

## Financial Risks

Figures are incremental

## Adult Social Care &amp; Health

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
All care	<b>Inflation</b> Inflation has been budgeted for corporately, however providers are currently approaching commissioners for increases of between 9.5% and 45%. These requests are outside the Fair Cost of Care exercise. In some instances the department may need to pay inflationary increases to ensure provider stability. Croydon has signed up to the Ethical Care Charter, which stipulates that providers must pay employees London Living Wage. For 2024-25 LLW has increased by 10.04%	5,000	5,500	6,000	6,500	
All care	<b>Demand</b> Work continues to manage demand for social care, however this is challenging in the current economic climate especially with regard to increasing demand for mental health services	500	1,000	1,500	2,000	
All care	<b>Market Sustainability Fund and Hospital Discharge Fund</b> Funding has not been confirmed beyond 2024-25. Market sustainability funds support recurrent provider fee increases. Hospital discharge funds care for people leaving hospital and staffing. The loss of either grant will result in new pressures.	0	8,400	8,400	8,400	Confirmation of the continuation of these grants
All staffing	<b>Workforce</b> Recruiting staff is increasingly more difficult, with recognised shortages of social workers and occupational therapists. Despite the work that has been undertaken to reduce reliance, in order to meet statutory services and deliver transformation, there is a likelihood that the need for more costly agency staff will increase.	500	TBA	TBA	TBA	

## Childrens and Young People

Service Area	Short description of risk	Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Social Work with Children Looked After and Care Leavers	Increased children looked after numbers and/or clients existing/new young people in high-cost placements	1,768	1,768	1,768	1,768	Early intervention to mitigate the number of children becoming children looked after

Housing		Risk				Potential Mitigation
		2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Service Area	Short description of risk					
Homelessness	Availability of private rental properties is low (landlords leaving the market) leading to high inflation and increased use of nightly paid accommodation	5,000	5,000			Budget for inflationary pressures Implement savings measures as planned including use of HRA stock; occupancy review etc. Strengthen relationships with Housing Associations to increase nomination rights Use financial data to target most cost effective property as homelessness accommodation
Homelessness	Potential fire safety works at leased blocks, e.g. Sycamore House, may lead to extended decant periods into more expensive nightly paid accommodation	3,000				Claim costs from freeholder Consider additional fire safety measures, such as a waking watch, to minimise void periods
Homelessness	Service disruption due to ongoing impact from remodelling service processes	500				Considered use of agency staff to cover gaps
Homelessness	Specialist accommodation providers leaving the market leading to difficulty in providing statutory services	500				Look at feasibility of providing in-house supported accommodation services
Sustainable Communities Regeneration & Economic Recovery		Risk				Potential Mitigation
Service Area	Short description of risk	2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s	
Highways and Parking and Strategic Transport	There is a risk given the current financial situation at TFL that anticipated funding for infrastructure projects may be delayed or rescinded which may result in additional capital borrowing needed by the council be that to cover loss of income or to complete projects.	TBA				
Highways and Parking	Although there has been a rightsizing of the Parking Budget the current cost of living crisis, continued changes in the number of people working from home since the pandemic and other economic factors may affect the number of people using Parking in Croydon. This will affect both Pay & Display and PCN Income.	TBA				
Highways and Parking	Highway Infrastructure Assets - Under-investment in infrastructure including bridges, roads, flood defences, etc. Risk of serious damage and litigation as well as substantial increase in repair costs.	TBA				
Highways and Parking	New box junction and bus lane ANPR cameras not achieving income targets due to increased expected compliance	TBA				
Highways and Parking	Delays to transformation of parking policy- emission discounts for parking, parking permit price increase, cashless P&D, controlled parking expansion - reducing anticipated income.	TBA				
SEND Transport	Unprecedented increase in demand and inflation for Home to School SEND Travel	TBA				
Development Management	The reduction in planning major applications is being experienced across the country and the GLA is reporting the reduction across London. It is these applications which bring in the most significant fees, therefore income may be reduced.	TBA				

**CORPORATE**

Service Area	Short description of risk	2024-25	2025-26	2026-27	2027-28	Potential Mitigation
		£000s	£000s	£000s	£000s	
Council Wide	Upturn in inflation - pay award and contract inflation 1% higher than currently modelled	6,000	6,000	6,000	6,000	Review and management of contracts. Offset against future years economic demand and pressures contingency
Council Wide	1% increase in borrowing costs (due to interest rate rises)	500	500	500	500	Review in-year Treasury Management Strategy
Council Wide	Cash flow risk (unwinding of internal borrowing - £75m reduction modelled)	1,118				Review in-year Treasury Management Strategy
Business Rates	Reduction in income due to business closure/lower economic activity	0	8,600		0	The impact will be in future years. The risk shown would reduce business rates income to the minimum level (safety net threshold) guaranteed by the government.
<b>Total Risks Quantified (mid-point taken when a range identified)</b>		<b>24,386</b>	<b>36,768</b>	<b>24,168</b>	<b>25,168</b>	