

Commitments

Appendix A

| SERVICE AREA | DESCRIPTION OF COMMITMENTS | 2011/12 £'000 | 2012/13 £'000 | 2013/14 £'000 |
|---|--|------------------|------------------|------------------|
| Childrens Services | | | | |
| Youth Offending Services | Council commitment to address loss of funding for Youth Offending Services. | 500 | 0 | 0 |
| Specialist Services | Special Guardianship Orders (SGOs): SGOs are relatively recent placement being used to support children usually when they are young but will remain supported until they reach 18. This is expected to carry on rising as there is no one as yet reaching 18. | 150 | 135 | 0 |
| Total Children's Services | | 650 | 135 | 0 |
| Environment Community Safety and Culture | | | | |
| Public Realm | Income shortfall within the Parking unit. The latest projection shows a 9% shortfall between actual income and budgeted income due to better compliance levels. | 150 | 0 | 160 |
| Total Environment Community Safety and Culture | | 150 | 0 | 160 |
| Corporate | | | | |
| Cash management | Estimated loss of interest due to introduction of 20% VAT rate. | 65 | 0 | 0 |
| Levies | London Pension Fund Authority additional levy for pensions deficit. This is still subject to final decision following consultation. London Councils view is that the recovery plan is deferred until responsibilities for the deficit are established and full legal clarification is sought by CLG. | 0 | 250 | 250 |
| Pensions Fund | Impact of 2010/11 triennial review, the actuaries have not finalised their actuarial valuation but latest indications are that in order to maintain a planned recovery of the fund deficit in line with the funding strategy there will need to be increases in employers contributions of circa 3% over the next 3 years. The budget option here assumes these increases are stepped up each year to cushion the immediate effect of increased contribution levels. | 500 | 1,000 | 1,500 |
| Contingency | Contingency provision for service pressures that cannot at present be fully quantified. This estimate is based on previous trends and will need continual review as part of future budget planning and in the context of the medium term resources strategy. The extent of proposed savings carries significant risk for delivery; surplus contingency will be used to mitigate future years budget and funding risks and contribute towards earmarked reserves supporting key council priorities. | 1,500 | 3,500 | 3,500 |

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|--|---|--------------|--------------|--------------|
| | | £'000 | £'000 | £'000 |
| Concessionary fares | Increase in charge for 2011/12 for concessionary fares from London Councils. The Increase can be attributed to three main reasons, the final phase of the of the three year phased transition from charges based on numbers of cards issued to actual journeys, the concessionary fares specific grant formerly paid to London Councils will from 2011/12 be paid through formula grant and lost in the formula, and thirdly the collapse of the five year deal that London Councils had with TFL has increased costs significantly. | 3,105 | | 0 |
| Area Based Grant | Fall out of area based grant savings established in previous budgets arising from deringfencing of grants that no longer exist. | 1,000 | | |
| Carbon Reduction tax | Carbon Reduction 'tax' payable to DEFRA. From 2011/12, all large non-domestic energy consumers are required by government to purchase an allowance for each tonne of carbon dioxide released through their consumption of energy. The council is working hard to reduce the energy it consumes but our large property portfolio and diverse range of services means that we are still a high energy user. The price of allowances for 2011/12 has still not been fixed following changes to the scheme in the comprehensive spending review. Further detail is expected in the next national budget. £500,000 is calculated by multiplying our expected consumption in tonnes of CO2 during 2011/12 by £12, which prior to October was the expected allowance price with a floating market price in place after that. | 500 | 0 | 0 |
| London Fire and Emergency Planning Authority | London Fire and Emergency Planning Authority (LFEPA) - share of lost grant funding. | 20 | 0 | 0 |
| | Total Corporate Budgets | 6,690 | 4,750 | 5,250 |
| | Total Commitments | 7,490 | 4,885 | 5,410 |

Growth

Appendix B

| SERVICE AREA | DESCRIPTION OF GROWTH | 2011/12 £'000 | 2012/13 £'000 | 2013/14 £'000 |
|--------------------------------------|---|--|--|--|
| Childrens Services | <p>The provision of free healthy school meals for primary aged pupils in maintained schools in Southwark; phased implementation over academic years 2011-14.</p> <p>Total Childrens Services</p> | <p>1,145</p> <p>1,145</p> | <p>1,414</p> <p>1,414</p> | <p>1,586</p> <p>1,586</p> |
| Health and Community Services | <p>Impact of a phased reduction in welfare meal charges of 50% of the 2010/11 charge, harmonising the charge for hot and frozen meals in the process. The first reduction will be in 2011/12 and the full reduction be completed by 2014/15.</p> <p>Learning Disabilities Pool</p> <p>The cost of new clients in Transition from Children's Services. The figures are based on known numbers of children who will transfer to Adult Social Care. Every year there is a cohort of children mainly with learning disabilities who reach the age of 18 and therefore are in transition between children's services and adults social care. This generates a budget pressure for the Council because at the same time as this cohort leaves children's services there are young children entering the system. In addition, because of recent advancements in care practice for people with learning disabilities longevity has improved and there is no significant reduction in client numbers in adults social care due to deaths. Currently there are approximately 45 children in transition each year. Allowance has been made for children who will not transfer to adults care services because, for example, of continuing education or because they chose not to receive adults social care. Approximately 35% of transition clients suffer from autism.</p> <p>Total Health & Community Services</p> | <p>44</p> <p>1,850</p> <p>1,894</p> | <p>42</p> <p>1,960</p> <p>2,002</p> | <p>42</p> <p>2,170</p> <p>2,212</p> |

Growth

Appendix B

| SERVICE AREA | DESCRIPTION OF GROWTH | 2011/12 £'000 | 2012/13 £'000 | 2013/14 £'000 |
|--|--|------------------|------------------|------------------|
| <u>Environment Community Safety and Culture</u> | | | | |
| Directors Office | Funding pressure to resource necessary management changes that will facilitate the delivery of efficiency savings from organisational reviews. | 108 | | |
| Community Safety | Match funding with the Metropolitan Police Authority to set up Night Time Economy Team as part of the delivery of the Violent Crime Strategy. The joint funding of a night time economy team will aim to reduce serious violent incidents connected to alcohol. The team will comprise police officers, license officers, enforcement officers and wardens, operating on a Friday, Saturday and Sunday night from 20:00- 06:00. The team will not be located to one specific geographical area but be targeted where this is an assessed risk of alcohol related violence. We will be using the learning from other areas who have successfully run such teams to have the maximum impact. | 125 | 0 | 0 |
| Total Environment Community Safety and Culture | | 233 | 0 | 0 |
| <u>Communities, Law & Governance (CLG)</u> | | | | |
| Community Engagement | To support the continuing activities of Community Action Southwark and their work to ensure effective working with the voluntary sector in Southwark. | 150 | 50 | 0 |
| Total CLG | | 150 | 50 | 0 |
| <u>Corporate</u> | | | | |
| Youth fund | Establishment of a fund to support young people, especially to mitigate the high youth unemployment in the borough and the impact of the removal of education maintenance allowances. | 1,000 | | |
| National Insurance | The June Emergency Budget announced that the 1% increase in employers National Insurance contributions announced in the March budget would still go ahead. however to 'largely reverse' this increase the Government will increase the threshold for Employer NIC's by £21 above indexation. | 300 | 100 | 100 |
| Public Sector Pay | The June Emergency Budget announced that public sector pay would be frozen during 2011/12 and 2012/13, except for staff earning under £21k per annum, who would receive a flat rate payment of £250 pa during this period. Currently there are 1,500 Southwark Staff meeting this criteria (excluding HRA staff). | 375 | 375 | 0 |

Growth**Appendix B**

| SERVICE AREA | DESCRIPTION OF GROWTH | 2011/12 £'000 | 2012/13 £'000 | 2013/14 £'000 |
|----------------------------------|---|------------------|------------------|------------------|
| Voluntary Sector Transition Fund | Creation of voluntary sector transition fund, subject to protocols and criteria for release for partners providing critical Council services but requiring support through period of significant reductions in funding from central government. The emphasis of the fund will be supporting changes that the vcs organisations will need to make in response to the current financial climate. This could include business planning, fundraising strategies, mergers and collaboration where these are appropriate, sharing of back office costs, and new models of service provision. It is proposed that assessment and recommendation of bids will be carried out by an advisory panel including our key vcs partner Community Action Southwark. Final decisions will be made as an IDM decision for the appropriate cabinet member. | 1,000 | (500) | (500) |
| | Total Corporate | 2,675 | (25) | (400) |
| | Total Growth | 6,097 | 3,441 | 3,398 |