

Cabinet

Tuesday 21 January 2020

4.00 pm

Ground floor meeting rooms GO2, 160 Tooley Street, London SE1 2QH

Supplemental Agenda No. 1

List of Contents

Item No.	Title	Page No.
7.	Deputation Requests To consider any deputation requests. The deadline for the receipt of a deputation request was midnight Wednesday 15 January 2020.	1 - 3
17.	Policy and Resources Strategy 2020-21 To note issues associated with the policy and resources strategy and agree recommendations.	4 - 51
18.	Impact of Brexit on Southwark - Progress Report To note progress on ongoing local work in preparing for EU exit.	52 - 69

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Date: 17 January 2020

Item No. 7.	Classification: Open	Date: 21 January 2020	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 the Be Active Social Enterprise.

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 (if the matter is not dealt with by cabinet, the matter shall be referred without debate to the relevant cabinet member who shall after consideration, respond with an open reply to the sender); 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

4. The deadline for receipt of deputation requests for this cabinet meeting was midnight 15 January 2020. This request was received within this constitutional deadline.

Deputation requests

Be Active Social Enterprise

5. The Be Active Social Enterprise presented a deputation to cabinet on 30 April 2019 (as a follow up to a petition presented to cabinet on 9 May 2017) regarding a long term tennis plan for the borough. The deputation are concerned about progress since their deputation last year to cabinet and have requested a further deputation to speak on this matter.
6. An extract from the cabinet minutes of 30 April 2019:

“The deputation spokesperson addressed the meeting to explain that the deputation was a follow up to a petition submitted to cabinet 9 May 2017. The deputation outlined the volume of tennis-related activities undertaken and the

strong position of the group in providing value for the community. The group acknowledged their understanding of resource constraints for the council, but requested that cabinet progress with a long-term tennis plan for the borough, as well as a lease for Burgess Park.

Councillor Rebecca Lury, deputy leader and cabinet member for culture, leisure, equalities and communities responded to the deputation by referencing Item 9: Active Southwark – Sport and Physical Strategy 2019 – 2023. Following agreement of this strategy, the council would be looking to develop a long term strategy for tennis across the borough and to work with the Be Active Social Enterprise group and other partners.”

Community impact statement

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

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet procedure rule 2.12 on deputations:	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link (copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s80630/Cabinet%20procedure%20rules%20November%202016.pdf		
Previous deputation request to cabinet 30 April 2019 (Be Active Social Enterprise)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link (copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s82125/Report%20Deputation%20requests.pdf		
Petition considered by cabinet 9 May 2017 (report and minutes)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link (Item 8): http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5380&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Chidilim Agada, Proper Constitutional Officer		
Report Author	Paula Thornton, Constitutional Officer		
Version	Final		
Dated	16 January 2020		
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		16 January 2020	

Item No. 17.	Classification: Open	Date: 21 January 2020	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy 2020-21	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Finance, Performance and Brexit	

FOREWORD - COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

This report sets out in detail the council's draft budget proposals for 2020-21 to support delivery of our fairer futures priority outcomes in a financially sustainable way. Whilst 2020-21 provides some relief from the enormous funding cuts the Council has faced over the last ten years, general government funding for the council remains inadequate to cope with the growing demands and pressures on our services, particularly social care, children's services, education, homelessness and welfare support.

Parliament's decision to have an early general election meant that the Provisional Local Government Finance Settlement, due to have been published on 5 December 2019, was not published until 21 December 2019. With the General Election returning a Conservative Government, the provisional settlement when published included no surprises and was unchanged from the financial assumptions included in the report considered by Cabinet in December.

In the December Report we set out savings proposals totalling £8.468m, a combination of efficiency savings (£5.672m), additional income from fees and charges (£2.376m) and other savings of (£0.420m). These proposals continue to be consulted on with staff, affected residents and other stakeholders and partners. Despite these savings a funding gap of £6.8m remained.

Updated resource assumptions and additional measures have been identified to reduce the budget gap, but a shortfall of £4.522m remains. Of course, unlike government, the council is legally required to set a balanced budget.

Over the last nine years we have kept council tax low, only raising it to protect vital frontline services. After detailed and careful thought, we are proposing that we raise council tax by the maximum permitted 3.99% (inclusive of 2% ring-fenced for adult social care) to close the budget gap. This ensures that in the toughest of times we are able to protect services for our most vulnerable residents and the services which our residents value and depend on. We recognise the pressure that this can add on low-income households so our Council Tax Reduction Scheme will remain unchanged. This means that approximately 12,000 working age households will continue to receive support and will pay no more than 13p extra a week and that 6,900 eligible pensioners will continue to receive 100% relief.

As we set out in the December Report, we welcomed the much needed new money for social care in 2020-21. However, despite central government announcing a series of financial 'sticking-plasters' in recent years, including the additional funds in the Spending Round, we still have scant information regarding sustainable funding for social care beyond 2020-21. In addition, the effective ring-fencing of elements of the settlement only adds to the difficulty of delivering a unified and 'one-council' approach to the challenges our communities

face and the council's vision for public services fit for 2020 and beyond. £1.25m of the additional monies for 2020-21 will be used to pilot a multi-agency 'sure start' approach to support teenagers and parents and £1.5m will support additional preventative mental health provision for children and young people. The latter will go some way to continue and expand the projects already being supported by the £2 million fund set up the council in the 2019-20 budget.

It remains one of the Council's top priorities that young people in Southwark have the very best start in life. We know that our teenagers in particular face increasing and complex challenges and we want to ensure their improved wellbeing and resilience as well as do more to reduce the risk of young people being drawn into serious youth violence. The £2.75m investment set out above will be further supported by an additional commitment of £250,000 for the Positive Futures Fund, funded from the London Devolution Reserve. The fund has already supported community organisations to provide inspiring opportunities for young people that divert them away from crime. This further investment will allow the council to sustain the support for successful projects and to continue to support projects that are led by young people for young people.

Following high levels of challenge and lobbying from the council and representative bodies, additional resources for children and young people with special education needs and disabilities was announced in the Spending Round. The additional funding, estimated at £5.1m in 2020-21, is welcome but falls short of the level of resources required and certainly will not be enough to pay down the accumulated deficit, estimated to be £18m by the end of March 2020. We will be meeting with the Department for Education to discuss our DSG recovery plan to ensure that the government makes good on its assertion that 'DSG deficits should not be covered from general funds'.

In April 2019 the council reinforced its commitment to combatting carbon emissions and rising global temperatures, by joining the international Climate Change Campaign and declaring a Climate Change Emergency. The council has been working to reduce its emissions for some time, cutting them by 37 per cent since 2010. Moving forward, it will join forces with everybody in the borough, to try to achieve carbon neutrality by 2030. However, it will be impossible to meet the 2030 target without bold steps from central government, transport improvements from City Hall, help from the construction industry, big business, individuals and more.

The council is currently engaging with residents, local groups and other stakeholders so that we can devise, with support from residents, ways to tackle the crisis by 2030. This will require significant revenue and capital investment to achieve. It is proposed that a fund of £2m is created with a view to making the necessary structural changes to revenue and capital budgets from 2021-22 onwards.

Local government pay is now the lowest in the public sector. Negotiations on the 2020-21 pay settlement are ongoing. The budget proposals presented today include for a 2.5% increase in the pay bill, equivalent to around £4m per annum.

The financial outlook beyond 2020-21 remains extremely uncertain and subject to many unknowns, not least the new governments spending plans, Brexit, general economic factors and the future system of local government finance.

The Government's future intentions for business rates retention and business rates tax more generally are fundamental to future financial plans. The Business Rates Retention arrangements have become increasingly complex over the years, partly due to the increasing number of reliefs introduced by government policy announcements but also annual changes to pooling arrangements. Whilst the council has benefitted from retaining

part of the growth achieved since 2013, business rate growth is now plateauing, collection losses from reliefs are increasing and there continues to be considerable volatility in the system caused by business rate appeals. With a business rates reset planned for April 2021 (which will impact hardest on those authorities such as Southwark who have seen the largest increases in business rate income), more frequent revaluations and proposals for a 75% retention arrangements, the risk/reward aspects of the Business Rate Retention arrangement will require careful and detailed consideration in future financial forecasts.

We acknowledge that further work is needed to set out detailed plans to achieve a balanced Medium Term Financial Strategy for the period beyond 2020-21. However, beyond the financial modelling of various scenarios presented to Cabinet in September, meaningful medium term financial planning remains highly speculative. Accordingly, we will update the financial forecasts when we have more certainty on future funding. In the meantime, as part of the budget setting process, we have considered future service and funding risks and how these will be managed. The departmental narratives at Appendix A include an indication of some of the areas of specific budget focus for 2021-22 and 2022-23 though a good deal more certainty is required before plans can be developed further.

We will continue to focus on the delivery of our Council Plan, fairer future promises and budget principles to support the annual budget setting process. We have consistently promised value for money and committed to spending money as if it were from our own pocket.

This report will go to Overview & Scrutiny Committee for consideration on 27 and 29 January before being reconsidered alongside their recommendations at our next Cabinet meeting on 4 February before going on to Council Assembly for final approval.

RECOMMENDATIONS

That cabinet:

1. Note that the provisional local government finance settlement published on 20 December 2019 was unchanged from that forecast in the report to Cabinet on 17 December 2019 (paragraphs 25-28).
2. Note that, as reported to cabinet on 17 December 2019 and recognising the continued uncertainty for local government funding, the intention remains for the council to prepare a balanced one-year 2020-21 budget for approval by cabinet in advance of council assembly on 26 February 2020 (paragraph 24).
3. Note the current budget options proposed to help achieve a balanced budget 2020-21 (Appendices B to E).
4. Note the proposed increase in the Adult Social Care precept of 2% in line with the government flexibility;
5. Note the proposed increase to the Southwark element of the council tax in line with the government threshold by 1.99% in recognition of the spending pressures in services, particularly those that protect and support vulnerable people (paragraph 56 - 57).
6. Note that the budget proposals for 2020-21 contained within this report include:
 - Estimated general grant resources of £152.317m, an increase of £2.442m from 2019-20;

- Additional grant income of £11.095m, including increased social care grant of £7.332m;
 - Estimated retained business rates growth of £24.739m (paragraph 59), a decrease of £1.261m over 2019-20 (paragraph 63);
 - Estimated council tax revenue of £117.849m, including growth in the tax base of £2.795m and additional income of £4.522m generated from increasing council tax by 3.99% (including 2% Adult Social Care precept);
 - A net brought forward deficit on the Collection Fund, after application of the 2019-20 Pooling Benefit, chargeable to the 2020-21 budget of £0.612m;
 - Pay award and contractual inflation of £3.919m (excluding Children's and Adult Services)
 - Retention of the contingency budget in the sum of £4m to mitigate underlying budget risks (paragraph 78).
7. Note the current budget options proposed to help achieve a balanced 2020-21 budget (Appendices B to D) including:
 - Efficiency savings of £5.964m;
 - Income generation of £2.376m;
 - Savings impacting on services of £0.420m;
 8. Note that, in order to ensure that the base budget is on a secure financial footing a number of commitments are proposed for 2020-21 totalling £19.805m, including £7.332m for Children's and Adult's Services (paragraph 85);
 9. Note the current budget proposed for 2020-21 is balanced after the incorporation of updated proposals and a 3.99% council tax increase.
 10. Note the Dedicated Schools Allocation of £332.7m and the continued deficit on High Needs provision (paragraphs 46-49).
 11. Note the performance of the London Business Rates Pool arrangement in 2019-20 (paragraphs 69-72);
 12. Approve the allocation of an additional £0.250m for the Positive Futures Fund funded from the London Devolution Reserve (paragraph 69) and to note unallocated London devolution Pool resources of £1.286m from 2018-19;
 13. Note the ongoing negotiations regarding the continuation of the London Business Rates Pool arrangement into 2020-21 (paragraph 71) and to delegate authority to the strategic director of finance and governance, in consultation with the head of legal services, to make any amendments as may required by the Secretary of State, and to enter into the final Memorandum of Understanding on behalf of the council.
 14. Note the Departmental Narratives (Appendix A) and the equality analyses provided for the budget proposals.
 15. Note that this report will be considered by overview and scrutiny committee on 27 and 29 January 2020 and that any recommendations arising will be incorporated into the final report to cabinet on 4 February 2020 for recommendation to council assembly on 26 February 2020 (paragraph 95).

BACKGROUND AND PURPOSE

16. Each year, the council updates a detailed Policy and Resources Strategy covering a period that normally reflects the duration of the government's financial settlement. As part of the Policy and Resources Strategy, and in line with requirements of the local government finance act, budgets are approved by Council Assembly for the next financial year as part of Council Tax setting. Where the settlement provides provisional funding commitments for more than one year, budgets may be agreed indicatively for a longer period.
17. For many years this process has formed the pivotal component of the council's financial planning process. This strategy, and the formal approval by council assembly, sits at the heart of the council's commitment to financial planning and efficiency. Most importantly, the strategy is bound to the policies of the council and not least by the commitments in the Fairer Future council plan.
18. Between 2011-12, the first year of the major austerity cuts, and 2019-20, the council has lost government funding in cash terms of more than £146m. According to government calculations, lost spending power has exceeded £85m during the same period. Neither of these figures allow for the real terms impact of price and demand pressures. In addition, the council has committed to priorities that have needed to be funded through a limited number of sources. During this period the council has also looked to keep council tax as low as possible, recognising the pressure this places on all households but particularly the most vulnerable. Southwark remains the eighth lowest council tax rate in London.
19. In September 2015, the council adopted the Fairer Future Budget Principles that confirmed the framework within which the Policy and Resources Strategy is formed. In September 2016 the cabinet approved the Fairer Future Medium Term Financial Strategy (FFMTFS) and Integrated Efficiency Plan noting the relationship to the Council Plan and the new theme to be fit for the future. The FFMTFS was aligned with the four year local government finance settlement announced in February 2016. 2019-20 was the fourth and final year of the four-year settlement.
20. The 2018-19 local government finance settlement confirmed that London Councils would pilot arrangement for the retention of 100% business rate growth through pooling. The pooling arrangements continued in 2019-20, albeit on a less generous 75% retention basis and with more risk passed to councils. Any additional business rates income received as part of the pooling arrangement will be one-off and set aside for one-off purposes approved by Cabinet.
21. A new Council Plan for the period 2018 to 2022 was agreed by Cabinet in July 2018 and council assembly in November 2018. The Council Plan contains a range of promises and commitments that the council will work towards delivering over the coming years.
22. Council Assembly of 21 February 2019 approved a balanced budget and council tax for 2019-20. This was a one-year budget due to the uncertainty around future funding.
23. At cabinet on September 2019, the financial remit was considered which included known and estimated resources available at that time, and assumptions regarding the costs of pay awards and inflation. The report highlighted that funding uncertainties made meaningful financial planning extremely challenging and we outlined a range of potential scenarios suggesting a funding gap in 2020-21 of anywhere between £4m

and £32m. Officers were asked to prepare indicative savings and commitments for 2020-21 on a cash limited basis in order to balance the budget. Subsequently at Cabinet on 21 December 2019, a further report was considered setting out a budget gap of £6.853m. This report provides an update on the work undertaken to both reflect the latest information on available resources, updated estimates of council tax and business rates and to consider budget savings and commitments proposed for 2020-21.

24. As noted by Cabinet in December 2019, the budget will be prepared on a one-year basis for 2020-21, recognising that the settlement is indicative and a range of other significant uncertainties relating to the council's financial position. A one-year budget is considered by the section 151 officer to be the most appropriate strategy at this time given the significant uncertainties and complexities regarding the future funding of local government beyond 2020-21, including:
- Government multi-year Spending Review during 2020
 - A new local government needs based funding formula, the Fair Funding Review,
 - Redesign of the Business Rates Retention System from 2021-22
 - Resetting of the business rates baseline from April 2021,
 - Proposals for longer-term, sustainable social care funding
 - Continued uncertainty regarding the outcome of Brexit negotiations and wider economic pressures on inflation, interest rates and area costs within London (especially housing).

KEY ISSUES FOR CONSIDERATION

Provisional Local Government Finance Settlement 2020-21

25. The Local Government Finance Settlement (LGFS) is the annual determination of funding to local government from central government. The Secretary of State for Housing, Communities and Local Government announced the Provisional LGFS on 20 December 2019, later than planned due to the General Election. The LGFS details the provisional Settlement Funding Assessment (SFA) for 2020-21 together with other grant funding included within Core Spending Power (CSP).
26. The 2020-21 headlines are unchanged from those reported to Cabinet in December and are set out below:
- An increase in the core Settlement Funding Assessment (SFA) of £2.442m (1.6%);
 - All existing grants to support social care (Improved Better Care Fund, Winter Pressures and Social Care Grant) will continue into 2020-21 at the same level;
 - Additional grant funding for children and adults social care of £7.332m
 - Additional funding to support children with Special Educational Needs which will be provided via the Dedicated Schools Grant of £5.076m;
 - Flexibility to enable local authorities to raise additional income via a 2% increase in council tax through the Social Care precept, a 2% increase would yield £2.267m;
 - an assumption that councils would increase council tax in line with the proposed council tax referendum limit, a 1.99% increase would yield £2.255m;

- that there will be a real terms increase in the Public Health Grant – final allocations have not yet been published;
 - that the Department of Health and Social Care's contribution (the Better Care Fund) will grow in line with the 3.4% real terms growth in the National Health Service – final allocations have not yet been published;
 - increases in the schools budget including funding to compensate schools for the increased cost of employer pensions contributions;
 - Additional funding to tackle rough-sleeping and homelessness of £0.716m;
 - an increase to early years spending to increase the hourly rate paid to childcare providers through the government's free hours offers;
 - No new business rate pilots for 2020-21.
27. The Government has also announced that a longer-term Spending Review will be undertaken during 2020 alongside reviews of the allocation and distribution of those resources (Fair Funding Review), reforms to the operation of the Business Rates Retention Arrangements (including a business rates reset and more frequent revaluations).
28. With respect to the long-awaited Government Plans for social care reform and sustainable funding solutions, the prime minister has indicated that changes would be put before MP's this year and enacted "within this Parliament", which would be by mid 2024.

Updated financial remit 2020-21

29. In accordance with instructions from the December 2019 cabinet, this report provides updated budget proposals for 2020-21. These proposals, together with updated estimates of government funding, business rate and council tax income have contributed towards achieving a balanced budget. This has been achieved under challenging circumstances, not least in the context of the savings that the council has had to make throughout the austerity period since 2010 and the increased ring fencing of a large element of resources available for social care.
30. This report outlines all major variations from the 2019-20 budgets. It itemises changes in resources available (e.g. government grant and council tax income) and provides a high-level summary of efficiencies and improved use of resources, income generation and savings that impact on service levels. It also itemises new and emerging growth and commitments that arise from issues such as price, demand pressures and costs arising from the delivery of council plan priorities.
31. Separate schedules are provided that give details of each element of these variations. Responsibility for each element is retained by the cabinet member responsible for the portfolio and operationally managed by the strategic director for that service (Appendices B, C, D and E).
32. A summary of the 2020-21 proposed budget (assuming no council tax increase) is shown in the table below:

	2019-20 Budget £m	2020-21 Proposed £m
Settlement Funding Assessment	149.875	152.317
BRRS growth	25.000	24.739
Council tax	110.531	117.849
Collection fund surplus/(deficit)	5.018	(0.612)
Government grants	63.861	74.956
Total resources	354.285	369.249
Base budget brought forward	348.041	354.285
Inflationary pressures	9.653	3.989
Commitments and growth	16.206	19.805
Efficiencies, income and savings	-19.615	-8.760
Net spending	354.285	366.249
Gap (cumulative)	0	0

33. Whilst the Provisional Local Government Finance Settlement enables us to plan a 2020-21 budget on a sound basis, the absence of reliable funding information for the period beyond 2020-21 makes medium term financial forecasting extremely difficult. There remain considerable risks and uncertainties surrounding the new governments spending plans, the economic outlook and future local government funding arrangements - all of which contribute to making the preparation of financial plans highly complicated and speculative. As set out in the July Cabinet Report, we have modelled a number of potential financial planning scenarios for the medium-term, which indicate a wide range of potential outcomes. Medium term financial risks and how these risks will be managed were considered as part of the budget challenge process.
34. The Policy and Resources Strategy 2020-21 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.

GENERAL REVENUE FUNDING AND GRANTS

Settlement Funding Assessment (SFA)

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 for 2020-21 is £152.317m, which is an increase of £2.442m in line with the CPI measure of inflation (1.7%). This is the first increase after a decade of austerity where core funding reduced by £146m between 2010 and 2019.

Better Care Fund (BCF)

36. The Better Care Fund was established in 2014-15, with the aim of supporting closer working between local authorities and the Clinical Commissioning Groups (CCG). The council invoices the CCG for its share of the pooled fund, which is offset against appropriate expenditure. The government has confirmed that the BCF will continue into 2020-21 and the NHS contribution will increase by 3.4%. The government has indicated it will issue the actual details in due course.

Improved Better Care Fund (IBCF)

37. The Improved Better Care Fund was originally announced as part of the 2016-17 settlement. Funding was subsequently increased in the spring of 2017 as a response to the national pressure on adult funding care crisis.
38. It has been confirmed that IBCF funding will continue in 2020-21 at 2019-20 levels and allocated using the same methodology. The Winter Pressures Grant, £1.571m in 2019-20, will be rolled in to the IBCF at the same level. Forecast IBCF grant in 2020-21 is £17.323m.

Social Care Support Grant

39. As part of the Spending Round the government announced an additional £1bn nationally to support local authorities in addressing the rising cost and demand pressures on social care services, children's and adults.
40. The proposed distribution methodology utilises the existing Adult Social Care Relative Needs Formula and an equalisation methodology to reflect the distributional impact of the adult social care council tax precept. The additional grant is estimated at £7.332m in 2020-21.

Public Health Grant

41. The Spending Round 2019 indicated that 2020-21 Public Health Grant would increase in real terms in 2020-21. Southwark's allocation of £26.744m in 2019-20 is estimated to increase by £0.722m (3%) to £27.466m in 2020-21. Final allocations have not yet been confirmed.

New Homes Bonus (NHB)

42. New Homes Bonus (NHB) was introduced in 2011 to provide a clear incentive for local authorities to encourage housing growth in their areas. It rewards local councils for each additional home added to the council tax base, including newly built properties and conversions as well as long-term empty properties brought back into use, after deducting demolitions. Following a review of the funding "sharpening the incentive", the grant reduced in 2017-18. In 2018-19, the grant reduced further, as the payment reflected four years' growth (as opposed to six years).
43. It has been confirmed that funding for New Homes Bonus will continue in 2020-21 and will pay for a new year of funding (for 2020-21) and three years' legacy payments that are due from 2017-18 to 2019-20.
44. The LGFS confirmed the total NHB funding for 2020-21 is £14.359m reflecting the continued growth in new homes in Southwark.
45. The LGFS also confirmed the Governments intention that the 2020-21 allocations would not result in legacy payments indicating that for 2021-22 only previous years' legacy payments will be due and that the NHB scheme will be stopped or replaced by an alternative scheme. This will impact hardest on those authorities, such as Southwark, which have seen the largest growth in council tax base.

Dedicated Schools Grant (DSG) and Special Educational Needs and Disabilities (SEND)

46. The DSG is formula based, calculated by the government with the council passing most on to schools and private, voluntary and independent providers. The allocation for 2020-21 has provisionally been set by the Department for Education (DfE) at £332.7m, although this will be revised during the year to reflect updated pupil numbers. The figures include the funding for academies, which will be recouped at a later date.
47. Dedicated Schools Grant can be broken down into the following spending blocks:

	2019-20 £m	2020-21 £m	Change £m
Schools Block	247.3	254.2	6.9
High Needs Block	44.5	50.0	5.5
Early Years Block	26.7	26.8	0.1
Central Block	1.7	1.7	0
Total	320.2	332.7	12.5

48. The figures within the High Needs (SEND) Block reflect the additional revenue funding that was announced as part of the 2019 Spending Round. This will partially reduce in-year pressures but will not resolve the accumulated deficit – forecast to be in the region of £18m by the end of 2019-20.
49. In October 2019 the government published a consultation on ‘Revised arrangements for the Dedicated Schools Grant’ that stated *“at the end of 2018-19, about half of all authorities experienced an overspend, amounting to over £250m in all”*. The document states, *“the Government’s intention is that DSG deficits should not be covered from general funds but that over time they should be recovered from DSG income”*.

REVENUE FUNDING FROM LOCAL TAXATION

Council Tax

50. The council is committed to the fairer future promise to “keep council tax low”. The Southwark element of council tax was frozen from 2008-09 until 2017-18 when financial pressures and the cumulative impact of reduced government funding meant that it was no longer sustainable to hold this position.
51. The authority has been able to maintain the eighth lowest level of council tax in London in 2019-20, despite having incurred the largest reduction in government grants. Throughout this period, the government applied a cap on any council tax increases. The purpose of this cap is to ensure that ‘excessive’ council increases occur only where councils have a clear mandate from local people. This level has not been exceeded by Southwark to date and the cap remains in place for 2020-21.
52. Council tax remains below the charge it would have been if CPI had been applied each year since 2010-11.
53. The Council Tax Relief Scheme continues to provide support for our financially vulnerable residents and the council has committed to making no substantive changes to the scheme for 2020-21.

Adult Social Care precept

54. In 2016-17, 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 extended the adult social care precept to allow for 6% over 2017-20, with no more than 3% in each of the first two years. A 3% precept was applied in 2017-18 and 2018-19, providing a contribution towards the significant financial pressures within the Adult Social Care budget.
55. The government has confirmed flexibility for a further 2% increase in 2020-21 and has assumed in spending power calculations that all councils with social care responsibilities will increase council tax in line with that flexibility. This would raise an additional £2.267m in 2020-21 and future years. The social care spending plans assume this level of additional funding will be available.

Southwark Element of the Council Tax

56. All London Boroughs, including Southwark, increased their council tax in 2019-2020. This is indicative of the cumulative impact the financial stress across local authorities in London.
57. In the context of pressures on council finances, the resilience of reserves and the continued year on year reductions in spending power, council tax remains a key source of income for the council. An increase of 1.99% in council tax amounts to £2.255m income. This is one of the options that it will be necessary to consider to close the budget gap to protect services.
58. The impact of an increase in council tax of 3.99% (1.99% plus 2% Adult Social Care Precept) will mean that:
 - Residents in Band D properties will see a council tax bill rise of 82p per week;
 - Over 60% of residents in the borough live in Bands A-C properties. Residents in Band C properties and below will see a council tax bill rise of up to 73p per week;
 - 12,000 of the residents continuing to receive support through the local council tax relief scheme (CTRS) will pay no more than 13p extra per week
 - The council tax reduction scheme will continue to ensure that 6,900 eligible pensioners will continue to receive 100% relief and will see no rise in their council tax bills.

Council Tax Collection

59. As reported in the 2020-21 Council Tax Base report approved by Cabinet in December 2019, the council tax base continues to grow, a direct reflection of the regeneration and investment in new homes. However, the pace of growth has slowed due to general economic conditions. The collection rate was maintained at 97.2%, reflecting current performance and in consideration of the increased collection risk as universal credit is rolled out.
60. The 2019-20 collection fund forecast outturn position is a surplus of £1.425m and this will be accounted for in the council tax calculations for 2020-21.

Business Rates

61. The Government agenda is for local authorities to move towards self-sufficiency and

away from dependence on central government. As a step towards this reform, in 2013-14, government changed the funding system to increase reliance on local taxation. The Business Rates Retention arrangements have become increasingly complex over the years, partly due to the increasing number of reliefs introduced by government policy announcements but also annual changes to pooling arrangements.

62. Net business rate income is subject to three key variables:
 - (a) Changes to the Rateable Value list (growth and losses);
 - (b) Income foregone from reliefs and whether compensated by the government;
 - (c) Accounting adjustments for appeals and bad debts.
63. The budget includes a forecast Business Rate Retention income of £140.608m in 2020-21. This is £24.739m in excess of the baseline funding level of £115.869m (i.e. business rates baseline of £80.015m and 'top-up' of £35.854m). This retained growth is marginally down on that for 2019-20 reflecting a plateauing of growth but also due to significant losses on collection from increases in reliefs and other changes to rateable values.
64. Analysis of the 2018-19 outturn showed that gross rates payable increased by 6.9% over the period since 2017-18, at a time when the small business rates multiplier increased by 3%. However, over the same period, reliefs increased by 45%, reducing the net rates payable and income for the council. This trend has continued, albeit at a lower rate, in 2019-20. As indicated above, the forecast of retained growth in 2020-21 has been adjusted downwards, despite a 1.6% increase in the multiplier.
65. Business rate income also continues to be subject to significant volatility as a consequence of appeals and Valuation Office Agency changes to rateable values. Careful review of financial risk reserves will be required to manage this volatility. The council was able to set aside additional resources in closing the 2018-19 accounts for this purpose. It is further proposed to apply the estimated one-off benefit arising from the London business rate pooling in 2019-20 to offset the deficit brought forward from 2018-19 and further mitigate risk.
66. The ongoing move to self-sufficient local government demonstrates the importance of Southwark's capital investment programme within the borough, either as the lead authority or with partners. Regeneration is one of the key routes to ensuring sustainable budget sources as we move closer to reliance on local taxation, either through business rates or through council tax as well as increasing opportunities across the borough for quality of life, jobs and environmental improvements.

Business Rates London Wide Pool

67. In 2018-19, London Councils entered into a pilot arrangement for the retention of business rate growth through pooling. The agreement set out the principles and method for distributing any net financial benefits generated by the pool. Although the first year of the pilot related to business rates generated during 2018-19, the available distribution was not finalised until September 2019.
68. Southwark's final share of the total net benefit of the 2018-19 pool was confirmed at £10.186m, which was ring-fenced for one-off initiatives in accordance with council priorities. The following table summarises the London Devolution Reserve commitments:

Initiative	£m
Positive Futures Fund	0.750
Southwark Pioneers Fund	2.000
London Counter Fraud Hub	1.000
Brexit Risk Reserve	2.000
Health and Wellbeing Board commitment to Children & Young People's Mental Health	2.000
Libraries and Heritage Strategy	1.000
Pilot extension of gym and sports facilities into parks	0.150
Unallocated balance	1.286
Total 2018-19 Pool Benefit	10.186

69. The council recognises the detrimental impact that serious youth violence and knife crime has on our communities and is committed to work with communities to find local solutions that help young people stay away from knives and crime. In 2019 the council launched the positive futures fund with the intention of supporting community organisations to provide inspiring opportunities for young people that divert them away from crime. Young People have been at the heart of the programme's design and delivery and involved in making decisions on how the funding has been allocated to the 24 projects funded to date. An additional investment of £250,000 from the London Devolution Reserve will allow the council to sustain the support for successful projects and to continue to support projects that are led by young people for young people. This investment is additional to the council's existing investment in Youth Services, grants to voluntary sector youth providers and the Youth Fund that was established by the council in 2011. The fund complements these existing programmes but is targeted at those young people most likely to become involved in crime.
70. The Pooling arrangement continues in 2019-20, albeit on less generous terms than 2018-19. As in 2018-19, the first call on any additional resources generated would be used to ensure that each borough and the GLA receives at least the same amount as it would have without entering the pool. Given the fact that any growth will not be finalised until September 2020, no additional pooled business rate income was included as part 2019-20 budget setting process. Latest estimates indicate that the Pool is on course to deliver its forecast growth, which would indicate a receipt of £4.9m. As indicated above, this additional resource has been applied to mitigate the impact of the one-off deficit brought forward on the business rate collection fund with the intention to replenish the Devolution Reserve when there is more certainty on business rate retention and future funding arrangements..
71. The Government has recently confirmed that there will be no further pilot pools in 2020-21. However, it is anticipated that the existing London Business Rates Pool will continue into 2020-21 as there are a number of strategic benefits for London authorities to continue to work as a pool including mitigating risk, influencing future government policy, as well as some potential financial benefits (and risks). The MHCLG has written to each authority with a Business Rates Pooling Invitation for 2020-21. A revised Memorandum of Understanding (MOU) has been drafted for the continuation of the Pool in 2020-21. Delegated authority is sought for the strategic director of finance and governance, in consultation with the head of legal services, to make any amendments as may be required, and to enter into the final Memorandum of Understanding on behalf of the council.
72. The financial benefits from the London Business Rates Pooling arrangements also included collective investment through a 'Strategic Investment Pot' designed to promote economic growth. £46 million was allocated to eight major projects in the first

round, including an £8m allocation to the South London innovation corridor to provide workspace, business support and talent development. It is anticipated that that further investment in growth projects of around £40 million will be made through the Strategic Investment Pot. Bids for the second round are currently being evaluated.

REVENUE EXPENDITURE ASSUMPTIONS

2019-20 Financial Performance

73. Budget monitoring variances are a fundamental consideration to inform the Policy and Resources Strategy for future years' budgets. 2019-20 budget monitoring continues to evidence sound financial management. With the exception of Dedicated Schools Grant (DSG), it is anticipated that overall in year revenue spending will be contained within approved budgets.
74. The outturn for 2018-19 confirmed that the budget recovery work in Children's and Adults' has been effective in putting the service on a sustainable financial footing with the services coming in on budget after setting aside resources in an adult social care resilience reserve. This improved performance has continued in 2019-20, demonstrating improved practices have been embedded. This is reflected in the latest forecast, which indicates a small favourable variance at year-end. Notwithstanding this, the department remains exposed to significant risk and uncertainty in 2019-20 and beyond in managing the impacts of the continuing rise in demand and cost pressures within social care and this will continue to be closely monitored.
75. In Education, there are significant pressures on schools funding via the Dedicated Schools Grant with demand and cost pressures particularly acute on the high needs block, which largely stem from increased numbers of education, health and care plans (EHCPs). As at 31 March 2019, there was an accumulated deficit of £11.5m. This is forecast to be in the region of £18m by the end of 2019-20. As reported elsewhere, the additional funding announced as part of the Spending Review will help meet in year spending but will not resolve the accumulated deficit. SEND remains a significant financial risk and recovery is being overseen by the Budget Recovery Board. The Schools Forum is engaged in this process and the council has developed a Draft DSG Recovery Plan which will be discussed with the Education and Skills Funding Agency (ESFA).
76. The outturn position for H&M remains as previously reported and is expected to be broadly neutral at year-end, notwithstanding the continuing cost pressure in temporary accommodation and additional investment required for the SICTS (Shared Information and Communication Technology Service). The key budget headlines are:
 - Temporary accommodation has been and remains one of the council's most intractable budget pressures, requiring significant budget growth over the medium-term, most recently, £3.2m (net) in the current year. This was predicated on a saving of £2m being achieved through discrete policy changes in relation to the discharge of duty into the private sector and out-of-borough being adopted in advance of the start of the financial year. However, implementation was delayed until mid-year, which has impacted achievement of this challenging target and has been exacerbated by the council's drive to cease use of nightly paid accommodation. Furthermore, ever rising demand, the high cost of procuring suitable properties and availability of estate voids, which are projected to decline at a faster rate than previously estimated, all contribute to a projected overspend of £1.5m in 2019-20.

- Amongst a raft of critical upgrade projects to the council's IT infrastructure and systems is the migration of the existing data centre to a cloud computing environment with Azure and Office 365. These developments will deliver a number of long-term benefits for the council and underpin the council's SMART working transformation programme. However, this is a subscription service rather than a traditional asset ownership model which has the effect of switching the source of funding from capital to revenue, creating a budget pressure in the current year of £0.8m and requiring a budget commitment of £1.5m in 2020-21.

77. Elsewhere areas of spending pressure will be offset by in year savings in other areas. It is anticipated that the planned contingency budget will be fully utilised to meet existing and potential pressures within the 2019-20 budget and to ensure that a balanced position is achieved by the year-end.

Planned Corporate Contingency

78. It is proposed that the planned corporate contingency of £4m be maintained in 2020-21 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.

Pay Award

79. The current budget plans for 2020-21 are based on a projected 2.5% increase in the pay bill. Significant work is currently underway both nationally and within London to reach agreement on pay awards moving forwards. The unions have put forward a pay claim significantly greater than that included in the budget. The position will continue to be monitored and a further update will be included within the report to cabinet in February, including any relevant financial implications.

Inflation

80. The Consumer Price Index (CPI) 12 month rate for October was 1.5% with the longer-term view that this will converge with the Office of Budgetary Responsibility (OBR) forecast of 2%. A budgetary pressure of £2m is recognised in the budget commitments for contractual inflation in 2020-21 (excluding Children's and Adult services).

Efficiencies and improved use of resources

81. The fairer future promises contain a commitment to keep council tax low by delivering value for money across all of our services. In part, this is met through ensuring that the council is focussed on meeting the budget gap with proposed efficiency savings. The total budget proposals include efficiency savings of £5.964m (detailed in Appendix B).

Income generation

82. As the council looks for ways to protect front line services, consideration is given to maximising the council's income generation by seeking income streams in line with council policies and priorities. The council will seek to generate additional income by reviewing fees, charges and contributions and seeking further opportunities to provide commercial services.

Savings impacting on service delivery

83. Wherever possible, the aim is to continue to protect front line services from saving reductions. However, the extent of the government austerity measures means that after careful consideration, it is inevitable that some service reductions will be required to balance the budget. The schedules at Appendix E propose savings of £0.420m with potential to impact on service delivery.
84. Comprehensive equalities analysis of the impact of these savings will be considered before the budget is finalised.

Commitments

85. The commitments include children's and adults' services are funded in part from the increase additional social care grant of £7.332m announced in the governments Spending Round:

Detail	£m
A multi-agency 'Sure Start' approach for teenagers and their families	1.250
Further investment in Children's and Young People's Mental Health	1.500
All Age Disability	2.000
Enhanced prevention	1.300
Transformation	1.282
Total	7.332

86. A detailed list of all commitments can be found in Appendix E. The overarching theme of these commitments is to improve preventative services and to ensure that service budgets are sustainable, particularly in the context of the reduced availability of reserves to support budget pressures.

Fees and Charges

87. Under Part 3C of the constitution, cabinet is responsible for the approval of new fees and charges and agreement of charging levels in line with the medium term resources strategy. Fees and charges schedules were approved by Cabinet in December 2019.

Reserves and balances

88. 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.
89. For a number of years previously, the council had 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 did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies.

90. 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 is appropriate and affordable. In previous years, this judgment has been facilitated by the availability of unused contingency funds as budgets have met their targets.

Climate change emergency

91. The council has reinforced its commitment to combatting carbon emissions and rising global temperatures, by joining the international Climate Change Campaign and declaring a Climate Change Emergency. The Climate Emergency is a major new focus for the council, working in partnership with stakeholders, partners, staff and residents to tackle the effects of global warming and the risk to our planet.
92. A Climate Change Emergency reserve of £2m is to be established from resources earmarked for regeneration and development and for carbon reduction. The reserve will be available to support the coordination of the various activities and action plans across the council and to support the delivery of the Climate Change Strategy, to be informed by extensive engagement during the first half of 2020. This complements the council's existing and future commitments to build new homes, provide efficient heating systems to our council homes, improve air quality, reduce our own operational property estate and so on, much of which features in current or emerging areas of work across the council. The work undertaken in 2020-21 will also inform any ongoing revenue or capital commitments needed to support this work.

Consultation

93. 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 budget proposals. A substantial majority of those who responded to this consultation agreed that the council should continue to focus on being more efficient, protecting frontline services and directing resources to those most in need and this is reflected in the budget proposals.
94. Since then the council has held the 'Southwark Conversation' in 2017 in which over 3000 residents responded as well as consulting on the Council Plan 2018-2022 during 2018. Together these have shaped the key priorities for the council over the coming years.
95. In addition, consultation on the Voluntary and Community strategy was conducted to ensure that all sections of the voluntary and community sector 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 goodwill. 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.

Next steps

96. The next main governance steps to establishing the 2020-21 general fund revenue budget are outlined in the table below:

Date	Meeting	Report	Purpose
27 and 29 January 2020	Overview and Scrutiny	P&R strategy	Comment on and make recommendations in respect of the cabinet's proposed 2020-21 budget
4 February 2020	Cabinet	P&R strategy	Recommend a balanced budget for 2020-21 to Council Assembly
26 February 2020	Council Assembly	P&R strategy	Council Tax setting and approve a balanced budget for 2020-21

Community impact statement

97. 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.
98. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the budget for 2019-20 and for previous years, each department has undertaken 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.
99. 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 crosscutting and organisation-wide impacts.
100. 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.
101. 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 to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where required. 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. A summary of the Equalities Analysis is attached at Appendix F.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

102. 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.

103. 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.
104. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.
105. 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.
106. 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

107. 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 21 January gives the opportunity for debate prior to presentation of budget figures to cabinet on 4 February 2020. 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 27 and 29 January 2020.

REASONS FOR LATENESS

108. The provisional local government settlement was published on 20 December 2019. Consultation and discussions on budget proposals continue. Accordingly, the budget proposals have been updated and additional time has been required to formulate budget options to present a balanced budget to minimise the impact on Southwark residents.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: 2020-21 Updated Financial Remit	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s77446/Report%20Policy%20and%20Resources%20Strategy%20revenue%20monitoring%20report%20including%20treasury%20management%202018.pdf		
Council's Fairer Future Budget Principles approved by cabinet (September 2015).	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s56454/Report%20and%20appendices%202016-17%20PR%20Scene%20setting.pdf		

APPENDICES

No:	Title
Appendix A	Departmental Narratives
Appendix B	Proposed Efficiencies and Improved Use of Resources
Appendix C	Proposed Income Generation
Appendix D	Proposed Savings Impacting on Service Delivery
Appendix E	Proposed Commitments
Appendix F	Summary Equalities Impact Assessment

AUDIT TRAIL

Cabinet member	Councillor Victoria Mills, Finance, Performance and Brexit		
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report author	Rob Woollatt, Interim Departmental Finance Manager		
Version	Final		
Dated	17 January 2020		
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	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to constitutional team		17 January 2020	

APPENDIX A

CHIEF EXECUTIVE

Overview

- B.1. The Chief Executive's department comprises the Chief Executive's Office and External Affairs Team.
- B.2. The Chief Exec's Office supports the Chief Executive and chief officer leadership team in translating political vision into projects and programmes across the council as well as supporting effective scrutiny function and management of the opposition office. The division also includes the emergency planning and resilience team, therefore creating a direct line between the Chief Executive as the council's most senior responsible officer and the team.
- B.3. The External Affairs division comprises policy and public affairs; media; marketing; and cabinet support. As well as this, we manage internal communications for the council and the administration's political assistant. Our services are responsible for managing and enhancing the standing of the council through the development of external and internal communications, public affairs, policy projects and initiatives. The total general fund net budget for the department for 2019-20 is £3.4m.

Efficiencies and Improved Use of Resources

- B.4. The department is proposing total efficiency savings of £89k. These includes the use of non general fund income such as S106 contribution to fund some staffing activity of £32k and realigning the direct support to local internship programme through the council's core programme of £30k. Reducing the frequency of the Southwark Life from four to three editions per year is also expected to generate savings of £27k.
- B.5. Looking ahead to 2021-22 and 2022-23, the Chief Executives Office in considering the implications and funding strategy for employment support should a reduction in the general fund commissioning budget be applied.

Commitments

- B.6. Additional staffing resource of £50k is proposed for 2020-21 to support the enhanced model of delivery for scrutiny committee.

Equalities Analysis

- B.7. As specific proposals are brought forward the impacts on residents and staff will be assessed for equalities impact, although an initial equalities impact assessment has not highlighted any areas of concern. Any proposals affecting staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures. It is expected that all staffing savings proposed for 2020-21 can be managed through natural turnover of staff.

CHILDREN'S AND ADULTS' SERVICES

Overview

- B.8. Children's and Adults' Services represents approximately two thirds of the council's budget. The department provides a wide range of services, including social care and education, to all sections of the population in Southwark.
- B.9. The budget proposals for 2020-21 include a range of modest efficiencies that largely achieve reductions in expenditure through the continuation and improvement of tried-and-tested approaches. These efficiencies, which are both safe and fair, are necessary to contain inflationary cost pressures which include increases in the London Living Wage. These are difficult decisions to make but are consistent with the Council's vision of a fairer future for all.
- B.10. New 'one-off' monies announced in the 2019 Spending Review are being invested in initiatives to further support provision for children and young people's mental health, SEND, the development of a multi-agency 'sure start' approach to support teenagers and parents, additional investment around drug and alcohol programmes and other preventative healthy lifestyles schemes, as well as improved technology and workforce development. It remains one of the Council's top priorities that young people in Southwark have the very best start in life. We know that our teenagers in particular face increasing and complex challenges and we want to ensure there is improved wellbeing and resilience as well as do more to reduce the risk of young people being drawn into serious youth violence.
- B.11. The sector has struggled in recent years with the combined effects of austerity, demand pressures and continued funding uncertainty. The impact of this is seen nation-wide, both in the number of councils reporting major social care overspends and in the number of providers going bankrupt or handing back contracts.
- B.12. For several years now, the Council, in partnership with NHS and voluntary sector colleagues, has risen to these challenges and continues to provide a safe social care service with good outcomes within budget. The department is once again forecasting a breakeven social care position for 2019-20. However, central government policy changes on Special Educational Needs and Disability have caused a significant and growing deficit for the ring-fenced Dedicated Schools Grant.
- B.13. The 2019 Spending Review announced an additional £5.1m to be spent on High Needs (SEND) in 2020-21. This will partially reduce in-year pressures but will not resolve the accumulated deficit – forecast to be in the region of £18m by the end of 2019-20. The DSG remains the biggest financial risk for the department and recovery is being overseen by the Budget Recovery Board. The Schools Forum is engaged in this process and the council has developed a Draft DSG Recovery Plan which it will be discussing with the ESFA in January 2020.
- B.14. The Spending Review also committed an additional £7.3m in one-off grant funding to Social Care. This is a welcome development and will go some way towards mitigating the enormous efficiencies made by the department since 2010. However, whilst this sum sounds like a substantial investment it represents just over 3% of the annual gross expenditure of the department (excluding schools). Along with the Better Care Fund (now accounting for more than 25% of Adult Social Care funding), and the Adult Social Care Precept, the additional Social Care Support Grant is simply the latest instalment in a piecemeal funding saga littered with 'one-offs' and ring-fences. It is a

testament to the collaborative attitude and can-do ethos of the council that it has been able to achieve so much in such a bleak environment. It is incumbent upon the next government to take seriously the future of social care and to bring forward a coherent and properly funded policy that deals with the intersection between health and social care.

Forward View

B.15. Departmental budget planning beyond 2020-21 is highly dependent on any central government funding decisions in the coming year, both in social care and education and more widely in terms of the local government finance settlement. In the context of the current short-term approach from central government it is difficult to predict future resources and the department naturally endeavours to limit any efficiencies that may impact on service. However, whilst not under consideration for the 2020-21 budget round, options the department may consider in the event of future adverse financial settlements are outlined below.

B.16. Areas for future consideration include;

- A strategic review of joint NHS and LA resources including the Better Care Fund to prioritise social care outcomes and protect core services.
- Review of SEND provision including transport in light of the 'Major Review into Support for Children with SEND' announced by the government in September 2019.
- Ongoing review of management structures across the department.
- Working with other Local Authorities to ensure Ministry of Justice take funding responsibility for Family Drug and Alcohol Courts.
- A review of fees and charges for non-grant funded creative and leisure Adult Education courses.

Equalities Analysis

B.17. 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 and national legislative thresholds and government guidance; other services are discretionary and universal.

B.18. 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 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.19. 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.20. The Environment and Leisure department delivers services that make a real difference to the everyday lives of all residents and visitors. The department is focused on providing high quality services to the borough's residents and shaping those services to support the wellbeing of our residents and support the objectives of other parts of the Council.
- B.21. 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. As well as our front-line environmental services we are proud to work with partners to improve health and wellbeing for all our residents through a rich leisure and cultural programme.
- B.22. Many of the operational activities of the department are frontline services for the benefit of all residents: 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.
- B.23. The 2019-20 net general budget for the department is £68.1m. The department over the last eight years has achieved savings of £34m. The savings options would be delivered alongside the considerable capital spend across the department.
- B.24. For the forthcoming year, 2020-21, the department has identified a number of savings options amounting to £1.678m:
- Efficiencies and Improved Use of Resources £495k
 - Income Generation £963k
 - Savings impacting on service delivery £220k

Efficiencies and Improved Use of Resources

- B.25. Efficiency savings of £230k are proposed from lower prices in the recently tendered parking contract. Revenue savings in salary costs are proposed through a combination of capitalising the cost of staff engaged on capital construction projects, a fee recovery basis in network management, and use of Proceeds of Crime Awards funding in trading standards.
- B.26. The department will be embarking on service reviews, focusing on increased commerciality and a service efficiencies programme over the following two years which is estimated to generate additional savings of over £1m across 2021-22 and 2022-23.

Income Generation

- B.27. The council, like a number of other councils, is adopting a more commercial approach to its activities and the department is proposing to generate additional income of £963k in 2020-21.
- B.28. The annual increase in fees and charges by inflationary uplift across the departmental services is expected to generate additional income of £328k.

- B.29. A review of the cemeteries services operation has identified additional income of £350k for 2020-21 whilst still maintaining modest inflationary increases in the fees and charges for 2020-21.
- B.30. A through review of the fees charged across the departmental services has been carried out to ensure the charges reflect the cost of providing the service and are also in line with the London averages. This, together with the review of rental income is expected to generate additional income of £285k.
- B.31. Proposals for future years include the introduction of new Controlled Parking Zones (CPZ) in areas where parking concerns have already been raised and the potential expansion of CPZs borough-wide as part of the Council's approach to tackle the climate emergency through an increase in more environmentally-friendly vehicles and the reduction of vehicle usage overall. These proposals could generate over £1m for the years 2021-22 and 2022-23, subject to policy, consultation and statutory process, although the financial impact could be short-lived if policy objectives were realised.
- B.32. Work is currently underway to expand the council's Private Sector Housing Licensing Scheme. The new scheme is expected to be in place by January 2021, subject to evidenced need, policy, consultation and statutory processes. This expanded scheme could reasonably expect to be self-financing.

Savings impacting on Service Delivery

- B.33. Modest savings of £220k are proposed in some service areas through the reconfiguration of current teams and changes to working arrangements with the aim of minimising impact on service delivery and staff.

Commitments

- B.34. Several initiatives arising from the council plan commitments totalling £285k are proposed in the base budget for 2020-21 plus an additional £150k from the London Devolution Reserve. Alongside capital investment for our parks, this will enable gym and sports facilities to be improved in our parks to extend the existing free swim and gym offer, to offer free swimming lessons for residents following the successful pilot, and to ensure that every primary age child gets a free visit to the theatre every year.
- B.35. Additional commitments of £500k are proposed to deliver a robust tree inspection and maintenance regime with an additional budget of £60k for the enhanced inspection service on our highways in order to comply with new the code of practice.
- B.36. The Climate Emergency is a major new focus for the council, working in partnership with stakeholders, partners, staff and residents to tackle the effects of global warming and the risk to our planet. A Climate Emergency reserve of £2m is proposed in 2020-21 to coordinate the various activities and action plans across the council and will support the delivery of the Climate Change Strategy following extensive engagement during the first half of 2020. This complements the council's existing and future commitments to build new homes, provide efficient heating systems to our council homes, improve air quality, reduce our own operational property estate and so on, much of which features in current or emerging areas of work across the council.

Equality Analysis

- B.37. As specific proposals are brought forward the impacts on residents will be assessed for equalities impact, although an initial equalities impact assessment has not highlighted

any significant concern. Any proposals affecting staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures. It is expected that all staffing savings proposed for 2020-21 can be managed through natural turnover of staff or targeted training and redeployment opportunities.

PLACE AND WELLBEING DEPARTMENT

- B.38. The department consists of four divisions: Regeneration, Planning, Public Health and Community Engagement.
- B.39. The Place and Wellbeing Department brings together planners, regeneration, health and community engagement professionals and colleagues dedicated to shaping place to improve wellbeing, community engagement and cohesion, and economic prosperity.
- B.40. The department leads on the council's delivery of regeneration and building strong local communities, bringing about thousands of new homes, jobs and opportunities across the borough and making our neighbourhoods places in which people are proud to live and work
- B.41. The department also aims to improve the health and wellbeing of Southwark's residents and to reduce health inequalities by working closely with local communities, CCG, NHS and the Voluntary Sector and promoting asset based community development in partnership with the voluntary and community sector.
- B.42. The department has a total net income budget of £930k for 2019-20 after taking account of all income and recharges.
- B.43. Excluding Public Health (shown below), for the forthcoming year, the department has identified a number of savings options amounting to £396k for 2020-21.

- | | |
|--|-------|
| ○ Efficiencies and Improved Use of Resources | £83k |
| ○ Income Generation | £313k |

Efficiencies and Improved Use of Resources

- B.44. Efficiency savings of £83k are proposed in the recommissioning arrangements on the Information and Advice Services contract.

Income

- B.45. The department is proposing additional income of £218k expected from a combination of increased planning fee income and renewal of commercial rents and leases. Recharge of staff costs engaged on construction and development projects are also expected to generate additional income of £95k for 2020-21.
- B.46. The additional income from the above areas are expected to continue into the following two years and estimated to generate additional income of over £1m across the 2021-22 and 2022-23 period.

Commitment

- B.47. Additional resources of £300k are proposed for the expansion of the planning team in 2020-21 to respond to regeneration and development activity and the council's ambitious new council homes programme. This will improve the divisional coordination and planning committee support. This investment will be off-set by the achievement of additional planning fee income expected for future years and efficiencies through new ways of working.

Public Health

- B.48. The Public Health service is funded from a ring-fenced grant of £26.7m. Significant cost pressures of £1.7m are being identified in Public Health areas for 2020/21 which emanates mainly from the demand pressures on sexual health services. Southwark has proactively supported our residents' participation in the HIV PrEP Impact Trial and will continue to advocate for the Government to fully fund a new national commissioned PrEP programme, providing access to this highly effective HIV prevention tool. During 2020/21 some of the initial additional investment in sexual health, such as the investment in the "Digital First" model, will significantly expand access to online HIV/STI testing services for all residents while reducing the pressures from more costly in-person clinic visits, and is expected to generate savings in the following years. Additional resources of £262k are also proposed in 2020/21 to fund the cost of extending free school meals to nursery schools. Savings of £1.1m are proposed for 2020/21 from a combination of efficiencies, service design and economies in commissioning arrangements across the service areas. The residual budget gap of £600k is proposed to be funded from the increase in Public Health grant expected for 2020/21.

Equality Analysis

- B.49. 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. In addition, as specific service and programme related proposals are brought forward, the impacts on residents will be assessed for equalities impact. It is expected that the staffing budget savings proposed for 2020-21 will be managed through natural turnover of staff.

FINANCE AND GOVERNANCE

Overview

- B.50. The Finance and Governance Department includes the Director's office which provides strategic leadership for the department and Section 151 responsibilities; Exchequer Services which encompasses revenues and benefits and housing rent collection, as well as the financial transaction processing teams; the Law and Democracy division responsible for electoral, constitutional and legal services; Professional Financial Services; and the Financial and Information Governance Team.
- B.51. 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".
- B.52. The departments budget proposals are based on a cash limited budget for 2020-21 with the impact of pay and price inflation being consumed within existing budget provision, above forecast income, holding posts vacant and other management efficiencies.
- B.53. The specific budget proposals include efficiency savings of £0.175m and commitments of £0.1m.

Efficiencies

- B.54. Over 70% of the departments expenditure budget is staffing costs and we are continuously reviewing services to ensure they are operating efficiently and are adapting to changing demands and caseloads so as to ensure they are fit for the future. Further savings of £0.150m are proposed in 2020-21, £0.050m in professional finance services following the structural review in previous years and £0.100m in Exchequer Services as a consequence of caseload reductions from ongoing Universal Credit transition.
- B.55. In addition to the staffing related savings, £0.025m of efficiencies are proposed in the Financial and Information Governance service from a reduction in specialist risk and insurance advisory service.

Commitments

- B.56. The department is proposing commitments of £0.100m, £0.050m for implementation and monitoring of the new Fairer Futures Procurement Framework and £0.050m to increase provision for the Southwark Emergency Support Scheme (SESS). The SESS provides support to residents of the borough who are facing a crisis, emergency or disaster and who are in receipt of benefit. Demand on the budget, £0.6m in 2019-20, has been increasing as a consequence of welfare reform and Universal Credit.

Equality Analysis

- B.57. 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. It is expected that the staffing budget savings proposed for 2020-21 will be managed through natural turnover of staff.

HOUSING AND MODERNISATION (H&M)

Overview

- B.58. The department comprises a diverse range of services funded from both the general fund and the ring-fenced housing revenue account (HRA) for landlord services. In delivering the council's Fairer Future Promises, the department aims to maximise investment in its housing stock, build new council homes at council rents, deliver consistently high quality services and continue to support the most vulnerable residents, particularly those in need of temporary housing or who have no recourse to public funds.
- B.59. A proposed standstill (cash limited) budget gives rise to an unavoidable cost pressure of £901k in 2020-21. Given a large proportion of the housing general fund budget is either demand driven or of a fixed contractual nature, this pressure cannot be absorbed without having some detrimental impact on service delivery going forward. For 2020-21 efficiencies and income generation measures will deliver £1.832m, whilst commitments total £1.549m with potentially more in 2021-22. Further detail on the budget proposals are outlined below.

Asset Management

- B.60. Services comprise aids and adaptations, handypersons and private sector housing renewal and empty homes. Savings have previously been achieved through the rationalisation of management across these functions without impacting on service delivery but there are no opportunities to deliver further savings at this juncture.

Communities

- B.61. The division is responsible for consultation and community engagement with council tenants, homeowners and residents, the civic office, community safety, Prevent and child sexual exploitation and No Recourse to Public Funds (NRPF).
- B.62. The latter has been a persistent budgetary pressure over a number of years requiring growth in previous budget rounds. Whilst the position to date has stabilised with caseload and expenditure continuing on a gradual downward trajectory, however, risks remain around demand volatility, challenging housing supply and protracted case resolution by the Home Office, which cautions against premature reduction of the budget at this juncture.
- B.63. By March 2020 the council will have exhausted the Local Justice Re-investment Pilot funding that was a reward for working with partners to reduce re-offending rates in the borough. The pilot ended in 2015 and the remaining funding (£121k for 2019-20) has been used to support offender management and youth violence work since then. Moving forward this work will form part of the multi-agency community harm and exploitation hub that the council is working with partners to establish following the recommendations of an external peer review into how the community safety partnership tackles violence, vulnerability, gangs, county lines etc., carried out by the Violence & Vulnerability Unit. The council is exploring what additional resources will be required to support the hub and what other sources of funding may be available to support this vital work.
- B.64. Looking ahead to 2021-22, there is no guarantee that MOPAC/GLA funding through the London Crime Prevention Fund will continue beyond the coming year. The current allocation of £899k supports the bulk of the council's community safety work including work on youth violence, offender management and domestic abuse.

Resident Services

- B.65. Services comprise travellers' sites and supported housing management, which has shared funding arrangements with the HRA. Significant reconfiguration and improvement works to address health and safety and fire protection issues at sites has been undertaken with some further works planned for 2020-21. The council has been successful in securing grant funding of £1.738m from the Greater London Authority (GLA) towards these works and is in preliminary discussions around a further grant bid towards a hostels improvement programme. Residual savings arising from the closure of the temporary site at Devonshire Grove means a saving of £35k can be achieved without any detrimental service impact.

Modernisation

- B.66. The modernisation division incorporates information technology and digital services (ITDS), human resources (HR), facilities management (FM) and organisation transformation (OT). These services are of a corporate nature and underpin the council's modernising agenda.
- B.67. Tooley Street currently hosts 107 employees of the Clinical Commissioning Group (CCG) and from early 2020 this is planned to increase by a further hundred or so. This remains subject to final negotiations and contract and will generate an additional £750k in rental income per annum.
- B.68. Facilities management are responsible for ensuring the council's operational estate is both compliant with health and safety regulations and fit for purpose for staff and service users. Whilst commitments approved in previous rounds have addressed inherent budget pressures/anomalies and stabilised the position, there remains very limited budget flexibility, other than an estimated half-year saving of £55k in 2020-21 through the change to LED lighting in Tooley Street. This is an 'invest to save' initiative and contributes to the council's carbon reduction commitment, with an equivalent budget saving anticipated in year two (2021-22).
- B.69. Looking forward, the council's two existing external FM service contracts will co-terminate in March 2021 and a procurement strategy is currently being developed to secure a consolidated contract, with some limited expansion of the 'in-house' provision. This is a complex procurement and given external market conditions affecting FM providers, it is anticipated there will be an upward cost pressure from 2021-22, which is likely to supersede any previously anticipated employee savings proposed for 2022-23, following full implementation of the new FM contract.
- B.70. The council is currently engaged on a major IT improvement programme involving migrating its data centre and computing environment to the cloud and implementing a revised operating model in the shared service. This is necessary to ensure the council's IT infrastructure and systems are modern, stable, resilient and above all secure. Alongside this sits the SMART working programme which is the catalyst for transforming the way the council works. Notwithstanding the previous budget commitments made, this will require further revenue investment, currently estimated at £1.5m in 2020-21, which should provide a stable resource baseline going forward.
- B.71. Reorganisation and rationalisation of the HR and OT services have already delivered significant savings in the current year with no undue impact on service delivery. The use of agency staff to cover vacancies and address capacity shortfalls is necessary and varies with changing circumstances. However, the service continues to implement measures to reduce usage across the council through greater workforce planning and

recruitment and anticipates being able to deliver net savings of £200k per annum in 2020-21 and 2021-22.

Customer Experience

- B.72. The division is responsible for a diverse range of functions including the customer service centre (CSC), customer resolution, concessionary travel, registrars and citizenship, coroners and mortuary services and housing solutions/temporary accommodation.
- B.73. For 2020-21 there is a wind-fall saving of £792k arising on the Concessionary Travel Scheme as the council's contribution to Transport for London (TFL) will be lower reflecting current/anticipated usage following changes in the age eligibility threshold from 60 to 65 years old. This is partly offset by an additional commitment of £49k arising from the change in eligibility for Blue Badges that commenced in August 2019.

Temporary Accommodation (TA) and Housing Solutions

- B.74. Southwark is recognised nationally as a leading authority on homeless prevention but the cost of TA remains one of the council's most intractable budget pressures. This adverse budgetary situation is driven by the growing national homelessness crisis. More people are approaching the council at risk of homelessness, rents for the private sector accommodation that is available to the council to use as TA have been rising rapidly (with a national absence of any reasonable rent controls) and the government has reduced and then frozen the Local Housing Allowance (meaning benefits no longer cover the cost of the rent for many people in TA). These factors combined with the council's statutory and policy obligations have driven up the cost of TA to the council.
- B.75. For 2019-20, a net budget commitment of £3.2m was approved for TA, including an ambitious savings target of £2m, one million of which was predicated on early changes to local discharge policy being approved. However, implementation was delayed and along with other negative factors means the target will not be met. Furthermore, the position going forward remains uncertain as without government action the national housing crisis looks set to worsen. In addition, the budget is heavily reliant on the use of estate voids, particularly Aylesbury, which are projected to decline at a faster rate than previously estimated, with a consequent cost impact to the general fund. By way of mitigation, strenuous action continues to bear down on the cost of private sector leased accommodation through the renegotiation of existing provision and realisation of better value from the procurement of new properties. The position will be kept under close review, but at this juncture there remains a material risk that the cost pressure will continue to exceed the resources available in 2020-21.

Equalities Assessment Summary

- B.76. 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.77. 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.

CORPORATE

Overview

B.78. The Corporate budgets include technical accounting budgets such as Minimum Revenue Provision (MRP), treasury income and costs, pension related costs and budgets which impact across the wider council. The £4m contingency budget also sits within corporate to support the wider budget risks.

Commitments

B.79. As indicated in capital monitoring and treasury management reports, the council has an underlying need to borrow in order to fund the council's capital investment programme. A commitment is included to reflect the additional debt financing costs of £2.4m in 2020-21 as a consequence of approved capital investment decisions.

B.80. The Government's decision to arbitrarily increase the interest rate charged to local authorities by 1% in September 2019 will further increase debt charges by £0.6m in 2020-21.

B.81. Debt financing costs are forecast to increase by a further £3.3m in 2021-22 and £3.6m in 2022-23.

Equality Analysis

B.82. There are no equality analysis implications for these proposals.

Efficiencies and Improved Use of Resources 12 December 2019

Savings Type
Last Updated
Version Number

2020-21
£000
(89)
(3,141)
-
(495)
(175)
(1,082)
(83)
(899)
(5,964)
(2,391)
(750)
-
-
(3,141)

Chief Executive's
Children's and Adults' Services
Corporate
Environment and Leisure
Finance and Governance
Housing and Modernisation
Place and Wellbeing
Public Health

Adults' Social Care
Commissioning
Children's Services
Education
Total Children's and Adults' Services

Department	Division	Reference	Description	2020-21 £000	Equalities Analysis Information
Chief Executive's	Chief Executive's Office	101	Where possible, increase contribution from non-general fund (e.g. section 106 etc) to fund some staffing activity to offset call on general fund	(32)	No impact
Chief Executive's	External Affairs	102	Reduce the frequency of Southwark Life from four editions per year to three	(27)	No/minimal impact on staff or service users
Chief Executive's	Chief Executive's Office	103	Realign the direct financial support to the Young Vic to deliver the local internship programme (Young Vic Young Associates) through the Council's core internship programme	(30)	Impacts positive through programme expansion
Children's and Adults' Services	Adults' Social Care	104	Workforce Development – reduction in use of temporary staff, consolidation of training budgets and premises savings resulting from the transfer of staff to new office at Castlemead	(800)	Any formal change to structures would address EA issues as a part of standard council procedures. There will be no impact on service users.
Children's and Adults' Services	Adults' Social Care	105	Continue programme of annual reviews of care packages to ensure that provision is in line with Care Act entitlements.	(1,391)	No negative impacts identified at this stage. Care package reviews are undertaken on a case-by-case basis and all relevant information will be taken into account at this stage.
Children's and Adults' Services	Adults' Social Care	106	Closer working with the voluntary sector through the new older people's hub and increased investment from grant-giving bodies resulting in more efficient ways of working and better outcomes for service users.	(200)	Equalities analysis has been considered as part of the procurement process. Further assessments will be undertaken as required.
Children's and Adults' Services	Commissioning	107	Expansion and development of children's commissioning activity resulting in improved VFM through the All Age Disabilities pathway.	(250)	No/minimal impact on service users as this is primarily about changes in the way we contract with providers. Equalities impact assessments will be undertaken as appropriate during any specific procurement exercises.

Department	Division	Reference	Description	Equalities Analysis Information	
				2020-21	
				£000	
Children's and Adults' Services	Commissioning	108	Part-year impact of a programme of commissioning projects aimed at providing better sector management and improved VFM across care homes, reablement and housing related support in the borough.	(500)	Outcomes will be driven by new KPIs of which service access and participation will be drawn and steer further steps. For bed based care The provision of this new service will extend opportunities for people who are at risk of avoidable admission into long term bed based care ,providing a period of re-ablement in which their independence, wellbeing and choices can be maximised. The service will increase opportunities for service access and participation for people with restricted characteristics and notably improve outcomes for individuals through reducing discharge delays attributable to awaiting residential care and through improving independence and well-being and in supporting a return home wherever possible. Mental Health Supported Housing and Homelessness Hostels review. The review is going forward in two strands: supported housing and homelessness hostels. A separate Equality Impact Assessment will be completed for each client group as part of the Gateway 1 reports for these areas of spend.
Environment and Leisure	Environment – Regulatory Services	109	Improved efficiency and value for money arising from the recently tendered parking contract.	(230)	No impact
Environment and Leisure	Environment – Regulatory Services	110	Management salary costs in Highways Network Management to be funded by existing income	(50)	No impact
Environment and Leisure	Environment – Regulatory Services	111	Realignment of resources within Noise Team against demand	(25)	A more detailed EQIA will need to be carried out prior to implementation. Although there are no impacts specifically on protected groups, there may be a socio-economic differential.
Environment and Leisure	Leisure – Parks and Leisure Management	112	Capitalisation of cost of staff engaged on capital construction projects.	(100)	No impact
Environment and Leisure	Leisure – Parks and Leisure Management	113	Review of client management resource in parks to reflect the good performance of the parks contractor	(25)	No impact
Environment and Leisure	Environment – Regulatory Services	114	Use of Proceeds of Crime awards to fund existing Principal Enforcement Officer post in Trading Standards	(65)	No impact
Finance and Governance	Professional Finance Service	115	Following completion of structural review of Professional Finance Services, further reduction in staffing resource, to be mitigated by enhanced business partnering approach and improvements to financial management system.	(50)	No impacts on service users, savings on back-office costs. Potential impacts on staff. As specific proposals come 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.
Finance and Governance	Exchequer Services	116	Reduction in Benefit staffing due to caseload reduction from ongoing Universal Credit transition.	(100)	Potential impacts on staff. As specific proposals come 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.
Finance and Governance	Financial and Information Governance	117	Fund specialist risk advisory services to the Corporate Risk and Insurance team from the Insurance Fund	(25)	No/minimal impact on staff or service users
Housing and Modernisation	Customer Experience	118	Re-alignment of the Concessionary Travel budget to reflect current activity/volumes	(792)	No impact on service users

Department	Division	Reference	Description	Equalities Analysis Information	
				2020-21	£000
Housing and Modernisation	Modernise – CFM	117	Restructuring of Corporate Facilities Management		No impact on service users
Housing and Modernisation	Modernise – CFM	119	Replacement of Tooley Street fluorescent lighting with LED	(55)	No impact on service users
Housing and Modernisation	Modernise – HR	120	Planned reduction in agency usage in line with Workforce Strategy	(200)	No impact on service users
Housing and Modernisation	Resident Services	121	Re-alignment of Travellers budgets following decommissioning of Devonshire Grove temporary site	(35)	No impact on service users
Place and Wellbeing	Community Engagement	122	Planned reduction in the information and advice services contract	(83)	A number of programmes elsewhere such as older people's hub, disability hub and people with disabilities prioritised by Local support team will mitigate some of the impacts. There is potential for increased London wide funding for NRPF clients; funding dedicated to advice in different languages will be ring fenced within the generalist advice contract and referral to VCS funded organisations that support different groups will provide some support.
Public Health	Place & Health Improvements (SP505)	123	Efficiency savings to be achieved through re-specification/tender of Exercise on Referral, Health Intervention Hub (obesity, CVD, diabetes).	(48)	No impact as front line services to residents will not change
Public Health	5-19 Public Health (SP507)	124	Efficiency savings achieved through negotiation and re-specification of the School Nursing contract with the Evelina. Review responsibilities, casemix, workload, staffing levels and costs and improve coverage.	(63)	No impact anticipated at this stage
Public Health	PH 0-5 Services (SP512)	125	Efficiency savings achieved through contract negotiation and re-specification of the Health Visitor contract with the Evelina. Review responsibilities, casemix, workload, staffing levels and costs and improve coverage. No net reduction in health visitor numbers is envisioned.	(300)	No impact anticipated at this stage
Public Health	Place & Health Improvements (SP508)	126	Savings on Public Health contribution to Free Healthy Schools Meals (FHSM) from Government supplementary top up grant for Free School Meals to Schools	(195)	No impact
Public Health	Stop Smoking (SP506)	127	Smoking cessation service efficiencies through re-specification/open tender. This will change the model for smoking cessation in Southwark. Public Health will increase referrals to the service for economically deprived smokers, pregnant women who smoke and smokers with chronic diseases.	(123)	Close monitoring of new service to ensure that changes do not have unforeseen consequences

Department	Division	Reference	Description	2020-21	Equalities Analysis Information
				£000	
Public Health	Sexual health (prevention)	128	Reduction in funding for HIV/sexual health promotion services for black african at-risk groups based upon changing need, planned recommissioning of services and alternative opportunities, including working directly with local faith communities as part of our new Faith Strategy activities.	(22)	The loss of financing on this programme offset by introduction of new services to better target different groups, so now three health promotion budgets including a chem sex outreach worker, this programme and 30K for MSM and young people as part of the new sexual health service. Net overall increase in service realigned to improve impact of health promotion. The Council has existing specialist prevention services for MSM, including being a major contributor to the London HIV Prevention Programme, Do It London. Developing capacity in existing sexual health and drug treatment services to meet the needs of those participating in chemsex (many of whom are MSM) is being considered in separate arrangements to ensure this group is supported.
Public Health	Healthy Schools PHSE (SP510)	129	Deletion of the Public Health funded healthy schools programme post and investment with the function now 'mainstreamed' and taken forward by Education.	(42)	No/minimal impact on staff or service users
Public Health	Health Checks Contract (SP504)	130	Introduction of a new digital-first NHS health check pathway, which will offer all eligible patients an on-line health risk assessment with the face to face checks being actively promoted to individuals assessed as high-risk and in greatest need. All patients, regardless of assessed risk, will still be able to obtain a face to face health check if desired.	(106)	Over 55 will continue to receive invites by letter evaluation by UCL planned helath equity audit will be carried out on programme in year
Total				(5,964)	

41

Savings Type
Last Updated
Version Number

2020-21
£000

Chief Executive's	-
Children's and Adults' Services	(150)
Corporate	-
Environment and Leisure	(963)
Finance and Governance	-
Housing and Modernisation	(750)
Place and Wellbeing	(313)
Public Health	(200)
	(2,376)
Adults' Social Care	-
Commissioning	-
Children's Services	-
Education	(150)
Total Children's and Adults' Services	(150)

Department	Division	Reference	Description	2020-21	Equalities Analysis Information
				£000	
Children's and Adults' Services	Education	201	School improvement service to be fully funded by traded income and other specific grants.	(100)	No impact
Children's and Adults' Services	Education	202	Increase Education Psychology traded income for non-statutory work for schools, including Free Schools and Academies, to full cost recovery	(50)	No impact
Environment and Leisure	Leisure – Parks and Leisure Management	203	Additional income expected within cemeteries based on current numbers	(350)	No impact
Environment and Leisure	Waste and Cleansing	204	Price increase for bulky waste collection – change to £25 per collection of up to 10 items plus £7.60 per item thereafter	(65)	A more detailed EQIA will need to be carried out prior to implementation. Although there are no impacts specifically on protected groups, there may be a socio-economic differential.
Environment and Leisure	Waste and Cleansing	205	Introduce a limit on resident construction and demolition waste being brought to the Household Waste Reuse and Recycling Centre (HWRRC) to one standard sized bag per household per week and charge £5 per bag for any additional waste deposited.	(50)	No impact
Environment and Leisure	Waste and Cleansing	206	Introduce a mandatory delivery/administration charge for supply of household 240 litre general waste bins of £25 per bin.	(50)	A more detailed EQIA will need to be carried out prior to implementation. Although there are no impacts specifically on protected groups, there may be a socio-economic differential.
Environment and Leisure	Leisure- Parks and LM	207	Introduce parking charges in leisure centres for users and staff to encourage walking, cycling and use of public transport	(30)	A more detailed EQIA will need to be carried out prior to implementation. The introduction of charges at leisure centres may have an impact on specific groups of users.
Environment and Leisure	Leisure- Parks and LM	208	Rental income for Central Venture Play Site	(30)	No impact
Environment and Leisure	Leisure- Parks and LM	209	Rental income for Southwark Park Café	(30)	No impact

Department	Division	Reference	Description	2020-21	Equalities Analysis Information
				£000	
Environment and Leisure	Leisure- Parks and LM	210	Estimated increase in fees and charges income from annual uplift	(128)	No impact
Environment and Leisure	Environment – Traded Services	211	Growth in income from external clients for bird control and other related activities.	(30)	No impact
Environment and Leisure	Environment	212	Estimated increase in fees and charges income from annual uplift	(200)	No impact
Housing and Modernisation	Modernise – CFM	213	Additional income from external lettings of office space within Tooley Street.	(750)	No impact
Place and Wellbeing	Planning	214	Estimated increase in planning fee income.	(120)	No impact
Place and Wellbeing	Regeneration – Capital Projects	215	Project management fees to be charged at 1% on the construction sum	(45)	No/minimal impact on staff or service users
Place and Wellbeing	Regeneration – North	216	Agreed charges to be made to British Land in line with development agreement for Canada Water.	(50)	No/minimal impact on staff or service users
Place and Wellbeing	Regeneration – Property	217	Impact of continual review of commercial rent income in line with rental agreements with current and new tenants.	(98)	No/minimal impact on staff or service users
Public Health	Sexual Health	218	New government funding to support HIV PreP implementation and to scale up in 2020-21	(200)	No/minimal impact on staff or service users
Total				(2,376)	

Savings Type
Last Updated
Version Number

Savings Impacting on Service Delivery

12 December 2019

Savings Impacting on Service

2020-21
£000
-
(150)
-
(220)
-
-
-
(50)
(420)
-
-
-
(150)
(150)

Chief Executive's
 Children's and Adults' Services
 Corporate
 Environment and Leisure
 Finance and Governance
 Housing and Modernisation
 Place and Wellbeing
 Public Health

 Adults' Social Care
 Commissioning
 Children's Services
 Education
 Total Children's and Adults' Services

Department	Division	Reference	Description	2020-21	Equalities Analysis Information
				£000	
Children's and Adults' Services	Education	301	Close Aylesbury Day Nursery (subject to completion of consultation). This decision reflects the current stage of the regeneration of the Aylesbury and the reduced need for nursery places at this time. The majority of families using the nursery will have children of school age by September 2020 and the closure will be timed to coincide with this. A new early years facility is planned for plot 18.	(150)	Potential impacts on staff to be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures. It is anticipated that at least 15 children will leave nursery in July to start in school in September, so would not be affected by closure of nursery. Support would be offered to families of remaining children to secure nursery places elsewhere – there are significant vacancy levels in other local settings.
Environment and Leisure	Leisure – Parks and Leisure Management	302	Adjustments to the grounds maintenance contract with the aim of retaining Green Flag status and improving ecology	(60)	No/minimal impact on staff or service users
Environment and Leisure	Waste and Cleansing	303	Restrict access to the waste facility for charities who currently use the facilities for tipping waste from their operations.	(30)	No/minimal impact on staff or service users
Environment and Leisure	Waste and Cleansing	304	Reduce staffing levels by natural wastage, and extend response times, with reduced responses to enquiries. This will require residents to use online service to log their own service requests, with direct enquiries not actioned unless they have followed an agreed escalation process.	(30)	No/minimal impact on staff or service users
Environment and Leisure	Highways	305	Reduction in revenue works budget for structures reactive maintenance	(100)	No/minimal impact on staff or service users
Public Health	Public Health (KM193)	306	Reduction in Public Health funding for community sports activities. Future funding support (including further reductions) to be informed by recommendations from a strategic review of community sports being undertaken in 2019-20. Alternatives funding sources will be investigated to see if the impact of this proposal can be mitigated.	(50)	More information required
Total				(420)	

Savings Type	Commitments
Last Updated	12 December 2019
Version Number	

Chief Executive's	50
Children's and Adults' Services	11,899
Corporate	3,251
Environment and Leisure	785
Finance and Governance	100
Housing and Modernisation	1,549
Place and Wellbeing	300
Public Health	1,871
	19,805
Adults' Social Care	3,300
Commissioning	5,849
Children's Services	2,750
Education	-
Total Children's and Adults' Services	11,899

Department	Division	Reference	Description	2020-21 £000	Equalities Analysis Information
Chief Executive's	Chief Executive's Office	401	Additional staffing capacity to support enhanced model of delivery for scrutiny	50	No/minimal impact on staff or service users
Children's and Adults' Services	Children's Services	402	Piloting of a multi-agency 'Sure-Start' approach aimed at teenagers and parents.	1,250	Positive impact - more information required
Children's and Adults' Services	Children's Services	403	Budget commitment for an enhanced mental health offering for children, young people and parents, with a focus on prevention and emotional health and wellbeing. This proposal supplements the previously agreed £2m commitment.	1,500	Positive impact - more information required
Children's and Adults' Services	Adults' Social Care	404	Further investment in the growing All Aged Disabilities pathway focussed on improving in borough provision for children with SEND.	2,000	Positive impact - more information required
Children's and Adults' Services	Adults' Social Care	405	New money to augment existing drug and alcohol programmes with a focus on creating a space and enabling change to take place, a 'Pause' approach, thereby reducing demand and reliance on council services.	1,000	Positive impact - more information required
Children's and Adults' Services	Adults' Social Care	406	Investment in a preventative, public-health approach to reducing demand and reliance on council services and promoting community resilience. A multi-faceted approach including community sports and healthy activities for older people	300	Positive impact - more information required
Children's and Adults' Services	Commissioning	407	Continued development of digital solutions both for our service users and our staff. Further investment in workforce development recognising the complex nature of the social care sector in London. Commitment to greater collaboration with partner organisations including health and the voluntary sector to streamline and improve outcomes for our residents, and matching successful bids for funding.	1,282	Positive impact - more information required

Department	Division	Reference	Description	2020-21	Equalities Analysis Information
				£000	
Children's and Adults' Services	Commissioning	408	Contractual inflation and pay awards, including increases in the London Living Wage	4,567	no impact on service users
Environment and Leisure	Leisure	409	Mainstreaming of free swimming lessons following pilot programmes	125	no impact on service users
Environment and Leisure	Leisure	410	Increased tree maintenance and inspection	500	Positive impact
Environment and Leisure	Culture	411	Full roll-out of free visits to the theatre for every primary school child.	100	Positive impact
Environment and Leisure	Environment	412	Restructure to accommodate revised service provision from 1 July 2020 (highway inspections)	60	No/minimal impact on staff or service users
Finance and Governance	Law and Democracy	413	Commitment for implementation and monitoring of the requirements of the new Fairer Futures Procurement Framework	50	Positive impact
Finance and Governance	Exchequer	414	Increased demand for Southwark Emergency Support Scheme (SESS)	50	A positive impact on the most vulnerable within the community. There is an increasing need to provide discretionary support to vulnerable residents as a consequence of national welfare reforms and economic uncertainty due to Brexit.
Housing and Modernisation	Modernise – SICTS	415	Provisional commitment for new Shared Information, Communication & Technology Service (SICTS) operating model	1,500	No/minimal impact on staff or service users. Enhanced IT service to support council service provision
Housing and Modernisation	Customer Experience	429	Additional commitment arising from the change in eligibility for Blue Badges that commenced in August 2019.	49	No/minimal impact on staff. positive impact on the most vulnerable within the community. A
Place and Wellbeing	Planning	416	Expansion of the planning team to deal with Regeneration/ Development activities (Old Kent Rd etc.) and improving divisional coordination and planning committee support. This commitment should effectively be off-set over three years by the increase in planning fee income.	300	No/minimal impact on staff or service users
Public Health	Across division	417	Increased demand for sexual health services.	332	Positive impact
Public Health	Sexual Health	418	PreP trial and sexual health clinic attendances across England (2019-20 base cost)	280	Positive impact
Public Health	Sexual Health	419	PreP trial extension to capacity from August 2019 to March 2020	163	Positive impact
Public Health	Sexual Health	420	PreP trial extension to capacity additional costs for full-year 2020-21	117	Positive impact
Public Health	Sexual Health	421	Increase in Sexual Health Tariff prices (6 month effect from October 2019)	160	No impact

Department	Division	Reference	Description	2020-21		Equalities Analysis Information
				£000		
Public Health	Sexual Health	422	Increase in Sexual Health Tariff prices (full-year impact 2020-21)	160	No impact	
Public Health	Across division	423	Pay inflation on public health staff funded from ring-fenced grant	42	No impact	
Public Health	Sexual Health	424	Additional investment in a Digital First model	260	promotion of services among men new health promotion service to promote digital services for heterosexual community	
Public Health	Across division	425	Contingency to mitigate risk and cushion any new and unanticipated demand led pressures	95	Positive impact	
Public Health	Health Improvement & Place	426	Increase to reflect full year cost of rollout of Free Nursery Meals	262	Positive impact	
Corporate	Corporate	427	Debt financing costs arising from approved Capital Programme	2,651	No direct impact on staff or community	
Corporate	Corporate	428	Additional borrowing costs (General Fund only) arising from the governments decision to increase Public Works Loan Boards (PWLB) borrowing rates by 1% (from 0.8% to 1.8%) above gilt rate.	600	No direct impact on staff or community	
Total				19,805		

APPENDIX F

Summary of equalities analysis

1. In line with our Public Sector Equality Duty contained within section 149 of the Equality Act 2010, has undertaken equality analysis/screening on its budget proposals, which helps to understand the potential effects that the proposals may have on different groups and whether there may be unintended consequences and in the event, how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and council-wide impacts.
2. The summary equalities impacts assessed by each business unit on the budget changes have been analysed. It identifies 25 proposals where there is an impact negative or positive on service users, five proposals which may have an impact on staff and 19 proposals where further equalities analysis will be required as the full budget proposal is developed and before a decision is made on the implementation of the change.
3. The following table sets out the proposals that will need further Equalities Analysis before implementation:

Directorate	Division	ref	Proposal
Children's and Adults' Services	Adults' Social Care	104	Workforce Development – reduction in use of temporary staff, consolidation of training budgets and premises savings resulting in the transfer of staff to new office at Castlemead.
Children's and Adults' Services	Commissioning	107	Expansion and development of children's commissioning activity resulting in improved VFM through the All Age Disabilities pathway.
Children's and Adults' Services	Commissioning	108	Part-year impact of a programme of commissioning projects aimed at providing better sector management and improved VFM across care homes, re-ablement and housing related support in the borough.
Children's and Adults' Services	Education	301	Close Aylesbury Day Nursery (subject to completion of consultation)
Children's and Adults' Services	Children's Services	402	Centre for teenagers and parents - Piloting a multi-agency 'Sure-Start' approach aimed at teenagers and parents.
Children's and Adults' Services	Children's Services	403	Mental Health - Budget commitment for an enhanced mental health offering for children, young people and parents, with a focus on prevention and emotional health and wellbeing. This proposal supplements the previously agreed £2m commitment.
Children's and Adults' Services	Adult Social Care	404	All Age Disability - Further investment in the growing All Aged Disabilities pathway focussed on improving in borough provision for children with SEND.
Children's and Adults' Services	Adult Social Care	405	Enhanced prevention - New money to augment existing drug and alcohol programmes with a focus on creating a space and enabling change to take place, a 'Pause' approach, thereby reducing demand and reliance on council services.
Children's and Adults' Services	Adult Social Care	406	Healthy Lifestyles - Investment in a preventative, public-health approach to reducing demand and reliance on council services and promoting community resilience. A multi-faceted approach including community sports and healthy activities for older people
Children's and Adults' Services	Commissioning	407	Transformation - Continued development of digital solutions both for our service users and our staff.

			Further investment in workforce development recognising the complex nature of the social care sector in London. Commitment to greater collaboration with partner organisations including health and the voluntary sector to streamline and improve outcomes for our residents, and matching successful bids for funding.
Environment and Leisure	Waste and Cleansing	204	Price increase for bulky waste collection – change to £25 per collection of up to 10 items plus £7.60 per item thereafter
Environment and Leisure	Waste and Cleansing	206	Introduce a mandatory delivery/administration charge for supply of household 240 litre general waste bins of £25 per bin.
Environment and Leisure	Leisure- Parks and LM	207	Leisure centre car parking
Environment and Leisure	Environment – Regulatory Services	111	Noise Service - Demand Management and Efficiency Initiatives
Finance and Governance	Professional Finance Service	115	Reduction in available staffing resources for Professional Finance Services following prior structural review, as agreed in prior year. The loss of staff to be mitigated through continued improvements in financial management systems and use of data. alongside enhanced business partnering approach.
Finance and Governance	Exchequer Services	118	Reduction in Benefit staffing due to caseload reduction from ongoing Universal Credit transition. Agreed as part of budget challenge 2018-19
Place and Wellbeing	Public Health	123	Efficiency savings achieved through re-specification / tender of Exercise on Referral, Health Intervention Hub (obesity, CVD, diabetes). Currently underway
Place and Wellbeing	Public Health	124	Efficiency savings achieved through contract negotiation and re-specification with the Evelina. Review responsibilities, casemix, workload, staffing levels and costs and improve coverage. (School Nurses)
Place and Wellbeing	Public Health	126	Efficiency savings achieved through contract negotiation and re-specification with the Evelina. Review responsibilities, casemix, workload and costs and improve coverage. No net reduction in Health Visitor numbers envisioned. (Health Visitors)

4. Where there will be an impact on staff, as specific proposals come 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.
5. The impact of change for service users is varied as the council seeks to both balance its budget and invest in areas where evidence indicates there is greatest impact on health and well being of people in the borough. In particular increased investment in Centre for teenagers and parents, Mental Health services for children and young people, All Age Disability, augmenting existing drug and alcohol programme, community sports and healthy activities for older people, swimming lessons free for all residents, increasing the Southwark Emergency Support Scheme will significantly improve health outcomes and address the health inequalities and well being in Southwark.
6. The cumulative impacts across each of the protected characteristics, and mitigating measures are outlined below:

Age

Overall the proposed changes identified in the budget aim to improve services for young people through programmes such as the centre for teenagers and internship programme, and should improve the opportunities for older people to live well, through schemes such as the investment in physical activity for older people. Where services are increasing their use of digital interventions the negative impact for older people is mitigated by alternative and supported mechanisms for service engagement and access.

Disability

The shift to provision of public health services to digital services should improve access for people with disabilities. In Southwark there are still 8,000 yet to be transferred to PIP and a reduction in legal advice services may have an impact on this group as a significant number of claims are only successful following appeal. However the introduction of the disability hub later in the year may mitigate this reduction.

Gender Reassignment

No impacts have been identified however it should be noted that there is limited base line information about this group against which to measure potential impacts.

Marriage and Civil Partnership

No impacts have been identified

Pregnancy and Maternity

The proposed recommissioned smoking cessation service includes a pregnancy quit / offer for pregnant women, and a recommendation for the PH team smoking lead to work with maternity services to increase referrals from maternity services.

Race

Most of the proposed changes will produce a positive impact for BAME communities in Southwark. Although the changes proposed for legal services contract may have a disproportionate impact on BAME clients as they form a higher percentage of service users, this impact is mitigated by a number of programmes elsewhere. These include older people's hub, and disability hub. There is potential for increased London wide funding for NRPF clients; funding dedicated to advice in different languages will be ring fenced within the generalist advice contract and referral to VCS funded organisations that support different groups will provide some support.

Religion or Belief

No significant impacts have been identified.

Sex

The most significant impact appears to be The PrEP Impact trial which appears to be targeting men more than women to receive PrEP, based on risk of HIV exposure. There is also the possibility that the increased clinic activity due to PrEP may be diverting resources away from women, who are traditionally higher users of sexual and reproductive health services. Ongoing monitoring of services will enable the service to understand any adverse change.

Sexual Orientation

The PrEP Impact trial has identified men who have sex with men as a target group to receive PrEP.

Socio-economic Disadvantage

Most of the impact relates to the impact on service users as a consequence of increased costs to access services. For many of these further EA is required and change will be

delivered after due consideration of the potential impact and any mitigations that may be put in place as the services develop their proposals. The new internship scheme, changes to the smoking cessation service and making swim sessions free to all residents will all have a positive benefit for this group.

Human Rights

The only impact will be from the reduction in legal advice services which identify and challenge on discrimination.

DRAFT

Item No. 18.	Classification: Open	Date: 21 January 2020	Decision Taker: Cabinet
Report title:		Impact of Brexit on Southwark - Progress Report	
Ward(s) or groups affected:		All	
From:		Councillor Victoria Mills, Finance, Performance and Brexit	

FOREWORD FROM COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

For Southwark, it will be with great sadness that the UK will leave the EU on 31 January 2020. This will be a move against the wishes of the vast majority of our residents and continues to seem in stark contrast to the open-minded and opportunity-embracing spirit with which this borough, its residents, businesses and council have always approached the world.

However, it is the Council's firm belief that we should always approach the next challenge with pragmatism and find and fund the practical solutions our residents need. This report seeks to start our next chapter of planning for the UK's EU Exit and the key priorities for this Council and local government more generally. Rather than wasting time and money on expensive 'bongs' at midnight, we want to preserve the rights of EU nationals living and working in Southwark, ensure a trading relationship with the EU that does not negatively impact Southwark businesses, gain urgent clarity on the proposed Shared Prosperity Fund and ensure local government's voice is heard and properly reflected on any review of EU laws on procurement and work place rights. We also want to make sure that not only is government planning for the skills needed in the economy post-Brexit but that they are devolving real powers to councils to deliver quality provision in each and every local economy.

The Southwark Brexit Panel will meet on 4 February 2020 to not only consider this report and risk-register but also to discuss how best we continue to communicate and support residents through the Settled Status process. It will also consider the council's role in ensuring our many and diverse communities continue to feel welcome, wanted and at home in Southwark.

After 47 years of peace and prosperity, we have much to thank and celebrate the EU for. It is this council's determination that we will continue to embrace cooperation, consensus and solidarity across all communities, whether they are on our doorstep or much further away.

RECOMMENDATIONS

Recommendations for the Cabinet

That cabinet:

1. Note the passage of the EU Withdrawal Bill and that the UK will leave the EU on 31 January 2020 and commence the 11-month transition period.

2. Note progress on ongoing local work in preparing for EU exit and agrees the latest Brexit Risk Register for publication as set out in Appendix 1, and instructs officers to continue to keep the register under monthly review.
3. Agrees that the cross-party Brexit panel be reconvened for 4 February 2020, in the light of latest information available on EU exit.

Recommendation for the Leader of the Council

That the Leader of the Council:

4. Delegate future decisions on the £300,000 Brexit fund to the cabinet member for finance, performance and Brexit in consultation with the strategic director of finance and governance.

BACKGROUND INFORMATION

5. On 23 June 2016 the UK voted in the EU referendum on whether the UK should 'remain' in or 'leave' the EU. Nationally, 52% of those that took part in the referendum voted to leave the EU. In Southwark over 72% of the residents who took part in the referendum voted to remain in the EU. Southwark is home to 41,000 non-Irish EU citizens, whose status in the UK following the departure from the EU is unclear. Providing certainty to those citizens and ensuring their rights are protected is a priority for the Council.
6. As a result of triggering Article 50 of the Lisbon Treaty (i.e. the process of withdrawal by the UK from the EU) in March 2017, the deadline for the UK to leave the EU was 29 March 2019. Following a series of parliamentary votes (including three rejections of the government's "meaningful vote" on the terms of the withdrawal agreement) the deadline for EU exit was first extended by the EU to 12 April 2019. On 11 April 2019, the UK and the EU27 then agreed to grant a flexible extension of the Article 50 period for six months to 31 October 2019. Following further votes in Parliament and discussion between the UK government and the EU27 a further 'flexible' extension to the Article 50 period was granted to 31 January 2020.
7. Regular reports have been presented to Cabinet since January 2019 setting out the steps that the Council is taking more generally to prepare for the impact of the UK leaving the EU on the borough and our residents. Also in July 2019, a meeting of the cross-party Brexit Panel took place to discuss and help inform local Brexit planning.
8. In December 2019, a general election resulted in a majority Conservative government. There quickly followed a Queen's Speech which reaffirmed the Government's position to withdrawing the UK from EU membership by 31 January 2019. On 19 December, Parliament passed the second reading of the EU Withdrawal Bill which sets out the arrangements for the UK's withdrawal from the EU. The bill passed the third reading in Parliament on 9 January 2020.
9. This report now provides a further brief update.

KEY ISSUES FOR CONSIDERATION

10. Following the dissolution of Parliament on 6 November 2019, the General Election of 12 December 2019 produced a Conservative majority in Parliament of 80 seats. The Conservatives fought the election seeking a mandate to 'Get Brexit Done', and with a

clear majority in the House of Commons, there can now be little doubt that the UK will now exit the European Union on 31 January 2020.

11. The Queen's Speech of 19 December confirmed the Government's commitment to a 31 January 2020 withdrawal from the EU. In addition, the Government set out its plans for an overhaul of immigration, with a proposed introduction of a points-based system and the end to the free movement of people within the EU. The Government also announced its intention to close down the Department for Exiting the European Union (DExEU) on 31 January.
12. On 20 December, Parliament passed the second reading of the EU Withdrawal Bill which sets out the arrangements for the UK's withdrawal from the EU. The Bill passed its third reading in the House of Commons on 9 January 2020. Key changes were made to the Bill from the October 2019 version, including:
 - the removal of clauses requiring Parliamentary approval for the future relationship to be agreed with the EU
 - a new clause has been inserted that prohibits any extension to the transition period
 - the removal of clauses promising additional protection for workers' rights
 - removal of clauses on legal protections for refugee children seeking to be reunited with family members in the UK, which will be dealt with under separate legislation.
13. A core part of the Withdrawal Agreement with the EU is that there shall be a "transition or implementation period". The purpose of the transition is to enable negotiations to take place to determine what the future relationship will look like, including agreement of a future trade deal. This period begins when the UK leaves the EU and ends on 31 December 2020. During the transition period, the UK will continue to follow most of EU law the same way as it does now. However, it will no longer have representation and voting rights in the EU institutions. By prohibiting any extension to the transition period in the Withdrawal Agreement Bill, a no deal Brexit might again become a reality if a future trade deal is not agreed before 31 December 2020.
14. However, the Government is confident that a new deal will be agreed. On 24 December 2019 all local authorities in England were notified by the Ministry for Housing, Communities and Local Government (MHCLG) that Operation Yellowhammer, the cross-government civil contingency planning for the possibility of a "no-deal" Brexit, had been halted with immediate effect.
15. Preparing for the future relationship with the EU. As we enter the transition period, and negotiations commence on the nature of the future relationship between the UK and the EU, it is right that local government continues to campaign tirelessly for a Brexit that does not negatively impact our local communities.
16. Key areas that will continue to be of critical importance for Southwark as we enter the transition period and negotiate a future relationship with the EU include:
 - Preserving the rights of EU nationals living and working in Southwark
 - Avoiding a 'no deal' Brexit and ensuring a trading relationship with the EU that does not negatively impact Southwark businesses
 - Greater clarity on funding arrangements for local government post-Brexit and specifically on the proposed Shared Prosperity Fund
 - Ensuring local government views are taken into account in the review of relevant EU laws, for example on procurement and work place rights

- Exploring opportunities to further the devolution agenda, for example to ensure the provision of the skills needed in our local economy post-Brexit.
17. Managing risk. Following cabinet agreement, a Brexit Risk Register was published and continues to be updated monthly. The latest version is attached at Appendix 1. Southwark's primary responsibility is continuing to provide local services and minimising the impact of disruption on services to residents, businesses and the borough as a whole. The Council regularly reviews its emergency planning and business continuity arrangements, and this review takes account of possible Brexit impact.
 18. As Brexit becomes a reality and we enter the transition period, it will be appropriate to consider how the Brexit Risk Register evolves to better take into account the opportunities and threats posed by the emerging future relationship with the EU. Opportunities in particular should be explored together with an assessment of the Council's ability to capitalise on them.
 19. Supporting communities and Brexit funding. The Policy and Resources Strategy 2019-20, approved by cabinet in February 2019, recommended that a £2m risk reserve be set aside to ensure council services are protected from the impact of Brexit and a further £300,000 commitment was added to the base budget to cover ongoing operational pressures in the form of a Brexit fund. Ongoing delays to the Brexit date has meant that calls on these funds have yet to be realised. However, now the UK's exit from the EU is imminent, it is timely to consider prioritisation of these funds as determined by potential demands on our services and in our local communities.
 20. Officers have already met with senior representatives from Community Southwark to discuss what further work may be required in supporting harder to reach groups and individuals who may be disproportionately affected as a result of Brexit impact. However, no immediate pressures have been identified and the full extent of any impact and subsequent call on these funds may not be fully known until after the exit date and well in to the transition period.
 21. As part of the remit of the cross-council Brexit Project Board, officers are now actively considering the use of these funds and how they might be prioritised. The outcomes of these discussion and onward recommendations on their use will be made to the Cabinet Member for Finance, Performance and Brexit.
 22. Communications and the EU settlement scheme. During 2018 the Council implemented a comprehensive Brexit communications plan to ensure our residents were aware of and prepared for any changes that affect them, particularly in relation to the EU settlement scheme. Our communications focused on ensuring our EU residents and staff know they are welcome here and that we want them to stay, and sharing information about the support available to them. We used all the Council's channels including social media, Southwark Life magazine, local advertising and our website to help increase awareness. Our EU settled status web page received 50,000 page views, and we saw excellent take up of the registrar's free EU settled status support service.
 23. Government data published last year showed an increase in awareness about the scheme, and action being taken. The number of Southwark residents who had applied for EU settled status almost doubled, with the number increasing from 12,680 to 23,620 between June and November. We estimate there are 41,000 EU citizens in Southwark and our proportion of those registered is similar to other London boroughs. Useful new segmentation in the data shows us that the vast majority of residents who

have applied in Southwark are aged between 18 and 64. Under-18s and over-65s are under-represented. Whilst we do not hold data on the exact number and ages of our EU citizens, this low representation suggests targeted communications to these age groups would be a sensible use of resources.

24. Our updated communications plan reflects the above, and includes a renewed focus on ensuring our residents feel welcome, and know what to do to stay. Over the next few months we will continue to promote these messages via our channels, go out to our communities with targeted support and advice, and work with the VCS, to ensure we reach our target groups and make it easy for people to apply for settled status.
25. EU Exit preparedness. Following passage of the Withdrawal Bill, and as a result of the decision to halt Operation Yellowhammer, the contingency arrangements operating under the auspices of the London Resilience Forum have also been stood down for the time being. MHCLG will continue to co-ordinate any communications and information during the implementation period. The group of nine regional leads, including the London representative John O'Brien of London Councils, will continue to meet regularly with officials during the implementation period.
26. It is expected that one increasing area of focus of discussion amongst the regional leads will be on potential economic impacts on local areas of EU Exit. The group has discussed proposals for impact monitoring and boroughs have been told to expect a refined economic impact monitoring proposition in due course.
27. Locally, council officers continue to meet as part of the Brexit Project Board to review the risk register and oversee local planning, feeding up to Chief Officer Team and the Chief Executive.
28. Resident EU nationals and the 2020 London Mayoral elections. Until such a time that there is a change in legislation, resident EU nationals remain eligible to vote in the 2020 London Mayoral elections. There is currently no indication that changes to the electoral franchise for local elections are to be introduced during the transition period. Unlike the 2019 European Parliament elections, there are no additional registration forms that resident EU nationals will need to complete in order to cast their ballots in local elections.

Next steps

29. In the light of the passage of the EU Withdrawal Bill and the likelihood of the UK's exit from the EU on 31 January 2019, it remains critical that Southwark continues to prepare for the impact of Brexit. As reflected in our cross-council approach to Brexit and onward representation to government, the Council has maintained that there are broader risks attached to Brexit that go beyond mitigating short term business continuity impacts.
30. Of paramount importance is the impact of Brexit on our communities, which will be the focus at a further meeting of the cross-party Brexit Panel to be convened in early February 2020. We will also continue to push hard in our efforts to promote the EU Settlement Scheme to EU nationals residing in Southwark and explore how we can make best use of the Brexit funding to mitigate the impact of Brexit on our residents, and in particular the most vulnerable.
31. The impact of Brexit on local government funding also remains an area of significant concern. The short-term certainty provided by the one year settlement is more than outweighed by the risk of the Council being unable to plan more effectively for the

medium term across the range of local services it provides. Officers will continue to keep the risk register under review especially with regards these economic and financial risks. We will also seek clarity on finding arrangements for local Government post Brexit and specifically on the proposed Shared Prosperity Fund as the successor to EU structural funds.

Policy implications

32. The Council Plan 2018-22 sets out the overall policy framework. This plan describes the commitments, measures and milestones to achieve the Council vision of a fairer future for all. It was adopted by Council Assembly in November 2018 and provides a council wide plan for delivery across all services to 2022. Any decisions arising out of the impact of Brexit on local communities will need to be cognisant of the Council Plan and relevant supporting plans and strategies.

Community impact statement

33. The UK's exit from the EU is an issue of national importance and the impact of Brexit locally will be significant. As we get closer to the proposed date of UK withdrawal from the EU of 31 January 2020, assessing and preparing for the potential consequences of Brexit will help the Council better understand implications on any particular group or groups of individuals in our community. The Public Sector Equality Duty will be taken into account when considering any changes to policy arising from the impact of Brexit on Southwark. This will include discussion with the voluntary and community sector partners and with health and social care partners, to identify any vulnerable groups and individuals who may be in particular need of targeted support.

Financial implications

34. The 2019-20 budget setting process included a £2m sum set aside from the London Devolution Reserve to act as a special risk reserve to protect the Council against the negative effects of Brexit. This resource is available for one-off purposes in accordance with council priorities and is expected to fund the various initiatives arising from this report.
35. A further £300,000 commitment was added to the base budget from 2019-20 to cover any operational cost pressures arising from the outcome of the Brexit negotiation on Southwark.
36. There has been no expenditure incurred against these funds so far and all related costs in future will be funded from these resources.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

37. This report notes progress on ongoing local work in preparing for EU exit. Local authorities in England have a "general power of competence" in accordance with section 1 Localism Act 2011 meaning that they have power to do any thing that individuals generally may do. Councils also have the power under section 111 Local Government Act 1972 to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendations here relate to actions that the Council should take in the light of the referendum decision for the UK to leave the EU, and as such are executive decisions covering a range of functions including the general power of competence. The public sector equality duty in section

149 Equality Act 2010 is relevant to this decision. This requires the Council, and the decision, in the exercise of all its functions, to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

38. Consideration of the community impact statement above is relevant to meeting this duty.

Strategic Director of Finance and Governance (FC19/030)

39. This report is requesting cabinet to note that it is extremely likely that the UK will leave the EU on 31 January 2020 and commence the 11 month transition period and also note the ongoing local work in preparing for EU exit. Full details are contained within the main body of the report.

40. The financial implication section details the resources available to fund the various initiatives and cost pressures in addressing the impact of BREXIT on Southwark.

41. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets with this report to be contained within existing departmental revenue budgets.

REASONS FOR URGENCY

42. The report is urgent as Cabinet requested a further progress report on Brexit impact and preparedness ahead of a further cross-party Brexit panel which is planned to take place in the coming months (specific date subject to confirmation at time of writing).

REASONS FOR LATENESS

43. The report is late so officers can take account of the most up to date information pertaining to the negotiating position between the UK and the EU, where relevant and to ensure cabinet are informed of the most up to date information with regards level of local preparedness.

APPENDICES

No.	Title
Appendix 1	Southwark Council Brexit Risk Register (version, January 2020)

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

AUDIT TRAIL

Cabinet member	Councillor Victoria Mills, Finance, Performance and Brexit		
Lead Officer	Eleanor Kelly, Chief Executive		
Report Author	Stephen Gaskell, Head of Chief Executive’s Office		
Version	Final		
Dated	17 January 2020		
Key Decision?	No		
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		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			17 January 2020

Southwark Council Brexit Risk Register

Live at: 22 January 2020

Risk register

The council have set up a dedicated website page to signpost to, and access information and advice on, Brexit. Go to: <https://www.southwark.gov.uk/brexit-guidance>

(Category) Risk	Mitigating activity / current response	Risk Assessment		Strategic Director	Risk owner	Further information
		Impact	Likelihood			
1.1. (Economic / Operational) Investors redirecting their funding from social care and education providers into other markets or investments or providers choosing not to operate in the UK / Southwark in future.	Southwark is not exposed to any greater risk than other comparable areas and managing and responding to provider failure is a duty within the Care Act which the Council will manage through business continuity planning and robust commissioning. The council continues to engage with providers to ensure they have their own continuity plans in place.	HIGH	MEDIUM	Strategic Director, Children's and Adult Services	Director of Commissioning; Director of Education	
1.2 (Economic / Operational) Brexit impact arising on the health sector including the NHS and public health services (e.g. supply and demand).	Southwark's health economy represents a significant sector, including the presence of world class institutions locally. Concerns associated with Brexit impact are around supplies, regulation, workforce and skills and the impact on access to care and support. The impact of the exit date extended again from 31 October 2019 of 31 January 2020 on winter pressures/planning will continue to be a key consideration in assessing and mitigating impact. The council will continue to make the case for Southwark residents to government on properly recognising the impact that may result from an unmanaged Brexit on stretched communities. The government	HIGH	MEDIUM	Strategic Director, Place and Wellbeing (Director of Public Health); Strategic Director, Children's & Adults'	Director of Commissioning	

	must provide appropriate resource to mitigate these impacts and help localities capacity build to support communities through this significant change period. In the short term, the council continues to engage with the education, health & social care sector on contingency planning for example with regards equipment and supplies and there needs to be clear communication by central government about potential impacts locally.					
2.1 (Economic. Local economy & community) Detrimental impacts of Brexit on communities across the borough	We have agreed key priorities as set out in our Council Plan alongside a resource plan as part of our budget setting process to deliver for communities in our borough. This includes in key areas such as mental health provision and support, community safety and housing and homelessness prevention. We will continue to protect the interests of our residents and deliver quality local services whatever circumstances the borough faces at a macro-level.	HIGH	MEDIUM	Chief Officer Team	Relevant Director Lead; Head of Chief Exec's Office; Head of Communications	See Council Plan 2018-22
2.2 (Economic. Local economy & community) Detrimental impact on staff and students from the EU who reside in Southwark and / or attend local universities.	The Council's cross-party Brexit panel heard from local universities about the significance of EU funding and shared research capability with other EU countries. The implementation of a local skills strategy, alongside working with the GLA to lobby to protect the interests of London's international reputation in education and research is critical.	MEDIUM	MEDIUM	Chief Executive; Strategic Director of Children's and Adult Services	Director of Education; Head of Chief Executive's Office; Head of HR	
2.3 (Economic. Local economy & community) Increased demand for local community support / advice services due to an economic downturn from an unmanaged	The Bank of England have estimated a worse case scenario of 8% reduction in national income arising from an unmanaged withdrawal from the EU, which may have similar to worse effect than the 2008-10 recession. The council working alongside relevant partner organisations in education, health & care will plan, prepare for and	HIGH	MEDIUM	Strategic Director, Place & Wellbeing; Strategic Director, Children and Adults'	Director of Communities	

withdrawal from the EU by the government.	respond to any enhanced demand as best given local resources and make a strong case to government to appropriately invest in local advice services and voluntary and community services such as community resilience, mental health support, homelessness prevention, community safety and wellbeing, in localities most affected.					
2.4 (Economic. Local economy & community) Vulnerable people and groups may be more impacted by Brexit through difficulties applying for EU Settled Status.	It is crucial that the government provide appropriate and timely advice and guidance and ensure localities receive sufficient financial support in the immediate, short and longer term. The council has established a risk reserve alongside a one off fund to make grants to voluntary and community groups available to support the most vulnerable through Brexit. The council have also established a local support offer to residents who are required to apply for settled status. The Library Service is supporting residents by providing free access to ICT and individual support in how to complete the required application where needed.	HIGH	MEDIUM	Strategic Director, Housing and Modernisation; Strategic Director, Environment & Leisure.	Director of Customer Experience; Director of Leisure;	See Cabinet report; Southwark Brexit Panel – recommendations to Cabinet Information on who is eligible to apply for EU Settled Status can be found on the Gov.uk website.
2.5 (Economic. Local economy & community) Residents are unaware of potential impacts associated with the UK exiting from the EU with resultant broader community impact arising. This includes more specifically the EU Settlement Scheme and how to apply where this is appropriate.	It is crucial that the government provide appropriate and timely advice and guidance and ensure localities receive appropriate financial support in the immediate, short and longer term. The council have put together a comprehensive communications plan looking at all avenues to engage with residents.	MEDIUM	MEDIUM	Chief Executive	Head of Communications	Information on who is eligible to apply for EU Settled Status can be found on the Gov.uk website.

2.6 (Economic. Local economy & community) Raised anxiety and frustration from local business attached to uncertainty and difficulty in planning ahead with regards stock, supply chain issues, recruitment and investment plans.	The government must signal at the earliest opportunity the implications and requirements of local business in preparing for whatever deal / no deal scenario. This should include sufficient transition time to embed regulatory changes. The council continues to review the information made available to support local business in understanding their obligations (subject to clarity in advice and guidance from government). The council will continue to make the case that businesses are not penalised where there is limited time and lack of capacity to implement regulatory changes or respond to issues in the supply chain, for example associated with limited warehouse capacity to store equipment and essential items for business delivery. Pass age of the Withdrawal Bill has helped to alleviate immediate concerns but the possibility of a no deal exit in Dec 2020 remains.	HIGH	MEDIUM	Chief Executive; Strategic Director, Environment & Leisure	Head of Chief Executive's Office; Director of Environment	Further information on preparing for the EU Exit produced by the government can also be found via this link
2.7 (Economic. Local economy & community) Difficulties in local business recruiting staff, potential increases in labour costs and medium term skills shortages in key sectors such as construction and health and social care.	The council, working with local partners, have agreed a skills strategy and action plan overseen by a skills delivery partnership. This includes developing a Construction Skills Centre and Passmore Centre for apprenticeships in key sectors. The council will continue to make the case to government that an appropriate resource strategy is in place to invest in future skills needs and one that recognises and maintains London's primacy in contributing to UK plc. Ongoing discussions with local business on impact of Brexit through the Southwark Business Forum and other networks.	MEDIUM	MEDIUM	Chief Executive; Strategic Director, Children's and Adults'	Head of Chief Executive's Office; Director of Education	

2.8 (Economic. Local economy & community) Impact on council contractors and contracted services	The council will continue to contact contractors to ensure they have activated as required their own workforce impact assessments arising from Brexit. Note from ACPOA (parking contractor) There is a standstill period for two years post our exit from the EU (previously to be the end of October 2019). This means there will be no impact on our colleagues working for us. They will then be entitled to apply for Settled Status - this will not be unreasonably refused. We do not have any reason to believe this will impact upon our ability to recruit new colleagues.	MEDIUM	MEDIUM	Chief Officer Team	Relevant Director Lead;	
3.1 (Economic / Legal & Regulatory) Changes to consumer protection requirements across the EU affecting residents and local businesses.	The council will seek clear and comprehensive guidance from government on changes to laws in the UK and in EU member states where relevant so that there can be clear communication with businesses and assessment of any impact on local services. Increase in workload and need for training of staff & teams dealing with changed consumer protection legislation & the export certification of food products.	MEDIUM	LOW	Strategic Director, Finance & Governance; Strategic Director, Environment & Leisure	Director of Law & Democracy ; Director of Environment	
4.1 (Financial) HM Treasury do not fully acknowledge nor appropriately mitigate the financial strain on the Council of service and other such demands arising from Brexit.	Although one off injections of cash is welcome, the council believes this falls short of how the government should be supporting localities through the impact of Brexit, both directly and indirectly. Further, in October 2019 the government wrote to the cross-party Treasury select committee refusing to undertake a new economic analysis of Brexit impact. For it's part, the council has established a	HIGH	MEDIUM	Strategic Director, Finance & Governance	Director of Finance; Head of Communications	HM Cabinet Office have confirmed they will reimburse Returning Officers for reasonable spending on contingency preparations on the European Parliamentary Elections held in

	risk reserve to mitigate any Brexit impact plus a one off fund to make grants available to voluntary and community groups. The section 151 officer will continue to lobby government to ensure they appropriately compensate for where the council have had to resource immediate, short and long term impacts arising from Brexit.					May 2019.
5.1 (Staffing & Culture) Loss of employees from non UK EU countries impacting the council operational capacity.	The council is engaging closely with the Home Office to ensure our staff are as well supported as possible in applying for settled status. This includes drop-in sessions with a particular focus on staff with lower digital literacy and where English is not their first language. We are working with our trade union colleagues to ensure staff are aware of the process for applying and the support available from the council to do so. We continue to monitor recruitment and retention activity closely, particularly in harder to recruit areas.	MEDIUM	LOW	Strategic Director, Housing and Modernisation	Head of HR	
6.1 (Operational) Shortages of food post Brexit caused by backlogs and delays at ports/customs.	The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum, which has plans in place in response to food and fuel shortages across the city. This includes activation of plans to support the most vulnerable; work with schools; and ensuring clear activation of plans with relevant providers of services such as meals on wheels. Clear communications planning will also be activated in line with this.	HIGH	MEDIUM	Strategic Director of Children's and Adult Services	Director of Adult Social Care; Director of Children and Families; Director of Education	
6.2 (Operational) Shortages of fuel post Brexit caused by backlogs and	The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum, which has plans in place in response to food and fuel shortages across the city.	HIGH	MEDIUM	Strategic Director of Children's and Adult Services;	Director of Adult Social Care; Director of Children	

heightened demand attached to perception of shortages arising.	This includes activation of plans to support the most vulnerable; work with schools; and ensuring clear activation of plans that affect particular services such as social care and specialist transport services. Clear communications planning will also be activated in line with this.			Strategic Director, Environment and Leisure	and Families; Director of Education; Director of Environment	
6.3 (Operational) Shortages of specialist equipment and/or medication for those individuals in receipt of support / need.	The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum. This includes activation of plans to support the most vulnerable; work with providers of health and care; and ensuring clear activation of plans with relevant providers of services of such community equipment. The council also engages with health partners and other local authorities to mitigate impact.	HIGH	MEDIUM	Strategic Director of Children's and Adult Services	Director of Commissioning	
6.4 (Operational) Loss of teaching staff in local schools, and reduced demand for school places.	Alongside tracking demand and planning for future placements, the council works with local schools (and other education providers) to ensure that they have their own appropriate contingency and business continuity plans in place, including for short term and more immediate impacts.	HIGH	MEDIUM	Strategic Director of Children's and Adult Services	Director of Education	
6.5 (Operational) Changes in approach to waste collection and disposal requiring immediate changes in approach.	The council will maintain good understanding of potential future changes and where necessary put in place contingency plans for changes to services including clear communication with residents and businesses.	MEDIUM	LOW	Strategic Director of Environment and Leisure	Director of Environment	
6.6 (Operational) Potential increase in costs for goods due to new Trade Tariffs and payments of customs duties as goods will be subject to same	The council will continue to work with the Local Government Association including lobbying for compensation for public services to cover any new costs / burdens arising from tariffs.	HIGH	MEDIUM	Chief Officer Team	Relevant lead directors	

tariffs/requirements as “third country”.						
7.1 (Legal & Regulatory) Continued uncertainty of when and how the UK will withdraw the EU and associated delays in enacting legislative change, as well increasing complexity of the statutory landscape, may have an adverse impact on the Council’s ability to fulfil its statutory and regulatory functions’	Work with LGA, lobby central government and continue to make representation through regional arrangements set up by MHCLG in planning and preparing for EU Exit, to safeguard and mitigate any impact as a result of central government not arriving at clear guidance nor Parliament a clear legislative position with regards statutory instruments and other such mechanisms that govern council activity.	MEDIUM	MEDIUM	Chief Officer Team	Relevant Director lead; Director of Law & Democracy (Corporate)	
7.2 (Legal & Regulatory) Potential changes to the regulatory / procurement regime that the council is responsible for enforcing requiring additional capacity within the council; also impact of changes in regulation that governs council services and responsibilities.	Work with LGA to lobby central government on funding for additional capacity resulting from changes to regulation.	LOW	LOW	Strategic Director of Environment and Leisure; Strategic Director, Finance & Governance	Director of Environment / Director of Law & Democracy	
7.3 (Legal & Regulatory) Unable to effectively meet civil contingency responsibilities as a result of Brexit impacts.	The council, working with London Resilience Forum, has prepared and updated emergency plans (including fuel planning) to take account of potential impacts arising from Brexit. This includes testing plans through scenario planning. Uncertainty attached to what deal (or not) is in place post transition remains the significant challenge in assessing the confidence of such plans however learning will be taken from previous experience in responding to local major incidents.	HIGH	LOW	Chief Executive	Head of Chief Executive’s Office; Emergency Planning & Resilience Manager (chair of Business Continuity Forum)	Cabinet report on emergency plan

7.4 (Legal & Regulatory) Children in the local authority care who are non UK EU nationals not appropriately supported as they apply for the right to remain through the EU Settled Status Scheme.	The government published the EU Settlement Scheme which will allow employees who are EU nationals and their families to apply for settled status to continue to live and work in the UK beyond 30 June 2021. Eligibility is dependent on whether the government have secured a withdrawal agreement or whether there is no deal. Under whatever deal negotiated (or not), the Council will provide support and assistance to families and children in care and young people leaving care who need to apply for settled status as we enter the transition period. There will be no charge for such support services / assistance to residents.	HIGH	LOW	Strategic Director of Children's and Adults' Services	Director of Children and Families	
7.5 (Legal & Regulatory) Non UK EU nationals who may lose the right to vote in local and national elections are not correctly informed.	Advice from and requirements of the council will be dependent on arrangements put in place by central government. The council will therefore ensure that any changes in voting eligibility are taken account of and appropriately communicated with affected residents.	MEDIUM	MEDIUM	Strategic Director, Finance & Governance	Director of Law & Democracy	

An explanation about risk categorisation

Above is a set of risks which the council have identified as being particularly pertinent with regards Brexit impact on our borough. The council identifies its risks using a framework that is agreed annually under our decision making processes. In every risk identification process there are six standard categories (although this doesn't mean that every category is displayed above and some risks may fall into more than one category). For clarity and transparency, the six categories the council use are:

- Economic – for example, a credit crunch that impacts on service delivery, the community and general economic situation
- Financial – for example, the council facing budgetary constraints caused by a range of factors such as loss of grant from government
- Reputational – for example, failures in service delivery that impact on how the council is perceived
- Staffing and Culture – for example, hiring and keeping staff
- Operational – for example, services not being delivered as planned or expected

Legal and Regulatory – for example, the council not doing what it is legally required to

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Paula Thornton Tel: 020 7525 4395

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