14.792	-26.875
<u>GENERAL FUND</u>	50.630	44.303

APPENDIX E

MHCLG ? No.		JUNE RETURN		JULY RETURN		Movement	
DETAIL		£m	£m	£m	£m		
Emergency funding 1		9,420		9,420		0.000	
Emergency funding 2		10,506		10,506		0.000	
Emergency funding 3				3,585		3.585	
TOTAL		19,926		23,511		3.585	

Additional expenditure		full year		full year		Movement	
		£m	£m	£m	£m		
June ?	July ?						
71	71	5,676		9,195		3,519	
72	72	5,200		7,341		2,141	
73	73	1,922		2,528		606	
74	74	0,707		0,707		0.000	
75	75	1,932		1,257		-675	
ADULTS TOTAL		15,437		21,028		5,591	
76	76	0,000		0,000		0.000	
77	77	1,481		1,481		0.020	
78	78	0,892		0,892		0.000	
79	79	0,100		0,156		0.056	
CSC - total		2,453		2,529		0.076	
210	210	0,000		0,000		0.000	
211	211	1,500		1,313		-187	
212	212	0,264		0,135		-129	
Education total		1,764		1,448		-316	
713	713	0,000		0,000		0.000	
714	714	0,144		0,000		-144	
new in July	715			0,093		0.093	
Sub total		0,144		0,093		-0.051	
715	716	0,669		0,207		-462	
716	717	1,095		0,665		-430	
717	718	0,480		0,825		0.345	
Housing Total		2,244		1,697		-547	
718	719	0,009		0,000		-0.009	
719	720	0,211		0,211		0.000	
Culture - Total		0,220		0,211		-0.009	
720	721	1,005		1,005		0.000	
721	722	1,029		0,233		-796	
722	723	0,019		0,000		-0.019	
Environmental and Regulatory services - total		2,053		1,238		-815	
723	724	0,000		0,000		0.000	
725	726	0,058		0,058		0.000	
726	727	0,250		0,250		0.000	
727	728	0,525		0,525		0.000	
Finance and Corp - total		0,833		0,833		0.000	
728	729	0,068		0,068		0.000	
729	730	0,137		0,024		-0.113	
UNACHIEVED SAVINGS		31,747		25,116		-6,631	
730	731	0,940		0,940		0.000	
731	732	0,000		0,000		0.000	
new in July	733			0,000		0.000	
new in July	734			0,000		0.000	
Other - Total		32,892		26,148		-6,744	
		58,040		55,225		-2,815	
LOST INCOME							
		full year	full year			Movement	
		£m	£m	£m	£m		
71	71	60,699		60,700		0.001	
72	72	0,000		0,000		0.000	
73	73	2,243		4,086		1,843	
Business Rates losses - total		62,942		64,786		1,843	
Business Rates losses - after reliefs		2,243		4,086		1,843	
74	74	1,000		3,977		2,977	
75	75	1,549		12,212		10,663	
76	76	10,000		6,600		-3,400	
Council Tax - receipt losses total		12,549		22,789		10,240	
collection fund losses total		14,792		26,875		12,083	
77	77	6,714		6,714		0.000	
78	78	0,073		0,093		0.020	
79	79	0,006		0,107		0.101	
710	710	0,032		0,084		0.052	
711	711	0,618		0,618		0.000	
712	712	1,993		2,664		0.671	
SFC income losses - total		9,436		10,280		0,844	
713	713	2,122		2,122		0.000	
714	714	0,958		0,187		-0.771	
Non collection fund total losses		12,516		12,589		0,073	
		27,308		39,464		12,156	

UNACHIEVED SAVINGS

Children, Families and Education
Place
Resources
Health, Wellbeing and Adults
TOTAL

Jun-20	Jul-20
£m	£m
3,124	2,494
5,813	5,813
0,829	0,829
21,981	15,981
31,747	25,116

Detail

Placements,EDT,EHCP, international recruitment,SPOC reorg
Investment property income, ANPR and parking enforcement
Digital, capital recharges, placements, demand management, gateway

0.19
12.6

39.5

Summary	Jun-20	Jul-20	Movement
	£m	£m	£m
Additional Expenditure	26,293	30,109	3,816
Unachieved Savings	31,747	25,116	-6,631
Lost Income	27,308	39,464	12,156
Total	85,348	94,689	9,341
Govt Funding	19,926	23,511	3,585

GAP	65.422	71.178	5.756
Less collection fund	-14.792	-26.875	-12.083
GENERAL FUND GAP	50.630	44.303	-6.327

Risk Register

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EHCS0001 Pendry, Nick	<p>The number of unaccompanied asylum seeking children looked after by Croydon remains significantly higher than the national average leading to significant financial pressure on the Council.</p> <p>**The voluntary structure of the scheme means there is always vulnerability. Croydon is responsible for all new presentations to Lunar House as a locally based service**.</p> <p>Risk reviewed at DMT 09/07/2020.</p> <p>(Risk generated 25/06/2018)</p>	<ul style="list-style-type: none"> • Significant service and staff resources pressures, with pressures on placement supply in-house and in the independent sector, and pressures on school places and LAC health services. • Impact on Council revenue budgets as a result of insufficient funding. • NTS continues to fail (transfer scheme). • Additional Home Office funding of £4m has been agreed. 	Henderson, Robert	<p>Additional Home Office funding of £4m has been agreed.</p> <p>Age Assessment Team, supported by the Controlling Migration Fund to fast track all age disputed cases.</p> <p>Continued use of the rota to place young people in other boroughs.</p> <p>Emphasis on wider negotiation of fair funding arrangements for Croydon.</p> <p>Ensuring compliance and ensure opportunities are utilised through a formal system for dispersing unaccompanied child migrants as introduced by central government.</p> <p>Implementation of the National Transfer Scheme.</p> <p>The Council continues to hold meetings with the Immigration Minister and others in Home Office. Ongoing correspondence, conversations and clarifications with Home Office taking place.</p>	5	5	25	<p>2020/21 Budget assumption of £9M</p> <p>Further engagement with Home office and Association of Directors of Children Social Services.</p> <p>Ongoing lobbying of the Home office until response received.</p>	5	4	20

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>Working with London Council's and the LGA to raise awareness of the specific UASC pressures facing 'Port of Entry' locations (such as Lunar House).</p> <p>Working with the Association of London Directors of Children's Services and the Department for Education and Home Office to collectively support the National Transfer Scheme and the work of the Pan London Protocol.</p> <p>Working with the Home Office to ensure that only appropriate young people are placed.</p>							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
FIR0021 Taylor, Lisa	<p>Funding levels provided through the Government Grant are significantly lower than forecast or anticipated, resulting in severe limitations being placed on the Council's Medium Term Financial Strategy. The effect of the Covid-19 pandemic on the budget deficit has significantly hampered the ability of the Council to address the deficit gap between funding provided and forecast spend.</p> <p>**There has been great uncertainty in relation to the level of funding beyond 2020. Medium Term Financial Planning is taking place against a background of significant funding cuts for local government alongside government plans for major local government finance reforms and this uncertainty is making planning very difficult to manage. The Spending Review (2019) offered hope with additional funding being allocated in Local Government next year. The Local Government Finance Settlement has provided greater funding certainty for Croydon for one year 20/21. There remain a continued level of uncertainty beyond 20/21 as the settlement was only for 1 year.**</p> <p>Reviewed by owner 31/07/2020.</p> <p>(Risk generated 27/06/2019).</p>	<ul style="list-style-type: none"> • Service disruptions or services ceased • Key manifesto / corporate objectives not achieved. • Resident dissatisfaction. • Media and political scrutiny. • Legal challenge and associated consequences. • Little time to strategically plan. • Staff reductions • Unable to manage a balanced budget • Issue Section 114 notice 	Taylor, Lisa	<p>Continued lobbying with Home Office on several occasions for fair funding.</p> <p>Continued maintenance of general reserve at current levels, with an ambition to increase the minimum level of reserves to 5% of the net revenue budget to cover any major unforeseen expenditure.</p> <p>Continuing approach to organisational efficiency including smart commissioning & procurement strategies, and recruitment controls. Targeted approach to early intervention and prevention strategies (children's and adult's social care / Gateway Strategy) and exploitation of opportunities for working in collaboration with our partners.</p> <p>Continuous monitoring / scrutiny of all budgets and commitments.</p> <p>Diversification of organisational operating portfolio's (incl. asset investment / revenue generation opportunities).</p>	5	5	25	<p>Continued focus / investigation into effective approaches to managing demand.</p> <p>Continued strategic approach to identifying efficiencies and savings through changes to the way the Council works e.g. exploiting new technology, consolidation of buildings and processes.</p> <p>Further bids for Covid-19 funding are being formulated.</p> <p>Identification of new ways to strengthen the long term financial position through increasing income sources.</p> <p>Refresh of MTFs over Spring 2020 for Cabinet in July 2020.</p> <p>Strategies being developed to promote and stimulate new growth opportunities.</p>	5	4	20

Risk Scenario					Current			Future Risk Rating			
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				Ongoing Covid-19 financial assistance is being provided by central government to all LA's.							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
PH0001 Flowers,Rachel	<p>All statutory obligations are not fulfilled by the Director of Public Health as required by the 1938 Public Health Act.</p> <p>**Effective and appropriate activities are in place in respect of the Council wide activation (March 2020) of it's emergency preparedness protocols / response activities in respect of an excess death's event (COVID-19)**.</p> <p>Risk reviewed 31/07/2020.</p> <p>(Risk generated 16/11/2017)</p>	<ul style="list-style-type: none"> • Central government control implemented (civil control removed). • Political scrutiny. • Inability to ensure operational delivery in relation to the Council's ability to respond. • Reputational damage. • Financial loss. • Media interest and scrutiny. • civil unrest due to inadequate / inappropriate response. 	Flowers,Rachel	<p>Activation of LBC Coordination Group & Business Continuity Steering Group meeting on alternative days during working week and as necessary at weekends.</p> <p>BECC activated 16th March 2020.</p> <p>Council GOLD meeting weekly to monitor and review situation.</p> <p>Excess Death's Scenario 'Task & Finish Group' participation.</p> <p>Ongoing collaborative working with Corporate Resilience Team to ensure regular review and update of Council's Pandemic Plan.</p>	5	5	25	<p>Director of Public Health influence in respect of non-assurance with Exec Management. - incorporates liaising with relevant Directors and HoS to ensure clarity around plans in place and receive assurance as to organisational preparedness.</p> <p>Q2 (2020/21) Anticipate more information / learning published re: Council & Multi-Agency approach to responses e.g. COVID-19</p>	5	3	15

Risk Scenario			Current					Future Risk Rating			
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
ASC0001 McPartland, Annette	<p>Social Care market supply disruption leading to market failure and inability to fulfil statutory requirements.</p> <p>Risk jointly owned with Commissioning & Procurement.</p> <p>Risk reviewed 31/07/2020.</p> <p>(Risk generated 24/08/2017)</p>	<ul style="list-style-type: none"> Reduction in choice. Failure to meet service user needs. Delayed discharge from hospital. Increase budget pressure. Reduced quality of provision. Increase in safeguarding concerns. Increase number of providers within the provider concerns process. Increases in delays or overpayments to providers. Increase pressure on all internal services. 	McPartland, Annette	<p>ADASS Pan London minimum standards programme adopted.</p> <p>Brokerage and Placements Quality Assurance.</p> <p>Croydon Dynamic Purchasing and e-market system commissioned September 2018.</p> <p>Inflation strategy in place to manage fees paid.</p> <p>Insourcing commenced on 04/01/2020 to help improve services to residents.</p> <p>Integrated Framework Agreement extension in place.</p> <p>Market management by Contract monitoring team.</p> <p>Monitoring of the provider market on a daily basis to ensure Care Homes and Domiciliary settings / providers are operating at appropriate levels following all statutory guidance.</p> <p>One Croydon Alliance Commissioning strategy ongoing implementation.</p> <p>Pan London provider concern's process managed by safeguarding team.</p>	5	4	20	<p>Bring Services 'in-house' where appropriate. (enhance on case by case basis / review and ensure compatability).</p> <p>Co-Production of new Placements and Brokerage Service to start Feb 20 and be in place by Summer 2020.</p> <p>Creation of more 'Supported Living' capacity. Completion December 2020.</p> <p>Micro-commissioning arrangements via new DPS for Dom Care to be in place by April 20 and Residential/Nursing by Summer 2020.</p> <p>Ongoing participation with corporate Brexit Working Group to develop resilience (BCP's) to ensure continuity of service.</p> <p>Reablement in South of borough - Review ability for provision within area. Completion December 2020.</p> <p>Refreshed Market position statement.</p> <p>Restructured contract & market management function with increased number of monitors.</p>	5	3	15

Risk Scenario					Current			Future Risk Rating			
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				Provider Failure Policy updated with C-19 Chapter.							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
ASC0012 McPartland, Annette	<p>Demand on social care exceeds available resources leading to the Council being unable to meet it's statutory responsibilities.</p> <p>*Where there has not been a real spending power increase in adult social care, non recurrent funding is being used to support budget(s). To mitigate these budgetary pressures in Adult Social Care in 2019/20, additional in year savings targets of £3.6m have been identified through the 2019 autumn Sprint sessions**.</p> <p>Risk reviewed by owner 07/05/2020..</p> <p>(Risk generated 03/04/2017)</p>	<ul style="list-style-type: none"> • Unable to meet statutory responsibilities. • Financial loss. • Reputational damage. • Avoidable death or serious injury of older person under Council led care. 	McPartland, Annette	<p>£1.3m investment through iBCF for Out of Hospital Business Case inc development of Discharge to Assess Model with further £2m in 19/20 and 20/21</p> <p>2% precept for social care. Better Care Fund (BCF).</p> <p>Clients are provided with more support earlier through Gateway provision.</p>	4	5	20	<p>Awaiting Government's White paper (no due date given).</p> <p>Developing of ICN Plus supporting greater integration. Completion September 2020?</p> <p>Implementation of 'Localities Working' will allow greater levels of service provision and support. 4 out of 6 localities operational financial year 2020/21. All older peoples will be completed by start of new financial year (2020/21).</p> <p>Implementation of Liquid Logic will ensure effective transition for client Case Management. 20 September 2020 target date.</p> <p>Moving towards locality working with Gateway & Housing completion September 2020.</p> <p>Risk Mitigation Methodology.</p> <p>Sprint & Efficiency Programmes ongoing to identify efficiency savings for the current and next financial years.</p>	4	3	12

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
C190004 Negrini, Jo	<p>Unable to deliver the 20/21 savings or achieve the additional income targets and therefore not able to balance the 20/21 budget, further exacerbated by the impact of Covid-19.</p> <p>Risk updated by owner 31/07/2020.</p> <p>(Risk generated 01/04/2020).</p>	<ul style="list-style-type: none"> • Damage to reputation and service delivery risk. • Reduction in financial resources. • Erosion of reserves. • Insufficient resources will lead to inability to meet needs and political aspirations. • Bankruptcy / S114 notice. 	Taylor, Lisa	<p>Corporate Plan aligned to MTFS to ensure priorities align with resources.</p> <p>Development of detailed workstreams on all aspects of income and expenditure including immediate actions.</p> <p>Finance Review panel in place to identify and review measures to address financial pressures. Finance Review panel in place to identify and review measures to address financial pressures.</p> <p>Immediate expenditure controls implemented covering staffing, non-staff costs and capital programmes.</p> <p>Lobbying of Central Government, as a Council but also through London Councils and the LGA.</p> <p>Refresh the MTFS to aid delivery of the 2020/21 budget and identify at an early stage projects and programmes that won't deliver, working closely with CLT / ELT and Cabinet to achieve this.</p> <p>Regular review of income.</p> <p>Staffing review to further reduce staff related costs.</p>	5	4	20	<p>Enhancement to expenditure monitoring processes.</p> <p>Implement results of workstreams.</p> <p>Review of 20/21 budget savings and income options underway to identify the areas that will no longer be deliverable.</p> <p>Use data from our monthly submission to MHCLG (setting out anticipated costs of COVID-19 and lost income) to closely monitor the overall impact on the Council's financial position and inform conversations with central government.</p>	5	3	15

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
ED0001 Davies, Shelley	<p>Increasing population with complex learning needs and parental expectations leads to rising demand and financial pressure on SEN fixed budgets including pressure on High Needs DSG budget, which can't be funded from General Fund reserves.</p> <p>** The DfE has confirmed the provisions in The School and Early Years Finance (England) Regulations 2020 establishing a statutory requirement for any DSG deficit balance to be held within the local authority's overall DSG, meaning authorities cannot fund deficit from general fund without Secretary of State approval**.</p> <p>Reviewed at DMT 21/01/2020.</p> <p>(Risk generated 27/06/2017).</p>	<ul style="list-style-type: none"> • Children and families do not receive the advice and support they would expect. • Increased costs due to tribunals and complaints leading to reduced reputation. • Inability to achieve outcomes for children and families in Croydon. • LBC over reliance on 'independent sector'. • Increase in Education, Health & Care (EHC) Plans issued with no additional funding provided. 	Davies, Shelley	<p>Continue to use Council Members / MP's to lobby Central Government for a review of the model that funds higher needs to reflect the actual demand for Croydon.</p> <p>DSG Recovery Plan (balanced budget 2024/25) approved by Schools forum.</p> <p>Further senior management review of existing plans.</p> <p>High Needs Funding Review planned.</p> <p>Implement strategies for managing demand for more effective mainstream school placements.</p> <p>Implementation of SL DPS to reduce placement costs.</p> <p>Improved forecasting and reporting of demand led spend to manage overall budget position.</p> <p>Improved projections for school places.</p> <p>July 2019 5 yr deficit recovery plan submitted to DfE.</p> <p>Modelling of Locality Based Working & Staged Approach supporting mainstream schools meeting SEN needs.</p>	5	4	20	<p>0-25 SEND Strategy Implementation Plan to deliver change across the system – in five areas below. The SEND Strategy implementation plan Governance is through SEND Working Group; which reports into Children & Families Partnership Board.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Early Identification and Intervention –improved HV assessment, identify needs, work with families early.</p> <p>Support for EY education providers, personalised inclusion funding until the end of EY Foundation Stage.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Free School being constructed which will relieve pressure in spend in non-mainstream sector.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p>	5	3	15

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>New SEN strategy 2019 / 22 present to cabinet March 2019 following consultation. Plans to improve impact of service and measure to mitigate against cost.</p> <p>Provision of more Post 16 specialist placements in borough by Sept 2019 with a further 244 school placements to come on stream by Sept 2020.</p>				<p>Graduated response – right support, right time. Meeting needs locally in local schools at SEN Support level; reduced reliance on alternative education.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Joint Working – children's needs are met locally in Croydon (cost avoidance in inn sector), through co-ordinated and coherent pathways which are achieved through collaborative work with parents and YP; across education, health and care.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Post 16 pathway development so that there are effective local education, care and health pathways to adulthood, and EHC Plans are caesed in timely way (currently 40% HNB spend is post 16).</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p>			

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
								<p>South London Partnership SEN Commissioning Programme for commissioning residential and day placements for children and young people with Special Education Needs.</p> <p>Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Utilisation of the additional funding allocated in the 2019 'Spending Review'. Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p> <p>Workforce development – practitioners have the skills and knowledge to meet needs locally. Parents are confident. Review the Deficit Recovery Plan quarterly and expectation to be in a 'balanced budget' by 2023/24.</p>			

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
ED0002 Davies, Shelley	<p>That a 'Local Area (OFSTED) Inspection' could issue a letter detailing improvement requirements / concerns in respect of the SEND Service.</p> <p>The SEND Service is one element of the Ofsted Inspection curriculum which also includes Children's Social Care and Adult Social Care . LBC and the CCG have overall joint responsibility.</p> <p>**The Education Directorate is co-ordinating the Council's approach but overall responsibility does not sit with the Directorate**</p> <p>Risk reviewed at DMT 21/01/2020.</p> <p>(Risk generated 05/01/2018).</p>	<ul style="list-style-type: none"> • Reputational damage. • Government intervention. • Financial cost of implementing wide ranging changes • Legislative action arising. • Difficulty in recruiting and retaining experienced and effective workforce. • Media scrutiny. • Political scrutiny and activity. • Increased referrals into SEND service and associated financial pressures. • Judicial Review. 	Davies, Shelley	<p>Governance structure introduced to oversee delivery and implementation of the Improvement Strategy.</p> <p>SEN Improvement Board established & meeting monthly to monitor SEN improvement plan and strategy.</p>	4	5	20	<p>Implement plan to ensure 'Local Area' is Inspection ready. The SEND strategy is a three year strategy, we have a five year DGS recovery plan and in terms of inspection readiness we are awaiting the inspection call in either the Summer or Autumn term(s) (2020).</p> <p>Implementation of 0-25 SEND strategy.</p>	4	4	16

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
ED0003 Davies, Shelley	<p>Increasing number of Council maintained schools moving into a financial deficit leading to default and arrears.</p> <p>**As at end of Q4 (2019/20) there were 12 of our 50 maintained schools in deficit. The total deficit amounted to £5.4m (January 2020 returns figure) however two of the schools are in a loan arrangement with the LA. It is noted that approximately 72% (£3.9m) of the deficit is attributable to two schools**.</p> <p>Updated 01/07/2020.</p> <p>(Risk generated 08/08/2017).</p>	<p>• Financial loss to LBC.</p>	Davies, Shelley	<p>Deficit schools are required to report financial outturn monthly.</p> <p>Regular update meetings with the Governing Body's / SLT's of schools with the highest levels of debt.</p> <p>Schools are met with by senior finance and education officers to discuss their deficit and their action plan for setting a balanced budget in the future.</p> <p>Schools are requested to set a licence deficit plan – this includes a 3 year budget plan as to how the school will return to a balanced position.</p> <p>We have input into the school's 3 year business plan to shape repayment terms and included a formal letter of agreement. Termly finance meetings for all maintained schools sharing best practice etc.</p>	4	5	20	<p>Implementation of new strategies following Independent Fincancial Review of 'Schools in Deficit' funded from DSG schools block.</p> <p>Visits to 'Schools in Deficit' to comence by September 2020.</p>	4	5	20

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>Where appropriate the Council is using its statutory powers to investigate installing an Interim Executive Board (IEB). Powers are limited in terms of financial benefit to the LA but could steer the school towards a form of collaboration with another education body.</p> <p>Output from the independent Financial Review to inform the LA of next steps.</p> <p>Target date of September 2020.</p>							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
RCS0018 Harris-Baker, Jacqueline	<p>The Council is unable to deliver services (including all of its statutory requirements) should the UK and the EU not reach a mutually acceptable 'trading arrangement' by the end of the withdrawal agreement period (31 December 2020).</p> <p>**This risk is closely monitored in terms of impact however the outcome of the trade negotiations and final settlement arrangements cannot be determined at an organisational level. The Council will continue to react to the issues arising as a result of the status of the ongoing negotiations**.</p> <p>Updated 20/02/2020.</p> <p>(Risk generated 25/06/2016).</p>	<ul style="list-style-type: none"> Wider uncertainties about the UK's economy and trade arrangements could potentially impact development plans and inward investment that are vital for the borough's regeneration. The UK Economic performance will impact local authority budgets and grants. Currently there are unknowns about whether further grant cuts will be imposed and how Croydon's budget may be affected. Croydon's business rates income could be impacted by any loss of confidence in investment in the UK economy. A 'No- trade deal' has a high likelihood of causing disruption to supply chain with delays and higher costs which may impact on consumers. This may cause shortages in supplies, including critical areas such as medicines, food and fuel. 	Harris-Baker, Jacqueline	<p>A cross-organisational Brexit Working Group (with SRO) to coordinate the Council's response in operation. The groups activities include the sharing of information / intel, the identification of risks and their impact, corporate resilience and scenario planning, communication strategies and a corporate action plan delivery. This work is being coordinated with partners.</p> <p>Cabinet have endorsed a statement to say that Croydon values and welcomes EU citizens and is open for business and plans are in place to safeguard our growth.</p> <p>LBC is contributing to Regional Communications Structure through representation at London Council's.</p> <p>The Council is working together with it's partners to be vigilant to identify any hate crime and take vigorous action against perpetrators.</p> <p>Using funding from MHCLG to ensure robust planning in place.</p>	5	4	20	<p>The Council will continue to monitor pension fund investments, consider options and viability as volatility levels and markets change.</p> <p>The Council will continue to monitor resources to enable delivery utilising the MHCLG grant as appropriate.</p> <p>The Council will continue working with developers and investors to encourage and enable suitable projects within the borough</p>	5	4	20

Risk Assessment: Finance Review 2020											
RISK REF	RISK	IMPACT	ASSIGNED TO	EXISTING CONTROLS	CURRENT IMPACT (1-5)	CURRENT LIKELIHOOD (1-5)	TOTAL	FUTURE CONTROL	FUTURE IMPACT (1-5)	FUTURE LIKELIHOOD (1-5)	TOTAL
FR00001	Inadequate compliance controls applied.	<ul style="list-style-type: none"> No formal governance structure. Financial loss. Reputational damage. Legislative challenge. 		<ul style="list-style-type: none"> Risk & Project management Framework in place. SRO assigned accountability. Corporate oversight in place through regular (stage) reporting and review. 	5	4	20	<ul style="list-style-type: none"> Continuous review of the Governance Framework as it is applied the the PM Framework and project delivery. ELT review to be set at each project stage boundary Proposal to consolidate programme under development following completion of first stage 	5	2	10
FR00002	Front line services are significantly affected unintentionally due to the savings strategies implemented corporately.	<ul style="list-style-type: none"> Injury or death of client / staff. Media and political scrutiny and interest. Chief Officers resign or face court proceedings. Legal action. Financial loss. 		<ul style="list-style-type: none"> Programme Board in place to oversee application of strategies across organisation. Senior leadership control for authorisation of strategy implementation. Programme and project teams in place to ensure achievement of objectives. Stakeholder engagement and consultation. 	5	3	15	<ul style="list-style-type: none"> Continuous review by Programme Board and ELT to ensure that the application of strategies applied do not adversely affect front line services. Stakeholder engagement sessions conducted at key stage review points. 	5	2	10
FR00011	Organisational capacity is insufficient. (Linked to but separate from FR00020).	<ul style="list-style-type: none"> Unable to achieve outcomes of implemented strategies. Ineffective service delivery. Lack of organisational experience and expertise leading to mistakes. Financial loss increasing corporate financial pressure. Senior officer resignations. Political and media interest and scrutiny. 		<ul style="list-style-type: none"> Identification of key resource requirements has been conducted to ensure resilience and ability to deliver services. Structured approach to hierarchical reorganisations to ensure required skillset / resource needs to deliver services is not lost. 	5	3	15	<ul style="list-style-type: none"> Continual collaboration with HR to ensure appropriate strategies implemented. Ability to mobilise through agency contract to be reviewed 	5	2	10
FR00016	Poor financial control applied to programme leading to overspend.	<ul style="list-style-type: none"> Financial loss. Reputational damage. Political scrutiny. Senior Officer accountability scrutinised. 		<ul style="list-style-type: none"> S151 Officer oversight in place to ensure financial control implemented. Effective Governance Structure applied to ensure compliance with all relevant policies and procedures. 	5	3	15	<ul style="list-style-type: none"> Review of financial commitment at each key stage review ongoing 	5	2	10

RISK REF	RISK	IMPACT	ASSIGNED TO	EXISTING CONTROLS	CURRENT IMPACT {1-5}	CURRENT LIKELIHOOD {1-5}	TOTAL	FUTURE CONTROL	FUTURE IMPACT {1-5}	FUTURE LIKELIHOOD {1-5}	TOTAL
FR00025	Corporate financial savings objective is not achieved due to poor programme and project management and delivery.	<ul style="list-style-type: none"> • Non delivery of savings plan. • Council budget deficit remains / s.114 • Political scrutiny as to why project failed. • Senior officer resignations. • Loss of staff through inability to maintain payroll commitments, low morale, poor service delivery. • Injury to staff and clients through lack of financial support. • Non-achievement of statutory requirements / duties. Media interest. 		<ul style="list-style-type: none"> • Programme initiated to coordinate and deliver related project streams to ensure effective budget savings identified and strategies implemented to deliver. • Effective Governance Framework implemented to ensure compliance with PM Framework and all related corporate policies and procedures. • Programme Plan in place to ensure achievement of identified objectives. 	5	3	15	<ul style="list-style-type: none"> • Review of programme outcomes conducted at each stage boundary to ensure compliance with required objectives. • Continuous oversight through Programme Board, Executive Leadership and Cabinet. 	5	2	10
FR00009	Under performance of capital receipts.	<ul style="list-style-type: none"> • Insufficient funding for planned capitalisation of transformation activity. • Political scrutiny applied. • Media interest in inadequate performance results. • Identified savings targets insufficient to achieve objective. • Continuous decline in Council's ability to deliver any services. • Demotivated workforce leading to decreased levels of staff engagement and commitment. 		<ul style="list-style-type: none"> • Effective Governance Framework in place to ensure compliance with all necessary policies and procedures and all relevant framework reporting activities undertaken. • Strategic monitoring and control of capital investment programmes to ensure delivery of expected results. This includes independent review. • Cross service working groups initiated to ensure appropriate levels of skills and expertise engaged. 	5	3	15	<ul style="list-style-type: none"> • Extensive 'horizon scan' activities ongoing to ensure mitigations can be taken where possible. • ELT oversight to ensure appropriate monitoring and control functions in place • Fundamental review of strategy being undertaken 	5	2	10
FR00020	Appropriate levels of skilled staff with relevant knowledge and experience are not available.	<ul style="list-style-type: none"> • Unable to deliver identified strategies to achieve programme objectives. • Demotivated and demoralised workforce. • Reputational damage. • Significant financial loss. • Senior officer resignations. • Political scrutiny. • Media interest. 		<ul style="list-style-type: none"> • Cross departmental analysis of identified SME's to ensure ability to deliver objectives. • Effective recruitment and retention initiatives implemented in tandem with 15% target of staff reduction to ensure any loss of skills is acceptable and replaced. • Effective analysis delivered on all identified resource savings. HoS engaged to ensure service stability maintained. 	5	3	15	<ul style="list-style-type: none"> • Effective recruitment & retention strategy to be implemented to ensure appropriate levels and skills retained within the organisation. • Horizon scan to identify risks to service delivery provision and identification of key skills required to ensure continuity of service delivery. 	5	2	10

RISK REF	RISK	IMPACT	ASSIGNED TO	EXISTING CONTROLS	CURRENT IMPACT {1-5}	CURRENT LIKELIHOOD {1-5}	TOTAL	FUTURE CONTROL	FUTURE IMPACT {1-5}	FUTURE LIKELIHOOD {1-5}	TOTAL
FR00023	Unrealistic expectations of stakeholders leading to dissatisfaction with programme delivery and outcome.	<ul style="list-style-type: none"> • Political scrutiny. • Demoralised and dissatisfied workforce. • Media interest and comment. • Financial commitment increases. • Council required to initiate further programmes to achieve perceived objectives (Programme becomes unmanageable). 		<ul style="list-style-type: none"> • Programme & Project Management Framework utilised to ensure clarity. • Effective Communications Strategy implemented to ensure all stakeholders aware of identified objectives. • Senior leadership initiating updates with political representatives to ensure clarity. • Continuous review of identified objectives to ensure appropriate. 	5	3	15	<ul style="list-style-type: none"> • Ongoing stakeholder engagement through effective Communications Strategy and plan. • Focus Review Panels planned and incorporated into Programme Framework to facilitate stakeholder feedback. 	5	2	10
FR00003	Inaccurate independent data provided to support the Programme.	<ul style="list-style-type: none"> • Compromised research / empirical evidence leading to error in decision process. • Services compromised leading to non-delivery of statutory duties. • Clients / staff in danger, serious injury. • Leadership decisions ineffective. • Political interest and media scrutiny. • Financial loss. 		<ul style="list-style-type: none"> • Validation process in place to ensure data source is sufficient and appropriate. • Project Team incorporated as key objective. • Regular review process in place to ensure continuity of supply. 	4	3	12	<ul style="list-style-type: none"> • Ongoing liaison with relevant services / officers to ensure data requirements will be achieved. • Ongoing review of data provided to ensure quality and relevance. 	4	2	8
FR00017	Delays in mobilisation	<ul style="list-style-type: none"> • Implementation timeline extended leading to additional expenditure. • Key dates / targets missed leading to ineffective service delivery. • Stakeholder dissatisfaction. • Staff and client confusion. • Comm's strategy compromised. 		<ul style="list-style-type: none"> • Effective project governance applied to ensure compliance with identified timeline. • Programme Board in place with appropriate accountability route initiated. • Application of mitigating strategies to ensure timeline maintained. 	4	3	12	<ul style="list-style-type: none"> • Regular reporting to ELT and Cabinet. • Regular review through project team roles. 	4	2	8
FR00024	Cross organisational collaboration does not happen or is ineffective.	<ul style="list-style-type: none"> • Project objectives not achieved. • Inaccurate data provision due to non-cooperation of services. • Application of initiatives ineffective due to non-cooperative workforce. • Decreasing levels of staff moral and motivation. 		<ul style="list-style-type: none"> • Effective and efficient Communication Plan initiated across organisation. • Effective leadership guidance in place to ensure compliance and collaboration. • Regular feedback sessions organised to ensure staff 'buy-in'. • Application of appropriate disciplinary procedures where collaboration is negated / not implemented. 	4	3	12	<ul style="list-style-type: none"> • Ongoing review sessions to ensure collaboration is happening. • Key stage reviews scheduled to identify areas of concern. 	4	2	8

RISK REF	RISK	IMPACT	ASSIGNED TO	EXISTING CONTROLS	CURRENT IMPACT {1-5}	CURRENT LIKELIHOOD {1-5}	TOTAL	FUTURE CONTROL	FUTURE IMPACT {1-5}	FUTURE LIKELIHOOD {1-5}	TOTAL
FR00007	Additional savings initiatives are not identified and implemented.	<ul style="list-style-type: none"> Existing initiatives do not achieve savings target. Council is unable to deliver all statutory services. s.114 notice Political scrutiny and media interest. Senior officers resignation. Continuous decrease in staff motivation and morale. Financial loss continues and unable to stabilise current situation. 		<ul style="list-style-type: none"> Programme Board review points scheduled for regular oversight and challenge. Entire CLT mobilisation programme initiated to ensure complete organisational awareness and oversight. Communications Strategy formulated and deploys to ensure all stakeholders aware of programme. Workforce encouraged to submit additional savings strategy ideas for consideration. 	4	3	12	<ul style="list-style-type: none"> Ongoing review of Programme Product Delivery strategy to ensure all routes identified. ELT review and continuous assessment. 	4	2	8
FR00008	Stakeholder engagement insufficient.	<ul style="list-style-type: none"> Incorrect information provided leading to compromised project outcome. Ineffective strategy implementation. Services unable to sustain delivery. Depleted staff morale and engagement leading to compromised quality of service deliver. 		<ul style="list-style-type: none"> Effective Communications Strategy identified and in place with appropriate controls. Regular stakeholder analysis exercise conducted. Leadership oversight and input to ensure clarity of comms. 	5	2	10	<ul style="list-style-type: none"> Key Stage reviews and assessments ongoing to ensure effective stakeholder engagement. Stakeholder listing continuous review to ensure all appropriate stakeholders are engaged. Any omissions raised to Programme Board for rectification. 	5	1	5
FR00005	Duplication of duties / effort leads to inefficient analysis and incorrect application of strategies on services.	<ul style="list-style-type: none"> Services incorrectly restructured / restricted due to incorrect process application. Unable to deliver statutory services. Staff morale decreases leading to discontent. 		<ul style="list-style-type: none"> Governance process in place to ensure effective control / oversight at Programme level. Validation of savings approach applied to each service. 	3	3	9	<ul style="list-style-type: none"> Ongoing key stage review by Programme and Project Boards to ensure duplication activities identified. 	2	2	4
FR00019	Scope creep.	<ul style="list-style-type: none"> Programme Resources stretched and compromised. Identified objectives not achieved (or poorly delivered due to over exposure). Stakeholder dissatisfaction. Financial loss. Reputational damage. 		<ul style="list-style-type: none"> Implementation of the Corporate Programme & Project Management Framework to ensure any 'scope creep' activity is identified and mitigated. Formalised review points with ELT in place to ensure clarity and challenge in respect of project scope and required objectives. Clear Comm's Plan initiated to ensure clarity with all stakeholders. 	4	2	8	<ul style="list-style-type: none"> Ongoing Programme & Project Boards monitoring of plans to ensure identified objectives are achieved and any additional objectives being delivered are authorised and planned appropriately. Ongoing review of stakeholders to ensure appropriate input and compliance with programme and project requirements. 	4	1	4
FR00006	Strategies identified are not accepted by Cabinet.	<ul style="list-style-type: none"> Insufficient savings strategies implemented meaning the Council is unable to achieve savings target. Savings strategies over applied to areas of the organisation leading to cascade of service failure. Political challenge and media interest. 		<ul style="list-style-type: none"> Effective reporting and validation process in place with appropriately timed sign-off checks. Utilisation of project management framework to ensure complete audit trail available for review. Leadership liaising regularly with interested parties within the Administration. Effective communication with Opposition. Effective Communications Strategy in place. 	3	2	6	<ul style="list-style-type: none"> Continuous ELT liaison with all Cabinet members to ensure clarity on Programme & Project deliverables and strategies. Ongoing liaison with peers and central government to investigate additional funding streams / opportunities. 	3	1	3

RISK REF	RISK	IMPACT	ASSIGNED TO	EXISTING CONTROLS	CURRENT IMPACT {1-5}	CURRENT LIKELIHOOD {1-5}	TOTAL	FUTURE CONTROL	FUTURE IMPACT {1-5}	FUTURE LIKELIHOOD {1-5}	TOTAL
FR00010	Business Case does not fulfill approval criteria.	<ul style="list-style-type: none"> • Delay to Programme. • Financial loss (Resources wasted). • ELT dissatisfaction and frustration. 		<ul style="list-style-type: none"> • Application of the Corporate Programme & Project Management Framework implemented to ensure application of appropriate controls and templates to ensure adequate information supplied via Business Case document template. • Cross Service collaboration to ensure SME's contribute to BC constuction. • Regular review points to ensure BC appropriate. 	3	2	6	<ul style="list-style-type: none"> • Business Case to be linked to PID to ensure consistency and quality. • Business Case presented at each key stage to ensure approval status maintained. 	3	1	3

This page is intentionally left blank