

Cabinet

Tuesday 24 January 2017

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No.1

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Date: 19 January 2017

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|------------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Item No. 7. | Classification: Open | Date: 24 January 2017 | Meeting Name: Cabinet |
| Report title: | | Deputation Requests | |
| Ward(s) or groups affected: | | All | |
| From: | | Proper Constitutional Officer | |

RECOMMENDATION

1. That cabinet considers whether or not to hear a deputation from local residents in respect of persistent traffic violations on Champion Park/Grove Lane, Camberwell.

BACKGROUND INFORMATION

2. When considering whether to hear the deputation request, cabinet can decide
 - To receive the deputation at this meeting or a future meeting; or
 - That the deputation not be received; or
 - To refer the deputation to the most appropriate committee/sub-committee.
3. A deputation shall consist of no more than six people, including its spokesperson. Only one member of the deputation shall be allowed to address the meeting for no longer than five minutes. After this time cabinet members may ask questions of the deputation for up to five minutes. At the conclusion of the questions, the deputation will be shown to the public area where they may listen to the remainder of the open section of the meeting.

KEY ISSUES FOR CONSIDERATION

Local residents Champion Park/Grove Lane Camberwell

4. Local residents have submitted the following statement in respect of their deputation request:

“We wish to address the cabinet on our concerns about persistent traffic violations on Champion Park/Grove Lane Camberwell. There have been a series of accidents on this road and we believe that there are very serious risks posed by current driving practices that need to be mitigated. We wish to bring photographic evidence to show to the cabinet, backed up by some short surveys that we are carrying out this week.”

Community impact statement

5. The Southwark Constitution allows for deputations to be made by groups of people resident or working in the borough.

REASONS FOR URGENCY

6. The deputation requests were received in line with the constitutional deadline for the receipt of deputation requests and are therefore eligible for consideration by cabinet as to whether or not to hear the deputations at this meeting.

REASONS FOR LATENESS

7. The deadline for the receipt of deputation requests was midnight 18 January 2017, after the main cabinet agenda despatch on 16 January 2017. It has therefore not been possible to send out this report five clear days in advance of the meeting.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--|--------------------------------------|---------------------------------|
| Cabinet procedure rule 2.11 on deputations: | 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Link: Cabinet procedure rule 2.12 (deputations) http://modern.gov.southwark.gov.uk/documents/s63344/Cabinet%20procedure%20rules_July%202015.pdf | | |

APPENDICES

| No. | Title |
|------|-------|
| None | |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Lead Officer | Everton Roberts, Principal Constitutional Officer | |
| Report Author | Paula Thornton, Constitutional Officer | |
| Version | Final | |
| Dated | 19 January 2017 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Democracy | No | No |
| Strategic Director of Finance and Governance | No | No |
| Cabinet Member | No | No |
| Date final report sent to Constitutional Team | 19 January 2017 | |

| | | | |
|------------------------------------|--------------------------------|---|---------------------------------|
| Item No. 14. | Classification: Open | Date: 24 January 2017 | Meeting Name: Cabinet |
| Report title: | | Policy and Resources Strategy 2017-18 | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Fiona Colley, Finance, Modernisation and Performance | |

FOREWORD - COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE

Southwark Council faces an extraordinary financial challenge in 2017/18.

Our government funding will reduce by £15m. We also face millions of pounds of unavoidable budget pressures such as increased national insurance and business rates on our offices. This is sadly a situation we have become accustomed to. 2017/18 will be the eighth consecutive year of government funding reductions with at least two more to come.

What makes this year's budget setting challenge unprecedented is the nationwide crisis in funding for the NHS and Social Care. Here in Southwark we have been more successful than most in maintaining services, with the second lowest level of delayed discharges from hospitals of all London boroughs. However, that success has come at a considerable cost and we anticipate that in this financial year the Children's and Adults' Services department will be overspent by £15m. This comes on the back of an £18m overspend last year.

The news is not all bad. The success of our local regeneration has resulted in considerable economic and housing growth which in turn translates into increased council tax and business rate income. Our buoyant capital programme has allowed us to continue to invest in the borough and deliver our manifesto promises.

Likewise our continued modernisation and innovation enables us to propose a further £17.9m of savings from efficiency and improved use of resources and £3.9m from additional income next year.

However, this is not sufficient to close the gap even once we factor in the £5.1m of proposed savings which will impact on council service delivery.

Before Christmas we hoped that the high profile media coverage of the crisis in Adult Social Care funding would result in additional funding being made available by government. The response of government was to propose that councils could raise an additional 1% of council tax – with Adult Social Care levy of 3% rather than 2% – equivalent to an extra £0.9m in Southwark. The government will also provide a one-off Adult Social Care grant of £1.6m, but funded by further reductions in the New Homes Bonus which resulted in an additional £1m loss of funding. This woefully inadequate response still leaves a substantial deficit in our social care budget.

As a result this report proposes that not only should we levy the 3% Adult Social Care precept, but also a further 1.99% increase in general Council Tax, resulting in the total council tax due to Southwark increasing by 4.99%.

Factoring in the Mayor of London's proposed increase in the policing precept a band D council tax bill would increase by £50.44 for the year, just less than £1 per week.

The increase will raise an additional £4.5m of income for the council, still considerably less than the loss of government funding, overspends and unavoidable pressures. Even after accounting for this increase in council tax and £25.6m of budget savings proposed we still face a £1.8m shortfall in our budget and as we agree this draft budget for consultation with overview and scrutiny committee we also need to redouble our efforts alongside officers to find ways to balance the budget ahead of our next cabinet meeting and council assembly in February.

RECOMMENDATIONS

That cabinet:

1. Note that the provisional settlement was received on 15 December, and is reflected in the revised 2017-18 draft budget presented at Appendix A.
2. Note that the key elements for the council arising from the provisional settlement included:
 - Settlement Funding Assessment (SFA), updated to include the confirmed Revenue Support Grant (£57.79m) and Business Rate Baseline Funding levels (£108.21m)
 - Confirmed new homes bonus for 2017-18 of £13.053m representing an overall reduction of £2.0m on 2016-17 budgeted funding levels (paragraph 43);
 - Powers to bring forward the timing of the adult social care precept (paragraph 53)
 - A one year only Adult Social Care grant of £1.577m for 2017-18 (paragraph 47), funded by the government through a further reduction in new homes bonus
 - Confirmed improved better care fund in 2017-18 of £1.658m payable directly to the council and indications of increased funding in 2018-19 and 2019-20 (paragraph 51);
 - Confirmed Public Health Grant for 2017-18 of £28.194m which is a reduction of £0.69m from 2016-17.
3. Note the risk transfer of retained business rate funding to local authorities (paragraph 39).
4. Note the impact on school funding grants, specifically the cessation of the Education Support Grant (paragraph 69).
5. Note the continued uncertainties especially regarding adult social care and children's services cost and demand pressures for 2017-18 and beyond and also ongoing funding risks and uncertainties relating particularly to the new Adult Social Care Grant, New Homes Bonus, Public Health Grant and risks of retained Business Rates.

6. Note the current budget deficit for 2017-18 of £1.822m, reduced from £2.6m on 13 December 2016, and £8.1m presented on 1 November 2016, after the incorporation of a number of budget proposals and updated information following the provisional settlement.
7. Note that the general fund budget proposals for 2017-18 contained within this report include:
 - grant resources arising from the provisional settlement on 15 December (Appendix A)
 - Estimated resources for the Autumn Statement Grant
 - An assumed increase in Council Tax of 1.99%, below the cap of 2% laid down by the Department for Communities and Local Government (DCLG);
 - An assumed increase in the Adult Social Care (ASC) precept of 3%, in line with the maximum laid down by DCLG
 - Estimated council tax revenue of £87.5m in line with the Council Tax Base report agreed by cabinet in December (paragraph 58)
 - Estimated retained business rates growth of £8.7m
 - Planned use of balances of £3.7m, subject to reserves and balances being available
 - Planned contingency of £4m (paragraph 85)
 - Provision for contractual inflation and 1% pay award
 - Proposals for budget changes in 2017-18:
 - new commitments £22.916m, of which £5.9m is ASC earmarking of precept and grant (Appendix C)
 - efficiencies and improved use of resources of £18.247m (Appendix D)
 - income generation proposals of £2.482m (Appendix E)
 - other savings impacting on service delivery of £4.981m (Appendix F)
8. Note that the assumed increase in the Southwark element of the council tax represents the first increase in eight years (paragraph 58) and it is estimated that Southwark will continue to have the seventh lowest council tax in London.
9. Note that this budget proposes to use the flexibility offered by the government to support social care through an increase in the Adult Social Care precept, equivalent to 3% of council tax, on the basis that these additional funds will be used exclusively for adult social care (paragraph 54).
10. Note the current budget options proposed to help achieve a balanced budget 2017-18 as presented in appendices B-D; including ongoing protection for Children's Social Care budgets.
11. Note the departmental narratives setting out the service context and commitments, savings and income generation proposals (Appendix B).
12. Note the proposed approach to address the Children's and Adults' Social care budget pressures, and comparative data. (Appendix G).
13. Note the reducing level of reserves and balances available to the council to help mitigate the risks of funding reductions moving into future financial years (paragraph 84).

14. Note the continuing work underway by strategic directors to complete appropriate equality assessments for all budget proposals (reference in Appendix B)
15. Note the consultation that took place prior to agreeing the indicative budget options for 2017-18 and 2018-19 in February 2016 and that further consultation will be undertaken for new budget options where necessary or appropriate.
16. Note that this report will be considered by overview and scrutiny committee on 30 January 2017 and that any recommendations arising will be incorporated into the final report to cabinet on 7 February 2017.
17. Request that officers complete further work in the light of further notifications from government and recommendations from cabinet and overview and scrutiny to present a fully balanced budget position for cabinet on 7 February 2017.
18. Note that on the basis of this range of uncertainties and as reported to cabinet previously, a balanced one year 2017-18 budget will be presented to cabinet in February for approval in advance of council assembly in February 2017

BACKGROUND AND PURPOSE

19. This budget strategy is underpinned by the principles set out in the Fairer Future Medium Term Financial Strategy (FFMTFS) and Integrated Efficiency Plan 2017-18 to 2019-20, agreed by cabinet on 20 September 2016. The FFMTFS will continue to be reviewed as more information becomes available and officers continue to work on the future years' budgets and is planned to be presented to cabinet in the summer of 2017.
20. The 1 November 2016 report "Revenue Monitoring Report incorporating Updated Medium Term Financial Strategy and Treasury Management 2016-17" set out the revised financial remit for the three year planning period to 2019-20. This final year, 2019-20, coincides with the end of the current four year settlement term and the proposed start date for the new system of 100% Business Rate Retention. The report highlighted emerging cost pressures in Children's and Adults' Services and for No Recourse to Public funds. On 13 December 2016 an initial 2017-18 budget was presented based on estimated funding resources and savings and commitments proposals.
21. This report updates the 2017-18 budget proposals to include the provisional settlement information released on 15 December and updated for new commitments. This one year budget is considered by the section 151 officer to be the most appropriate strategy at this time given continued uncertainties. These uncertainties include demand and cost pressures for adult social care and children's services costs, and uncertainties in government funding sources for new homes bonus, public health grant and business rate retention beyond 2018-19. These updated proposals reduce the budget gap to £1.822m. Further work is being undertaken by officers to present a fully balanced 2017-18 budget for the 7 February 2017 cabinet meeting in advance of February council assembly. A summary of the updated 2017-18 budget can be found at Appendix A.
22. The Policy and Resources Strategy 2017-18 underpins the work of all council departments, ensuring financial sustainability and the best possible level of service for residents. The council remains committed to promoting efficiency as the key driver to reducing costs and minimising the impact of budget decisions

on front line services. The Fairer Future for All promises commit to *spending every penny as if it were our own*. This promise is reinforced with the Fairer Future Budget Principles and will remain the council's prime motivation in Policy and Resources Strategies in coming years. Inevitably as total resources available continue to reduce, demands increase for services and planned efficiency improvements are delivered, protection of these valued front line services becomes increasingly difficult.

FAIRER FUTURE MEDIUM TERM FINANCIAL STRATEGY

23. The 2015 Spending Review and Autumn Statement announced a 53% cut in government funding to local authorities from 2016-17 to 2019-20. The Spending Review included proposals for 100% retention of business rates by 2020, phasing out of the Revenue Support Grant, the opportunity to raise Council Tax by up to 2% per annum to cover adult social care costs, the continuation of the Public Health grant ring-fencing for a further two years, and New Homes Bonus reform.
24. On 23 November 2016, Chancellor Philip Hammond delivered his first Autumn Statement. This included a number of policy announcements including confirmation that the Autumn Statement will be abolished and the Budget will be moved to the autumn. The 2017 Budget (in March) will therefore be the last spring Budget, and there will be a further Budget in the autumn of 2017. The government will, however, continue to respond to the Office for Budget Responsibility's economic forecasts in the spring in a "Spring Statement" from 2018.

Council Plan and the Budget

25. This budget provides a clear link between council budget financial sustainability and borough wide regeneration. There is an increasing reliance on raising income through local taxation whether through increasing the council tax base through housing growth or increasing funding from business rate growth. Growth (either business rate or council tax) directly impacts on a significant proportion of our budget through New Homes Bonus, Council Tax and Business Rate income sources.
26. The current Council Plan 2014-18 priority themes of quality affordable homes, strong local economy and revitalised neighbourhoods are integral to a sustainable ongoing budget. These links were demonstrated in the council's efficiency statement submission for the four year settlement.

December 2017 Provisional Settlement Update

27. On 15 December, the provisional settlement was received which contained confirmed allocations for core funding streams for the Settlement Funding Assessment (SFA) for the three year period 2017-18, 2018-19 and 2019-20. It confirms the significant funding cuts set out in the four year settlement of 2016-17. Overall, SFA for England will fall by 10.6% in 2017-18 (9.4% for London Boroughs), and in real terms by 25.6% by 2019-20 (23.8% for London Boroughs).
28. The level of funding from 2018-19 onwards for New Homes Bonus (2017-18 £13.053m) and Public Health Grant (2017-18 £28.194m) remains unconfirmed.

29. The key changes received in the settlement are shown here and discussed in more detail in the paragraphs below:
- Confirmed revenue support grant of £57.79m;
 - Confirmed business rate top up and the ongoing incremental transfer of the business rate risk to the local authority by a further 12% as a result of the reducing top up grant.
 - Confirmed New Homes Bonus of £13.053m (of which £1.126m is the affordable housing element). This is a £2.0m reduction from the assumed budget.
 - Powers to bring forward the timing of the adult social care precept from 2% in 2017-18 to 3% in 2017-18 (paragraph 54);
 - A new one year only Adult Social Care Support grant of £1.577m (paragraph 47)
 - Confirmed improved better care fund of £1.658m (paragraph 51).
30. The settlement also confirmed reductions to the Education Support Grant (ESG) and changes to school funding arrangements as detailed in paragraphs 69 and the departmental narrative in Appendix B.

Change in Spending Power

31. The Core Spending Power figures calculated by the DCLG include the Settlement Funding Assessment (see paragraph 35), an assumed increase in council tax of 1.99%, in line with the referendum limit, additional increase of the 2% adult social care precept, and average growth in council tax base, the Improved Better Care Fund, New Homes Bonus and the one-off new Adult Social Care Support Grant.
32. The core spending power calculation does not include any inflationary cost pressures, assumptions regarding demand pressures and calls on this funding or reductions in grants such as Public Health.
33. Southwark's reduction in core spending power between 2016-17 and 2017-18 is calculated as -2.5%, compared to the London average reduction of -1.5%. Southwark has the fourth largest reduction in spending powers among the 33 London Boroughs. By comparing the components of this spending powers change calculation (see table below), it is clear that there is an increasing reliance on locally raised council tax to fund local authorities' budgets.

DCLG change in spending power from 2016-17 to 2017-18

| | Change in SFA | Change in Council Tax | Change in Relevant grants | Change in Spending Power |
|-----------------------|---------------|-----------------------|---------------------------|--------------------------|
| Southwark | -7.5% | 8.0% | -1.7% | -2.5% |
| London Average | -10.6% | 7.3% | 3.9% | -1.5% |

34. The DCLG calculation does not include the impact of cost pressures such as pay and contract inflation, new regulation changes such as apprenticeship levy or revised business rates, in total amounting to over £7m of cost pressures in 2017-18.

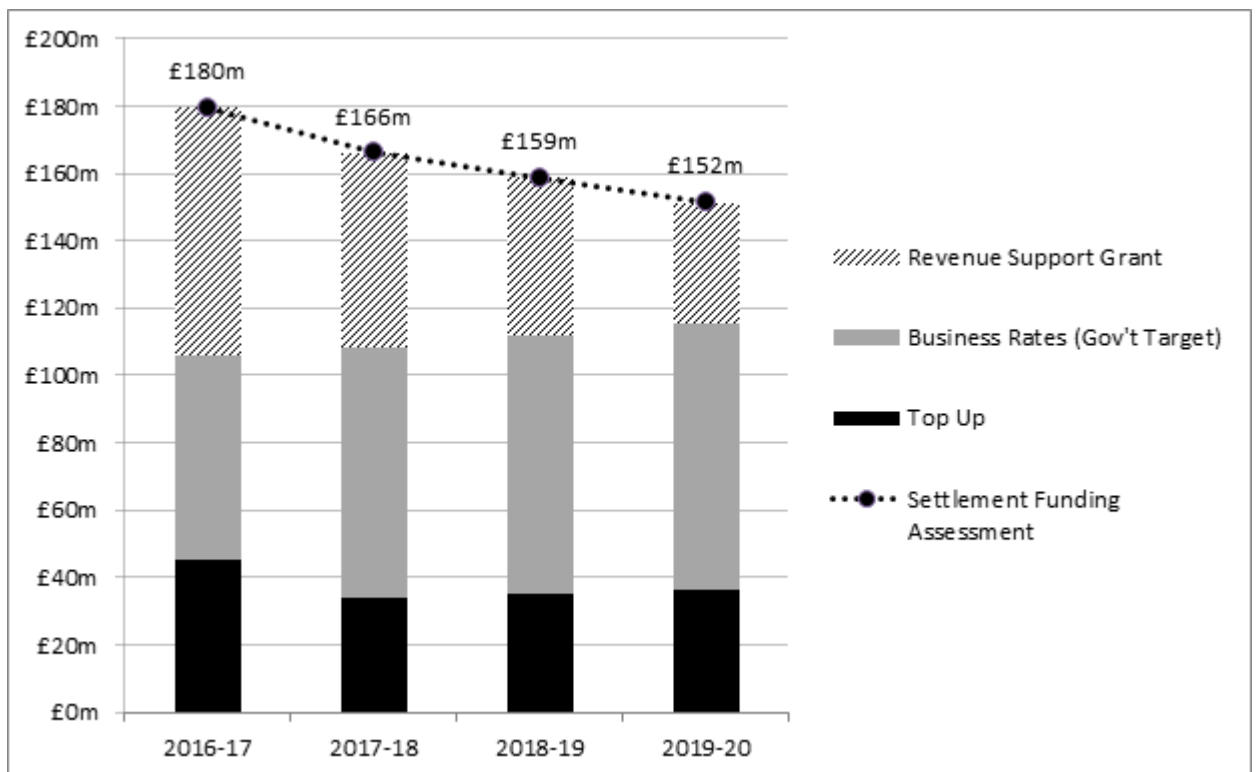
Settlement Funding Assessment

35. The Settlement Funding Assessment (SFA) comprises the core funding sources for authorities defined as the Revenue Support Grant, retained business rates and business rate top up. The SFA is 7.5% lower than in 2016-17 and by 2019-20 will have reduced by 15.6% over the three year period. The provisional settlement for 2017-18 shows:

- Revenue Support Grant of £57.79m
- Baseline Business Rate Funding Level of £108.20m, made up of
 - i. Top up £33.9m
 - ii. Retained business rates £74.3m.

36. The graph below shows the declining levels of the SFA from 2016-17 to 2019-20.

Southwark Settlement Funding Assessment 2016-17 to 2019-20



| | 2016-17 £ | 2017-18 £ | 2018-19 £ | 2019-20 £ |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Revenue Support Grant | 73.48 | 57.79 | 46.98 | 35.86 |
| Top Up | 45.34 | 33.90 | 34.99 | 36.23 |
| Business Rates (Gov't Target) | 60.70 | 74.31 | 76.70 | 79.43 |
| Settlement Funding Assessment | 179.52 | 166.00 | 158.67 | 151.52 |
| <i>Annual change in SFA</i> | | -7.50% | -4.40% | -4.50% |
| <i>Cumulative change in SFA</i> | | -7.50% | -11.60% | -15.60% |

Business Rates Baseline

37. The 2017-18 finance settlement represents the fourth year in which the Business Rates Retention (BRR) scheme is the principal form of external local government funding. There has been significant change to the BRR scheme as a result of the adjustments for the 2017 Revaluation, which alter the business rates baselines for individual authorities. Southwark remains one of the 23 “top up” in boroughs in London. The BRR revaluation adjustment should ensure, as far as is practicable, that an authority’s retained income is the same after revaluation as immediately before.
38. Due to the variable nature of the BRR element of local authority funding, the provisional settlement no longer provides the absolute funding level for authorities. Local authorities will collect more or less than their target level of business rates. The 2017-18 budget includes a forecast assumption that the council’s Business Rate Retention income will exceed the baseline funding level by £8.7m.
39. The increasing reliance on local taxation through the BRR as a funding source is shown in the chart above, with a reduction in Revenue Support Grant and increased reliance on BRR over the period 2016-17 to 2019-20. This reduces the levels of secure funding for local authorities, increasing risk and reducing financial planning certainty.
40. The Secretary of State for CLG again restated the government’s intentions to reform the BRR system and move to 100% retention by 2020. He announced that the Local Government Finance Bill would enter parliament early in the new year, and that pilots would begin in six areas of the country in April 2017. Southwark’s regeneration programme will be key to ensuring sustainable budget sources as we move closer to 100% business rate retention.

Public Health Grant

41. Alongside the settlement, the government published the Public Health Grant allocations for 2017-18. These have not changed from the indicative figures published at last year. Southwark’s allocation of £28.194m is 2.45% less than previous years. Since 2013-14 when Public Health responsibilities transferred to local authorities to 2017-18 grant funding will have reduced by equivalent of 10% with no inflationary increases from 2015-16 onwards. Southwark has the fourth lowest per head public grant allocation of the inner London boroughs.

42. The grant remains ring-fenced in 2017-18. There is no information beyond next year.

New Homes Bonus (NHB)

43. The government has confirmed that New Homes Bonus (NHB) payments to councils will be reduced to five years in 2017-18 (currently six years) and to four years from 2018-19 onwards. A 0.4% baseline will be introduced so that local authorities will need to achieve tax base growth of greater than 0.4% before they receive any NHB funding. Southwark's tax base growth is expected to be in excess of this. The changes to the New Homes Bonus Scheme have allowed the government to remove £241m from the scheme's previously announced funding for 2017-18. This funding has been diverted to the new Adult Social Care Support Grant (paragraph 47). This funding is to be distributed based on the adult social care relative needs formula and is for 2017-18 only.
44. For 2018-19 onwards, the government has yet to decide whether to enforce further reductions on allocations where there is no local plan in place or houses are built following a successful appeal.
45. Provisional NHB allocations for 2017-18 have been published. London boroughs' share of the national total has stayed broadly the same at 21%, receiving £261 million of the £1.2 billion national total.
46. Southwark's provisional allocation for 2017-18 is £13.05m (of which £1.126m is the affordable housing element). The 2018-19 and 2019-20 allocations within DCLG's Core Spending Power are only indicative. These are based upon authorities' share of the 2017-18 overall allocation. There could, therefore, be significant variances between these amounts and the actual allocations and so further modelling will need to be undertaken to calculate grant for 2018-19 and 2019-20. The level of New Homes Bonus directly relates to the increase in homes with additional grant for affordable housing, further consolidating the link between local growth and regeneration and funding levels.

Adult Social Care Support Grant (new)

47. This one off grant distributes £241.1m NHB "saving" in proportion to the adult social care relative needs formula from 2013-14 so that all authorities with responsibility for social care receive a share of this funding. London boroughs' share of the national total is £37m. Southwark's share is £1.577m. This has been allocated to the Adult Social Care budget as a commitment line but will need to be removed in 2018-19 as this funding is for one year only.
48. At the overall level, it is estimated that London will lose out by £10.6 million from this switch in funding. However, the impact varies across London with 12 boroughs gaining slightly while 21 are worse off. In Southwark, the reduction in the NHB was larger than the increase in the Adult Social Care Support Grant, and has the impact of reducing overall resources by £2.0m. Southwark is the fourth highest cash loser.
49. Further guidance is awaited on the use of this funding.

Improved Better Care Fund (IBCF)

50. There is no change to the illustrative figures set out in the 2016-17 settlement for the Improved Better Care Fund. In 2017-18 the government is providing £105 million, rising to £825 million in 2018-19 across England. Government has confirmed the allocation methodology and the allocations as they were set out in the technical consultation on the settlement, and this assumes councils will implement the adult social care precept. The allocation methodology, through a separate grant to local government, benefits those councils who raise less from the additional council tax flexibility for social care. The settlement does not confirm how the new flexibility to raise the Social Care Precept will impact the calculation of future years' IBCF allocations.
51. Southwark's allocation of IBCF is £1.658m, and further guidance on the use of this funding is expected.

Adult Social Care Precept

52. The introduction of a social care precept was originally announced in the autumn statement in 2015. In the 2016-17 local government finance settlement, the government confirmed that there would be a 2% social care precept and that this would be available for four years up to 2019-20.
53. The provisional 2017-18 local government finance settlement has amended the use of this additional precept. It can now be applied at 3% per annum for the next two years, up to 2018-19, with a total maximum additional precept of 6% for the period 2017-18 to 2019-20. If an authority chooses to use the higher 3% threshold in each of 2017-18 and 2018-19, then it would not be able to have an additional ASC precept in 2019-20.
54. To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (section 151 officer). Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017-18 must also show how they plan to use this extra money to improve social care. This suggests an increasing burden compared to 2016-17 where local authorities were only required to show that an amount equivalent to the additional council tax had been allocated to adult social care. The DCLG are yet to confirm the final conditions of the scheme.
55. Of interest is the LGA's comments of the impact of the settlement, and specifically the adult social care precept:
- *"No new money from central government has been included in the settlement. The Government has, however, created more flexibility by allowing the social care precept to rise by an additional 1 per cent in 2017-18 and 2018-19 ...this flexibility does not address the £2.6 billion funding gap facing social care by the end of the decade.*
 - *By bringing forward council tax raising powers, the Government has recognised the LGA's call for the urgent need to help councils tackle some of the immediate social care pressures they face. However, this shifts the burden of tackling a national crisis onto councils and their residents.*

- *The measures announced in today's settlement will help in part but fall well short of what is needed to fully protect the care services for elderly and vulnerable people today and in the future. In addition, increasing the precept raises different amounts of money for social care in different parts of the country unrelated to need and will add an extra financial burden on already struggling households.*
- *Councils, the NHS, charities and care providers have been clear both before and since the Autumn Statement about the need for an urgent injection of genuinely new additional Government funding to protect care services for elderly and disabled people. Given this unified call for action, it is hugely disappointing that today's settlement has failed to find any new money to tackle the growing crisis in social care."*

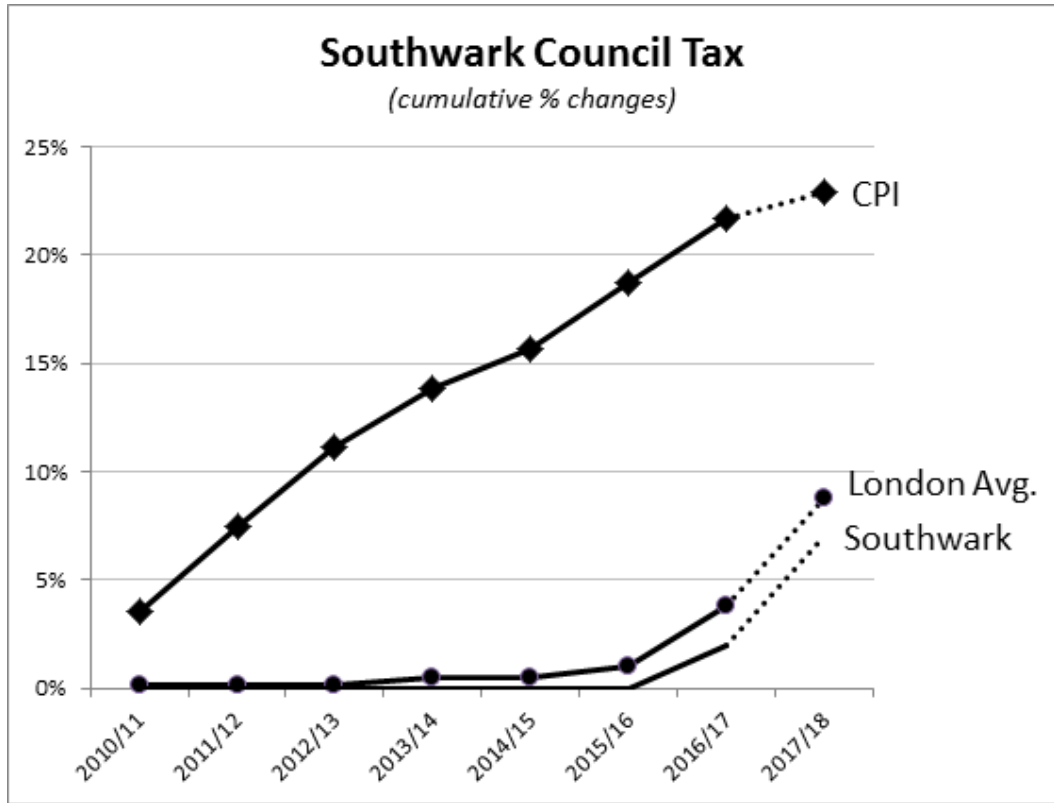
56. In 2016-17, Southwark was among 10 of the 13 inner London Boroughs who utilised the power to raise income from the adult social care precept.
57. As previously reported in the budget monitoring reports to cabinet in November 2016 these national pressures on social care are evident in Southwark with acute cost pressures totalling £15m being reported across Children's, Adults' and Public Health budgets. The precept is important in order to protect services for our most vulnerable residents. The additional 1% will raise £0.9m, bringing the total value of the Adult Social Care Precept to £4.4m. This funding is earmarked for Adult Social Care as a commitment in the schedules of £2.7m (£1.7m 2016-17 plus £2.7m in 2017-18 totals £4.4m).

Southwark Element of Council Tax

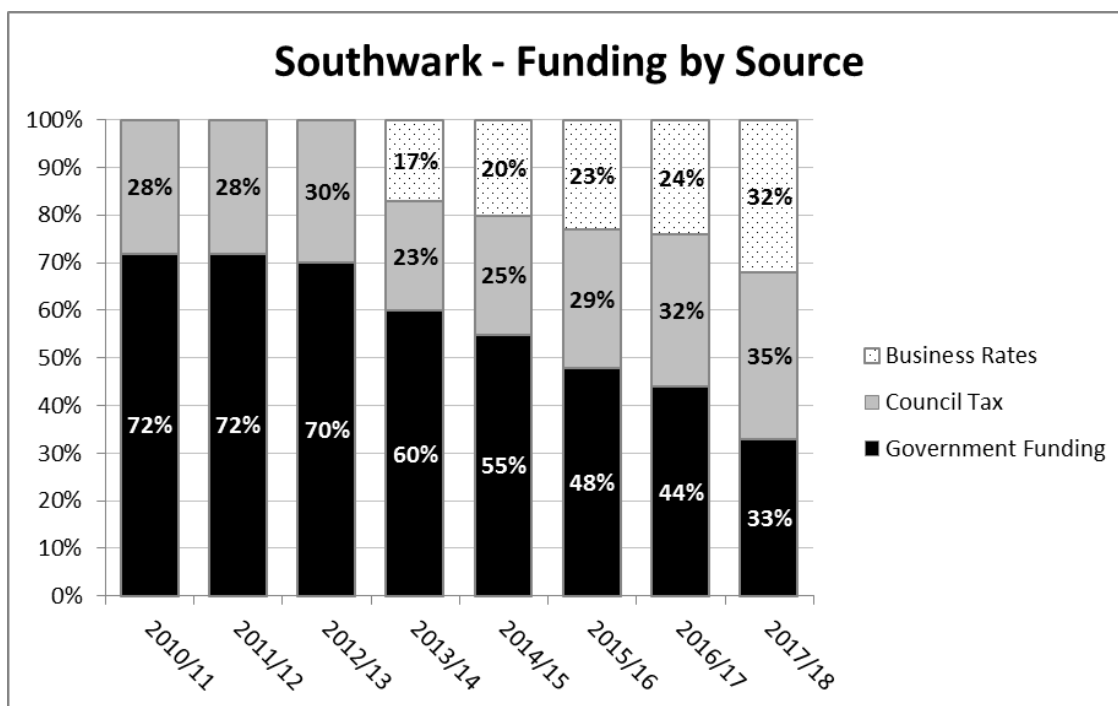
58. The council is committed to the fairer future promise to "keep council tax low". The Southwark element of council tax has been frozen since 2008-09 and the authority has been able to maintain the seventh lowest level of council tax in London, despite having incurred the largest reduction in government grants. During this same period, the GLA element has reduced by 10.9% and as a consequence Southwark tax payers are paying less in 2016-17 than they did in 2008-09. Throughout this period, the government applied a cap on any council tax increase of 2% per annum and required a local referendum for any increases at or above this level. This level has not been exceeded by Southwark to date and the cap remains in place for 2017-18, albeit increased to 5% to reflect the additional adult social care precept.
59. In 2016-17, and in line with government guidance, the council applied a 2% precept to help fund adult social care. Of the 33 London boroughs, 26 took advantage of this precept. For 2017-18, government has extended the adult social care precept to allow for 6% over the next three years with no more than 3% in each of the first two years. Within this report, it is recommended that a 3% precept be applied for 2017-18, in light of the substantial pressures on adult social care service.
60. Given the pressures on council finances, the reducing levels of reserves and the continued year on year reductions in spending power as assessed by DCLG, the s151 officer is recommending a 1.99% increase in the Southwark element of council tax for 2017-18. This is in addition to the adult social care 3% precept.
61. Ten of the thirteen inner London Boroughs increased their council tax in 2016-17, 26 out of 33 across London. Since 2008-09 only two boroughs have not

increased council tax. This is indicative of the growing stress across local authorities in London.

- 62. As demonstrated in the chart below, the proposed increase in the council element of council tax remains below the charge it would have been if CPI (inflation) had been applied each year from 2010-11.



- 63. It can be seen from the chart below that the proportion of the council’s resources raised locally through council tax, and more recently from retained business rates, has grown significantly, with a substantial decline in the proportion of funding from government.



64. The impact of the increase in Council Tax of 4.99% will mean that:

- 82% of residents (103,000 households) will see a council tax bill rise of less than £1 per week.
- 70% of the residents receiving support through the local council tax relief scheme (CTRS) will pay no more than 20p extra per week.
- the council tax reduction scheme will continue to ensure that over 7,000 eligible pensioners will continue to receive 100% relief and will see no rise in their council tax bills.

65. The Greater London Authority (GLA) has announced the intention to increase the GLA precept element of council tax in the 32 London boroughs by £4.02 (1.5%) for 2017-18. This entire precept increase will be applied to the policing budget. The final precept will not be confirmed until the Mayor's final draft budget is considered by the London Assembly on Monday 20 February. For a Band D property this equates to £0.08p a week. This has been included in the table below.

66. The table below shows the maximum increases in council tax payable for 4.99% increase assuming no discounts or benefits, and including the GLA precept.

| No of occupied properties | Banding | Per week £ | Per 10 month instalment £ | Per 12 month instalment £ | Per Year £ |
|---------------------------|---------|------------|---------------------------|---------------------------|------------|
| 10,695 | Band A | 0.65 | 3.36 | 2.80 | 33.62 |
| 35,128 | Band B | 0.75 | 3.92 | 3.26 | 39.21 |
| 32,320 | Band C | 0.86 | 4.48 | 3.73 | 44.83 |
| 22,070 | Band D | 0.97 | 5.04 | 4.20 | 50.44 |
| 15,315 | Band E | 1.19 | 6.16 | 5.13 | 61.64 |

| No of occupied properties | Banding | Per week £ | Per 10 month instalment £ | Per 12 month instalment £ | Per Year £ |
|---------------------------|---------|------------|---------------------------|---------------------------|------------|
| 5,878 | Band F | 1.40 | 7.28 | 6.07 | 72.85 |
| 4,015 | Band G | 1.62 | 8.40 | 7.00 | 84.06 |
| 569 | Band H | 1.94 | 10.08 | 8.40 | 100.88 |

Council Tax Collection

67. Cabinet in December 2016 agreed a recommendation that, based on collection performance in previous years and to date in 2016-17, a 97.20% assumed collection rate in 2017-18 would give the best estimate of the likely value to be obtained from the demands issued in April 2017.
68. The collection fund forecast outturn position is a surplus of £2m and this has been accounted for in the council tax calculations for 2017-18.

Education and Schools Related Grants

69. Officers are continuing to work through the implications of the complex settlement for schools and education. The Education Support Grant (ESG) is ending in September 2017. This grant of £2.6m (2016-17) supported education services such as school improvement. A transitional ESG of £0.7m is available for 2017-18 and a small element of the funding is transferred to the Dedicated Schools Grant.
70. At the 19 January 2017 Schools Forum, reports will be presented to request funding for these previous ESG funded services from the Dedicated Schools Grant for 2017-18. If supported by the Schools Forum, this will enable services to transition to new ways of working under new funding model during the coming year. In the interim, the budget prudently assumes a proportion of the reduction in ESG funding of £0.9m which will be revised once further information is known.
71. The dedicated schools grant (DSG) funds schools budgets, high needs pupil support in schools and alternative provisions and early years providers as well as a small element held to fund central services. The DSG has increased in line with increasing pupil numbers; however, cost pressures continue within high needs budgets. The implications of the settlement are currently being worked through and will be reported to the Schools Forum.
72. There is a new national early years funding formula in place for 2017-18. The government is proposing the phased introduction of a new national funding formula for schools from 2018-19. Furthermore, a new local funding scheme proposed for 2017-18 for pupils with additional learning needs aiming to improve the targeting of resources.
73. Future budget reports will provide more information as the implications are worked through, in consultation with the Schools Forum.

Children's, Adults' and Public Health Budget Pressures

74. As reported to cabinet in November 2016, the Children's, Adults' and Public Health services are experiencing significant pressures on their revenue

budgets. These pressures are created by a combination of demand and cost pressures and severe reductions in government grant for these statutory responsibilities as well as to the council as a whole. Nationally, pressures on social care linked to pressures in the NHS are recognised, but these pressures far exceed the resources announced in the government settlement. In total, an estimated adverse variance of £15m is forecast.

75. It should be noted that significant management action has been taken and controls are in place. A budget recovery board is overseeing the management actions. Appendix G sets out this work in more detail.
76. The indicative budget agreed at council assembly in February 2016 proposed Adult Social Care savings and income generation for 2017-18 at £12.2m and commitments of £1.7m resulting in a proposed net impact of a budget reduction of £10.5m for 2017-18. Based on 2015-16 experience and 2016-17 monitoring, the December 2016 report to cabinet had proposed that Adult Social Care savings planned for 2017-18 be deferred to provide sufficient time for the budget recovery actions to be completed. This budget report now proposes savings of £5.6m for Adult Social Care, and also recognises the additional demand and cost pressures for Adult Social Care. The net impact of this is a £6.005m budget increase for Adult Social Care, which reflects the allocation of new resources for Adult Social Care, including the one-off Adult Social Care Support grant of £1.577m, Adult Social Care Precept of £2.7m and improved Better Care Fund of £1.658m.
77. There are considerable pressures in 2016-17 for Children's Services and this is despite protection for Children's Services budgets in 2016-17. Rising demand including protecting children from sexual exploitation, a sharp reduction in secure care places provided by government and pressures such as unaccompanied asylum seeking children have all contributed to the overspend. In 2017-18, it is proposed that Children's Services are protected from making savings as they work towards recovering the budget position and reducing spend in line with resources available. Management action is in hand for controllable areas and further plans are in development including innovation to evolve the services for current needs and context.
78. Public Health is funded through a ring-fenced specific grant. In 2016-17, the Public Health service is expected to overspend in the region of £1.6m as a result of a reduction in government grant to a service which is demand led and largely operates to NHS contracts that novated to the council when the function transferred. There is an expectation that this overspend of the ring-fenced grant will be recovered through savings in 2017-18 as new contracts come into effect and this is reflected in the commitment and savings schedules. In addition, this report indicates the need to achieve further efficiencies in 2017-18 of £690k to reflect the 2017-18 further reduction in government grant.

Commitments, Efficiencies, Income Generation and Savings

79. In addition to the necessary commitments, throughout the council's budget preparation cycle, further efficiencies, savings and income generation options are presented for consideration to deliver a balanced budget.
80. The 2017-18 proposals for each department are described within the departmental narratives in Appendix B, with the detailed schedules presented in Appendices C, D, E and F. These proposals are summarised in the table below.

| Department | Budget 2016-17 ⁽¹⁾ £000 | Commitments £000 | Efficiencies £000 | Income £000 | Savings £000 | Total Change £000 | % of Dept Budget |
|--|------------------------------------|------------------|-------------------|----------------|----------------|-------------------|--------------------|
| Children's and Adults' Services Total: made up of: | 170,144 | 13,308 | (3,711) | 0 | (4,252) | 5,345 | 3.1 |
| Adults' | 82,930 | 11,558 | (1,301) | | (4,252) | 6,005 | 7.2 |
| Children's | 86,294 | 100 | | | | 100 | 0.1 |
| Community Safety | 920 | | (70) | | | (70) | (7.6) |
| Public Health* | 0 | 1,650 | (2,340) | | | (690) | 0.0 ⁽²⁾ |
| Environment and Leisure | 70,046 | 100 | (3,930) | (1,505) | (50) | (5,385) | (7.7) |
| Housing and Modernisation | 64,872 | 3,343 | (2,686) | (182) | (679) | (204) | (0.3) |
| Chief Executive's | 8,658 | | (565) | (493) | | (1,058) | (12.2) |
| Finance and Governance | 19,779 | 85 | (1,655) | (300) | | (1,870) | (9.5) |
| Corporate | (62,183) | 6,080 | (5,700) | | | 380 | (0.6) |
| Total | 271,316 | 22,916 | (18,247) | (2,480) | (4,981) | (2,792) | |

⁽¹⁾ Note, budgets include depreciation, internal recharges

⁽²⁾ Public Health is funded from grant and so has a net budget of zero. The gross expenditure for Public Health is £30,757k. The efficiencies include £690k for the reduction in grant.

Use of Reserves and Balances

81. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund:

- invest to save opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings;
- investment in regeneration and development where spend may be subject to unpredictable market and other factors;
- exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.

82. The budget proposals for 2017-18 include a planned release of reserve of £3.7m. For a number of years, the council has planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures especially during the period of austerity. Not only has this helped to protect council services but it has also allowed time to transition towards new ways of working and productivity improvements.

83. The level of balances remains subject to the scrutiny of the section 151 officer who must ensure that any one off contributions to the budget are appropriate and affordable. In previous years, this judgment has been facilitated by the availability of unused contingency funds as budgets have met their targets. While the section 151 officer considers that £3.7m is an appropriate contribution for 2017-18, this now incurs a greater level of risk given the requirement to offset emerging cost pressures in adult social care. The position will be kept under review, and at this time, the availability of similar resources in 2018-19 will present a challenge. While this approach may be acceptable during such an

unprecedented period of funding reductions, the annual use of balances to contribute towards base budgets is not sustainable.

| Summary of earmarked reserves | Balance as at 31/03/2015 £000 | Net movement in reserves £000 | Balance as at 31/03/2016 £000 | Estimated closing balance as at 31/03/2017 £000 |
|---|--|--|--|--|
| Corporate projects and priorities | 16,866 | (7,294) | 9,572 | |
| Service reviews and improvements | 14,495 | (5,140) | 9,355 | |
| Capital programme and other capital investment | 30,345 | (3,523) | 26,822 | |
| Strategic financing, technical liabilities and future financial risks | 29,645 | (868) | 28,777 | |
| Total | 91,351 | (16,825) | 74,526 | 56,000* |

* Excludes DSG ring-fenced reserves.

84. The continued use of balances and reserves to support revenue expenditure cannot be considered to be sustainable. In addition to the £21m reduction in 2015-16, current projections would indicate a further reduction of £18m in 2016-17 for:

- the impact of enhanced voluntary redundancy as part of the council's modernisation,
- the £6.2m planned use of reserves to support the 2016-17 budget,
- known commitments
- the estimated budget forecast position for Children's and Adults' services.

Corporate Contingency

85. It is proposed that the corporate contingency of £4m be maintained to support emerging budget pressures during the year. In the current and previous years, this contingency has been essential to manage in year demand and cost pressures.

Consultation

86. High level consultation was conducted on the three year budget proposals for 2016-17 to 2018-19. The consultation responses received were consistent with prior years' consultations, and were used to inform the 2017-18 indicative budget proposals. The analysis was reported to cabinet and council assembly.

87. Since then, consultation on the Voluntary and Community strategy has been conducted to ensure that all sections of the VCS could contribute to the development of the strategy, and a series of four open invitation listening events was held which attracted over 200 people. The listening events took place in an atmosphere of good will. There was also recognition of the need to find new ways of making the most of diminishing budgetary resources. There has also been consultation on the development of the policy and policy drafts through the Health and Wellbeing Board, Children's and Adults Board, the Forum for Equalities and Human Rights, the council's departmental commissioning network and the council/VCS Liaison Group.

88. Following the 2016-17 budget proposals consultation on the youth sector has resulted in over 600 responses.
89. In a change to prior years practice, the council has consulted a wider range of business rate payers, including large, medium and small scale business rate payers.

Next Steps

90. The next main governance steps to establishing the 2017-18 general fund revenue budget are outlined in the table below:

| Date | Meeting | Report | Purpose |
|------------|-----------------------|--------------|---|
| 30/01/2017 | Overview and Scrutiny | P&R strategy | Comment on and make recommendations in respect of the cabinet's proposed 2017-18 budget |
| 07/02/2017 | Cabinet | P&R strategy | Recommend a balanced budget for 2017-18 to Council Assembly |
| 22/02/2017 | Council Assembly | P&R strategy | Council Tax setting and approve a balanced budget for 2017-18 |

Community impact statement

91. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.
92. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the budget for 2017-18 and for previous years, each department will undertake equality analysis/screening on its budget proposals ahead of the final decisions being taken. Where screenings identify potential impacts more detailed analysis is being carried out.
93. Undertaking equality analysis helps the council to understand the potential effects that the budget proposals may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts.
94. For many services the budget proposals will include efficiencies which have staffing implications. As specific proposals are brought forward, and at each stage of implementation thereafter, the different impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
95. Equality analysis will continue through the cycle of planning and implementation of these budget proposals. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet

members so it can be considered when decisions are taken. The equality analyses will be collated across the council to look for any cumulative impacts.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

96. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
97. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:
- Eliminate unlawful discrimination harassment and victimisation
 - Advance equality of opportunity between people who share protected characteristics and those who do not
 - Foster good relations between people who share protected characteristics and those who do not.
98. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.
99. Equality analysis is the mechanism by which the council considers these effects. The report sets out how it is proposed equality analysis will be undertaken in relation to the budget proposals.
100. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

REASONS FOR URGENCY

101. The council is committed to publishing budget proposals at the earliest possible opportunity to ensure they are available to the public for comments and questions. Presenting this report to cabinet on 24 January 2017 gives the opportunity for debate prior to presentation of final budget figures to cabinet on 7 February 2017. Under the council's constitution there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this is due to take place on 30 January 2017.

REASONS FOR LATENESS

102. Following the release of the provisional settlement, introduction of flexibility to change the adult social care precept, and confirmation of the referendum from the Department of Communities and Local Government, the P&R strategy and this report have been updated to consider this impact in full. Additional time has been required to formulate budget options that minimise the impact on Southwark residents.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|---|--|----------------------------------|
| Revenue Monitoring Report incorporating Updated Medium Term Financial Strategy and Treasury Management 2016-17 | 160 Tooley Street PO Box 64529 London SE1P 5LX | Jennifer Seeley 020 7525 0695 |
| Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/documents/s64608/Report%20Revenue%20Monitoring%20Report%20incorporating%20Updated%20Medium%20Term%20Financial%20Strategy%20and%20Treasury%20.pdf | | |
| Policy and Resources 2016-17 to 2018-19 : cabinet 27 January 2016 | 160 Tooley Street PO Box 64529 London SE1P 5LX | Jennifer Seeley 020 7525 0695 |
| Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/documents/b50006581/Supplemental%20no.%202%20Wednesday%2027-Jan-2016%2016.00%20Cabinet.pdf?T=9 | | |
| Council's Fairer Future Budget Principles approved by cabinet (September 2015). | 160 Tooley Street PO Box 64529 London SE1P 5LX | Jennifer Seeley 020 7525 0695 |
| Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/documents/s56454/Report%20and%20appendices%202016-17%20PR%20Scene%20setting.pdf | | |
| Policy and Resources Strategy 2017-18 (13 December 2016 Cabinet Meeting) | 160 Tooley Street PO Box 64529 London SE1P 5LX | Jennifer Seeley 020 7525 0695 |
| Link: (copy and paste into browser) http://moderngov.southwark.gov.uk/ielistdocuments.aspx?CId=302&MId=5376&Ver=4 | | |

APPENDICES

| No: | Title |
|------------|---|
| Appendix A | 2017-18 Budget Proposals |
| Appendix B | Supporting Departmental Narratives for Budget Proposals |
| Appendix C | Proposed Commitments 2017-18 |
| Appendix D | Proposed Efficiencies and Improved Use of Resources 2017-18 |
| Appendix E | Proposed Income Generation 2017-18 |
| Appendix F | Proposed Savings Impacting on Service Delivery 2017-18 |
| Appendix G | Children's and Adults Services Budget Recovery Board |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Cabinet Member | Councillor Fiona Colley, Finance, Modernisation and Performance | |
| Lead officer | Duncan Whitfield, Strategic Director of Finance and Governance | |
| Report author | Jennifer Seeley, Director of Finance | |
| Version | Final | |
| Dated | 19 January 2017 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Director of Law and Democracy | Yes | Yes |
| Strategic Director of Finance and Governance | N/a | N/a |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 19 January 2017 |

2017-18 Budget Proposals

APPENDIX A

| | 2016-17 Budget £m | 2017-18 Budget Proposals £m |
|---|-------------------------|--------------------------------------|
| Resources | | |
| Retained Business Rates | (60.7) | (74.3) |
| Business rates top-up | (45.3) | (33.9) |
| Revenue Support grant | (73.5) | (57.8) |
| Total Settlement Funding Assessment (DCLG) | (179.5) | (166.0) |
| New Homes Bonus | (15.1) | (13.1) |
| Public Health Grant | (29.0) | (28.2) |
| Autumn Statement measures grant | (3.2) | (2.5) |
| Education Support Grant | (2.6) | (1.7) |
| New – Improved Better Care Fund | | (1.7) |
| New – Adult Social Care Support Grant | | (1.6) |
| Specific grants | (49.9) | (47.0) |
| Total Government Funding | (229.4) | (213.0) |
| Business Rate Retention growth | (4.6) | (8.7) |
| Business Rate Retention collection fund surplus | | (3.9) |
| Council Tax baseline | (83.2) | (87.5) |
| Increase in Council Tax by 1.99% | | (1.8) |
| ASC Council Tax precept (2% IN 2016-17 now 3%) | (1.7) | (4.4) |
| Council Tax collection fund (surplus) / deficit | (2.4) | (2.0) |
| Total revenue from council tax | (91.9) | (108.3) |
| | | |
| Total funding before contribution from balances | (321.3) | (321.3) |
| Current contribution from balances | (6.2) | (3.7) |
| A . Total Resources | (327.5) | (325.0) |
| | | |
| Previous Years Budget | 328.7 | 325.8 |
| Inflation | | |
| Employees (1% p.a. for 2016-17 - 2019-20) | 1.7 | 1.7 |
| NI changes | 0.5 | |
| Contractual inflation including LLW | 2.8 | 2.0 |
| Commitments and Contingency: | | |
| Corporate contingency (maintaining the existing budget of £4m) | | |
| Growth and Commitments | 13.3 | 22.9 |
| Changes in grant related expenditure | 7.0 | |
| B . Budget before savings and efficiencies | 352.3 | 352.4 |
| Net Shortfall before savings and efficiencies (Current year A+B) | 26.5 | 27.4 |
| Proposals | | |
| Effective use of resources and efficiencies | (13.80) | (17.9) |
| Income Fees and Charges | (10.0) | (3.7) |
| Other Savings | (2.6) | (5.1) |
| C. Total proposals | (26.4) | (25.6) |
| D. Total budget (Current Year B + C) | 325.9 | 326.8 |
| | | |
| E. Funding Shortfall / (Surplus) | 0 | 1.822 |

Subject to roundings

APPENDIX B

SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

CHIEF EXECUTIVE

Overview

- B.1. The Chief Executive's department comprises the Regeneration, Planning and External Affairs divisions along with the Chief Executive's Office.
- B.2. The department leads on the council's delivery of regeneration and building a strong local economy, which is bringing about thousands of new homes, jobs and opportunities across the borough, making our neighbourhoods places in which people are proud to live and work.
- B.3. The total general fund revenue budget for the department is £8.720m. Savings proposed for 2017-18 financial year are £1.058m. These will be achieved through more efficient and smarter ways of working including staff reorganisation, management reconfiguration, better use of resources and proposals to raise income.

Regeneration

- B.4. Regeneration has identified total savings of £251k for 2017-18.
- B.5. Savings of £108k arise from a re-alignment of the staffing structure and reduction in running expenditure.
- B.6. The division will be seeking to maximise its income, generating additional income of £108k from a review of rents charged for commercial properties.
- B.7. Further income of £35k will be generated from charging for services provided through partnerships associated with major regeneration projects across the borough.

Planning

- B.8. Planning has identified total savings and additional income of £425k.
- B.9. Savings of £75k will arise from a review of the organisational staffing structure.
- B.10. Additional income of £350k will be generated from a number of sources. These include additional Community Infrastructure Levy (CIL) administration fee income, a review of planning fees to bring Southwark more in line with other central London boroughs as per the MTRS, and provision of additional in-house planning consultancy services.

External Affairs Division

- B.11. The new External Affairs Division incorporates the Cabinet Office and Communications. The office was formed following the re-organisation of the Chief Executive Office in 2016 and the subsequent reconfiguration of functions that provide support for cabinet members, with the administrative function,

forming part of a wider policy and communications team to jointly support cabinet and the council's communication with residents and the wider public. The Division will manage marketing and campaign spending by overseeing expenditure which currently sits in departmental budgets..

B.12. The External Affairs Division, which has a net budget of £1.523m, is proposing total savings of £382k.

B.13. Savings will be achieved through a review of functions and activities that take proper account of future expectations for the office and delivery of Council Plan targets.

Equalities Assessment

B.14. As specific proposals are brought forward, and at each stage of implementation thereafter, the impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.

CHILDRENS' AND ADULT'S SERVICES AND PUBLIC HEALTH

Overview

- B.15. Children's and Adults' Services represents approximately two thirds of the council's budget. The department delivers statutory functions on behalf of the council to our most vulnerable local residents. This is against a backdrop of rising demand and interdependencies with other public services, most notably the NHS, and a reduction in government grants. Southwark council is committed to safe services and high quality care and has introduced arrangements to support this commitment such as the Southwark Ethical Care Charter and safe caseloads for social workers. This comes at a cost and, whilst it is right to do this, it is not recognised in funding to the council from government.
- B.16. The department is managing a large programme of efficiency initiatives and is mindful that the pace of change must allow for the correct fulfilment of obligations to appropriate consultation, procurement and value for money assessments, and implementation in ways that appropriately mitigate inherent risks and treat our residents with dignity and respect.
- B.17. Some of the planned efficiencies are contingent on cooperation by NHS partners, transforming care pathways and the NHS fairly sharing the cost of care in the community for health care needs. Some savings originally profiled in February 2016 to take effect in 2017-18 and 2018-19 have been deferred by one year to allow for continued engagement with NHS partners to achieve the required outcomes.
- B.18. The department has strong plans to achieve savings in the medium term, including in collaboration with the council-wide Modernise programme and working with the community and voluntary sector in Southwark to redesign the local offer to residents. The department has also identified for 2017-18 new efficiencies totalling £3.6m and savings of £4.4m, due to the council's need to provide services within a reduced funding settlement from government.

Education

- B.19. The service is funded by a combination of Education Services Grant (ESG), Dedicated Schools Grant (DSG) and core budget. For 2017-18 there are significant changes to ESG of £2.6m which funds a combination of direct education related services and support costs, some of which relates to retained duties for all schools and some for general duties relating to our maintained schools. With ESG rolled into DSG and new specific grants, additional funding is being sought from Southwark Schools Forum and Maintained Schools. This will provide time for a new service delivery model to be developed, to meet new requirements expected from government in 2018-19.
- B.20. For Education core funding there are significant changes in funding occurring. However, measures have been brought forward in 2017-18 to meet cost pressures, most notably with regard to working with Schools Forum to develop and fund measures to help mitigate Special Educational Needs (SEN) Home to School Transport pressures.
- B.21. The DSG largely directly funds schools budgets, SEND provision and also early years settings. A small element of this is retained to fund council services such as Admissions and Behaviour Services. The Education team continues to work

very closely with Southwark Schools Forum and our maintained schools to agree appropriate funding going forward. Funding can be provided centrally across all funding blocks of the DSG but new restrictions are being imposed by the government on Early Years settings. Changes are expected under the new National Funding Formula in 2018-19 meaning that the council will need to develop an approach to how these services are maintained and funded in the future.

- B.22. The council also works with Southwark Schools Forum on the management and allocation of funding for Schools (including Academies and Free Schools), SEN and Alternative Provision providers and Early Years settings. There are pressures across all of the main areas of funding. The government is currently consulting on phase II of its new National Funding Formula and whilst it has indicated that there will be some protection available in 2018-19, significant reductions have been modelled from 2019-20, hitting inner London, including Southwark, harder than elsewhere in the country.

Children's Social Care

- B.23. The service has a budget of £50m, but there are cost pressures with regard to demand for placements, and also with regard to staffing given the need to maintain caseloads at a safe level and the challenges in retaining and recruiting Social Workers, especially in London. In line with other Local Authorities, the number of children looked after has increased, in Southwark from 475 as at 31 March 2016 to 502 as at 31 December 2016. There has also been an increase in the number of children in residential placements, including secure care, as government reduces its commissioned secure provision. The approach agreed in 2016-17 was that the budget for Children's Services would be protected for three years. Whilst this approach continues for the service it needs to operate within the allocated budget for 2017-18. Management action has been taken and controls are in place. Further plans are being actively developed to evolve the service for even better outcomes and value for money, including for example, innovation bids for Care Leavers and Family Group Conferencing for children open to the service.

Adult Social Care

- B.24. Southwark is proud to be an Age Friendly Borough, supporting our elders and family carers so that later life is enjoyable and that Southwark benefits from their contribution to community life. Older people are being well supported to be able to stay in their homes or in Extra Care Housing with flexible care and support rather than in residential care homes. Treating people with dignity and respect is at the heart of our approach.
- B.25. Southwark Council is investing in the local social care workforce through the Southwark Ethical Care Charter which is ensuring that home care workers are paid the London Living Wage, paid for travel time between calls and offered guaranteed hours contracts rather than zero hour contracts. Whilst this is clearly the right thing to do, there is no government funding for this approach and the cost to the council is around £4m. This is a significant cost pressure but is considered an important foundation to safe and sustainable care for our vulnerable residents.
- B.26. Services to people with learning disabilities and mental health needs continue to be transformed to modernise our services and deliver better value for money.

Non-care elements of support packages (e.g. accommodation and overheads) are being actively reviewed by commissioners to achieve better value. The care elements of support packages are being reviewed by Social Workers to ensure that they reflect the national eligibility criteria introduced by the Care Act and the best outcomes possible within our resources. Even after proposed changes, Southwark will still be a council that funds these services well compared to our comparator group and our approach is person-centred.

- B.27. Working closely with Southwark NHS Clinical Commissioning Group (CCG), Adult Social Care is continuing to establish integrated community care services in the form of Local Care Networks and joint commissioning will ensure better value for money. Southwark CCG is supporting Adult Social Care, through the Better Care Fund, to deliver system-wide benefits and through the application of Continuing Health Care funding. Our shared values and vision for integrated health and social care, as set out in our local Five Year Forward View, is the pathway and we will navigate the way forward together.

Comparative Spend

- B.28. Southwark's spending on social care can be compared to 15 other London councils who make up Southwark's statistical neighbours. Although there may be some differences in the population make up which could influence these measures, the 'statistical neighbour' group does take account of this. The following figures are taken from official 2015-16 Adult Social Care returns.
- B.29. Southwark is spending 18.9% above the average for Learning Disabilities gross expenditure per head of adult population at £133.01 versus average of £111.91.
- B.30. Southwark is spending 15.8% above the average for direct payments based on gross expenditure per head of population, at a figure of £38.61 versus average of £33.35. If Southwark were able to ensure that care needs were being met but reduced direct payments spend by 10% to £34.75, the council would still funding this at 4.2% above the average.
- B.31. The following weekly unit costs are net, so are affected by both the gross cost and the extent to which there are NHS contributions for continuing health care needs and joint funding).

| Type | Southwark £ | Average £ | Southwark spend to average spend % |
|---|----------------|--------------|--|
| residential and nursing care for Younger PD and Younger LD (18 to 64 year olds) | 1,340.62 | 1,237.00 | +8.4 |
| residential and nursing care for Older People (65 years and older) | 989.91 | 708.32 | +39.8 |
| disabilities and older people together residential and nursing care for all clients | 1,132.52 | 890.12 | +27.2 |

Public Health

B.32. The public health grant supports services for sexual health, substance misuse, obesity, smoking, health checks, children's health visitors, school nursing, free healthy school meals, libraries and community sports. Our ambition for better public health outcomes permeates the council plan and is being delivered at scale across the borough. There has been much commissioning activity to ensure value for money going forward as NHS contracts that novated over to the council on transfer of the Public Health function are replaced with council contracts and to ensure that we live within significantly reduced means as government grant is reduced.

Equalities Assessment

B.33. Initial equalities analysis has been undertaken for each proposal. Consultations have been and will be undertaken for proposals relating to service changes, where appropriate. Impact is mitigated by alternative offers of services, support or personal budgets as per service user choice in line with Care Act eligibility. This is set down in national legislation and Government guidance; other services are discretionary and universal.

B.34. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. The equality analysis is under way and will be collated across the department to look for any cumulative impacts. In line with the process across the council, information on equality analysis will be shared with decision-makers for consideration before any decisions are taken.

B.35. Southwark Council's Fairer Future Promises are reflected in the proposals set forth as is a shift upstream to prevention and early help, recognising the evidence base and the outcomes that can be achieved by offering our residents good universal services.

ENVIRONMENT AND LEISURE

Overview

B.36. The Environment and Leisure department delivers services that make a real difference to the everyday lives of all residents and visitors. The majority of our operations are frontline services: they physically improve the environment, they provide opportunities for health and enjoyment, support knowledge and learning or help improve safety and confidence. The department comprises two directorates, Environment and Leisure. The directorates are supported by a Service Development team that provides essential support services, specialist advice, research and project assistance.

A More Efficient Environment and Leisure Department

B.37. The department aims to make Southwark's neighbourhoods great places to live, places that are clean, safe and vibrant and where activities and opportunities are accessible to all. The department's approach to achieving savings follows the budget principles by focusing on core provision of quality services, efficiency savings, smarter procurement and robust contract management. The department is also seeking to increase income by raising demand for chargeable services.

B.38. The department's activities are governed by the council values as set out in the Council Plan. Our ambition as a department is to be led by these in everything we do. These values place our residents at the heart of the Council Plan, and therefore at the heart of our business plan too.

B.39. The Council Plan sets out ten fairer future promises. The Environment and Leisure Department supports or leads on five of these, as set out below:

- Value for Money – We will continue to keep Council Tax low by delivering value for money across all our high quality services.
- Free swimming and gyms – We will make it easier to be healthier with free swimming and gyms for all residents
- A greener borough – We will protect our environment by diverting more than 95 per cent of waste away from landfill, doubling the estates receiving green energy and invest in our parks and open spaces.
- Safer communities – We will make Southwark safer with increased CCTV, more estate security doors.
- Revitalised neighbourhoods – We will revitalise our neighbourhoods to make them places in which we can all be proud to live and work, transforming Elephant and Castle, the Aylesbury and the Old Kent Road.

B.40. The budget for environment and leisure services in 2016-17 is £70m. The department over the last five years has achieved savings of £20.1m. It has engaged in a rigorous and thorough analysis of its resources, competences and service delivery requirements to maintain high standards, amidst the significant constraints posed by funding reductions. It has planned and structured the work of its directorates, divisions and teams in a manner that allows them to achieve key objectives and ensure that service delivery exceeds expectations in a changing and challenging environment.

- B.41. The savings options would be delivered alongside the considerable capital spend across the department. This spend delivers a raft of improvements ranging from a new athletics centre in Southwark Park, top quality children's play areas across the borough and significant investment in the leisure centres through to improved cycle infrastructure, CGS projects and highway and footway improvements. Additional revenue funding is proposed to support expansion of playground provision arising from Parks and Top Quality Play commitment.
- B.42. For the forthcoming year, 2017-18, the department has identified a number of savings options amounting to £5.5m made up as follows:
- £4m from efficiencies and improved use of resources
 - £1.5m from income generation
 - £50k from savings impacting on service delivery

Efficiencies and Improved Use of Resources

- B.43. Efficiency savings have been identified by undertaking reviews of structures and functions and increasingly adopting a multi-disciplinary approach (a move from single functional silos to functionally flexible and adaptive teams) which maximises the skills and professionalisms of staff in service delivery. The reorganisations will aim to streamline management functions, review and make better use of resources (including skills and knowledge) and will result in efficiency savings of £1.1m.
- B.44. Other efficiency savings include a £650k reduction in waste management costs arising mainly from an anticipated reduction in waste tonnage. The council's waste strategy includes a programme of waste minimisation involving improved awareness and education which are expected to complement each other and focus on controlling the growth rate of waste produced and its subsequent disposal.
- B.45. It is also proposed to reconfigure the warden service and management to provide a visible presence in appropriate areas whilst increasing environmental enforcement capabilities to crack down on environmental crime such as fly tipping, graffiti, dog fouling and littering and achieve savings of £320k.
- B.46. The department has also made savings of £75k from managing energy procurement and increased efficiency of infrastructure.
- B.47. It is also proposed to make efficiency savings of £1.1m within the Leisure directorate through more economic and efficient specifications in a number of service contracts and improved use of capital resources.

Income Generation

- B.48. The council, like a number of other councils, is adopting a more commercial approach to its activities which also means ensuring better outcomes for its residents. The department is aligning its income generating activities to its corporate plans and objectives in order to develop a sustainable income stream in order to protect its frontline services. The department is proposing to generate additional income of £1.5m in 2017-18.
- B.49. The department will continue with the structured implementation of the additional licensing scheme for houses in multiple occupation and of the selective licensing

scheme for privately rented properties. Licensing fees will be designed to incentivise and reward co-operation from landlords in a bid to improve the quality of the stock and living conditions of private rented sector. This is expected to generate additional income of £400k.

- B.50. The department will also seek to expand its income streams by proactively marketing its services such as the collection and disposal of commercial waste; introducing a self-financing events service and increasing income from events hires; redeveloping and potentially expanding marina facilities in Greenland Dock; receiving highway licensing and management fees arising from major regeneration projects and income from solar panel installations on viable sites. These are expected to result in savings of approximately £1m.
- B.51. Parking bay suspension fees will be increased to a level, at a minimum, that is equal to the most appropriate London average in line with the Medium Term Resources Strategy 2016-17 to 2018-19. Marina fees have been reviewed and increased except for the berthing fees for current resident berth holders where the agreed reducing discount is applied.

Savings Impacting on Service Delivery

- B.52. The department will manage its trees in a reasonable, sensible and cost-effective way and is proposing to reduce tree inspection frequency and intervention levels without detrimentally impacting on its overall tree inspection regime and managing risk at an acceptable level by identifying, prioritising and undertaking safety work according to level of risk.

Conclusion

- B.53. In delivering these savings and income proposals, the department has sought to minimise any detrimental impact on service delivery. The budget proposals have been developed in line with the cabinet's budget principles, and they will deliver the best value for money possible whilst maximising the use of existing assets. The department's proposals are based on service need and demand with the aim of protecting front-line services and supporting the needs of our residents.

Equalities Analysis

- B.54. The Environment and Leisure department offers and delivers a diverse range of services that shape the everyday experience of residents in the borough. Any savings proposals that may have a negative impact on the wider community or reduce the level of services offered have to be closely examined both in terms of community impact and the general duties of the Equality Act.
- B.55. We have sought to do all we can to protect and offer continuity for front line operational services, especially where they have an impact on vulnerable residents. However, the majority of our services are front line and changes and reductions to service delivery are inevitable in order to meet the scale of savings required. The proposals set out here seek to make savings and efficiencies through increased income generation, back office reductions, improved processes, leaner staffing structures and negotiating better value for money from our contractors.

- B.56. An equality screening process has been completed on all the proposals to ensure that we have properly considered any impact there may be on specific groups and those with protected characteristics. Each of the proposals has been risk assessed and none has been assessed as high risk in terms of equalities impact.
- B.57. The proposals to increase marina fees are proposed to be in line with the London average and have been assessed in terms of equalities as a low risk. The potential expansion of Greenland Dock has been assessed and is also considered a low risk. The proposals to reconfigure the Wardens services have been assessed as a low risk but should issues emerge during future implementation these will be considered.

FINANCE AND GOVERNANCE

Overview

- B.58. The Finance and Governance Department includes the Director's office which provides strategic leadership for the department and s151 responsibilities, Exchequer Services which encompasses revenues and benefits, housing rent collection, as well as the financial transaction processing teams, the Law and Democracy division responsible for Electoral services, Constitutional and Community Council support, and legal services, Professional Financial Services (including finance, audit and procurement teams) and the Finance, Information and Governance Team.
- B.59. In supporting the Fairer Future promises of the council, the department's vision is to "make a positive difference everywhere we engage" and to be "efficient and effective in all that we do". Specifically, Finance and Governance endeavours to help the council to "manage every penny as carefully as local families look after their own household budgets". This budget proposes efficiency savings and income generation of £1.95m for a total budget of £20.27m.

Efficiencies and Improved Use of Resources

- B.60. The efficiency savings across the department are mainly made up of staffing related savings which reflects the fact that over 70% of the overall expenditure budget is staffing costs. These staffing savings are arising as a result of consolidating the impact of the enhanced voluntary redundancy scheme, reorganisations in the in the context of becoming a more efficient organisation, changing what we do and how we work to become an organisation fit for the future.
- B.61. In addition to the staffing related savings, £0.16m of the savings proposed are related to reducing training budgets and audit and professional fee budgets.

Income Generation

- B.62. The income generation proposals of £0.3m for Exchequer Services relate to the recovery of housing benefits overpayments and debt recovery charges.
- B.63. Professional financial services are proposing a commitment of £0.08m to reflect the fact that the responsibility for housing benefit fraud investigation has moved to the DWP and the consequential reduction in the proceeds of crime income budget.

Equality Analysis

- B.64. As specific proposals are brought forward, and at each stage of implementation thereafter, the impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
- B.65. Equality analysis will for an integral part of the set up arrangements of the Enforcement Agency Service.

HOUSING AND MODERNISATION

Overview

- B.66. Housing & Modernisation (H&M) comprises: Asset Management, Communities, Resident Services, Customer Experience and Modernisation. There are also a number of functions that are not service specific which fall under the heading of Central Services. The provision of services such as income management (rents, tenant and homeowner service charges and garage rents, etc.) and the in-house repairs contractor - Southwark Building Services, fall within the remit of Finance & Governance and Environment & Leisure respectively, following the council's strategic management restructuring in autumn 2015.
- B.67. In delivering the council's vision, as outlined in the Fairer Future Promises, the department aims to maximise investment in the housing stock, build new council homes at council rents and improve performance in all core service areas. We aspire to work closely with residents to deliver consistently high quality services, achieve better value for money and continue to support the most vulnerable residents, particularly those in temporary housing need. Activities are primarily focused on:
- Ensuring council housing is warm, dry and safe including a kitchen and bathroom renewal programme.
 - Delivering an improved and customer orientated housing repairs service, including an enhanced voids letting standard.
 - Delivering an enhanced homeowner service and ensuring that charges are accurate and fair.
 - Tackling fraud and ensuring that homes are allocated to those in genuine housing need.
 - Increasing housing supply and reducing the use of temporary accommodation.
 - Improving the customer experience and increasing digital service delivery.
 - Delivering efficiency savings and improving value for money.
 - Involving customers in the improvement and local management of services.
 - Developing the department's equalities framework.
- B.68. The department delivers a diverse range of services funded from both the council's General Fund and the ring-fenced Housing Revenue Account (HRA) for landlord services. In developing budget proposals, the department is committed to delivering savings that as far as possible protect frontline service provision. The drive towards greater operational efficiency through service rationalisation/integration and moving towards more cost effective customer transaction routes continues apace and is integral to the achievement of this.
- B.69. The total General Fund budget of on which savings are predicated is £64.872m (£41.948m excluding depreciation and recharges) against which £3.547m has been identified for 2017-18, comprising predominantly of efficiency savings of £2.686m. These have largely been identified through revised and more efficient working within the housing service and more collaboratively across the council, streamlining back-office structures and reducing management overheads and pursuing alternative service delivery models. These proposals address a number of key budget themes, such as digital by default, reduce and integrate and managing demand. However, it has not been entirely possible to achieve the required level of savings without some limited impact on service delivery to the

value of £679k. There is also £182k of additional rental income predicated against Tooley Street.

Asset Management

B.70. The division is predominantly responsible for services funded from the HRA, such as major works and new homes delivery, voids management, repairs and maintenance, compliance and health and safety and other technical works contracts. General Fund services (under new management arrangements), comprise: aids and adaptations, handypersons and private sector housing renewal and empty homes. Service reconfiguration and rationalisation across these functions will deliver savings of £36k.

Communities

B.71. The division is responsible for consultation and community engagement with council tenants, homeowners and residents, local tenant management organisations, the Mayor's office, work with and funding for the voluntary and community sector (VCS) and support for NRPF clients (No Recourse to Public Funds). The division is also responsible for Prevent (the central government initiative to tackle violent extremism) and community awareness of Child Sexual Exploitation.

B.72. NRPF is demand-driven and represents a significant and enduring pressure on council resources. The extent of inherited caseload remains problematic but is gradually reducing and more rigorous assessment of new cases presenting has reduced acceptance rates and stabilised the position, but there remains considerable risk in this area which is recognised with a commitment of £2m to address this pressure.

B.73. Until recently the voluntary sector had been largely protected from the full severity of council funding cuts, but budget savings were necessary in 2016-17 across a range of community related services and the VCS grants/contract budgets to ensure funding was at a more sustainable level going forward. Further savings of £174k have been achieved through reorganisation of the communities division in the community participation and civic office and VCS commissioning for 2017-18.

B.74. Work continues to bring commissioning together across the council and potentially with the Clinical Commissioning Group (CCG), which would provide further opportunities to streamline service provision, ensure consistency across the piece and deliver further economies.

Resident Services

B.75. The division is responsible for a range of services that predominantly fall within the HRA, including tenancy management, special investigations, housing strategy/policy and business planning. General Fund services comprise traveller's sites, sheltered, resettlement and supported housing management which have shared funding arrangements with the HRA. Savings of £55k are deliverable within the housing strategy/policy area for 2017-18.

Modernisation

B.76. The Modernisation division incorporates Information & Data Services division (IDSD), Human Resources (HR), Corporate Facilities Management (CFM) and

Organisation Transformation (OT). These services are of a corporate nature and underpin the modernise agenda of transforming where and how we work in order to better serve our customers and will be achieved by implementing the workforce, IT and workplace strategies agreed by cabinet on 1 November 2016. This will enable us to meet the challenges of the council's digital strategy, eliminate duplication, streamline processes and seek synergies between services and move towards online provision and self-service (both internally and externally), and ultimately deliver improved customer outcomes, whilst realising significant on-going savings.

- B.77. CFM and IDSD consume much of the modernise budget and a key element for both is the current delivery of infrastructure services through third party providers which means that savings options predominately focus on reducing contract spend where feasible, without adversely impacting on the council's service delivery or efficiency, which is challenging.
- B.78. Rationalising the number of service providers to just two for the running of the council's key operational buildings will deliver savings over the medium-term. Aligned to this is the on-going development of the corporate accommodation strategy, which seeks to rationalise the operational estate and maximise the utilisation of buildings in conjunction with targeted capital investment to reduce future running costs and enhance the asset value. For 2017-18 there are a number of cost saving proposals predicated on volume/activity reductions across a range of goods and services, such as removals and storage, postage, cleaning, catering and consumables totalling £662k in 2017-18.
- B.79. The IT service provision has been reviewed with the key objective to establish a stable, resilient and quality IT service which will deliver a modern, reliable, secure, cost effective technology that supports the digital strategy and enables service transformation across the council. This will require additional investment initially to provide both an enhanced retained client function together with a new service provider from mid 2017. A report to cabinet is scheduled for 7 February 2017 setting out the council's options for the provision of IT services over the medium-term.
- B.80. Reconfiguration and rationalisation of HR services and consolidation of the former Organisation Development and Transformation agendas within a new Organisational Transformation team will deliver a net saving of £186k (£399k gross), after a commitment of £213k to establish base budget funding for the former corporate programme team which has been subsumed into OT.

Customer Experience

- B.81. The division is responsible for a diverse range of functions including the customer service centre (CSC), the council's website, the provision of face to face services for residents through My Southwark Service Points (MSSP) and the new Homeowners service at Market Place. It is also responsible for customer resolution, concessionary travel, registrars and citizenship, coroners and mortuary services and housing solutions (incorporating temporary accommodation).
- B.82. Savings proposals totalling £450k relate to the closure of the Bermondsey MSSP and the gradual transitioning of non-emergency services from the CSC to on-line provision only. The nature of these savings away from face to face and telephone contact to remote provision are deemed to have an impact on service delivery but

are essential to mitigate the service impact in more critical areas of the council's budget.

- B.83. The merger of housing solutions and temporary accommodation provides a new integrated 'end to end' service approach which is delivering further savings of £271k through service rationalisation and improved procurement, together with £500k in the cost of nightly paid accommodation. This latter proposal is predicated on a reduction in bed and breakfast usage and adoption of alternative and cheaper forms of accommodation. This remains dependant on demand remaining stable and there being adequate supply-side availability.

Central Services

- B.84. There are a number of budgets within H&M of a financing/overhead nature that underpin the provision of landlord services without being directly attributable to a particular service area. Within the General Fund, these are predominantly corporate support costs recharged to departments and are uncontrollable at a local level (with savings being predicated corporately). The net controllable budget is only £104k of which savings of £13k are proposed through a reduction in the budget for ad-hoc legal work.

Housing and Modernisation – Equalities Assessment Summary

- B.85. The department undertakes equality analysis/screening on its budget proposals ahead of final decisions being taken. This helps to understand the potential effects that the budget proposals may have on different groups and whether there may be unintended consequences and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts and continues through the cycle of planning and implementation of these proposals
- B.86. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. To date no cumulative impacts have been identified through the analysis.
- B.87. Any potential impacts on staff will also have equality analysis undertaken at each stage of implementation to assess their potential impact on different categories of staff in accordance with the council's policies on reorganisation, redeployment and redundancy.

Appendix C: Commitments

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|-------------|---|------------|---|------------------|------|---|-------------|--------------|--|
| Commitments | 101 | C&A | Adult Social Care | Cllr Livingstone | All | Adult Social Care Support Grant. One off funding for 2017-18. | | 1,577 | No |
| Commitments | 102 | C&A | Adult Social Care | Cllr Livingstone | All | Improved Better Care Fund - earmarked for ASC to ensure that services can support our most vulnerable residents | | 1,658 | No |
| Commitments | 103 | C&A | Adult Social Care | Cllr Livingstone | All | Winter care pressures, this resource will help to mitigate the winter pressures on adult social care in 2017-18 | | 1,400 | No |
| Commitments | 104 | C&A | Adult Social Care | Cllr Livingstone | All | Integration of health and social care | | 2,000 | No |
| Commitments | 105 | C&A | Adult Social Care | Cllr Livingstone | All | Additional funding to reflect London market pressures on range of contracts | | 1,587 | No |
| Commitments | 106 | C&A | Adult Social Care | Cllr Livingstone | All | Additional funds raised through the application of the adult social care precept to ensure that services can support our most vulnerable residents | | 2,700 | Yes |
| Commitments | 107 | C&A | Adult Social Care | Cllr Livingstone | All | Further implementation of Southwark Ethical Care Charter | | 500 | No |
| Commitments | 108 | C&A | Adult Social Care | Cllr Livingstone | All | Demand Pressures for clients over 85 year olds | | 136 | No |
| Commitments | 109 | C&A | Public Health | Cllr Anderson | All | Commitment in recognition that current demand pressures result in spending in excess of the ring-fenced Public Health Grant in 2016-17 to be recovered through savings in 2017-18 | | 1,650 | No |
| Commitments | 110 | C&A | Education | Cllr Mills | All | Increase in costs for free healthy school meals and fruit in schools | | 100 | No |
| Commitments | 111 | E&L | Parks and Leisure | Cllr Anderson | All | Revenue to support expansion of playground provision arising from Parks and Top Quality Play commitment | | 100 | No |
| Commitments | 112 | H&M | Modernise (ICT) | Cllr Colley | All | A range of updates, upgrades and enhanced server and system licences to support the enhanced IT infrastructure. | | 130 | Yes |
| Commitments | 113 | H&M | Modernise (Organisation Transformation) | Cllr Colley | All | Budget commitment to support Incorporation of the former Corporate Programmes Unit into Modernisation (was previously funded from reserves) | | 213 | No |

Appendix C: Commitments

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|-------------|---|------------|-------------------------------|-------------|------|--|-------------|---------------|--|
| Commitments | 114 | H&M | Modernise (ICT) | Cllr Colley | All | ICT re-organisation/restructure - increase in-house capacity to maintain/improve business as usual (BAU) and develop/deliver the council's IT strategy | | 1,000 | No |
| Commitments | 115 | H&M | Communities | Cllr Colley | All | Commitment to meet demand pressures for No Recourse to Public Funds services | | 2,000 | No |
| Commitments | 116 | F&G | Professional Finance Services | Cllr Colley | All | Removal of audit and fraud recovery of proceeds of crime income target as Southwark is no longer responsible for housing benefit fraud investigation | | 85 | Yes |
| Commitments | 117 | Corporate | Corporate | Cllr Colley | All | Concessionary fares increases due to inflation and change in usage patterns | | 300 | Yes |
| Commitments | 118 | Corporate | Corporate | Cllr Colley | All | Review of recharges for central services with regard to savings achieved and targeted with equivalent benefit to the HRA | | 500 | Yes |
| Commitments | 119 | Corporate | Corporate | Cllr Colley | All | Contribution to Modernisation reserves for major council projects | | 500 | Yes |
| Commitments | 120 | Corporate | Corporate | Cllr Colley | All | Contribution to Regeneration and Development reserves for major council projects | | 500 | Yes |
| Commitments | 121 | Corporate | Corporate | Cllr Colley | All | Increase in London Living Wage | | 250 | Yes |
| Commitments | 122 | Corporate | Pensions | Cllr Colley | All | Apprentice levy on large employers being introduced in April 2017 to fund three million new apprentices nationwide by 2020 | | 500 | Yes |
| Commitments | 123 | Corporate | Insurance | Cllr Colley | All | Increase in LPFA Levy | | 100 | No |
| Commitments | 124 | Corporate | Insurance | Cllr Colley | All | 2% increase in insurance premium tax | | 80 | No |
| Commitments | 125 | Corporate | Corporate | Cllr Colley | All | National Insurance changes | | 1,500 | No |
| Commitments | 126 | Corporate | Corporate | Cllr Colley | All | Estimated cost of NNDR revaluation on council administrative and operational buildings, subject to appeal | | 1,250 | Yes |
| Commitments | 127 | Corporate | Corporate | Cllr Colley | All | Reduction in HB and CTB related admin grants | | 600 | Yes |
| | | | | | | | 0 | 22,916 | |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|-------------------|------------------|------|--|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 201 | C&A | Adult Social Care | Cllr Livingstone | All | Reorganisation of social work staffing | (2) | (90) | No |
| Efficiencies and Improved Use of Resources | 202 | C&A | Adult Social Care | Cllr Livingstone | All | Cease non-statutory client affairs deputyship function. | (3) | (94) | No |
| Efficiencies and Improved Use of Resources | 203 | C&A | Adult Social Care | Cllr Livingstone | All | Review and remodelling of appointeeship caseholding to reduce/externalise Southwark held appointeeship cases | (2) | (57) | No |
| Efficiencies and Improved Use of Resources | 204 | C&A | Adult Social Care | Cllr Livingstone | All | Efficiencies through greater use of universal services, including using link workers to help service users access third sector provisions in the borough | | (50) | No |
| Efficiencies and Improved Use of Resources | 205 | C&A | Adult Social Care | Cllr Livingstone | All | Efficiencies in placement costs through successful negotiation of non-care elements in residential care and supported accommodation rates with providers. This will bring costs in line with benchmarking. | | (930) | No |
| Efficiencies and Improved Use of Resources | 206 | C&A | Adult Social Care | Cllr Livingstone | All | Commissioning and contracting efficiencies in Mental Health. | | (80) | No |
| Efficiencies and Improved Use of Resources | 207 | C&A | Community Safety | Cllr Hargrove | All | Community Safety Partnership service re-organisation. | (2) | (70) | No |
| Efficiencies and Improved Use of Resources | 208 | C&A | Public Health | Cllr Anderson | All | Integrated tariff pricing and channel shift for sexual health services | | (1,500) | No |
| Efficiencies and Improved Use of Resources | 209 | C&A | Public Health | Cllr Anderson | All | Change in referral pathway and remuneration for tobacco control | | (100) | No |
| Efficiencies and Improved Use of Resources | 210 | C&A | Public Health | Cllr Anderson | All | Change in referral pathway and remuneration for healthy weight | | (50) | No |
| Efficiencies and Improved Use of Resources | 211 | C&A | Public Health | Cllr Anderson | All | Review of the health checks service | | (150) | No |
| Efficiencies and Improved Use of Resources | 212 | C&A | Public Health | Cllr Anderson | All | Rationalisation of the substance misuse services | | (540) | No |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|---------------------------|----------------|------|--|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 213 | E&L | Culture | Cllr Situ | All | Complete a total review of the library service to streamline and modernise service provision without closing libraries | | (200) | No |
| Efficiencies and Improved Use of Resources | 214 | E&L | Culture | Cllr Situ | All | Review the arts and events staff structure and arts grants | (3) | (205) | No |
| Efficiencies and Improved Use of Resources | 215 | E&L | Regulatory Services | Cllr Hargrove | All | Reconfiguration of division into functionally flexible and adaptive teams with a multi-disciplinary approach to responding to council priorities | (1) | (65) | Yes |
| Efficiencies and Improved Use of Resources | 216 | E&L | Energy and Sustainability | Cllr Wingfield | All | Reduced energy prices and increased efficiency of infrastructure | | (75) | Yes |
| Efficiencies and Improved Use of Resources | 217 | E&L | Parks and Leisure | Cllr Anderson | All | Refocus area repairs and maintenance priorities to optimise opportunities within the existing capital programme | | (60) | Yes |
| Efficiencies and Improved Use of Resources | 218 | E&L | Parks and Leisure | Cllr Anderson | All | Review use of existing capital budget contribution in line with new contractual arrangements for leisure facilities maintenance | | (140) | Yes |
| Efficiencies and Improved Use of Resources | 219 | E&L | Parks and Leisure | Cllr Anderson | All | Anticipated savings from new Leisure Management Agreement | | (850) | No |
| Efficiencies and Improved Use of Resources | 220 | E&L | Parks and Leisure | Cllr Anderson | All | Efficiencies arising from the specification of the new Grounds Maintenance contract | | (50) | Yes |
| Efficiencies and Improved Use of Resources | 221 | E&L | Parks and Leisure | Cllr Anderson | All | Review new parks and leisure management structure | (5) | (200) | No |
| Efficiencies and Improved Use of Resources | 222 | E&L | Waste and Cleansing | Cllr Wingfield | All | Reduce waste service communications programme | | (50) | Yes |
| Efficiencies and Improved Use of Resources | 223 | E&L | Regulatory Services | Cllr Wingfield | All | Provision of CCTV service to assist the parking contractor in accordance with legislation | | (105) | No |
| Efficiencies and Improved Use of Resources | 224 | E&L | Libraries & Heritage | Cllr Situ | All | Library and Heritage Management team restructure | (1) | (50) | No |
| Efficiencies and Improved Use of Resources | 225 | E&L | Waste and Cleansing | Cllr Wingfield | All | Remodel waste PFI waste tonnage growth from 1.5% per annum to 1.2% per annum. | | (600) | No |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|--|----------------|------|---|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 226 | E&L | Regulatory Services | Cllr Hargrove | All | Review of Warden management | (1) | (70) | No |
| Efficiencies and Improved Use of Resources | 227 | E&L | Regulatory Services | Cllr Hargrove | All | Reconfigure the warden service to provide a visible presence in appropriate areas whilst increasing our environmental enforcement capabilities to crack down on environmental crime such as fly tipping, graffiti, dog fouling and littering. | (7) | (250) | No |
| Efficiencies and Improved Use of Resources | 228 | E&L | Regulatory Services | Cllr Hargrove | All | Review departmental overheads | | (100) | No |
| Efficiencies and Improved Use of Resources | 229 | E&L | Regulatory Services | Cllr Wingfield | All | Reduced expenditure arising from adoption of modern ways of parking enforcement and increased income arising from the increase in cashless payments (in line with Council policy) | | (350) | No |
| Efficiencies and Improved Use of Resources | 230 | E&L | Regulatory Services | Cllr Wingfield | All | Project based Air Quality Assessments to the extent permitted by parking legislation. | | (200) | No |
| Efficiencies and Improved Use of Resources | 231 | E&L | Regulatory Services | Cllr Wingfield | All | Cease discount offered for paying for parking by phone, and savings on parking meter collection costs | | (210) | No |
| Efficiencies and Improved Use of Resources | 232 | E&L | Waste and Cleansing | Cllr Wingfield | All | Funding of additional street cleaning staff during leafing season to enable parking enforcement to continue. | | (100) | No |
| Efficiencies and Improved Use of Resources | 233 | H&M | Customer Experience | Cllr Cryan | All | Service reconfiguration and rationalisation and procurement efficiencies – merged housing solutions/temporary accommodation | (7) | (271) | Yes |
| Efficiencies and Improved Use of Resources | 234 | H&M | Modernise (HR and Organisation Transformation) | Cllr Colley | All | Service reconfiguration and rationalisation – HR and Organisational Development and Transformation | | (137) | Yes |
| Efficiencies and Improved Use of Resources | 235 | H&M | Modernise (ICT) | Cllr Colley | All | Service reconfiguration and rationalisation | (1) | (60) | Yes |
| Efficiencies and Improved Use of Resources | 236 | H&M | Modernise (ICT) | Cllr Colley | All | IT user volume reduction and control | | (55) | Yes |
| Efficiencies and Improved Use of Resources | 237 | H&M | Modernise (ICT) | Cllr Colley | All | MFD and telephone call volume reduction and control | | (40) | Yes |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|-----------------|-------------|------|---|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 238 | H&M | Modernise (ICT) | Cllr Colley | All | Contract renegotiation and cost reduction – voice/date, hosted services and secure login system | | (200) | Yes |
| Efficiencies and Improved Use of Resources | 239 | H&M | Modernise (ICT) | Cllr Colley | All | Contract renegotiation and cost reduction – software licences | | (300) | Yes |
| Efficiencies and Improved Use of Resources | 240 | H&M | Modernise (CFM) | Cllr Colley | All | Operational estate rationalisation programme | | (110) | Yes |
| Efficiencies and Improved Use of Resources | 241 | H&M | Modernise (CFM) | Cllr Colley | All | FM services re-procurement | (2) | (72) | Yes |
| Efficiencies and Improved Use of Resources | 242 | H&M | Modernise (CFM) | Cllr Colley | All | Service reconfiguration and rationalisation – postal services | | (60) | Yes |
| Efficiencies and Improved Use of Resources | 243 | H&M | Modernise (CFM) | Cllr Colley | All | Reconfigure staff catering arrangements | | (35) | Yes |
| Efficiencies and Improved Use of Resources | 244 | H&M | Modernise (CFM) | Cllr Colley | All | Stationery and consumables reduction and control alongside a review of stationery core supplier list - pursue cheaper procurement options | | (40) | Yes |
| Efficiencies and Improved Use of Resources | 245 | H&M | Modernise (CFM) | Cllr Colley | All | Review of cleaning and security service levels across operational estate | | (30) | Yes |
| Efficiencies and Improved Use of Resources | 246 | H&M | Modernise (CFM) | Cllr Colley | All | Review of removals and storage arrangements | | (40) | Yes |
| Efficiencies and Improved Use of Resources | 247 | H&M | Modernise (ICT) | Cllr Colley | All | Renegotiation of wide area network (WAN) contract | | (150) | No |
| Efficiencies and Improved Use of Resources | 248 | H&M | Modernise (CFM) | Cllr Colley | All | Reduction in postage charges - cease using first class mail | | (25) | No |
| Efficiencies and Improved Use of Resources | 249 | H&M | Modernise (CFM) | Cllr Colley | All | Restructure/rationalisation - recruit to critical operational/technical posts with consequent reduction of 4 posts overall | (4) | (220) | No |
| Efficiencies and Improved Use of Resources | 250 | H&M | Modernise (CFM) | Cllr Colley | All | Invest to Save - installation of hand dryers at Tooley Street offers on-going contractual saving over current provision | | (30) | No |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|---|---------------|------|--|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 251 | H&M | Modernise (HR) | Cllr Colley | All | Overachievement of savings as part of an ambitious remodelling of the HR function which has resulted in a reduction in employee costs of c.20% and further savings across the baseline budget. | | (138) | No |
| Efficiencies and Improved Use of Resources | 252 | H&M | Modernise (Organisation Transformation) | Cllr Colley | All | Deletion of two posts through the voluntary severance scheme (year 1). The work of the team is under review in order to deliver the requirements of the new workforce strategy. | (2) | (124) | No |
| Efficiencies and Improved Use of Resources | 253 | H&M | Customer Experience | Cllr Cryan | All | Reduce usage/cost of nightly paid accommodation through alternative provision (estate voids, private rented sector) and unified TA procurement through H&M. | | (500) | No |
| Efficiencies and Improved Use of Resources | 254 | H&M | Asset Management | Cllr Cryan | All | Rationalisation of the newly combined Specialist Housing Service comprising: Adaptations, Handypersons, Private Sector Renewal/ Empty Homes. | | (36) | No |
| Efficiencies and Improved Use of Resources | 255 | H&M | Central Services | Cllr Cryan | All | Reduction in legal contingency budget | | (13) | No |
| Efficiencies and Improved Use of Resources | 256 | CE | Planning | Cllr Williams | All | Continued rationalisation of the planning organisational structure in line with natural turnover of staff and changing demands for the service | | (75) | Yes |
| Efficiencies and Improved Use of Resources | 257 | CE | Regeneration | Cllr Williams | All | Realignment of staffing resources to support major programmes of work and reorganisation of property services | | (100) | Yes |
| Efficiencies and Improved Use of Resources | 258 | CE | External Affairs Division | Cllr John | All | Review of function and activity | | (382) | Yes |
| Efficiencies and Improved Use of Resources | 259 | CE | Regeneration | Cllr Williams | All | Reduce various running costs | | (8) | No |
| Efficiencies and Improved Use of Resources | 260 | F&G | Exchequer Services | Cllr Colley | All | Review and rationalise FTSS structure in the context of an increase in electronic transactions. Review of key processes supporting IT and productivity levels within the area | (2) | (75) | Yes |
| Efficiencies and Improved Use of Resources | 261 | F&G | Exchequer Services | Cllr Colley | All | Housing Benefits processing – implementation of Universal Credit reduced the volume of staff required for processing HB | (8) | (320) | No |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|---|------------|------------------------------------|-------------|------|---|-------------|--------------|--|
| Efficiencies and Improved Use of Resources | 262 | F&G | Exchequer Services | Cllr Colley | All | Local support services – reduction in support activities and integration of new income collection functions to provide economies in scale in the Rightfully Yours and similar teams | (1) | (50) | No |
| Efficiencies and Improved Use of Resources | 263 | F&G | Exchequer Services | Cllr Colley | All | Move towards becoming a cashless council by 2017/18 including review of bullion office services | (4) | (150) | No |
| Efficiencies and Improved Use of Resources | 264 | F&G | Law and Democracy | Cllr John | All | Realignment of staffing budgets in prior year and review of staffing structure to provide a more efficient use of resources across law and democracy division incorporating legal, constitution and land charges | (6) | (310) | Yes |
| Efficiencies and Improved Use of Resources | 265 | F&G | Law and Democracy | Cllr John | All | Cease or reduce undertaking work upon which service departments place a low priority, or if services could be provided more cheaply externally | (2) | (100) | Yes |
| Efficiencies and Improved Use of Resources | 266 | F&G | Law and Democracy | Cllr John | All | Review of support services following restructure of division | (2) | (60) | Yes |
| Efficiencies and Improved Use of Resources | 267 | F&G | Law and Democracy | Cllr John | All | Review fees through revised service agreements with client departments | | (75) | Yes |
| Efficiencies and Improved Use of Resources | 268 | F&G | Law and Democracy | Cllr John | All | Review provision of training to take advantage of lower cost and free provision provided via contracts | | (20) | Yes |
| Efficiencies and Improved Use of Resources | 269 | F&G | Professional Finance Services | Cllr Colley | All | Staff savings of £257k in 2017/18 through impact of voluntary redundancies. This is a reduction of a 5 posts in 2017/18 across PFS; equivalent to a 6% reduction in FTE. Note this in addition to a 35% reduction in posts in finance in 2016/17. | (5) | (257) | Yes |
| Efficiencies and Improved Use of Resources | 270 | F&G | Professional Finance Services | Cllr Colley | All | Deletion of apprentice post in anti fraud team, and deletion part year of anti fraud grade 10 post (from 01/10/17) | (2) | (43) | Yes |
| Efficiencies and Improved Use of Resources | 271 | F&G | Finance and Information Governance | Cllr Colley | All | Permanent reduction in one post that has been held vacant pending savings; this equates to a 5% reduction in FTE across the division. | (1) | (55) | No |

Appendix D: Efficiencies

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|--|--|------------|------------------------------------|-------------|------|---|----------------|-----------------|---|
| Efficiencies and Improved Use of Resources | 272 | F&G | Finance and Information Governance | Cllr Colley | All | Reduction in departmental sponsorship scheme of professional training across Finance, Legal and Exchequer Services. | | (10) | No |
| Efficiencies and Improved Use of Resources | 273 | F&G | Finance and Information Governance | Cllr Colley | All | Reduction in external audit core fees (£100k) and external audit grants fee (£30k) | | (130) | No |
| Efficiencies and Improved Use of Resources | 274 | Corporate | Corporate | Cllr Colley | All | Review of existing debt structure for 160 Tooley Street, including further reduction in General Fund debt liabilities, subject to agreement with external auditors | | (2,000) | Yes |
| Efficiencies and Improved Use of Resources | 275 | Corporate | Corporate | Cllr Colley | All | Review of council's minimum revenue provision in order to reduce revenue costs for 2017/18 onwards by extending repayment periods of depreciation subject to agreement with external auditors | | (3,700) | No |
| | | | | | | | (75) | (18,247) | |

Appendix E: Income Generation

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|-------------------|---|------------|---------------------------|----------------|--------------|---|-------------|--------------|--|
| Income Generation | 301 | E&L | Culture | Cllr Situ | All | Introduce a self-financing events service and increased income from events hires | | (225) | No |
| Income Generation | 302 | E&L | Waste and Cleansing | Cllr Wingfield | All | Increase income from expansion of commercial waste service in response to demand | | (40) | Yes |
| Income Generation | 303 | E&L | Energy and Sustainability | Cllr Wingfield | All | Income from additional solar panel installations at sites to be identified | | (10) | Yes |
| Income Generation | 304 | E&L | Regulatory Services | Cllr Wingfield | All | Additional income from highway licensing and management fees arising from major regeneration projects | | (150) | Yes |
| Income Generation | 305 | E&L | Parks and Leisure | Cllr Wingfield | Surrey Docks | Marina fees reviewed and increased except for the berthing fees for current resident berthholders where the agreed reducing discount is applied. | | (60) | Yes |
| Income Generation | 306 | E&L | Parks and Leisure | Cllr Wingfield | Surrey Docks | Redevelopment and potential expansion of marina facilities in Greenland Dock | | (100) | No |
| Income Generation | 307 | E&L | Regulatory Services | Cllr Hargrove | All | Continued implementation of additional licensing scheme for houses in multiple occupation and of the selective licensing scheme for private rented properties | | (400) | No |
| Income Generation | 308 | E&L | Regulatory Services | Cllr Wingfield | All | Bring charges for parking bay suspension to inner London average | | (70) | No |
| Income Generation | 309 | E&L | Regulatory Services | Cllr Wingfield | All | Income from private contractors for the right to access the public realm during construction works | | (400) | No |
| Income Generation | 310 | E&L | Parks and Leisure | Cllr Anderson | All | Extra income from café and concessions procurement | | (50) | No |
| Income Generation | 311 | H&M | Modernise (CFM) | Cllr Colley | All | Increase rental income for occupation of Tooley Street by Clinical Commissioning Group (CCG) | | (107) | No |
| Income Generation | 312 | H&M | Modernise (CFM) | Cllr Colley | All | Generate income from lettings | | (75) | No |
| Income Generation | 313 | CE | Planning | Cllr Williams | All | Additional Community Infrastructure Levy (CIL) service charge income arising from continuing stream of developments | | (100) | No |
| Income Generation | 314 | CE | Planning | Cllr Williams | All | Additional planning fee income in line with continued increase in demand and increase in fees (set nationally) | | (125) | No |
| Income Generation | 315 | CE | Planning | Cllr Williams | All | Review of fees for pre-planning advice | | (75) | No |

Appendix E: Income Generation

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|-------------------|---|------------|--------------------|---------------|------|---|-------------|----------------|--|
| Income Generation | 316 | CE | Planning | Cllr Williams | All | Provision of additional in-house planning consultancy for council projects | | (50) | Yes |
| Income Generation | 317 | CE | Regeneration | Cllr Colley | All | Ongoing review of commercial rents to renew and replace leases and to reduce running costs | | (108) | No |
| Income Generation | 318 | CE | Regeneration | Cllr Williams | All | Charging for services provided through partnerships associated with major regeneration projects borough wide | | (35) | Yes |
| Income Generation | 319 | F&G | Exchequer Services | Cllr Colley | All | Create internal enforcement agents for debt recovery | | (200) | No |
| Income Generation | 320 | F&G | Exchequer Services | Cllr Colley | All | An increase to the original income generation proposal - HB overpayment recovery - increase income on debt recovery (subject to future government welfare benefit changes including universal credit) | | (100) | No |
| | | | | | | | 0 | (2,480) | |

Appendix F: Savings impacting on services

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|---------------------------------------|---|------------|---------------------|------------------|------|--|-------------|--------------|--|
| Savings Impacting on Service Delivery | 401 | C&A | Adult Social Care | Cllr Livingstone | All | Review of day care provision for people with learning disabilities, including the review of managed account provider services (MAPS), to align with duties under the Care Act and to develop options for alternative provision | | (537) | No |
| Savings Impacting on Service Delivery | 402 | C&A | Adult Social Care | Cllr Livingstone | All | Rationalisation of the personal budgets offer through applying a 10% deflator across care groups to bring in line with comparator authorities. Implementation over review cycle to ensure that the impact on each individual client is mitigated appropriately. | | (410) | No |
| Savings Impacting on Service Delivery | 403 | C&A | Adult Social Care | Cllr Livingstone | All | Rationalisation of respite offer for people with learning disabilities, to align with duties across the Care Act | (9) | (350) | No |
| Savings Impacting on Service Delivery | 404 | C&A | Adult Social Care | Cllr Livingstone | All | Rationalisation of transport provision to align with national statutory duty | | (375) | No |
| Savings Impacting on Service Delivery | 405 | C&A | Adult Social Care | Cllr Livingstone | All | Rationalisation of equipment provision to align with statutory duty. Non-statutory equipment will need to be purchased by clients/families or provided via local charities | | (900) | No |
| Savings Impacting on Service Delivery | 406 | C&A | Adult Social Care | Cllr Livingstone | All | Rationalisation of commissioned services previously funded by Supporting People grant which is no longer provided by government. Targeting remaining funding on those who will benefit most from this enhanced housing support to move on into mainstream housing. | | (1,680) | No |
| Savings Impacting on Service Delivery | 407 | E&L | Parks and Leisure | Cllr Anderson | All | Reduce tree inspection frequency and intervention levels | (1) | (50) | Yes |
| Savings Impacting on Service Delivery | 408 | H&M | Communities | Cllr Hargrove | All | Contract renegotiation and cost reduction – VCS commissioning | (1) | (74) | Yes |
| Savings Impacting on Service Delivery | 409 | H&M | Communities | Cllr Hargrove | All | Reduced staffing – Community Participation and Civic Office | (2) | (100) | Yes |
| Savings Impacting on Service Delivery | 410 | H&M | Customer Experience | Cllr Colley | All | Move to online only provision for some appropriate non-emergency services – Customer Services | (6) | (229) | Yes |

Appendix F: Savings impacting on services

| Type | 24 January Cabinet Report New Reference | Department | Division | Member | Ward | Description | 2017-18 FTE | 2017-18 £000 | Included in indicative Council Assembly February 2016? |
|---------------------------------------|---|------------|---------------------|-------------|------|--|-------------|----------------|--|
| Savings Impacting on Service Delivery | 411 | H&M | Customer Experience | Cllr Colley | All | Remove residual Bermondsey My Southwark Service Point (MSSP) budgets following 2016-17 closure | | (221) | No |
| Savings Impacting on Service Delivery | 412 | H&M | Resident Services | Cllr Cryan | All | Rationalisation of corporate/housing strategy functions within H&M - former homelessness prevention grant savings can be released in year 1, but funding for fixed-term post to be retained until 2018/19 for Temporary Accommodation (TA) strategy. | | (55) | No |
| | | | | | | | (19) | (4,981) | |

APPENDIX G

CHILDREN'S AND ADULTS' SERVICES BUDGET RECOVERY BOARD

- G.1. Social Care budgets are facing the need to achieve large budget savings over the next three years while forging closer working with the CCG and the NHS, and dealing with an ever ageing population and increasing complexity of caseload. Management actions are already in place to attempt to recover the position by the end of the financial year, although there may still be some slippage into 2017-18 and beyond. The pressures reflect a continuation of those experienced in 2015-16.
- G.2. Public Health is funded through a ring-fenced specific grant totalling £28.2m in 2017-18. The allocation has reduced by £3m from 2015-16 to 2017-18, with a further reduction of £1.4m (5%) indicated by government for the period to 2019-20.
- G.3. An executive board headed by the chief executive has been established to provide oversight over the significant budget reductions and demand pressures experienced by the Children's and Adults' department.
- G.4. The increased pressures in Adult Social Care, in both level of demand and complexity of need, reflect the service pressures in adult social care being experienced across London and the country, and population increases of older people in Southwark. Implementation of the Care Act has increased levels of referrals, information and advice, and carers assessments. Inflationary market pressures have been felt by providers and the department has sought to protect quality of care and sustain local provision for residents.
- G.5. The department continues to mitigate demographic growth (in numbers of referrals and level of need) by promoting reablement and improved independence, increasing resident access of existing services in the community, utilising assistive technologies (such as telecare), and efficient usage of community-based services (such as homecare and extra care housing) to reduce the need for residential care. The department is also ensuring value for money by benchmarking unit costs against statistical neighbours, London and national levels to ensure that service provision is in line with national eligibility criteria.
- G.6. There are significant budget pressures in children's social care flowing from placements and staffing. There is a plan to reduce in year pressures in these areas and also to identify additional income, to the extent that this is possible given demand pressures and also the need to keep the service safe. The service is therefore developing a range of measures to reduce spend to budget beyond 2016-17 and into 2017-18 and the years beyond. This plan for reducing spend to within budget includes the following areas.
- Introducing controls over the recruitment of staff, in particular agency staff and also areas operating over establishment.
 - Improved management and procurement over residential placements and renewing the Independent Fostering Agency framework arrangements
 - Increasing income levels across a range of areas, most notably unaccompanied asylum seeker claims, housing benefits, inter agency adoption and payments by results.
 - Reviewing all relevant placement for continuing health care eligibility and funding

- For non statutory services and associated roles; making better use of these to reduce external spend, seeking alternative funding and if this is not possible ceasing the service
- Efficiencies with regard to back office supporting roles and associated costs
- Reviewing policies on carer allowances where they are more financially generous than statutory requirements and/or statistical neighbours
- Bidding for innovation grant funding for services where available
- Better alignment of the service, to improve early intervention and prevention, through integration of the Early Help Service.

G.7. Work is progressing on developing these areas and in identifying the indicative cost pressures that can be reduced and/or be avoided to reduce the gap between the actual spend the available budget. This is being reported in to the budget recovery board and the lead member.

Public Health

G.8. There is a continuing demand pressure in sexual health services, despite cost pressures being reduced where controllable through the expansion of community based services and more efficient methods of service delivery. A new London integrated tariff will be in place from April 2017 to reduce the unit costs of appointments and testing, very much in line with local developments in digital services such as on-line sexual health services for confidential home testing which has proven both very popular and effective.

G.9. Substance misuse services are being rationalised and the health checks team restructured to meet the decrease in public health grant in 2017-18. Referral pathways and remuneration models are being reviewed for services funded by the public health grant to provide service improvements and improved use of resources, to help contain overall public health demand pressures within government grant funding.

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