

Cabinet

Tuesday 2 February 2021

11.00 am

Online/Virtual: This meeting will be livestreamed on Southwark Council's YouTube channel here: <https://www.youtube.com/user/southwarkcouncil>

Supplemental Agenda No. 2

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Date: 28 January 2021

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Item No. 7.	Classification: Open	Date: 2 February 2021	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 request from the Ledbury Resident Project Group.

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 27 January 2021. This request was received within this constitutional deadline.

Deputation request

Ledbury Resident Project Group

5. The deputation wish to address cabinet in respect of an item elsewhere on this cabinet agenda “Ledbury Estate Towers – Ledbury Towers Residents Ballot.”
6. The deputation would like to give an update on residents work with the council to secure a safe and better future for residents of the Ledbury Towers and those with the Right to Return, and to support the proposal for a ballot of Ledbury Towers residents and former residents on the future of the estate.

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@southwark.gov.uk
Link (copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s80630/Cabinet%20procedure%20rules%20November%202016.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Virginia Wynn-Jones, Principal Constitutional Officer	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	27 January 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team		27 January 2021

Item No. 10.	Classification: Open	Date: 2 February 2021	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy 2021-22	
Ward(s) or groups affected:		All	
Cabinet Member:		Cabinet Member for Finance and Resources	

FOREWORD - COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE AND RESOURCES

This report sets out in detail the cabinets budget proposals for 2021-22 to support delivery of our fairer futures priority outcomes in a financially sustainable way.

In July, we reported that the 2021-22 budget planning process was dominated by huge financial uncertainties. Some of these existed prior to March 2020 - the challenges of ten years of austerity, the impact of welfare reform and the prospect of Brexit. However, since March, the impact of COVID-19 on our communities, services and finances has been acute.

Whilst the vaccine roll out brings hope, the current lockdown restrictions mean we continue to face additional costs through our direct interventions to support our communities and we are experiencing significant pressures from lost income through fees and charges. Alongside this, as our residents and businesses face increased pressures this has a knock-on impact on our Borough, with reductions in tax collection in both council tax and business rates.

In addition, we continue to face significant demands and pressures on our services, in particular social care, homelessness, welfare support, leisure and high needs services. This budget includes commitments and growth of £16.757m principally in these demand led services to ensure that service budgets are sustainable.

Despite the Government's announcement of additional funding for local government through the Local Government Finance Settlement, there was little in the way of new money with the largest part of the increase in spending power coming from council tax increases and the social care precept.

Accordingly, and in order to protect vital frontline services, we are proposing that we raise council tax by the maximum permitted 4.99% (inclusive of 3% ring-fenced for adult social care). This ensures that in the toughest of times we are able to protect services for our most vulnerable residents and the services that our residents value and depend on. We recognise the pressure that this can add on low-income households so our Council Tax Support Scheme will remain unchanged. This means that around 15,000 working age households will continue to receive support and 6,700 eligible pensioners will continue to receive 100% relief.

In addition and on a positive note, we have also been able to set aside some one-off resources to priorities:

- £500k has been earmarked to ensure food poverty in the Borough is tackled with a view to establishing an ongoing commitment to this cause going forward;
- £300k for the Southwark Stands Together project, our initiative to support the basic rights of all people to equality and justice; and
- £100k for the Covid-19 community hub to ensure the voluntary sector continues to be supported.

The Council has committed to doing everything that it can to make Southwark carbon neutral by 2030. How the council uses its resources has a significant impact on the borough's carbon emissions. £2m has already been allocated to climate change work. This complements the substantial investment across the borough in existing capital and revenue programmes including our commitments to build energy efficient new homes, to provide efficient heating systems to our council homes, to plant trees and improve air quality and to reduce our operational property estate.

We acknowledge that further work is needed to set out detailed plans to achieve a balanced Medium Term Financial Strategy for the period beyond 2021-22. However, the financial outlook beyond 2021-22 remains subject to considerable risks and uncertainties, not least the ongoing financial impact of the pandemic, the route and length of recovery, the general economic outlook and the future funding of local government. These all contribute to making meaningful medium term financial planning highly speculative. Accordingly, we will update the financial forecasts when we have more certainty on future funding. In the meantime, we will commence the budget challenge process earlier in 2021 to ensure we have the time to consider and fully develop options to manage future service and funding risks.

Notwithstanding the challenges, this administration remains determined to keep our promises, to protect and modernise our services and to continue to focus on the delivery of our Council Plan, fairer future promises and budget principles to deliver value for money and commit to spending money as if it were from our own pocket.

I would like to thank Overview & Scrutiny committee members for the budget scrutiny session that took place on 25 and 26 January 2021. We have included within this report their recommendations, some of which we have already planned to take forward over the coming months.

RECOMMENDATIONS

That cabinet:

1. Note that the 19 January 2021 cabinet report was considered by Overview and Scrutiny committee on 25 and 26 January 2021 and to agree the response to the recommendations arising (Appendix I);
2. Note that the final local government finance settlement had not been published at the time of writing this report, no changes from the provisional settlement published on 17 December 2020 are anticipated;

3. Note that this report presents the final balanced general fund budget proposals for 2021-22 including:
 - Efficiencies and improved use of resources savings of -£12.175m;
 - Income generation proposals of £0.446m;
 - Savings impacting on services of -£2.611m;
 - Commitments and growth of £16.757m;
 - Pay awards and contractual inflation of £4.200m (excluding Children's and Adults Services).
4. Agree to submit this balanced one year 2021-22 budget to council assembly for approval; and
5. Note that a refreshed outlook of the financial position and local government financing will be considered in the spring to initiate the 2022-23 budget planning process, which is much earlier than previous years.

BACKGROUND AND PURPOSE

6. 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.
7. 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.
8. Between 2011-12, the first year of the major austerity cuts, and 2019-20, the council lost government funding in cash terms of more than £146m. According to government calculations, lost spending power 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. Further contextual information is included at Appendix H.
9. 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.

10. 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 and 2020-21, albeit on a less generous retention basis and with more risk passed to councils.
11. Council assembly agreed a new Council Plan for the period 2018 to 2022 in November 2018. The Council Plan contains a range of promises and commitments that the council will work towards delivering over the coming years. Council assembly approved a refreshed council plan on 25 November 2020.
12. Council Assembly of 21 February 2020 approved a balanced budget and council tax for 2020-21. This was a one-year budget due to the uncertainty around future funding.
13. 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 2021-22.

KEY ISSUES FOR CONSIDERATION

Budget proposals 2021-22

14. This report provides updated budget proposals for 2021-22. 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, the increased ring fencing of a large element of resources available for social care and the ongoing impact of the pandemic.
15. This report outlines all major variations from the 2020-21 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.
16. Through the council's budget cycle, savings and income generation options are presented for consideration, which, should they be agreed, contribute towards achieving a balanced budget. 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).

17. A summary of the 2021-22 proposed budget (assuming no council tax increase) is shown in the table below:

	2020-21 Budget £m	2021-22 Proposed £m
Settlement Funding Assessment	152.317	152.519
BRRS growth	24.739	19.120
Council tax	117.849	123.024
Collection fund deficit	(0.612)	(1.358)
Government grants	74.991	76.786
Contribution from reserves	0	5.810
Total resources	369.284	375.901
Base budget brought forward	354.285	369.284
Inflationary pressures	3.904	4.200
Commitments and growth	19.805	16.757
Efficiencies, income and savings	-8.710	-14.340
Net spending	369.284	375.901
Gap (cumulative)	0	0

18. The 2021-22 proposals for each directorate are summarised in the table below and detailed in Appendices B, C, D and E.

	Efficiencies £000	Income £000	Savings £000	Commitments £000	Net impact £000
Chief Executives	(529)	(941)	(111)	250	(1,331)
Children's & Adults Services	(5,994)	(70)	(2,034)	7,750	(348)
Environment & leisure	(2,890)	1,318	(135)	1,800	93
Finance & governance	(321)	(111)	(298)	50	(680)
Housing & modernisation	(2,091)	750	(33)	4,807	3,433
Corporate	(350)	(500)	-	2,100	1,250
Total	(12,175)	446	(2,611)	16,757	2,417

19. Commitments within Children's and Adults' Services include £3.515m funded from social care precept and £3.184m from additional social care grant.
20. Whilst the Provisional Local Government Finance Settlement enables us to plan a 2021-22 budget, the absence of reliable funding information for the period beyond 2021-22 makes medium term financial forecasting extremely difficult. There remain considerable risks and uncertainties surrounding Government spending plans, the ongoing impact of the pandemic, 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 have been considered as part of the budget challenge process.

21. The Policy and Resources Strategy 2021-22 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

Local Government Finance Settlement 2021-22

22. 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 Local Government Finance Settlement on 17 December 2020. Consultation on the provisional settlement closed on 15 January 2021. At the time of writing the final settlement was still awaited, though no changes are anticipated.
23. The 2021-22 local government finance settlement is for one year only.

Settlement Funding Assessment (SFA)

24. The Settlement Funding Assessment (SFA) comprises the core funding sources for authorities defined as the Revenue Support Grant (RSG), retained business rates and business rate top up. The SFA for 2021-22 is £152.519m, which is an increase of £0.202m.
25. The Local Government Finance Report sets out the basis on which the Secretary of State calculates authorities' Baseline Funding Levels. RSG has been increased in 2021-22 by CPI however, the Governments decision to freeze the business rate multiplier in 2021-22 means that there will be no increase in the SFA components for business rates and business rate top-up.
26. The Government will compensate authorities for this under-indexing of the business rates multiplier through a Section 31 grant. Southwark's share is estimated at £1.393m.

Better Care Fund (BCF)

27. 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 2021-22 and that they will issue the actual details

in due course

Improved Better Care Fund (IBCF)

28. 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.
29. It has been confirmed that IBCF funding will continue in 2021-22 at 2020-21 levels and allocated using the same methodology. IBCF grant in 2021-22 is £17.323m.

Social Care Support Grant

30. As part of the Spending Review the government announced an additional £0.3bn nationally to support local authorities in addressing the rising cost and demand pressures on social care services, children's and adults.
31. 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 Social Care Grant in 2021-22 is £13.199m, a £3.184m increase. The grant has been passported in full to the service.

Public Health Grant

32. Although the Settlement includes no information about the national total or individual council allocations for Public Health Grant for 2021-22, the Spending Review indicated that Public Health Grant will "be maintained" for 2021-22. We therefore expect a flat cash roll forward to be confirmed shortly. If correct, this will confirm £27.466m for Public Health in 2021-22.
33. In accordance with grant conditions, Public Health grant will continue to be ring fenced for use on public health functions.
34. Public health budgets have been scrutinised on the same basis as other council services to ensure all spending delivers value for money. The public health budget proposals are set out at Appendix F. £26.775m of the Public Health grant has so far been committed for 2021-22. The council will now release the balance of grant to activities taking place across the council that contribute to public health objectives. These will continue as either one-off or ongoing commitments.

New Homes Bonus (NHB)

35. 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).

36. Whilst it has been confirmed that funding for New Homes Bonus will continue in 2021-22, legacy payments will not be paid for 2020-21 or 2021-22. This meant that the quantum of funding distributed to local authorities was around 30% lower than that allocated in 2020-21. The councils NHB funding in 2021-22 is £8.201m, £6.157m lower than 2020-21.
37. The Government has set out its intention to hold a consultation on the future of the New Homes Bonus, with a view to implementing reform in 2022-23.

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

38. 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 2021-22 has provisionally been set by the Department for Education (DfE) at £352.5m, 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.
39. Dedicated Schools Grant can be broken down into the following spending blocks:

	2020-21 £m	2021-22 £m	Change £m	Change %
Schools Block	254.3	268.7	14.4	+5.7
High Needs Block	50.0	55.3	5.3	+10.6
Early Years Block	26.6	26.7	0.1	+0.4
Central Block	1.7	1.8	0.1	+5.9
Total	332.6	352.5	19.9	+6.0

40. The figures within the High Needs (SEND) Block reflect the additional revenue funding that was announced as part of the Spending Review. This will partially reduce in-year pressures but will not resolve the accumulated deficit – forecast to be in the region of £21m by the end of 2020-21.

REVENUE FUNDING FROM LOCAL TAXATION

Council Tax

41. 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.
42. The authority has been able to maintain the eighth lowest level of council tax in London in 2020-21, 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 2021-22.

43. Council tax remains below the charge it would have been if CPI had been applied each year since 2010-11.
44. 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 2021-22.

Adult Social Care precept

45. 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. A further 2% increase was applied in 2020-21.
46. The provisional settlement confirms the flexibility to raise the Social Care Precept by a further 3% for 2021-22, with the option to defer some or all of this for use in 2022-23. This would raise an additional £3.515m in 2021-22 and future years. The social care spending plans assume this level of additional funding will be available.

Southwark element of the Council Tax

47. All London Boroughs, including Southwark, increased their council tax in 2020-21. This is indicative of the cumulative impact the financial stress across local authorities in London.
48. 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 £2.332m income. This is one of the options that it will be necessary to close the budget gap and to protect services.
49. The impact of an increase in council tax of 4.99% (1.99% plus 3% Adult Social Care Precept) will mean that:
 - Residents in Band C properties and below will see a council tax bill rise of 95p per week (over 60% of residents in the borough live in Bands A-C)
 - 14,000+ of residents continuing to receive support through the local council tax relief scheme (CTRS)
 - The council tax reduction scheme will continue to ensure that eligible pensioners will continue to receive 100% relief and will see no rise in their

council tax bills.

Greater London Authority (GLA) element of the council tax

50. The Mayor's Draft Consolidated Budget for 2021-22 was published on Tuesday 19 January 2021. A household in Band D will pay £363.66 in 2021-22, a £31.59 or 9.5% increase compared to this year. This reflects an increase in the policing element of £15 (in line with the national police referendum limits) and an extra £15 for Transport for London to maintain free bus and tram travel for under 18s and the over 60s oystercard (i.e. for those Londoners aged from 60 to statutory state pension age).
51. The increase is subject to MHCLG formally amending the council tax referendum limits for the GLA in the final local government finance settlement to reflect the £15 TfL increase required to maintain the concessions. The final precept will not be approved formally, however, until the London Assembly's final draft budget meeting scheduled for Thursday 25 February 2021.

Council Tax Collection

52. As reported in the 2021-22 Council Tax Base report (also on the agenda) whilst there continues to be growth in the number of dwellings, albeit at a lower level than recent years, a 12% increase in council tax relief claimants means a lower tax base in 2021-22 than 2020-21. Cabinet agreed to maintain the collection rate at 97.2% despite the challenges of income collection in the current environment and the increasing numbers of CTRS claimants.
53. The 2020-21 council tax collection fund forecast outturn position is a deficit of £7m. The Local Tax Income Guarantee Scheme will compensate billing and major precepting authorities for 75% of irrecoverable council tax and business rates losses accrued during 2020-21, as reported after year-end. Any remaining deficit will be spread over three financial years commencing in 2021-22.

Business Rates

54. 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.
55. The 2021-22 budget includes a forecast assumption that the council's Business Rate Retention income will exceed the baseline funding level by £19.120m (i.e. in total the retained business rates total of £171.634m; consisting of the baseline of £152.519m and £19.120m in excess of this baseline). This represents an estimated 3% reduction compared with 2020-21.
56. The economic downturn and the increase in check, challenge, appeal cases (in particular the Covid-19 driven appeals around 'Material Change of Circumstance') add to the challenges. This is a significant risk as successful challenges and appeals will reduce business rate yield. Careful review of

financial risk reserves will be required to manage this volatility.

57. 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

58. 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.
59. Southwark's share of the total net benefit of the 2018-19 pool was £10.186m which was ring-fenced for one-off initiatives in accordance with council priorities.
60. A sum of £1m was initially allocated to the planned London Counter Fraud Hub. This initiative will not now proceed and therefore the planned contribution of £1m has been released back to the Devolution reserve. However, in recognition of the significant increase in fraud risks, it is proposed to allocate £0.250m for anti-fraud activity.
61. It is further proposed to allocate:
- £0.5m to ensure food poverty in Southwark is tackled, including some direct investment in food. There will be a need to establish an ongoing commitment to this cause going forward;
 - £0.3m to Southwark Stands Together project costs (paragraphs 87 – 91); and
 - £0.1m to Community Hub Covid-19 support to ensure the voluntary sector is supported.
62. The following table summarises the London Devolution Reserve commitments:

Initiative	£'000
Positive Futures Fund	750
Southwark Pioneers Fund	2,000
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	150

Southwark Renters Union	100
Black Cultural Centre Feasibility Study	100
Food poverty	500
Anti-fraud measures	250
Community Hub Covid-19 support	100
Southwark Stands Together project costs	300
Unallocated balance	936
Total	10.186

63. The Pooling arrangement continued in 2019-20 and 2020-21, albeit on less generous terms than 2018-19. The net benefits in 2019-20 of £4.9m were applied to mitigate the impact of the deficit brought forward on the business rate collection fund from 2019-20. Despite the significant downturn in business rate income in 2020-21 due to the pandemic, the Pool continues to forecast a small benefit. However given the fact that the actual position will not be finalised until September 2021, no additional pooled business rate income was included as part 2020-21 budget setting process.
64. As well as the strategic objective of increasing fiscal devolution and influencing government policy, Business Rate Pool arrangements mean pool members have shared the benefits of additional business rate income retained over the last three years, either as a direct share of the financial benefit or from strategic investment across the capital. However, the Pooling Agreement also means that members share the risks should business rate income fall below baseline. London Councils have modelled a number of scenarios for the London Pool for 2021-22, which indicate a likely multi-million pound deficit. This deficit would have to be funded from the Pool members in accordance with the Pooling agreement. This burden would fall heaviest on those authorities, such as Southwark, whose business rate income continued to exceed their individual baseline. London Councils have to decide whether to continue in the Pool in 2021-22. It is anticipated that London Councils will collectively agree not to continue the pool in 2021-22 due to the significant financial risk.

REVENUE EXPENDITURE ASSUMPTIONS

2020-21 Financial Performance

65. 2020-21 budget monitoring continues to be dominated by the financial impact of the pandemic. We continue to face additional costs through our direct interventions to support our communities; we have seen planned savings been delayed or cancelled and we are experiencing significant pressures from lost income through fees and charges. Alongside this, as our residents and businesses face increased pressures, this has a knock-on impact on our Borough, with reductions in tax collection in both council tax and business rates.
66. Notwithstanding the financial support announced by government, it is extremely unlikely that the council will be able to fully recoup its costs/losses, with any shortfall being a call on reserves.
67. The outturn for 2019-20 confirmed that the budget recovery work in Children's

and Adults' was effective in putting the service on a sustainable financial footing and that improved performance continued in 2020-21, demonstrating improved practices have been embedded. Notwithstanding this, the department remains exposed to significant risk and uncertainty in 2021-22 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.

68. 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 2020, there was an accumulated deficit of £18.0m. The additional funding announced as part of the 2020-21 Spending Round 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 DSG Recovery Plan. The DSG deficit is forecast to be in the region of £21m by the end of 2020-21.
69. Demand for Temporary Accommodation continues to be one the council's most intractable budget pressures. Whilst the Covid-19 pandemic has hugely exacerbated the position, there is an underlying cost pressure of around £1.5m to £2m given existing discharge policy criteria, similar to that in 2019-20. Whilst the council's decisive and rapid response to homing the borough's rough sleepers and those in shared accommodation is to be applauded, it has come at a very high cost and is a major concern going forward given the continued uncertainty. The ending of restrictions prohibiting evictions in the private rented sector is expected to lead to a spike in demand, which will further impact the position.
70. 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 2020-21 budget and to ensure that a balanced position is achieved by the year-end.

Planned Corporate Contingency

71. It is proposed that the planned corporate contingency of £4m be maintained in 2021-22 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

72. The Government expects local authorities to apply a pay freeze to local government employees in 2021-22 and no additional funding for a pay increase is included in the provisional local government finance settlement. The current budget plan provides for a 1% increase in the pay bill in 2021-22. The position will continue to be monitored and a further update included within the report to cabinet in February, including any relevant financial implications.

Inflation

73. The Consumer Price Index (CPI) 12 month rate for October was 0.7% with the longer-term view that this will converge with the Office of Budgetary Responsibility (OBR) forecast. A budgetary pressure of £2.8m is recognised in the budget commitments for contractual inflation in 2021-22.

Efficiencies and Improved Use of Resources

74. 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 £12.045m (detailed in Appendix B).

Income Generation

75. 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. The pandemic continues to impact significantly on income targets and income generating opportunities. This is reflected in the budget proposals with reduced income in respect of the leisure contract and the anticipated income from letting spare capacity at Tooley Street not realisable.

Savings Impacting on Service Delivery

76. 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 £2.741m with potential to impact on service delivery.
77. Comprehensive equalities analysis of the impact of these savings will be considered before the budget is finalised.

Commitments

78. The commitments include investment of the Adult Social Care precept in adult social care, increased costs of homelessness and temporary accommodation, increased demand for Special Educational Needs and increased cost of operating leisure services in the current environment.
79. 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

80. 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 for 2021-22 were approved by Cabinet in January 2021.

Reserves and Balances

81. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund:
- invest to save opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings;
 - investment in regeneration and development where spend may be subject to unpredictable market and other factors;
 - exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
82. 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.
83. Over the last three years there has been no use of reserves to support the budget. Over this period the Council has strengthened its reserves meaning it is well placed to manage the shock caused by Covid-19 and should ensure the Council will be able to come through this crisis. Should
84. The extent of the financial pressures in 2021-22 means that a contribution from reserves is required to set a balanced budget for 2021-22. Future year budgets will need to consider the sustainability of this drawing and plan to replenish any reserves utilised.
85. 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.

Southwark Stands Together, our commitment to tackle racial inequalities

86. Southwark Council promotes the basic rights of all people to equality and justice. Southwark Stands Together is our local call to unity, support and action. It is a long term programme of positive action for the council to work in solidarity with Southwark's communities and the council's staff to tackle racism, injustice and inequality.
87. A report to Cabinet on 8 September set out what the community have told us of

their experience of racism, racial inequalities and injustice. It proposed the things we can do together to build on positive action to date and to bring about change, through a number of emerging recommendations, grouped by work streams. The workstreams are employment and business, education, health, culture, communities, interaction with the Police, renewing and reinventing the public realm and council staff engagement.

88. A further report to 20 October Cabinet confirmed that the Southwark Stands Together programme be incorporated into the refreshed Council Plan (Borough Plan); with priority measures and milestones developed and embedded into the council's performance management framework. This included a new commitment to work to ensure the top of the council's workforce is representative of the ethnic diversity of the local working age population by 2030. The report set out five Southwark Stands Together Pledges that the council is asking businesses, organisations, groups and residents to sign up to. It also included agreement of two new values to always work to make Southwark more equal and to stand against all forms of discrimination and racism. The Borough Plan was agreed by Council Assembly on 25 November 2020.
89. In developing Southwark Stands Together Cabinet agreed that any resourcing implications that emerge from the programme will be assessed as part of the council's policy and resources strategy process. This report therefore agrees to set aside reserve provision of £300,000 to deliver Southwark Stands Together. The resource will be prioritised to focus on activity that supports how we work as an organisation and together with the community to embed longer term change boroughwide in tackling racism, all forms of discrimination and inequality.
90. Overall strategic responsibility for Southwark Stands Together rests with the Leader of the Council with Cabinet portfolio holders taking responsibility for specific work streams and measures and milestones associated with delivery. At the officer level, overall strategic responsibility for Southwark Stands Together Programme sits with the Chief Executive, with the Chief Officer Team as the council's most senior level steering group for delivery of the programme. Performance planning and monitoring will be incorporated into the council's overall performance framework, at the highest level through the Borough Plan. An annual report on programme delivery will be published in July 2021.

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 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. The Council has committed to doing everything that it can to make Southwark carbon neutral by 2030. It is currently finalising its strategy after publishing a

draft strategy in the summer.

93. How the council uses its resources has a significant impact on the borough's carbon emissions. Across the work we do from our housing investment, to investment in parks and green spaces, to infrastructure changes such as electric charging points how the council chooses to use resources all impacts on our carbon emissions. The council is looking at how it can better align its work to reduce its carbon impact and meet the target of being carbon neutral.
94. As the council further develops its approach, it is looking at how carbon impact is better considered in the decisions that we take including financial decisions. Officers are currently looking at best practice in other councils as well as innovation in this area to enable decisions which are made in the council to more fully consider their carbon impact.
95. As this work is developed, £2m has already been allocated to climate change work in addition to substantial investment across the borough in programmes which are reducing our carbon.
96. 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.

Consultation

97. 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.
98. 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.
99. 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.

Overview and Scrutiny Committee

100. Cabinet has responsibility for drafting the budget and policy framework for approval by council assembly. This includes publishing proposals and taking into account any response from overview and scrutiny committee in drawing up firm proposals for submission to the council.
101. The Overview and Scrutiny committee (OSC) met on 25 and 26 January 2021 to consider the 2021-22 general fund budget proposals as presented to cabinet on 19 January 2021. OSC received presentations from cabinet members and were able to ask questions and seek clarification as necessary.
102. The OSC made eight recommendations, attached at Appendix H which were finalised on Thursday 28 January 2021. Cabinet is asked to approve these recommendations and management responses.

Next Steps

103. This report presents a balanced budget proposal for the cabinet to submit to council assembly on 24 February 2021 in accordance with the Constitution.

COMMUNITY IMPACT STATEMENT

104. 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.
105. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the budget for 2020-21 and for previous years, the council 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.
106. Analysis is also undertaken to consider any crosscutting and council-wide impacts. Where screenings identify potential impacts, more detailed analysis is carried out. The Cumulative Equality Analysis document (Appendix F) is an analysis of all Equality Impact Assessments that have been completed for the 2021-22 budget setting process year, assessing the overall impact that the proposed changes made by the council may have on the borough. The report summarises the data and considerations that were taken into account for each of the protected groups and looks at the cumulative impact of these changes upon each group. The report also sets the specific proposals in the context of the borough plan and wider council service delivery. It sets out a cross council overview of the equality analysis of the 2021-22 budget proposals. The report will also help strengthen scrutiny of the decisions being made by bringing this information together into one place in a transparent and accessible way.

107. The purpose of the report is to outline how the totality of the council's Budget decision-making impacts on protected groups and what we are doing to meet the public sector Equality Duty (PSED). The PSED requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
108. The PSED requires public bodies to consider the potential consequences of decisions for meeting the needs of people who share protected characteristics and to take these into account before a decision is finalised. It does not prevent public bodies from making decisions. The report also recognises that the duty is a proactive and positive one that requires us to advance equality of opportunity and foster good relations between people in all that we do.
109. 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.
110. 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.
111. Overall, no disproportionate cumulative impact on any one group has been identified but as set out in the report, we will continue to monitor the impact of these decisions through a strengthened equalities framework.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

112. 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.
113. 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.

114. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.

115. 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.

116. 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

117. The cabinet is required to prepare a budget proposal for submission to council assembly. This is the last cabinet meeting before Council Assembly on 24 February 2021. The council is required to set a lawful budget by 11 March 2021.

REASONS FOR LATENESS

118. Under the council's constitution there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this took place on 25 and 26 January 2021. The Committee's recommendations were agreed on 28 January 2021.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: 2021-22 Updated Financial Remit	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
http://moderngov.southwark.gov.uk/documents/s89891/Report%20Financial%20Remit%202021-22%20and%20scene%20setting.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
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	Public Health Budget Proposals
Appendix G	Cumulative Equalities Impact Assessment
Appendix H	Budget Context document
Appendix I	Overview and Scrutiny Recommendations

AUDIT TRAIL

Cabinet member	Councillor Rebecca Lury, Cabinet Member for Finance and Resources	
Lead officer	Duncan Whitfield – Strategic Director of Finance and Governance	
Report author	Rob Woollatt – Interim Departmental Finance Manager	
Version	Version final	
Dated	29 January 2021	
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		29 January 2021

CHIEF EXECUTIVE

Overview

- B.1. The Chief Executive's department comprises the Chief Executive's Office, External Affairs Team, Regeneration and Planning and Human Resources.
- 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.
- B.4. The department also brings together planners, regeneration and colleagues across the council dedicated to shaping place to improve economic prosperity.
- B.5. 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.6. The Human Resource service continues to implement measures to reduce usage of agency staff across the council through greater workforce planning and recruitment.

Efficiencies and Improved Use of Resources

- B.7. The department is proposing total efficiency savings of £529k. These include the savings from the review of current staffing structure across the Regeneration and Planning directorates together with savings proposed on professional fees on major regeneration schemes.

Income Generation

- B.8. The department is also proposing additional income generation of £941k from a number of areas. Some of the additional income relates to the estimated increase in planning fee income together with additional income expected from post approval Planning Performance Agreements against strategic developments across the borough.

- B.9. Increases in commercial rent income in line with rental agreements with current and new tenants are also proposed as part of the overall income generation proposal.

Savings impacting on Service Delivery

- B.10. Savings of £111k are proposed from the reorganisation of employment support commissioning funding and a reduction in the youth employment budget.

Commitments

- B.11. Commitment of £250k is proposed to meet the shortfall on Land Charges income budget resulting from the transfer of Land Charges registers to the HM Land Registry and also due to the significant reduction in income from local land charge searches.

Equalities Analysis

- B.12. 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 2021-22 can be managed through natural turnover of staff.

CHILDREN'S AND ADULTS' SERVICES

Overview

- B.13.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.14.The budget proposals for 2021-22 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. Proposals also include plans not to re-open the Fred Francis day centre, which has been closed since the beginning of the pandemic, however there remains other day care provision within the borough. These are difficult decisions to make but are consistent with the Council's vision of a fairer future for all.
- B.15.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.16.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 2020-21 (after application of Covid 19 funding from MHCLG). 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 (DSG) and we are seeing increasing numbers of schools falling into financial difficulty.
- B.17.The Council continues to work with the Schools Forum to tackle the growing deficit on the DSG, however the pandemic has delayed a number of workstreams and the year-end position is likely to exceed £21m. The Government has now instructed councils to ringfence DSG deficits in a separate adjustment account outside of the general fund, in an effort to prevent a situation arising whereby DSG overspends overwhelm available reserves, however this merely delays resolution of the underlying issue – chronic underfunding.

Equalities Analysis

- B.18.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.19. 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.20. 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.

HOUSING AND MODERNISATION (H&M)

Overview

- B.21. 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.
- B.22. A high proportion of the housing general fund budget is either demand driven or of a fixed contractual nature, for example, temporary accommodation and the customer contact centre, which leaves relatively little scope to make any meaningful savings towards meeting the budget gap without having a detrimental impact on services. For 2021-22 savings of £2.124m are achievable, which includes a windfall Freedom Pass contribution reduction of £1.557m. Conversely, commitments total £4.807m, predominantly to meet increasing homelessness demand (£4.245m), along with other unavoidable commitments of £562k and a negative income adjustment of £750k giving rise to an overall cumulative net budget increase of £3.433m for 2021-22 as outlined below.

Asset Management

- B.23. 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 affecting service delivery. Following a review, there has been a change of emphasis towards greater support for the new homes programme with a consequent employee saving of £58k in the general fund and funding switching to the HRA moving forward. At the same time, new requirements in relation to fire risk assessments in private sector housing necessitate the establishment of a specialist compliance team within the asset management division and budget commitment of £443k in a full-year.

Central Services

- B.24. Budgets held within this activity are of a department-wide nature including corporate recharges and costs that are not specifically attributable to a particular service, for example, financing and depreciation charges. Other budgets are held centrally as contingency against irregular or exceptional events and as part of this budget round, a review has identified some modest reduction in the legal services budget of £109k, which has no direct service impact. Should the need for one-off legal services arise in future the cost will be met from existing resources or reserves where necessary.

Resident Services

B.25. Services comprise travellers' sites and supported housing management, which has shared funding arrangements with the HRA. Significant reconfiguration and improvement works to improve health and safety and fire protection measures at sites have been undertaken. The council has been successful in securing grant funding of £1.7m 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 of £25k arising from the closure of the temporary site at Devonshire Grove means a small saving can be achieved for 2021-22 without any detrimental service impact.

Modernisation

B.26. The modernisation division incorporates information technology and digital services (ITDS), facilities management (FM) and organisation transformation (OT). These services are of a corporate nature and underpin the council's modernising agenda.

B.27. As part of budget setting for the current year, negotiations were advanced for the Clinical Commissioning Group (CCG) to relocate over a hundred more employees to Tooley Street, generating a substantially higher contribution to the council's costs. However, with the advent of Covid-19 the CCG has withdrawn its proposals; the council has no control over this development and as such it requires the reversal of the £750k rental income assumption made previously.

B.28. 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. Commitments approved in previous rounds have addressed inherent budget pressures/anomalies and stabilised the budget position, but there is no scope for savings other than the year 2 saving of £55k arising from the investment in LED lighting at Tooley Street, which also contributes to the council's carbon reduction commitment. Further LED and other carbon reduction measures are being developed across the council's operational estate.

B.29. The service has recently concluded a complicated procurement exercise to secure hard and soft facilities management (FM) service contracts, in unison with the in-house provision of cleaning services at the council's main administrative hubs, Tooley Street and Queens Road. Unfortunately, the procurement proved to be unsuccessful in that suitable outcomes for either hard or soft FM services could not be achieved. The timeframe for consideration of the options available to the council, including any future procurement will necessitate agreeing an extension to the current contract arrangements, which will realistically defer any future budget proposals to 2022-23 or 2023-24.

B.30. 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 target operating model (TOM) in both the shared service and the retained Southwark IT team. This is necessary to ensure the council's IT infrastructure and systems are modern, stable, resilient and above all secure, together with delivering initial savings of £207k in 2021-22. In response to the Covid-19 pandemic, the SMART working programme has driven an accelerated transformation to the way the council works, enabling the council's staff to maintain services through working remotely. Next year will see this programme subsumed into the TOM. A further part of the SMART working agenda is the continued investment in workforce learning and development through the council-wide 'My Learning Source' (MLS), for which a commitment of £49k is required in 2021-22.

Customer Experience

- B.31. The division is responsible for a diverse range of functions including the customer service centre (CSC), customer resolution, Freedom Pass (concessionary travel), registrars and citizenship, coroners and mortuary services and housing solutions/temporary accommodation.
- B.32. For 2021-22 there is a windfall saving of £1.557m arising on the Freedom Pass travel scheme as the council's contribution to Transport for London (TFL) will be lower following changes in the age eligibility threshold during the current year, but more notably, the impact of coronavirus on projected usage over a three year planning horizon. London Council's currently estimate there will be a further cost reduction in 2022-23 followed by an increase in 2023-24 (tbc).
- B.33. In addition, rationalisation within the contact centre and the 'My Southwark Service Point (MSSP) will also deliver shared savings of £113k in the general fund. In terms of new commitments, £70k is required to meet the increased contract cost of mortuary service provision.

Temporary Accommodation (TA) and Housing Solutions

- B.34. 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 is driven by a growing national homelessness crisis, unaffordable private sector rented accommodation and government restrictions on Local Housing Allowance (LHA) rates meaning welfare benefits no longer cover the cost of private rented accommodation.
- B.35. Moreover, Covid-19 has had a very significant impact in budget terms. Whilst the council's decisive and rapid response to homing the borough's rough sleepers, those in shared accommodation and other vulnerable people is to be applauded, it has come at a very high price and is a major concern going forward given the continued uncertainty in relation to the pandemic. The ending of restrictions prohibiting evictions in the private rented sector will inevitably lead to a spike in homelessness demand that will further impact the financial position. Whilst government funds have been forthcoming, they are not sufficient to cover the full cost incurred. Looking forward, as the worst effects of the pandemic hopefully subside and linked to some potential changes in the

council's discharge policy, there is optimism that the budget overspend will gradually improve. However, there remains no prospect of any real savings against budget being achieved in the foreseeable future and there is an urgent need to rebase the TA budget to a more sustainable level going forward, with a substantial commitment of £4m for 2021-22. A further commitment of £245k is also proposed to address capacity shortfalls within the housing solutions service which is integral to meeting rising demand.

Equalities Assessment Summary

- B.36. The department undertakes equality analysis/screening on its budget proposals ahead of final decisions being taken. This helps to understand the potential effects that budget proposals may have on different groups, whether there may be unintended consequences for those groups and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts, continuing through the cycle of planning and implementation of these proposals
- B.37. 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 as appropriate. 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.

ENVIRONMENT AND LEISURE

Overview

B.38. 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.39. 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.40. 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 four directorates, Environment, Leisure, Communities and Public Health.

B.41. The 2020-21 net general budgets for the department is £83.5m.

B.42. For the forthcoming year, 2021-22, the department has identified a number of savings options amounting to £4.207m:

○ Efficiencies and Improved Use of Resources	£2,890k
○ Income Generation (reduction)	£1,318k
○ Savings impacting on service delivery	£135k

Efficiencies and Improved Use of Resources

B.43. Some of the efficiency savings proposals include savings on the waste management contract, cleaning service, fleet service and savings on contract management costs. Revenue savings in salary costs are proposed through capitalising the cost of staff engaged on capital projects and review of agency costs. Continued resolution of no recourse to public fund cases are also expected to generate further efficiency savings. Efficiency savings are also proposed across the arts, heritage and events areas.

Income Generation

B.44. The department is expecting to generate additional income by development of a commercial provision and supervision of Construction Management Plans and also extending the commercial waste service. Additional income from cemeteries and crematorium, tennis courts and garden waste collection are also proposed. The above proposals are offset by the loss of management fee income of £2.6m on the leisure management contract.

Savings impacting on Service Delivery

B.45.Savings of £135k are proposed from the renegotiation of the grounds maintenance contract.

Commitments

B.46.Following the current Covid 19 pandemic situation, a commitment of £1.7m is proposed to fund the costs associated with the leisure management contractual negotiations and future operating arrangements. A commitment of £100k is also proposed on the Youth Review Action Plan.

Equality Analysis

B.47.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.

FINANCE AND GOVERNANCE

Overview

B.48. 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 and the Professional Financial Services including financial governance.

B.49. 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.50. The specific budget proposals include savings and income generation of £0.730m and commitments of £0.050m.

Efficiencies, Income generation and other savings

B.51. 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 £0.321m are proposed in 2021-22 through implementation of a digital self-service platform and greater automation of processes as well as the partnership for back office services.

B.52. Income generating proposals include increased income from enforcement contract in Exchequer Services and increased legal fees with Law and Democracy.

B.53. Other savings within Professional Finance Services include a reduction in the number of trainees and savings on training and consultancy budgets. In Exchequer Services it is proposed to reduce the number of staff administering the Council Tax Reduction Scheme (CTRS) following the automation of the CTRS in April 2020.

Commitments

B.54. The department is proposing commitments of £0.050m in electoral services in response to increased statutory requirements.

Equality Analysis

B.55. 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.

CORPORATE

Overview

B.56. 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.

Income Generation

B.57. Cabinet approved the strategic acquisition of 760 Old Kent Road in October 2020. The property will generate additional income in the medium term to provide revenue to support council services.

Commitments

B.58. 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 £2.1m in 2021-22 as a consequence of approved capital investment decisions.

B.59. Debt financing costs are forecast to increase by a further £3.0m in 2022-23 and £3.3m in 2023-24.

Equality Analysis

B.60. There are no equality analysis implications for these proposals.

APPENDIX B

Savings Type
Last Updated
Version Number

Efficiencies of Resources
08/01/2020

	2021-22 £000
Chief Executive's	(529)
Children's and Adults' Services	(5,994)
Corporate	(350)
Environment and Leisure	(2,890)
Finance and Governance	(321)
Housing and Modernisation	(2,091)
	<u>(12,175)</u>
Adults' Social Care	(3,900)
Children & Families	(868)
Commissioning	(1,167)
Education	(59)
Total Children's and Adults' Services	<u>(5,994)</u>

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Chief Executive's	Planning	101	Staff reorganisation, leading to reduction of one FTE post	(75)	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 procedures.
Chief Executive's	Regeneration North	102	Reduction of professional fees budget for Regeneration North due to the progression of Heygate and Canada Water	(100)	No/minimal impact on staff or service users
Chief Executive's	Regeneration North	103	Reduction in staff costs through saving on unfilled current post in the Regeneration North staffing structure	(52)	No/minimal impact on staff or service users
Chief Executive's	Property	104	Reduction in posts	(302)	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 procedures.
Children's and Adults' Services	Adults' Social Care	105	Change to permanent contracts over temporary contracts	(400)	No negative impact on service users, positive impact on service.
Children's and Adults' Services	Adults' Social Care	106	Joint work with NHS colleagues on Continuing Health Care (CHC) and s.117 Mental Health cases.	(500)	No adverse impact on any service users. Beneficial for service users found eligible for CHC.
Children's and Adults' Services	Adults' Social Care	107	Continue ongoing programme of annual reviews of care packages to ensure provision is meeting current need and in line with Care Act.	(1,000)	Impact mitigated by individual reviews of care packages
Children's and Adults' Services	Adults' Social Care	108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	(300)	Postive impact given individual review of care packages
Children's and Adults' Services	Adults' Social Care	109	Efficiencies in new Deprivation of Liberty Safeguards (DOLS) process.	(300)	Impact mitigated by individual reviews of cases.

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Children's and Adults' Services	Adults' Social Care	110	Government delay in implementation of new Liberty Protection Safeguards (LPS) scheme.	(500)	No/minimal impact on staff or service users
Children's and Adults' Services	Adults' Social Care	111	Next phase of departmental invest to save programmes	(250)	No/minimal impact on staff or service users
Children's and Adults' Services	Adults' Social Care	112	Review of Direct Payment balances and improved review processes	(250)	Service users with a disability are over represented in the direct payment cohort. The impact will be mitigated by individual reviews of Direct Payments. All users will be treated equitably in line with Care Act guidance.
Children's and Adults' Services	Adults' Social Care	113	Implementation of new placement arrangements	(400)	Better management of cost of non-care aspects with no impact on service users.
Children's and Adults' Services	Commissioning	114	Extension of community reablement contract.	(63)	Positive impact through better management of cost of non-care aspects with no impact on service users.
Children's and Adults' Services	Commissioning	115	Reduction in placement costs due to reduced need for residential care placements, and reablement beds being open.	(348)	Positive impact enabling people to live independently longer
Children's and Adults' Services	Commissioning	116	Review of residential care block contract.	(426)	Positive impact - better match with those needs of those requiring residential care
Children's and Adults' Services	Commissioning	117	Review of hostel provision with Housing colleagues, decant from properties which have shared facilities and reprovide residents with self-contained accommodation with community support.	(330)	Positive impact given individual review of care packages.
Children's and Adults' Services	Children & Families	118	Increased grant funding, enabling LA funding pressure for Staying Put to be reduced, but the service is still underfunded by Government.	(68)	No/minimal impact on staff or service users
Children's and Adults' Services	Children & Families	119	Increased grant funding, enabling LA funding pressure for Unaccompanied Asylum Seeking Children to be reduced, but the service is still underfunded by Government.	(440)	No/minimal impact on staff or service users
Children's and Adults' Services	Children & Families	120	More efficient use of placement resources (Independent Fostering Agencies, Residential and semi-independent accommodation (under 18 yr olds) through new Commissioning Alliance framework.	(60)	No/minimal impact on staff or service users
Children's and Adults' Services	Children & Families	121	Placement savings in Children & Families through in-borough and London provision.	(300)	No/minimal impact on staff or service users
Children's and Adults' Services	Education	122	Savings achieved post-closure of Aylesbury Day Nursery	(59)	No/minimal impact as service has already ceased following consultation
Environment and Leisure	Culture	123	Consolidate archive, heritage and art storage by vacating Tower Workshops & Constantine and consolidating all storage at Stockroom	(50)	No/minimal impact on staff or service users
Environment and Leisure	Culture	124	Creation of a community partnership allowing Kingswood House to remain as a community asset	(60)	Potential impact for youth provision during closure period, mitigation in place. Positive impact longer term.
Environment and Leisure	Culture	125	Suspend Free Theatre tickets for primary school children rollout	(200)	No reduction in existing service as had not commenced.
Environment and Leisure	Culture	126	Reallocation of funding for the Council's events programme	(100)	Minor impact through reduced access to free cultural, community and participatory activities

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Environment and Leisure	Communities	127	Continued resolution of No Recourse to Public Fund cases	(500)	No/minimal impact on staff or service users
Environment and Leisure	Environment- Waste and Cleaning	128	Review of the Waste Contract with a reduction for Waste PFI tonnage	(600)	No/minimal impact on staff or service users
Environment and Leisure	Environment- Waste and Cleaning	129	Review of the Council cleaning service to create further efficiencies	(150)	No/minimal impact on staff or service users
Environment and Leisure	Environment- Waste and Cleaning	130	Review of the Fleet Services contract to create further efficiencies	(50)	No/minimal impact on staff or service users
Environment and Leisure	Parks & Leisure	131	Capitalisation of staff assigned to Capital Programme	(200)	No/minimal impact on staff or service users
Environment and Leisure	Parks & Leisure	132	Savings relating to Contract Management	(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 procedures.
Environment and Leisure	Environment and Leisure	133	Reduce spend on staffing budget through review of agency contracts	(880)	No impact on service users. Potential impacts on staff/agency. As specific proposals come forward the different impacts on different categories of staff will be assessed in accordance with the council's procedures.
Finance and Governance	Exchequer Services	134	Implementation of an integrated digital self-serve platform, with some upfront investment within existing budgets, to achieve long-term savings.	(35)	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 procedures.
Finance and Governance	Exchequer Services	135	Reduction in the Support Services Systems team due to automation of processes and reconciliations	(70)	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 procedures.
Finance and Governance	Exchequer Services	136	To look at delivery of improvements to the use of the council's Finance & HR system SAP and associated processes.	(186)	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 procedures.
Finance and Governance	Law and Democracy	137	Increased efficiency due to digitalisation and streamlining of processes resulting in reduced support costs in the Constitutional Team.	(30)	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 procedures.
Housing and Modernisation	Customer Experience - Contact Centre	138	Reorganisation of contact centre staffing	(80)	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 procedures.

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Housing and Modernisation	Resident Services - Travellers	139	Residual budget for Ilderton embankment works	(25)	No/minimal impact on staff or service users
Housing and Modernisation	Central Services - Legal	140	Removal of contingency in legal services budget	(109)	No/minimal impact on staff or service users
Housing and Modernisation	Central services - New Homes	141	Move project co-ordinator post to sit within HRA budget as role is now solely HRA focused	(58)	No/minimal impact on staff or service users
Housing and Modernisation	Modernise - CFM	142	Continued rollout of LED lighting at Tooley Street	(55)	No/minimal impact on staff or service users
Housing and Modernisation	Modernise - Information Technology	143	Review of IT&DS structure to deliver operational savings	(207)	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 procedures.
Housing and Modernisation	Customer Experience	144	Re-alignment of the Freedom Pass budget	(1,557)	No/minimal impact on staff or service users
Corporate	Corporate	145	Review and reduction in senior management capacity council wide	(350)	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 procedures.
Total				(12,175)	

APPENDIX C

Savings Type
Last Updated
Version Number

Income Generation
08/01/2020

	2021-22
	£000
Chief Executive's	(941)
Children's and Adults' Services	(70)
Corporate	(500)
Environment and Leisure	1,318
Finance and Governance	(111)
Housing and Modernisation	750
	<u>446</u>
Adults' Social Care	(40)
Children & Families	(30)
Commissioning	-
Education	-
Total Children's and Adults' Services	<u>(70)</u>

Department	Division	Cabinet Reference	Description	2021-22	Equalities Analysis Information
				£000	
Chief Executive's	Old Kent Road Team	201	Capitalisation of Staff costs in relation to Tustin/Ledbury	(25)	No/minimal impact on staff or service users
Chief Executive's	Old Kent Road Team	202	Increase in professional fee charged to Developers for post Planning application approval services including the discharging of planning conditions	(57)	No/minimal impact on staff or service users
Chief Executive's	Planning	203	Estimated increase in planning fee income.	(240)	No/minimal impact on staff or service users
Chief Executive's	Planning	204	Estimated increase in planning fee income - extension of post approval Planning Performance Agreements to all strategic developments	(195)	No/minimal impact on staff or service users
Chief Executive's	Regeneration – Capital Projects	205	Increased Project Management fees to be charged on the construction sum of approved capital schemes	(90)	No/minimal impact on staff or service users
Chief Executive's	Regeneration – Capital Projects	206	Increased Project Management fees to be charged on the construction sum of approved capital schemes	(65)	No/minimal impact on staff or service users
Chief Executive's	Regeneration North	207	Capitalisation of existing project management staff costs	(31)	No/minimal impact on staff or service users
Chief Executive's	Regeneration South	208	Capitalisation of staff costs re project management of FDS/Plot 18	(42)	No/minimal impact on staff or service users
Chief Executive's	Regeneration – Property	209	Increase in commercial rent income in line with rental agreements with current and new tenants	(196)	No/minimal impact on staff or service users
Children's and Adults' Services	Adults' Social Care	210	Fairer Contributions Policy - system improvements.	(40)	No adverse impact on service users.
Children's and Adults' Services	Children & Families	211	Grants to supplement work with Youth Offending Service (YOS) young people and services to support young people at risk of involvement in crime needing early help.	(30)	No anegative aspects identified as this will positively provide a small amount of extra resource.

Environment and Leisure	Environment- Regulatory Services	212	Developing of a commercial provision and supervision of Construction Management Plans, associated administration and enforcement leading to income generation	(250)	No/minimal impact on staff or service users
Environment and Leisure	Parks & Leisure	213	Leisure centre management fee post Covid	2,600	No/minimal impact on staff or service users
Environment and Leisure	Parks & Leisure	214	Increase in income from rollout of tennis charging scheme	(100)	No/minimal impact on staff or service users
Environment and Leisure	Parks & Leisure	215	Increase in fees from cemeteries and crematorium	(100)	No/minimal impact on staff or service users
Environment and Leisure	Environment- Regulatory Services	216	Income from CPZs including further rollout across the Borough	(422)	Positive impact as contributes to delivery of movement plan objectives
Environment and Leisure	Environment- Waste and Cleaning	217	Develop and expand commercial waste service to generate further income	(100)	No/minimal impact on staff or service users
Environment and Leisure	Environment and Leisure	218	Uplift in fees and charges	(210)	No/minimal impact on staff or service users
Environment and Leisure	Environment- Waste and Cleaning	219	Increase in garden waste collection service - additional £10 per bin per annum	(100)	No/minimal impact on staff or service users
Finance and Governance	Exchequer Services	220	Increase in income from enforcement agent contract	(30)	No/minimal impact on staff or service users
Finance and Governance	Law and Democracy	221	Increased income through increased legal trading fees	(81)	No/minimal impact on staff or service users
Housing and Modernisation	Modernise - CFM	222	Loss of income due to Clinical Commissioning Group no longer taking forward plans for occupancy expansion at Tooley Street premises	750	No/minimal impact on staff or service users
Corporate		223	Additional income from 760 Old Kent Road	(500)	No/minimal impact on staff or service users
Total				446	

APPENDIX D

Savings Type
Last Updated
Version Number

SavingsDelivery

08/01/2020

Chief Executive's
Children's and Adults' Services
Corporate
Environment and Leisure
Finance and Governance
Housing and Modernisation

2021-22
£000

(111)
(2,034)
-
(135)
(298)
(33)
(2,611)

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

(1,734)
-
-
(300)
(2,034)

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Chief Executive's	Local Economy	301	Reorganisation of employment support commissioning funding through drawing on S106 funds	(64)	No/minimal negative impact as mitigated through drawing on section 106 funding
Chief Executive's	Local Economy	302	Reorganisation of youth employment funding through drawing on S106 funds	(47)	No/minimal negative impact as mitigated through drawing on section 106 funding
Children's and Adults' Services	Adults' Social Care	303	Closure of Fred Francis Day Centre	(734)	The centre provides a service specifically for older adults. Impact mitigated by individual reviews of care packages
Children's and Adults' Services	Adults' Social Care	304	Savings avoidance by re-purposing Better Care Fund support to Adult Social Care and post-pandemic arrangements.	(1,000)	Increase support for ASC as part of whole-system reform, stability and sustainability.
Children's and Adults' Services	Education	305	Financing of Southwark Scholars to be shifted to earmarked reserves, releasing revenue provision. Moving forward the scholarship scheme will continue to be reviewed.	(300)	No/minimal impact on staff or service users
		306	Removed	-	N/A
Environment and Leisure	Parks & Leisure	307	Renegotiation and extension of GM contract with 5% saving per year for 3 years	(135)	No/minimal impact on staff or service users
Finance and Governance	Exchequer Services	308	Reduction in the administration support and number of staff in team supporting Council Tax Reduction Scheme claims	(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 procedures.
Finance and Governance	Law and Democracy	309	Creation of a trainee position within Scrutiny Team, allowing for reorganisation of overall staffing structure	(40)	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 procedures.

Finance and Governance	Professional Finance Services and Financial Governance	310	Reduction of CIPFA trainee provision by removal of 2 vacant posts due to increasing demand on PFS resources	(68)	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 procedures.
Finance and Governance	Professional Finance Services and Financial Governance	311	Reduction in budget for ad-hoc use of Risk and Insurance advisory services	(30)	No/minimal impact on staff or service users
Finance and Governance	Professional Finance Services and Financial Governance	312	Reduction in professional qualification training budget across Finance and Governance	(10)	No/minimal impact on staff or service users
Finance and Governance	Professional Finance Services and Financial Governance	313	Removal of contingency budget for ad-hoc legal costs in relation to fraud cases	(50)	No/minimal impact on staff or service users
Housing and Modernisation	Customer Experience - MSSP	314	Removal of post due to service delivery change, with further posts included within HRA	(33)	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 procedures.
Total				(2,611)	

APPENDIX E

Savings Type
Last Updated
Version Number

Commitments
08/01/2020

	2021-22
	£000
Chief Executive's	250
Children's and Adults' Services	7,750
Corporate	2,100
Environment and Leisure	1,800
Finance and Governance	50
Housing and Modernisation	4,807
	<u>16,757</u>
Adults' Social Care	6,625
Children & Families	-
Commissioning	-
Education	1,125
Total Children's and Adults' Services	<u>7,750</u>

Department	Division	Cabinet Report Reference	Description	2021-22	Equalities Analysis Information
				£000	
Chief Executive's	Planning	401	Incurred costs of shortfall on Land Charges Income	250	No/minimal impact on staff or service users
Children's and Adults' Services	Adults' Social Care	402	Investment in Social Care - quality, safety, inflationary pressures to sustain sector and to meet needs.	6,625	Positive impact
Children's and Adults' Services	Education	403	Elective Home Education - increase capacity (currently 0.6FTE to cover 321 cases and rising).	125	Positive impact
Children's and Adults' Services	Education	404	SEND Statutory Duty Staffing	500	Positive impact
Children's and Adults' Services	Education	405	Transport Demand Pressures	500	Positive impact
Environment and Leisure	Culture	406	Commitments related to delivery of Youth Review Action Plan	100	Positive impact on the lives of young people
Environment and Leisure	Parks & Leisure	407	Leisure services future operating arrangements (not including any additional income share)	1,700	Positive impact
Finance and Governance	Law and Democracy	408	Increase in electoral services postage costs in order to meet statutory requirements.	50	No/minimal impact on staff or service users
Housing and Modernisation	Customer Experience - Mortuary	409	Increased costs of new mortuary contract	70	No/minimal impact on staff or service users

Housing and Modernisation	Customer Experience - Housing Solutions	410	Growth of Housing Solutions staff to support increased demand	245	Positive impact
Housing and Modernisation	Modernise - OT	411	Upfront investment into staff learning and training programme software	49	Positive impact
Housing and Modernisation	Asset Management - Private Sector Housing	412	Establishment of base budget funding for council-wide approach to fire safety in private sector housing (H&M lead department)	443	Positive impact on fire strategy and means of escape for older people
Housing and Modernisation	Customer Experience - Temporary Accommodation	413	Temporary Accommodation - budget subject to review of current Covid-19 measures and potential policy changes	4,000	Positive impact
Corporate		414	Debt financing costs arising from approved Capital Programme	2,100	No direct impact on staff or community
Total				16,757	

Last Updated
Version Number

08/01/2021

1

08/01/2021

Efficiencies and Improved Use of Resources
Income Generation
Savings Impacting on Service Delivery
Total - Public Health

2021-22
£000
(186)
(440)
(58)
(684)

Efficiencies and Improved Use of Resources

Department	Division	Reference	Description	2021-22 £000	Equalities Analysis Information
Environment and Leisure	Public Health	PH101	Healthy Weight - review of contract	(50)	No/minimal impact as initiative to be sustained by GSTT through internal resources.
Environment and Leisure	Public Health	PH102	Smoking cessation - service efficiencies through re-specification / open tender.	(50)	No/minimal impact on staff/service users
Environment and Leisure	Public Health	PH103	Sexual Health Services Savings on STI open access services	(86)	Positive impact. Research suggests online offers of STI testing increases uptake among young people.
Total				(186)	

Income Generation

Department	Division	Reference	Description	2021-22 £000	Equalities Analysis Information
Environment and Leisure	Public Health	PH201	Additional income from Public Health Grant (Budget - estimated at £722k actual 811k)	(90)	Positive impact
Environment and Leisure	Public Health	PH202	Additional income from new government funding to support HIV PreP implementation - previously estimated at £200k	(350)	Positive impact
Total				(440)	

Savings Impacting on Service Delivery

Department	Division	Reference	Description	2021-22 £000	Equalities Analysis Information
Environment and Leisure	Public Health	PH301	Community Sports - Review of community sports team priorities and cease public health grant contribution to team.	(250)	Potential impacts mitigated by programmes targeted at specific groups
Environment and Leisure	Public Health	PH302	Restructure of DAAT team	(50)	Potential impacts on staff. As specific proposals come forward the impacts on different categories of staff will be assessed in accordance with the council's procedures.
Environment and Leisure	Public Health	PH303	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved till 2022-23 and therefore profiled accordingly.	300	No/minimal impact on staff/service users
Environment and Leisure	Public Health	PH304	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved till 2022/23 and profiled accordingly.	63	No/minimal impact on staff/service users
Environment and Leisure	Public Health	PH305	Health Interventions for Physical Inactivity - Termination of the Kickstart element of the GP Exercise on Referral Scheme within the Leisure Management Contract	(15)	No/minimal impact on staff/service users
Environment and Leisure	Public Health	PH306	Long acting reversible contraception GP service - End funding for GP LARC service	(106)	Potential impact on postpartum women mitigated by establishing a referrals pathway.
Total				(58)	

Policy & Resources

Strategy

Initial Cumulative

Equality

Analysis

2021/2022

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Purpose of document

The Cumulative Equality Analysis document is an analysis of all Equality Impact Assessments that have been completed for the 2021/2022 budget setting process year, assessing the overall impact that the proposed changes made by the council may have on the borough. The report summarises the data and considerations that were taken into account for each of the protected groups and looks at the cumulative impact of these changes upon each group. The report also sets the specific proposals in the context of the borough plan and wider council service delivery. It sets out a cross council overview of the equality analysis of the 2021/2021 budget proposals. The report will also help strengthen scrutiny of the decisions being made by bringing this information together into one place in a transparent and accessible way.

The purpose of the report is to outline how the totality of the council's Budget decision-making impacts on protected groups and what we are doing to meet the public sector Equality Duty (PSED). The PSED requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

The PSED requires public bodies to consider the potential consequences of decisions for meeting the needs of people who share protected characteristics and to take these into account before a decision is finalised. It does not prevent public bodies from making decisions. The report also recognises that the duty is a proactive and positive one that requires us to advance equality of opportunity and foster good relations between people in all that we do.

The protected characteristics covered by the Equality Duty are:

- i. age;
- ii. disability;
- iii. gender reassignment;
- iv. marriage and civil partnership (but only in respect of eliminating unlawful discrimination);
- v. pregnancy and maternity;
- vi. race – this includes ethnic or national origins, colour or nationality;
- vii. religion or belief – this includes lack of belief;
- viii. sex; and,
- ix. sexual orientation.

The PSED requires us to find out about and give due consideration to the needs of different protected characteristics in relation to the three parts of the duty:

1. Eliminating discrimination, harassment and victimisation

2. Advancing equality of opportunity, including finding out about and meeting diverse needs of our local communities, addressing disadvantage and barriers to equal access; enabling all voices to be heard in our engagement and consultation undertaken; increasing the participation of underrepresented groups; ensuring that disabled people are not disadvantaged in comparison to non-disabled people.
3. Fostering good community relations; promoting good relations; to be a borough where all feel welcome, included, valued, safe and respected.

The PSED and the councils vision of creating a more equal Southwark is now reinforced in the two additional borough plan values: that we will:

- Always work to make Southwark more equal and just
- Stand against all forms of discrimination and racism.

Although not covered in law, the Council has committed to consider socio-economic issues as an additional equality strand and to considering impacts on health inequalities.

This document will inform member decisions on equality considerations from the cumulative analysis based on and alongside the more detailed screening and analysis done on individual proposals and the mitigating actions where disproportionate impacts have been identified.

This initial cumulative equality analysis report will be subject to review and revision with input from key stakeholders. It will be reported to the council's Overview and Scrutiny Committee as part of the scrutiny of the 2021/2022 budget and considered by cabinet on 2nd February alongside the budget report. The independent Equalities and Human Rights Panel that provides scrutiny on equality issues will also discuss it at their next meeting. Any revisions will be published alongside the budget reports.

Executive Summary

This report is part of a new approach to equality analysis as part of strengthening the council's approach to embedding equalities in everything we do. We aim to provide information in a comprehensive and transparent way that allows better scrutiny of our decisions.

The report focuses on the council's general fund and Public Health budgets for 2021/2022 set in the context of the ongoing investment and priorities set out in the borough plan. It does not cover the council's capital programme or the Housing Revenue Account that are subject to separate scrutiny and decision-making.

Tackling inequality and injustice are a thread that run through all of the commitments in the borough plan and the eight priority themes of:

- Covid-19 Response
- Southwark Together
- A green and inclusive economy
- Climate Emergency
- Tackling Health Inequalities
- Homes for all
- A great start in life
- Thriving Neighbourhoods

The plan sets out what we are doing as a borough to advance equalities, tackle discrimination in all forms while at the same time identifying where impacts are felt and how we intend to mitigate against these. The focus on race, nationality and citizenship is also part of the healing and reconciliation work of the Southwark Stands Together programme. This will deliver on the positive duty in the public Sector Equality Duty to foster good relations not just to measure and avoid discrimination.

The budget planning process is dominated by huge financial uncertainties including the challenges of ten years of austerity and the impact of Covid-19 on our communities and services. These financial pressures mean that the council has to make difficult decisions and make savings in this year. This report forms part of a rigorous assessment of our budget proposals to look at how they impact on our communities.

While individual impacts and mitigating actions are identified in the analyses. The purpose of this preliminary cumulative impact assessment is to consider the collective effect of any proposals; and assess and ensure that those people having protected characteristics are not disproportionately disadvantaged. In developing the budget proposals screening has been carried out for each proposal. This has identified any potential impacts, both positive and negative. This is part of an ongoing process of analysis of budget proposals as individual budget proposals are further developed and implemented; they will be subject to further assessment.

66 proposals have been identified as having no or minimal impact, 14 with some positive impacts and 19 impacting on staffing at this stage in the process. In the case of those having impact mitigating actions have been identified in all cases.

Overall, no disproportionate cumulative impact on any one group has been identified but as set out in this report, we will continue to monitor the impact of these decisions through a strengthened equalities framework.

Background and Context

Given the reduced financial envelope within which all local authorities now operate, it is imperative that robust analysis of the impact of decisions on protected groups continues to be undertaken to ensure that access to our services is fair and that protected groups are getting the support that they need.

In November 2020, Southwark Council agreed a refreshed borough plan. The borough plan is the overarching business plan for the council and describes our vision for the borough. It sets out the council's priorities for the next two years, and the commitments that we have made to the people of Southwark. Since 2018, we have already made good progress on delivering these promises.

The borough plan was refreshed because things have changed significantly in Southwark, particularly over the last six months because of the COVID-19 pandemic. Our priority now is to bring Southwark out of the public health crisis, rebuilding our local economy and tackling the inequalities that persist in our society. As a result of COVID-19, we are also facing a huge financial challenge, which means we have to rethink how we will deliver some commitments. This refreshed Borough Plan sets out our plans to continue to improve the life chances of our residents and deliver a fairer future for all.

We have looked carefully at our available budgets and new priorities, focusing on what we have learned from COVID-19 and focusing on the areas that are most important for the borough's recovery. The refreshed borough plan reflects new priorities and sets out the action we will take between now and May 2022 to continue delivering a fairer future for all.

Our values will continue to inform all the work we do across the council and what you can expect from us.

We will:

- Treat residents as if they were a valued member of our own family;
- Be open, honest and accountable;
- Work for everyone to realise their own potential;
- Spend money as if it were from our own pocket;
- Make Southwark a place to be proud of;
- Always work to make Southwark more equal and just;
- Stand against all forms of discrimination and racism.

Tackling inequality and injustice are a thread that run through all of the commitments in the borough plan and the eight priority themes of:

- Covid-19 Response
- Southwark Together
- A green and inclusive economy
- Climate Emergency
- Tackling Health Inequalities
- Homes for all
- A great start in life
- Thriving Neighbourhoods

Our vision is to build a Southwark where everyone has a home, where everyone can get a decent job, where we end our carbon emissions and where everyone is empowered to make the best of their life. The plan sets out our ambitions and commitments to build a stronger, more equal borough between now and May 2020.

The Covid-19 pandemic has shone a light on inequality and poverty and its ongoing impacts will put added pressures on our communities and on public services and rebuilding and tackling inequality at a time of increased and sustained pressure on our services and our finances are a key priority in the borough plan.

Southwark stands together is the council's commitment to tackle racial inequalities. Through the Southwark Stands Together programme the council Southwark Council promotes the basic rights of all people to equality, justice, inclusion and fair treatment. Recent circumstances and events have reignited the need for communities across the globe to unite and to make urgent and sustainable change to give everyone full access to these rights.

Southwark's response through Southwark Stands Together will put in place a framework that creates a programme within Southwark of actions, education and initiatives translating our firm commitments into real, sustainable outcomes. The programme will evolve and adapt over time and seek ways of measuring improvements in the lives of individuals and communities. The overall aim being to improve the lives of our residents, recognising that some change may not be immediate. Whatever the speed or scale of change required; Southwark will not give up on the challenges until they have been overcome.

The recommendations that have emerged from the first listening phase of our engagement on this policy cover a broad range of themes including policing, cultural industries, public realm, health, employment, education and communities as well as staffing in Southwark.

Prior to Covid and the Southwark Stands Together council wide programme being agreed by Cabinet, a commitment was made to review the council's approach to equality and replace the Southwark Diversity Standard. The intention is to agree a new overarching Equality Framework for the council early in 2021. This approach will also set out how the process for equality analysis relating to the council's budget will be carried out moving forward seeking to further strengthen this approach.

Methodology

The analysis below has been informed by Equality Analyses that were completed for the 2021/2022 budget setting process and the equality analysis carried out on the borough plan that sets out the impacts of those things where there is continued investment and focus.

All teams were required to provide a screening of the budget as the budget was being considered. These were included and discussed in the budget challenge sessions. Budget items were rejected in part in response to screenings, or mitigations approved. Where there were impacts identified there was a request to risk assess these looking at both significance and likelihood. Where the risk rating was identified as red the service was asked to provide a full analysis.

Across the budget there were 32 screenings that had an impact on one of the protected characteristics including positive and negative impacts.

A cumulative analysis was conducted by bringing together what this tells us for each of the protected groups. It should be noted that equality analysis is ongoing work and in many cases further analysis will be undertaken as implementation proceeds, more data is gathered and decisions are taken. Where this will take place it is indicated in the tables below. The report summarises the data and considerations that were taken into account for each of the protected groups and looks at the cumulative impact of these changes upon each group. The report also sets the specific proposals in the context of the council plan and wider council service delivery. It sets out a cross council overview of the equality analysis of the 2021/2021 budget proposals.

While individual impacts and mitigating actions are identified in the analyses the purpose of this preliminary cumulative impact assessment is to consider the collective effect of any proposals; and assess and ensure that those people having protected characteristics are not disproportionately disadvantaged. In developing the budget proposals screening has been carried out for each proposal. This helps identify any potential impacts, positive and negative. It also identifies where full further analysis is to be carried out. As individual budget proposals are further developed and implemented, they will be subject to further assessment.

Protected groups and impacts

Age

Borough Plan

The commitments in the refreshed borough plan will have a range of impacts on people of all ages in the borough. The COVID-19 pandemic has had a significant negative impact on many older people, not just in terms of health outcomes but also issues such as loneliness and social isolation, challenges accessing services, and reduced contact with family and friends due to shielding and social distancing restrictions. The council will build on the positive work of the Community Hub during the COVID-19 pandemic and work with the voluntary and community sector to continue to support vulnerable people. This includes older people, both in providing support through the hub and building on volunteering to tackle loneliness.

COVID-19 has had also a particularly high impact on young people and children in our borough, and the refreshed borough plan includes new commitments to support schools to close the attainment gap and ensure children can catch up on education missed during the pandemic. There is also a new commitment to guarantee access to education, employment, training or volunteering for every school leaver, recognising the impact that the pandemic is likely to have on the future employment prospects for this age group.

Further commitments in the refreshed plan, which will have a positive impact on young people, include mainstreaming the Positive Futures fund, so that young people can continue to benefit from this investment, and working with young people to find local solutions to community harm and exploitation including knife crime. The refreshed plan also includes a new commitment to ensure Southwark's youth services meet the needs of young people, following a review of youth services, and ensuring that young people have a voice in decisions that affect them.

Commitments to return employment levels to where they were before COVID-19, to help 5,000 people into work and provide one-to-one support for residents who have lost their jobs because of COVID-19, will particularly help those groups who have been most negatively affected in employment by the pandemic, including young people (under the age of 25) and older people (aged 50+). The council's economic renewal plan includes a specific commitment to young people, recognising the challenges of the post pandemic labour market.

The refreshed plan also includes ongoing delivery of many of the commitments that are set out in the 2018-2022 plan which will have a positive impact on specific age groups, including safe pedestrian crossings, digital skills, the provision of GPs and parks, free school meals, nursing homes and extra care housing, and the Residential Care Charter (more detail is outlined in the 2018 Equality Impact Assessment).

One commitment outlined in the Borough Plan 2018-2022, which has not been included in the refresh, is free theatre visits for every primary school child, which would have a positive impact on young people of all backgrounds. Due to the impact of COVID-19 on theatres, it will not be possible to deliver this commitment as planned by 2022. However, the council remains committed to ensuring children in the borough are able to access Southwark's rich cultural offer no matter what their background, and the viability of this specific commitment will be reviewed ahead of the 2022 Borough Plan.

In terms of health impacts, the refreshed plan includes a number of commitments related to the council’s response to the COVID-19 pandemic, which particularly affects older people (alongside other demographics). This includes working with the NHS, local community and businesses to stop the spread of COVID-19, delivering an effective local test and trace programme and supporting residents and businesses to follow national guidance and restrictions. According to PHE data, the rate of diagnosed cases of COVID-19 increases with age and for people with a positive test, those 80 or older were seventy times more likely to die compared with those under 40. The refreshed plan also includes a commitment to work with the NHS to ensure a high take up of flu vaccinations, which is particularly important for older people and young children.

Recognising the significant negative impact that poor mental health can have on young people and the challenges for many young people in accessing appropriate mental health services, the refreshed plan includes a new commitment to support 100% of children and young people with a diagnosable mental health need.

Commitments to create more space for walking and cycling and reduce car journeys, to campaign for improved public transport facilities, and introduce 60 ‘school streets’ will improve air quality which will have a positive impact on health for all ages, but particularly young people and children.

The continued investment in the Ageing Well contract will have a positive impact on older people in Southwark by providing improved support.

Specific Budget Changes

Overall, the proposed changes identified in the budget aim to improve services for young people for example through delivery of the Youth Review and Action Plan. 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 and there is a clear commitment in our customer access strategy to leaving no-one behind. No cumulative disproportionate impact is identified at this stage on any age group. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 114	Extension of community reablement contract.	Positive Impact - better management of cost of non-care aspects with no impact on service users.	Further analysis not required

Children's and Adults' Services	Efficiency 115	Reduction in placement costs due to reduced need for residential care placements, and reablement beds being open. The provision of 16 bed based reablement beds at Waterside Care Home will provide support for those leaving hospital for up to 6 weeks. The service has the potential to reduce high cost demand on services by enabling people to live at home independently for as long as possible.	Positive Impact enabling people to live independently longer.	Further analysis not required
Children's and Adults' Services	Efficiency 116	Review of residential care block contract. The reduction in the block contract with Anchor homes will enable the council to procure services from an alternative residential care home provider and provide a better match with the needs and profile of those requiring residential care in Southwark.	Positive Impact - better match with needs of those requiring residential care.	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Children's and Adults' Services	Efficiency 121	Placement savings in Children & Families through in-borough and London provision.	No/minimal impact on staff/service users	Further analysis not required
Children's and Adults' Services	Efficiency 122	Savings achieved post closure of Aylesbury Day Nursery	Assessed as no/minimal impact on service users as service had already ceased following consultation.	Service has already ceased following consultation, no further impact identified.

Environment and Leisure	Efficiency 124	Creation of a community partnership allowing Kingswood House to remain as a community asset	Potential impact for youth provision on the estate during closure period, mitigation in place. Positive impact longer term.	Mitigated by continuation of youth service detached sessions and by seeking alternative provision for both the library and youth services on the estate. Further analysis required as proposals come forward and use of interim measures takes place. Positive impact longer term.
Environment and Leisure	Efficiency 125	Suspend Free Theatre tickets for primary school children rollout	No reduction in existing service as had not commenced. Initial analysis suggests no/minimal impacts.	The programme of visits had not yet commenced so there is no reduction in existing provision as a result of the suspension. Further analysis not required, RAG rated as green.
Finance and Governance	Efficiency 134	Implementation of an integrated self-serve platform with some upfront investment within existing budgets to achieve long-term savings.	This may have an impact on certain vulnerable elderly customers ability to contact the council to discuss issues relating to benefit support, rents, and council tax	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 procedures. Offering digital only may impact on collection and recovery performance.
Children's and Adults Services	Income 211	Grants to supplement work with Youth Offending Service (YOS) young people and services to support young people at risk of involvement in crime needing early help.	No negative aspects identified as this will positively provide a small amount of extra resources for children 10-17.	Further analysis not required at this stage
Environment and Leisure	Income 214	Income from roll out of tennis charging scheme	Some potential impact as those over 18 may need to pay for court time	Further analysis will take place as this proceeds. This proposal is to extend pay and play charging to the park courts at Tanner St, Southwark Park, Brunswick Park, Belair Park, Dulwich Park (people already pay at Burgess and GMH and some residents say that booking a court and not turning up is an issue and this may alleviate this). The aim is to standardise tennis operations across the borough. Under 18s will not have to pay. Impact mitigated by holding some free court hours each week but residents who play frequently will pay more at these sites.

Environment and Leisure	Income 216	Income from CPZs including further rollout across the Borough	Positive - CPZ contributes to delivery of movement plan objectives.	The movement plan Equality Analysis has been presented and identifies a positive impact.
Chief Executive's	Savings 301	Reorganisation of employment support commissioning funding	Initial analysis suggests no/minimal negative impacts - mitigated by use of S106 funding.	Impacts mitigated by drawing on s106 funds.
Chief Executive's	Saving 302	Reduction in youth employment budget	Initial analysis suggests no/minimal impacts mitigated by use of S106 funding.	Impacts mitigated by drawing on s106 funds.
Children's and Adults' Services	Savings 303	Closure of Fred Francis Day Centre	Fred Francis Day Centre provides a service specifically for Older Adults however no evidence of negative impact given individual reviews of care packages.	There is no evidence that there would be discrimination toward residents and that they are being treated less favourably or put at a disadvantage because of their age. It will be important that if providing an alternative service for this cohort, that they receive a person centred service and are able to exercise choice and control. We will undertake a range of actions to support adults with dementia (and those who support them) during the transition to new service[s], and also to ensure that their complex needs are correctly identified and appropriate care and support is put in place for them. Subsequent phases of this work will require a consultation to be carried out. Any impact will be mitigated by individual reviews of care packages.
Finance and Governance	Savings 308	Reduction in the administration support and number of staff in team supporting Council Tax Reduction Scheme claims	Depending on the changes to the policy those entitled to certain benefits may see a reduction in the level of support received	Further analysis required as specific proposals come forward to deliver the required saving and at each stage of implementation thereafter the different impacts will be assessed in accordance with the council's reorganisation procedures.
Children's and Adults' Services	Commitment 402	Investment in Social Care - quality, safety, inflationary pressures to sustain sector and to meet needs. Social Care Commitment - ring-fenced Adult Social Care precept and Social Care Grant.	Positive impact through £6.625million investment	Not required.

Children's and Adults' Services	Commitment 404	SEND Statutory Duty Staffing	Positive - the age group is 0-25, not agreeing this commitment potentially disproportionately affects children and young people.	Further analysis not required.
Children's and Adults' Services	Commitment 405	Transport Demand Pressures	Positive impact of growth.	This service is used by children and young people aged from 5 to 25 who would not be able to get to and from school/college without travel assistance that would be a significant disadvantage when compared with their peers who do not need support. There has been an average increase in demand for travel assistance of approximately 10% each year that is broadly in line with the increasing number of EHCPs issued in the borough. The level of complex needs of Children in Southwark has increased, more children with higher medical needs, which has led to provision of more specialist transport. Covid safe travel has been put in place for children with exceptionally high levels of vulnerability that has increased the cost of delivering this service (an additional £4k per week.
Environment and Leisure	Commitment 406	Commitments related to delivery of Youth Review Action Plan	Positive Impact	A positive impact on the lives of young people across the borough from the ages of 11 – 19 (25 for young people with learning disabilities) There will be an improved range of activities and services designed to meet their needs and co-produced by them. A number of services that currently work within different directorates will be brought together to provide an integrated approach to deliver of services
Housing and Modernisation	Commitment 412	Establishment of base budget funding for council-wide approach to fire safety in private sector housing (H&M lead department)	Positive Impact on fire strategy for the block and means of escape for older people	Budget for staffing, legal costs and potentially initial remedial works to ensure private sector high risk buildings are made safe

Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	Positive impact	Research suggests that online offers of STI testing increase uptake of testing among young people (aged 16-30 years). Further analysis not required
Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment - no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment - no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Savings Public Health	Community Sports - Review of community sports team priorities and cease public health grant contribution to team.	Potential impacts mitigated by programmes targeted at specific groups.	Focus on specific groups within the new healthy weight strategy including by being physically active. Free swims and gyms available alongside other physical activity programmes targeting specific groups.
Environment and Leisure	Efficiency Public Health	Healthy Weight - review of contract	No/minimal impact.	Initiative to be sustained and continued by GSTT through internal resources.

Disability

Borough Plan

Many of the commitments in the Borough Plan will positively impact on disabled people in the borough.

The commitment to support 5,000 people into work and provide one-to-one support for people who have lost their job because of COVID-19 will be primarily delivered through Southwark Works. Under the Southwark Works Framework commissioned by the council, people with disabilities are able to better access support with specific lots being designed for people with disabilities, for example a focus on mental health and physical and learning disabilities. There will also be provision for young people with SEND in the 'vulnerable young persons' lot. In addition, other providers will engage and work with employers to secure vacancies for any client and ensure recruitment policies are inclusive; specifically with the needs of potential and current employees with disabilities.

The council monitors outputs for Southwark Works based on all demographics, to ensure there is equality of outcome delivered by the service. We will also be performing an impact evaluation of the Southwark Works service early 2021 to inform new Southwark Works contracts (due to begin June 2021). The council is also working closely with the Central London Forward (CLF) commissioned Work and Health Programme (Central London Works) which has a particular focus on supporting people with health and disabilities into employment.

Children with certain disabilities and underlying health conditions are more likely to be negatively impacted by COVID-19, both in terms of health and education due to increased likelihood of missing out on school due to shielding. The refreshed Borough Plan includes a commitment to support schools to ensure children are able to catch up on education missed as a result of the pandemic.

Homelessness and rough sleeping remains a significant challenge in Southwark and national data shows that physical and mental health needs are a key vulnerability reported in homelessness cases. The refreshed plan includes a commitment to end rough sleeping in Southwark.

Approximately 13% of people living in inner London have a disability, equating to 40,700 people in Southwark. COVID-19 has a disproportionate negative impact on people with disabilities, as certain underlying health conditions make individuals more vulnerable to the virus. The council is addressing this disproportionate impact through commitments relating to the council's response to COVID, including working with NHS and partners to stop the spread of COVID-19, and to continuing to provide support for vulnerable residents building on the successful work of the community hub.

Mental health problems represent the single largest cause of disability in the UK and it is estimated that almost one in five adults in Southwark are experiencing a common mental disorder, equating to approximately 47,000 individuals. An estimated 2,550 children and young people in Southwark suffer from a mental health disorder. There has also been an increase in demand for mental health support for young people during the COVID-19 pandemic. The refreshed plan includes a commitment to continue to protect adult mental health services, and to support 100% of young people with a diagnosable mental health need, a significant ambition that puts Southwark ahead of many other boroughs.

As an employer, the council is committed to training even more mental health first aiders, and working with partners to develop an ongoing Council-wide mental health awareness and stigma programme for all staff.

Specific Budget Changes

Overall, the budget aims to positively impact people with disabilities through continued investment in employment support and protecting service areas such as protecting adult mental health services. No cumulative disproportionate impact is identified at this stage on people with disabilities. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 112	Review of Direct Payment balances and improved review processes	Service users with a disability are over represented in the direct payment cohort that means they may be more adversely effected. This will be mitigated by case-by-case reviews. All service users will be treated equitable in line with Care Act guidance.	It is proposed that the impact of these changes will be mitigated by individual social care reviews in line with Care Act eligibility criteria. This will ensure that packages remain appropriately resourced and all eligible needs are being met. Through these reviews, it may become apparent that a direct payment is not the best way to meet an individual's needs, and social care staff will work with those affected to put a more appropriate package in place.
Children's and Adults' Services	Efficiency 114	Extension of community reablement contract.	Positive Impact - better management of cost of non-care aspects with no impact on service users.	Further analysis not required
Children's and Adults' Services	Efficiency 115	Reduction in placement costs due to reduced need for residential care placements, and reablement beds being open. The provision of 16 bed based reablement beds at Waterside Care Home will provide support for those leaving hospital for up to 6 weeks. The	Positive Impact enabling people to live independently longer.	Further analysis not required

service has the potential to reduce high cost demand on services by enabling people to live at home independently for as long as possible.

Children's and Adults' Services	Efficiency 116	Review of residential care block contract. The reduction in the block contract with Anchor homes will enable the council to procure services from an alternative residential care home provider and provide a better match with the needs and profile of those requiring residential care in Southwark.	Positive Impact - better match with needs of those requiring residential care.	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Environment and Leisure	Efficiency 124	Creation of a community partnership allowing Kingswood House to remain as a community asset	Potential impact for youth provision on the estate during closure period, mitigation in place. Positive impact longer term.	Mitigated by continuation of youth service detached sessions and by seeking alternative provision for both the library and youth services on the estate. Further analysis required as proposals come forward and use of interim measures takes place. Positive impact longer term.
Environment and Leisure	Efficiency 126	Reallocation of funding for the Council's events programme how implemented is yet to be determined.	Reduced access to free cultural, community and participatory activities in the local area	Assessment is that although impacts have been identified these remain rated green.
Finance and Governance	Efficiency 134	Implementation of an integrated self-serve platform with some upfront investment within existing budgets to achieve long-term savings.	This may have an impact on certain vulnerable elderly customers ability to contact the council to discuss issues relating to benefit	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 procedures. Offering digital only may impact on collection and recovery performance. The proposal is for year 3 so we will need to determine how far the Council has been able to recover income from the impact of Covid.

			support, rents, and council tax	
Environment and Leisure	Income 216	Income from CPZs including further rollout across the Borough	Positive - CPZ contributes to delivery of movement plan objectives.	The movement plan Equality Analysis has been presented and identifies a positive impact.
Chief Executive's	Savings 301	Reorganisation of employment support commissioning funding	Initial analysis suggests no/minimal impacts- mitigated by drawing on S106 funding.	Impacts mitigated by drawing on s106 funds.
Children's and Adults' Services	Savings 303	Closure of Fred Francis Day Centre	Fred Francis Day Centre provides a service specifically for Older Adults however no evidence of negative impact given individual reviews of care packages.	There is no evidence that there would be discrimination toward residents and that they are being treated less favourably or put at a disadvantage because of their age. It will be important that if providing an alternative service for this cohort, that they receive a person centred service and are able to exercise choice and control. We will undertake a range of actions to support adults with dementia (and those who support them) during the transition to new service[s], and also to ensure that their complex needs are correctly identified and appropriate care and support is put in place for them. Subsequent phases of this work will require a consultation to be carried out. Any impact will be mitigated by individual reviews of care packages.
Finance and Governance	Savings 308	Reduction in the administration support and number of staff in team supporting Council Tax Reduction Scheme claims	Potential staff impacts.	Potential impacts on staff. As specific proposals come forward to deliver the required saving and at each stage of implementation thereafter the different impacts will be assessed in accordance with the council's procedures.
Children's and Adults' Services	Commitment 402	Investment in Social Care - quality, safety, inflationary pressures to sustain sector and to meet needs. Social Care Commitment - ring-fenced Adult Social Care precept and Social Care Grant.	Positive impact through £6.625million investment	Not required.
Children's and Adults' Services	Commitment 404	SEND Statutory Duty Staffing	Positive - the age group is 0-25, not agreeing this commitment potentially disproportionately	Further analysis not required.

			affects children and young people.	
Children's and Adults' Services	Commitments 405	Transport Demand Pressures	Positive impact of growth.	99% of children and young people supported with travel assistance have an EHCP and are in need of support, the remaining 1% have a parent/carer with needs. This group is disproportionately represented any reduction in service availability would have a direct impact on individuals with a disability. This service is used by children and young people aged from 5 to 25 who would not be able to get to and from school/college without travel assistance that would be a significant disadvantage when compared with their peers who do not need support. There has been an average increase in demand for travel assistance of approximately 10% each year that is broadly in line with the increasing number of EHCPs issued in the borough. The level of complex needs of Children in Southwark has increased, more children with higher medical needs, which has led to provision of more specialist transport. Covid safe travel has been put in place for children with exceptionally high levels of vulnerability that has increased the cost of delivering this service (an additional £4k per week).
Housing and Modernisation	Commitments 412	Establishment of base budget funding for council-wide approach to fire safety in private sector housing (H&M lead department)	Impact on fire strategy for the block and means of escape.	Budget for staffing, legal costs and potentially initial remedial works to ensure private sector high risk buildings are made safe
Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	Positive impact	Research suggests that online offers of STI testing may have positive impacts on residents with disabilities who are unable to access physical locations. Further analysis not required

Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage.
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Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
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Environment and Leisure	Savings Public Health	Community Sports - Review of community sports team priorities and cease public health grant contribution to team.	Potential impacts mitigated by programmes targeted at specific groups.	Focus on specific groups within the new healthy weight strategy including by being physically active. Free swims and gyms available alongside other physical activity programmes targeting specific groups.
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Sexual Orientation and Gender Reassignment

Borough Plan

The Borough Plan includes an ongoing commitment to tackling hate crime in all forms, celebrating and promoting the diversity of the borough and embedding equality further in everything we do as a council. This work will include the review of the council's diversity standard and equality framework.

The council has specific commitments in the Workforce Strategy in relation to development of guidance for managers regarding gender identity. We will continue to monitor any recommendations arising from central government's consultation on the Gender Recognition Act 2004.

Research from the Office for National Statistics suggests that Southwark has one of the largest gay and lesbian populations in the country, where 5% (12,000 people) of the population of Southwark identify as being gay or lesbian, compared to only 2% of the entire London population and 1% in England. Estimates of those identifying as either bisexual, transgender are not considered reliable enough for practical use.

The refreshed plan includes a commitment to work with the LGBTQ+ community to secure a new LGBTQ+ cultural space and ensure it meets the community's needs. Other commitments to tackle radicalisation, extremism, and hate-crime, and to celebrate and promote the rich diversity of the borough, are also likely to have positive impact on LGBTQ+ residents.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below:

Department	Reference	Proposal	Impact	mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required

Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Environment and Leisure	Income 216	Income from CPZs including further rollout across the Borough	Positive - CPZ contributes to delivery of movement plan objectives.	The movement plan Equality Analysis has been presented and identifies a positive impact.
Chief Executive's	Saving 302	Reduction in youth employment budget	Initial analysis suggests no/minimal impacts – mitigated by use of S106 funding	Impacts mitigated by drawing on s106 funds.
Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	Positive impact	Research suggests that homosexual and bisexual patients are more likely to use online services than visit a clinic

Ethnicity/Race

Borough Plan

Recognising that racial inequalities continue to be a significant challenge in our society, the refreshed Borough Plan includes a number of specific commitments to tackle racial inequality and injustice. This builds on the work of Southwark Stands Together, the council's response to a number of global issues including the murder of George Floyd and the resulting Black Lives Matter protests, and the disproportionate impact of COVID-19 on Black, Asian and minority ethnic (BAME) individuals.

Southwark Stands Together is a cross council, wide reaching programme of work which seeks to root out and tackle racial inequalities and injustice. The refreshed plan includes a number of commitments based on recommendations from Southwark Stands Together, which was agreed by Cabinet in September 2020 following a period of significant engagement and consultation, with the action plan and next steps being agreed by Cabinet in October 2020. This includes:

- Supporting Black, Asian and minority ethnic artists to create and showcase new work, including drawing up plans with the community for a Black cultural centre
- Working with partners to increase representation of Black, Asian and minority ethnic communities on Southwark boards and in other community leadership positions
- Increasing the quality and effectiveness of the council's engagement with Black, Asian and minority ethnic communities
- Reviewing the council's grants to make sure they develop the best value for communities and remove barriers to equal access to funding, particularly for Black, Asian and minority ethnic groups
- Working with the police and our Black, Asian and minority ethnic communities to strengthen trust in policing
- Supporting Black, Asian and minority ethnic-led businesses in Southwark to secure contracts with public sector anchor institutions
- Encouraging all Southwark businesses with more than 50 employees to publish their Black, Asian and minority ethnic pay gaps

Education, employment and business and health inequalities were some of the greatest area of concern from the listening exercises conducted as part of Southwark Stands Together which is why the council is prioritising:

- Supporting residents from diverse backgrounds to access quality employment opportunities including apprenticeships, internships and careers information, advice and guidance.
- Aspiring to end all school exclusions by asking schools to share their data around external, temporary and internal exclusions including information on off rolling. This will enable us to build an evidence base that helps understand the experience of BAME students and develop a strategy that can help eliminate school exclusions for all.

- Improving the experience of young people with respect to meaningful work experience; develop networks within and beyond school that provide advice and guidance and exposure to opportunities that helps them develop their aspirations and confidence and understanding linked to the world of work.
- Developing a strong partnership approach across the whole health sector to address the wider health inequalities that disproportionately impact BAME communities and their physical, mental and emotional wellbeing.
- Recognising that discrimination can occur in many different ways from front line to backroom functions and adopt and embed organisation wide approaches to improve the experiences of BAME patients in health and care

The Borough Plan also recognises and seeks to tackle inequalities based on race, nationality and citizenship. This includes campaigning for an end to the ‘no recourse to public funds’ laws that trap people on the street; campaigning to ensure the Windrush generation are compensated by the national government for past injustices; and making Southwark a Borough of Sanctuary, working with community groups and partners to help and support refugee, migrant and asylum seekers in Southwark, and campaigning to end the Hostile Environment. As part of Southwark Stands Together and in our response to the covid pandemic, we intend to understand our undocumented migrant community more as part of responding to the needs of a community that are less visible and at high risk from Covid-19, hate crime and hostility.

As an employer, the council is committed to modelling best practice and the refreshed plan includes a commitment to strive to ensure the council’s workforce reflects the local community it represents at every level of the organisation. The refreshed plan includes a commitment to ensuring the top of the council’s workforce is proportionately representative of Southwark’s Black, Asian and minority ethnic population by 2030.

The disproportionate impact of COVID-19 on Black, Asian and minority ethnic individuals has shone a light on health inequalities in our society, many of which are linked to wider determinants such as deprivation, occupation and housing. The refreshed Borough Plan includes a commitment to close the gap in health inequalities that affect our Black, Asian and minority ethnic communities, and the council will work closely with the NHS and health partners to deliver this commitment.

Southwark has the second highest HIV prevalence in England: there are currently just over 2,600 people living in the borough who have been diagnosed with HIV. However, the number of new cases of HIV in the borough continues to fall, with levels falling by more than half between 2011 and 2018. The refreshed plan includes a commitment to increase HIV testing to reduce late diagnosis, particularly in Black, Asian and minority ethnic communities.

Rates of HIV and STIs in south east London (Southwark, Lambeth and Lewisham) are the highest in England. There are persistent inequalities in sexual and reproductive health and men who have sex with men (MSM) are one of the groups that suffer the greatest burden. Effective testing, especially of at risk groups, is recognised as a key component of prevention strategy. The plan includes a commitment increase HIV testing to reduce late diagnosis, which should have a positive impact on MSM as well as other demographics.

Specific Budget Changes

Overall the proposed changes identified in the budget aim to tackle racial inequality and injustice through for example the Southwark Stands Together programme. No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Children's and Adults' Services	Efficiency 121	Placement savings in Children & Families through in-borough and London provision.	No/minimal impact on staff/service users	Further analysis not required
Children's and Adults' Services	Efficiency 122	Savings achieved post closure of Aylesbury Day Nursery	Assessed as no/minimal impact on service users as service had already ceased following consultation.	Service has already ceased following consultation, no further impact identified
Environment and Leisure	Efficiency 126	Reallocation of funding for the Council's events programme although how this may be implemented is yet to be determined.	Reduced access to free cultural, community and participatory activities in the local area	Assessment is that although impacts have been identified these remain rated green.
Children's and Adults' Services	Income 211	Grants to supplement work with Youth Offending Service (YOS) young people and services to support young people at risk of involvement in crime needing early help.	No negative aspects identified as this will positively provide a small amount of extra resources for children 10-17.	Further analysis not required at this stage

Chief Executive's	Savings 301	Reorganisation of employment support commissioning funding	Initial analysis suggests no/minimal negative impacts - mitigated by use of S106 funding.	Impacts mitigated by drawing on s106 funds.
Chief Executive's	Saving 302	Reduction in youth employment budget	Initial analysis suggests no/minimal impacts – mitigated by use of S106 funding	Impacts mitigated by drawing on s106 funds.
Children's and Adults' Services	Savings 303	Closure of Fred Francis Day Centre	Fred Francis Day Centre provides a service specifically for Older Adults however no evidence of negative impact given individual reviews of care packages. Service users at Fred Francis Day Centre represent a diverse mix of ethnicities. However a higher percentage, 57.8%, are BAME with 28.9% white British. Eligible service users will be able to access alternative provision regardless of their race.	There is no evidence that there would be discrimination toward residents and that they are being treated less favourably or put at a disadvantage because of their ethnicity/race. It will be important that if providing an alternative service for this cohort, that they receive a person centred service and are able to exercise choice and control. We will undertake a range of actions to support adults with dementia (and those who support them) during the transition to new service[s], and also to ensure that their complex needs are correctly identified and appropriate care and support is put in place for them. Subsequent phases of this work will require a consultation to be carried out.
Children's and Adults' Services	Commitments 403	Elective Home Education - increase capacity (currently 0.6FTE to cover 321 cases and rising).	Positive 32% of EHE children are white British, 68% represent black, Asian and other ethnic minority communities. It is often the case that	If Southwark does not carry out sufficient monitoring of families educating their children at home, there is a significant risk of not identifying children who are not receiving a suitable education, these children may go on to have poor educational outcomes, become NEET and generally, have limited life chances. In addition, many of these children will not have contact with any other services, the contact made by an EHE adviser

			these children are also vulnerable, often being taken out of school prior to a potential exclusion. This cohort is disproportionately represented.	can pick up safeguarding risks and wider needs. 26% of EHE are previously known to children's social care or family early help.
Children's and Adults' Services	Commitment 402	Investment in Social Care - quality, safety, inflationary pressures to sustain sector and to meet needs. Social Care Commitment - ring-fenced Adult Social Care precept and Social Care Grant.	Positive impact through £6.625million investment	Not required.
Children's and Adults' Services	Commitments 404	SEND Statutory Duty Staffing	Positive the BAME community are over represented in the SEND population in Southwark. Any service delivery issues in SEND then impacts on this community disproportionately.	
Children's and Adults' Services	Commitment 405	Transport Demand Pressures	Positive impact of growth. A majority of service users 70% are from black and minority communities.	This service is used by children and young people aged from 5 to 25 who would not be able to get to and from school/college without travel assistance that would be a significant disadvantage when compared with their peers who do not need support. There has been an average increase in demand for travel assistance of approximately 10% each year that is broadly in line with the increasing number of EHCPs issued in the borough. The level of complex needs of Children in Southwark has increased, more children with higher medical needs, which has led to provision of more specialist transport. Covid safe travel has been put in place for children with exceptionally high levels of vulnerability that has increased the cost of delivering this service (an additional £4k per week.

Environment and Leisure	Commitments 406	Commitments related to delivery of Youth Review Action Plan	Positive impact	A positive impact on the lives of young people across the borough from the ages of 11 – 19 (25 for young people with learning disabilities) There will be an improved range of activities and services designed to meet their needs and co-produced by them. A number of services that currently work within different directorates will be brought together to provide an integrated approach to deliver of services
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Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	Positive impact	Research suggests that online offers of STI testing increase uptake of testing among young people (aged 16-30 years). Further analysis not required
Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Savings Public Health	Community Sports - Review of community sports team priorities and cease public health grant contribution to team.	Potential impacts mitigated by programmes targeted at specific groups.	Focus on specific groups within the new healthy weight strategy including by being physically active. Free swims and gyms available alongside other physical activity programmes targeting specific groups.

Maternity and pregnancy

Borough Plan

No differential impacts were identified in the borough plan.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Environment and Leisure	Income 216	Income from CPZs including further rollout across the Borough	Positive - CPZ contributes to delivery of movement plan objectives.	The movement plan Equality Analysis has been presented and identifies positive impact.

Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	Positive impact	Research suggests that online offers of STI testing increase uptake of testing among young people (aged 16-30 years). Further analysis not required
Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Savings Public Health	Community Sports - Review of community sports team priorities and cease public health grant contribution to team.	Potential impacts mitigated by programmes targeted at specific groups.	Focus on specific groups within the new healthy weight strategy including by being physically active. Free swims and gyms available alongside other physical activity programmes targeting specific groups.
Environment and Leisure	Savings Public Health	Long acting reversible contraception GP service - End funding for GP LARC service	Potential impact on postpartum women.	Mitigated by establishing a referrals pathway between GPs conducting postpartum checks and SRH clinics that conduct LARC fittings Further analysis required.

Sex/ Gender

Borough Plan

We are committed to promoting equal opportunities employment policies through our own commissioning, and more widely, the council has implemented the Borough Plan commitment to ensure all our contractors must publish their gender pay gap and plans to reduce it, through the Fairer Future procurement framework. The refreshed plan includes a commitment to go further than this, to encourage all Southwark businesses with more than 50 employees to publish their Black, Asian, minority ethnic, and gender pay gaps, and to support Southwark Black, Asian and minority ethnic-led and women-led businesses to secure contracts with public sector anchor institutions.

Evidence has shown that women have been disproportionately impacted by COVID-19 in employment. We will monitor the implementation and delivery of the commitments to support 5,000 residents into work and provide one-to-one support for residents who have lost their jobs because of COVID-19, to ensure that women are supported.

Through the Borough Plan and Economic Wellbeing Strategy there is an ambition that there is genuine pay equality in Southwark and for Southwark residents, and we continue to embed the principles of equal pay and family friendly work practices across all our services and promote, influence strategically, and lobby nationally for fair wages and the elimination of the gender pay gap.

Women are disproportionately impacted by domestic abuse. The refreshed Borough Plan continues to prioritise domestic abuse survivors over abusers to ensure they do not end up without a home, and commits to ensuring survivors can access high quality services, and a zero-tolerance policy on domestic abuse.

The Borough Plan 2018-2022 included a commitment to develop a Violence Against Women and Girls strategy to tackle all forms of gender based violence, which has now been delivered.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required

Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Children's and Adults' Services	Efficiency 121	Placement savings in Children & Families through in-borough and London provision.	No/minimal impact on staff/service users	Further analysis not required
Children's and Adults' Services	Efficiency 122	Savings achieved post closure of Aylesbury Day Nursery	Assessed as no/minimal impact on service users as service had already ceased following consultation.	Service has already ceased following consultation, no further impact identified.
Children's and Adults' Services	Income 211	Grants to supplement work with Youth Offending Service (YOS) young people and services to support young people at risk of involvement in crime needing early help.	No negative aspects identified as this will positively provide a small amount of extra resources for children 10-17.	Further analysis not required at this stage
Chief Executive's	Savings 301	Reorganisation of employment support commissioning funding	Initial analysis suggests no/minimal negative impacts - mitigated by use of S106 funding.	Impacts mitigated by drawing on s106 funds.
Chief Executive's	Saving 302	Reduction in youth employment budget	Initial analysis suggests no/minimal negative impacts- mitigated by S106 funding.	Impacts mitigated by drawing on s106 funds.

Children's and Adults' Services	Savings 303	Closure of Fred Francis Day Centre	Fred Francis Day Centre provides a service specifically for Older Adults however no evidence of negative impact given individual reviews of care packages.	There is no evidence that there would be discrimination toward residents and that they are being treated less favourably or put at a disadvantage because of their age. It will be important that if providing an alternative service for this cohort, that they receive a person centred service and are able to exercise choice and control. We will undertake a range of actions to support adults with dementia (and those who support them) during the transition to new service[s], and also to ensure that their complex needs are correctly identified and appropriate care and support is put in place for them. Subsequent phases of this work will require a consultation to be carried out. Any impact will be mitigated by individual reviews of care packages.
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Children's and Adults' Services	Commitment 405	Transport Demand Pressures	Positive impact of growth.	This service is used by children and young people aged from 5 to 25 who would not be able to get to and from school/college without travel assistance that would be a significant disadvantage when compared with their peers who do not need support. There has been an average increase in demand for travel assistance of approximately 10% each year that is broadly in line with the increasing number of EHCPs issued in the borough. The level of complex needs of Children in Southwark has increased, more children with higher medical needs, which has led to provision of more specialist transport. Covid safe travel has been put in place for children with exceptionally high levels of vulnerability that has increased the cost of delivering this service (an additional £4k per week).
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Environment and Leisure	Commitment 406	Commitments related to delivery of Youth Review Action Plan	Positive Impact	A positive impact on the lives of young people across the borough from the ages of 11 – 19 (25 for young people with learning disabilities). There will be an improved range of activities and services designed to meet their needs and co-produced by them. A number of services that currently work within different directorates will be brought together to provide an integrated approach to deliver of services
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Public Health				
Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Savings Public Health	Long acting reversible contraception GP service - End funding for GP LARC service	Potential impact on postpartum women.	Mitigated by establishing a referrals pathway between GPs conducting postpartum checks and SRH clinics that conduct LARC fittings Further analysis required..

Marriage/civil partnership

Borough Plan

No differential impacts were identified in the borough plan.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact	Further analysis not required

Religion or belief

Borough Plan

As outlined in the 2018 Borough Plan EIA, a number of borough plan commitments will have a positive impact on fostering good community relations, including working together with local communities to tackle radicalisation, extremism, and hate-crime; and celebrating and promoting the rich diversity of the borough.

Faith groups have played an important role in the implementation of a number of areas of work outlined in the Borough Plan refresh, including supporting vulnerable residents through the community hub, tackling inequalities through the Southwark Stands Together work, and finding local solutions to tackle knife crime.

In September 2020 the council's cabinet agreed a faith strategy action plan. The Strategy and the action plan were co-produced with faith organisations and overseen by a steering group that included faith leaders, Community Southwark and the council. The work has developed using collaborative approaches, both building on existing links and relationships and using outreach to address gaps in faith community participation. This has resulted in a wider range of faith communities getting involved. The faith strategy equality analysis completed in the period January to February 2019 is still relevant and will be reviewed next in February 2021. It is envisaged that we will then be able to see the impact of the strategy and whether it has succeeded in its ambition of drawing a wider range of faith communities in improving the lives of local residents. It is likely that wider economic impacts that are currently being felt as a result of the covid pandemic will also impact on faith groups and we need to ensure more broadly that we monitor this given their role alongside other voluntary and community groups in meeting the needs of residents not least in their contribution to tackling food insecurity.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive impact	Further analysis not required

Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive impact	Further analysis not required
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Environment and Leisure	Income 216	Income from CPZs including further rollout across the Borough	Positive CPZ contributes to delivery of movement plan objectives.	The movement plan EA has been presented and identifies a positive impact.
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Public Health				
Environment and Leisure	Efficiency Public Health	Sexual Health Services Savings on STI open access services	There are no data to suggest that this protected group is at particular risk from this proposal. Increasing access to online testing may have positive impacts upon individuals who are fearful of being observed attending sexual health clinics, due to religious prohibition of sexual activity outside of marriage.	Not required

Socio-economic disadvantage

Borough Plan

The council recognises that socio-economic disadvantage can have a significant impact on the ability of individuals to live healthy lives, to access employment opportunities and to fulfil their potential. We are committed to ensuring that every resident in Southwark has access to opportunities, and that life chances are not determined by background.

Specific commitments that seek to address socio-economic disadvantage include providing one-to-one support for residents who have lost their jobs because of COVID-19, and making adult learning accessible to all, including basic qualifications in English, maths and digital skills.

Young people from socio-economic disadvantaged families are more likely to be disproportionately impacted in education as a result of COVID-19 and the closure of schools during the pandemic. Recognising this, the refreshed Borough Plan includes a commitment to support schools to close the attainment gap.

The proportion of people in the social housing sector who are from lower socio-economic backgrounds is greater than their representation in the borough as a whole. Residents who are on lower incomes are also disproportionately likely to suffer from poor housing conditions and overcrowding, including in the private rented sector. The council has sought to tackle this through a number of Borough Plan commitments, including building new council homes, guaranteeing council estates are clean, safe and cared for, delivering a Gold Standard for private rented homes

Specific new commitments related to housing in the refreshed borough plan that are likely to have a positive impact on socio-economic disadvantage include:

- Ending rough sleeping in Southwark, including campaigning for an end to ‘*no recourse to public funds*’ laws that trap people on the street
- Lobbying the government to fix the broken housing system
- Tacking action to reduce the number of empty homes
- Improving and expanding council estates with more council homes, including the Tustin, Maydew and the Aylesbury
- Introducing a new quality standard for temporary accommodation that guarantees it is good quality and families have self-contained accommodation

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required
Children's and Adults' Services	Efficiency 122	Savings achieved post closure of Aylesbury Day Nursery	Assessed as no/minimal impact on service users as service had already ceased following consultation.	Service has already ceased following consultation, no further impact identified
Chief Executive's	Savings 301	Reorganisation of employment support commissioning funding	Initial analysis suggests no/minimal impacts- negative impacts mitigated by use of S106 funding.	Impacts mitigated by drawing on s106 funds.

Chief Executive's	Saving 302	Reduction in youth employment budget	Initial analysis suggests no/minimal impacts – negative impacts mitigated by use of S106 funding	Impacts mitigated by drawing on s106 funds
Children's and Adults' Services	Savings 303	Closure of Fred Francis Day Centre	Fred Francis Day Centre provides a service specifically for Older Adults however no evidence of negative impact given individual reviews of care packages.	There is no evidence that there would be discrimination toward residents and that they are being treated less favourably or put at a disadvantage because of their age. It will be important that if providing an alternative service for this cohort, that they receive a person centred service and are able to exercise choice and control. We will undertake a range of actions to support adults with dementia (and those who support them) during the transition to new service[s], and also to ensure that their complex needs are correctly identified and appropriate care and support is put in place for them. Subsequent phases of this work will require a consultation to be carried out. Any impact will be mitigated by individual reviews of care packages.
Housing and Modernisation	Commitment 413	Investment in Temporary Accommodation	Positive impact of £4million investment in supporting suitable Temporary Accommodation placements and achieving good quality housing standards.	Further analysis not required.
Children's and Adults' Services	Commitment 402	Investment in Social Care - quality, safety, inflationary pressures to sustain sector and to meet needs. Social Care Commitment - ring-fenced Adult Social Care precept and Social Care Grant.	Positive impact through £6.625million investment	Not required.

Environment and Leisure	Commitments 406	Commitments related to delivery of Youth Review Action Plan	Positive Impact	A positive impact on the lives of young people across the borough from the ages of 11 – 19 (25 for young people with learning disabilities) There will be an improved range of activities and services designed to meet their needs and co-produced by them. A number of services that currently work within different directorates will be brought together to provide an integrated approach to deliver of services
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Public Health				
Environment and Leisure	Commitment Public Health	Children's Public Health 0-5 (health visiting) - review, redesign and re-commissioning of a 0-19 Children's public health service. Savings on contract of £300k taken in 2020-21 but unlikely to be achieved until 2022-23 and therefore profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Commitment Public Health	Children's Public Health 5-19 (school nursing) - review, redesign and re-commissioning of a 0-19 Children's public health service. Contract saving of £63k taken in 2020/21 but unlikely to be achieved until 2022/23 and profiled accordingly.	Commitment no impact on staff or service users	Commitment therefore no negative impact identified at this stage
Environment and Leisure	Savings Public Health	Long acting reversible contraception GP service - End funding for GP LARC service	Potential impact on postpartum women.	Mitigated by establishing a referrals pathway between GPs conducting postpartum checks and SRH clinics that conduct LARC fittings Further analysis required.

Human Rights Impacts

Borough Plan

Our commitment to equality and justice runs throughout the borough plan, both in the commitments we make to the people of Southwark, and the way we deliver services every day. As a council, we are committed to taking all necessary steps to meet our commitments to equalities under the Public Sector Equality Duty, including regularly reporting back to the public so they can hold us to account.

As a Council, we are fully committed to implementation of the Human Rights Act as relevant to Council services and functions. Implementation of Borough Plan commitments at service level will be fully informed by an equality analysis process, which will include areas of the Human Rights Act as relevant.

Specific Budget Changes

No cumulative disproportionate impact is identified at this stage. Detail of specific proposals is set out in the table below.

Department	Reference	Proposal	Impact	Mitigation measures/further comments
Children's and Adults' Services	Efficiency 108	Timely provision of Occupational Therapist assessments (following recent appointment of Principal OT) which supports the use of aids and adaptations increasing peoples independence and reducing long term care provision.	Positive Impact given individual review of care packages	Further analysis not required
Children's and Adults' Services	Efficiency 117	Review of hostel provision with Housing colleagues, decant from properties that have shared facilities and reprovide residents with self-contained accommodation with community support.	Positive Impact given individual reviews of care packages.	Further analysis not required

Business Rates London Wide Pool Impacts

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. Southwark's share of the total net benefit of the 2018-19 pool was £10.186m that was ring-fenced for one-off initiatives in accordance with council priorities.

A sum of £1m was initially allocated to the planned London Counter Fraud Hub. This initiative will not now proceed and therefore the planned contribution of £1m has been released back to the Devolution reserve. However, in recognition of the significant increase in fraud risks, it is proposed to allocate £0.250m for anti-fraud activity.

It is further proposed to allocate:

- £0.5m to ensure food poverty in Southwark is tackled, including some direct investment in food. There will be a need to establish an ongoing commitment to this cause going forward;
- £0.3m to Southwark Stands Together project costs , and
- £.1m to Community Hub Covid-19 support to ensure the voluntary sector is supported.

The following list summarises the London Devolution Reserve commitments:

Initiative	£000
Positive Futures Fund	750
Southwark Pioneers Fund	2,000
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	150
Southwark Renters Union	100
Black Cultural Centre Feasibility Study	100
Food poverty	500
Anti-fraud measures	250

Community Hub Covid-19 support	100
Southwark Stands Together project costs	300

These are assessed as having a significant positive impact.

Staff impacts

Borough Plan

Both the borough plan and the Southwark Stands Together programme commit to the creation of an inclusive, fair and representative workplace at all levels. The borough plan includes a specific commitment to ensuring that the top of the council workforce is proportionally representative of Southwark's BAME population by 2030.

Specific commitments as part of the workforce work stream of Southwark Stands Together include:

- Renew workforce statistics and work the creation of targets and measures to build a more, inclusive workforce at all levels
- Look at our corporate learning and development offer and review our workforce development schemes including career progression, coaching, mentoring and reverse mentoring
- Use the outcomes from the focus groups to inform the review and, where appropriate revision of the council's employment policy and procedures
- Use the outcomes of our listening circles, upcoming focus groups and ongoing engagement activities to inform a work plan, which will include measurable objectives and outcomes
- Renew our commitment to equality and anti-racism with refreshed and on-going internal communications, and engagement activities. Themes will include but are not limited ally-ship, white privilege, gas lighting, micro-aggressions and incivilities
- Embark upon an on-going retraining and re-education programme of our leaders and managers so that they understand the critical roles they play in addressing racism, structural racism and injustice in the workforce. We want to ensure our leaders are actively anti-racist
- Review our engagement strategy with all staff with a view to create more dynamic two-way communication channels between staff, trade unions and workforce leads on highlighting opportunities and also areas of concern to ensure our support is appropriate and targeted
- Ensure there is always a safe space in which staff feel they can share their lived experiences of working at Southwark free from any repercussions
- Work with equality, diversity and inclusion (EDI) partner in the next phase of staff engagement

Specific Budget Changes

A list of the proposals that have a potential impact on staff is set out below. As specific proposals come forward to deliver the required saving and at each stage of implementation thereafter the different impacts will be assessed in accordance with the council's relevant procedures. Consultation will also take place with staff and Unions as proposals come forward and throughout implementation in line with council policies and procedures.

Department	Division	Reference	Proposal
Chief Executive's	Planning	101	Staff reorganisation, leading to reduction of one FTE post - reorganisation to delete one Grade 14 post about to be initiated and should be complete before start of 2021-22
Chief Executive's	Regeneration North	103	Reduction in staff costs through saving on unfilled current post in the Regeneration North staffing structure
Chief Executive's	Property	104	Reduction in posts - reflects recent changes in the service and a reduction in disposal/RTB work
Environment and Leisure	Parks & Leisure	132	Savings relating to Contract Management. Savings related to contract management – this will involve the deletion of current vacant posts in sports and parks & re-alignment of existing tasks
Environment and Leisure	Environment and Leisure	133	Reduce spend on staffing budget through review of agency contracts
Finance and Governance	Exchequer Services	135	Reduction in the Support Services Systems team due to automation of processes and reconciliations
Finance and Governance	Professional Finance Services and Financial Governance	136	To look at delivery of improvements to the use of the council's Finance & HR system SAP and associated processes
Finance and Governance	Law and Democracy	137	Increased efficiency due to digitalisation and streamlining of processes resulting in reduced support costs in the Constitutional Team.
Housing and Modernisation	Modernise - Information Technology	143	Review of IT and DS to deliver operational savings
Corporate		145	Review and reduction in senior management capacity council wide. The Chief Executive will undertake a review of senior management, including rescoping functional responsibilities to ensure this is better aligned to delivery of the borough plan and the council's renewal agenda.
Finance and Governance	Exchequer Services	308	Reduction in the administration support and number of staff in team supporting Council Tax Reduction Scheme claims
Finance and Governance	Law and Democracy	309	Creation of a trainee position within Scrutiny Team, allowing for reorganisation of overall staffing structure
Finance and Governance	Professional Finance Services and Financial Governance	310	Reduction of CIPFA trainee provision by removal of 2 vacant posts due to increasing demand on PFS resources

Housing and Modernisation	Customer Experience - MSSP	314	Removal of post due to service delivery change, with further posts included within HRA
Children's and Adults' Services	Education	403	Elective Home Education - increase capacity (currently 0.6FTE to cover 321 cases and rising).
Children's and Adults' Services	Education	404	SEND Statutory Duty Staffing
Environment and Leisure	Culture	406	Commitments related to delivery of Youth Review Action Plan
Housing and Modernisation	Customer Experience - Housing Solutions	410	Growth of Housing Solutions staff to support increased demand

List of proposals assessed as having no equality impact

The following proposals have been assessed as having no or minimal disproportionate impact on any group.

Department	Division	Reference	Proposal
Chief Executive's	Planning	101	Staff reorganisation, leading to reduction of one FTE post - reorganisation to delete one Grade 14 post about to be initiated and should be complete before start of 2021-22
Chief Executive's	Regeneration – North	102	Reduction of professional fees budget for Regeneration North due to the progression of Heygate and Canada Water. Qualifying expenditure on either scheme can/will be recovered from external third parties (developer)
Chief Executive's	Regeneration North	103	Reduction in staff costs through saving on unfilled current post in the Regeneration North staffing structure
Chief Executive's	Property	104	Reduction in posts - reflects recent changes in the service and a reduction in disposal/RTB work
Children's and Adults' Services	Adults' Social Care	105	Change to permanent contracts over temporary contracts - is equivalent to 1.9% of the Adult Social Care employees budget.
Children's and Adults' Services	Adults' Social Care	106	Joint work with NHS colleagues on Continuing Health Care and s.117 Mental Health cases.
Children's and Adults' Services	Adults' Social Care	107	Continue ongoing programme of annual reviews of care packages to ensure provision is meeting current need and in line with Care Act. This is less than 1.2% of the Adult Social Care placement budget.
Children's and Adults' Services	Adults' Social Care	109	Efficiencies in new Deprivation of Liberty Safeguards (DOLS) process.
Children's and Adults' Services	Adults' Social Care	110	Government delay in implementation of new Liberty Protection Safeguards (LPS) scheme.
Children's and Adults' Services	Adults' Social Care	111	Next phase of departmental invest to save programmes
Children's and Adults' Services	Adults' Social Care	113	Implementation of new placement arrangements

Children's and Adults' Services	Children & Families	118	Increased grant funding, enabling LA funding pressure for Staying Put to be reduced, but the service is still underfunded by Government.
Children's and Adults' Services	Children & Families	119	Increased grant funding, enabling LA funding pressure for Unaccompanied Asylum Seeking Children to be reduced, but the service is still underfunded by Government.
Children's and Adults' Services	Children & Families	120	More efficient use of placement resources (Independent Fostering Agencies, Residential and semi-independent accommodation (under 18 yr. olds) through new Commissioning Alliance framework.
Environment and Leisure	Culture	123	Consolidate archive, heritage and art storage by vacating Tower Workshops & Constantine and consolidating all storage at Stockroom
Environment and Leisure	Communities	127	Continued resolution of No Recourse to Public Fund cases
Environment and Leisure	Environment- Waste and Cleaning	128	Review of the Waste Contract with a reduction for Waste PFI tonnage
Environment and Leisure	Environment- Waste and Cleaning	129	Review of the Council cleaning service to create further efficiencies
Environment and Leisure	Environment- Waste and Cleaning	130	Review of the Fleet Services contract to create further efficiencies
Environment and Leisure	Parks & Leisure	131	Capitalisation of staff assigned to Capital Programme
Environment and Leisure	Parks & Leisure	132	Savings related to contract management – this will involve the deletion of current vacant posts in sports and parks & re-alignment of existing tasks
Housing and Modernisation	Central services - New Homes	141	Move project co-ordinator post to sit within HRA budget as role is now solely HRA focused
Finance and Governance	Law and Democracy	137	Increased efficiency due to digitalisation and streamlining of processes resulting in reduced support costs in the Constitutional Team.
Housing and Modernisation	Customer Experience - Contact Centre	138	Reorganisation of contact centre staffing
Housing and Modernisation	Resident Services - Travellers	139	Residual budget for Ilderton embankment works
Housing and Modernisation	Central Services - Legal	140	Removal of contingency in legal services budget
Housing and Modernisation	Modernise - CFM	142	Continued rollout of LED lighting at Tooley Street

Housing and Modernisation	Customer Experience	144	Re-alignment of the Freedom Pass budget
Chief Executive's	Old Kent Road Team	201	Capitalisation of Staff costs in relation to Tustin/Ledbury
Chief Executive's	Old Kent Road Team	202	Increase in professional fee charged to Developers for post Planning application approval services including the discharging of planning conditions
Chief Executive's	Planning	203	Estimated increase in planning fee income.
Chief Executive's	Planning	204	Estimated increase in planning fee income - extension of post approval Planning Performance Agreements to all strategic developments
Chief Executive's	Regeneration – Capital Projects	205	Increase in project management fees to be charged on the construction sum
Chief Executive's	Regeneration – Capital Projects	206	Increased Project Management fees to be charged on the construction sum of approved capital schemes
Chief Executive's	Regeneration North	207	Capitalisation of existing project management staff costs
Chief Executive's	Regeneration South	208	Capitalisation of staff costs re project management of FDS/Plot 18
Chief Executive's	Regeneration – Property	209	Increase in commercial rent income in line with rental agreements with current and new tenants. Commercial rent income significantly impacted by Covid - however these relate to smaller occupiers where we are seeing limited impact
Children's and Adults' Services	Adults' Social Care	210	Fairer Contributions Policy - system improvements.
Environment and Leisure	Environment-Regulatory Services	212	Developing of a commercial provision and supervision of Construction Management Plans, associated administration and enforcement leading to income generation
Environment and Leisure	Parks & Leisure	213	Leisure centre management fee post Covid
Environment and Leisure	Parks & Leisure	215	Increase in fees from cemeteries and crematorium
Environment and Leisure	Environment- Waste and Cleaning	217	Develop and expand commercial waste service to generate further income
Environment and Leisure	Environment and Leisure	218	Uplift in fees and charges

Environment and Leisure	Environment- Waste and Cleaning	219	Increase in garden waste collection service - additional £10 per bin per annum
Finance and Governance	Exchequer Services	220	Increase in income from enforcement agent contract
Finance and Governance	Law and Democracy	221	Increased income through increased legal trading fees
Housing and Modernisation	Modernise - CFM	222	Loss of income due to Clinical Commissioning Group no longer taking forward plans for occupancy expansion at Tooley Street premises
Corporate		223	Additional income from 760 Old Kent Road
Children's and Adults' Services	Adults' Social Care	304	Savings avoidance by re-purposing Better Care Fund support to Adult Social Care and post-pandemic arrangements. Increase support for ASC as part of whole-system reform, stability and sustainability.
Children's and Adults' Services	Education	305	Financing of Southwark Scholars programme to be shifted to earmarked reserves, releasing revenue provision. Moving forward the scholarship scheme will continue to be reviewed.
Environment and Leisure	Parks & Leisure	307	Renegotiation and extension of GM contract with 5% saving per year for 3 years
Finance and Governance	Professional Finance Services and Financial Governance	310	Reduction of CIPFA trainee provision by removal of 2 vacant posts due to increasing demand on PFS resources
Finance and Governance	Professional Finance Services and Financial Governance	311	Reduction in budget for ad-hoc use of Risk and Insurance advisory services
Finance and Governance	Professional Finance Services and Financial Governance	312	Reduction in professional qualification training budget across Finance and Governance
Finance and Governance	Professional Finance Services and Financial Governance	313	Removal of contingency budget for ad-hoc legal costs in relation to fraud cases

Chief Executive's	Planning	401	Incurred costs of shortfall on Land Charges Income
Environment and Leisure	Parks & Leisure	407	Leisure services future operating arrangements (not including any additional income share)
Finance and Governance	Law and Democracy	408	Increase in electoral services postage costs in order to meet statutory requirements.
Housing and Modernisation	Customer Experience - Mortuary	409	Increased costs of new mortuary contract
Housing and Modernisation	Customer Experience - Housing Solutions	410	Growth of Housing Solutions staff to support increased demand
Housing and Modernisation	Modernise - OT	411	Upfront investment into staff learning and training programme software
Housing and Modernisation	Customer Experience - Temporary Accommodation	413	Temporary Accommodation - budget subject to review of current Covid-19 measures and potential policy changes
Corporate		414	Debt financing costs arising from Approved Capital Programme

Public Health			
Environment and Leisure	Public Health		Health Interventions for Physical Inactivity -Termination of the Kickstart element of the GP Exercise on Referral Scheme within the Leisure Management Contract. Kickstart is the lowest level of support available and is ideal for people who are confident to exercise safely and independently. No specific impact has been identified as the Active Boost, Cardiacactive and Southwark Free Swim and Gym programmes will ensure an offer to key cohort in this group to be physically active free remains in place.

Environment and Leisure

Public Health

Healthy Weight - review of contract. No impact as the initiative is to be sustained and continued by GSTT through internal resources.

Environment and Leisure	Public Health		Smoking cessation - service efficiencies through re-specification/open tender. Equality Analysis completed for the service changes in the recommissioning, not expecting to see a reduced number of clients therefore assessed as no/minimal impact.
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Appendix A: Summary of Demographics in Southwark

Population

Southwark is one of the most densely populated and diverse boroughs in the country, with a young, growing and mobile population. Just over 314,200 people live in Southwark, up from 256,700 in 2001. This represents an increase of more than a fifth over that period. Southwark has one of the fastest growing populations in South East London. Our population is projected to grow by almost 20% by 2030; equating to an extra 60,000 residents.

The growth in our population is being driven by both natural change i.e.: more births than deaths, and international migration into the borough. Southwark has one of the highest population turnover rates in the country, with the equivalent of 10% of our population moving in, and 10% of our population moving out each year. Migration flows peak among those in their late teens and 20s, declining thereafter. The majority of our population turnover is within London, with 60% of our population inflow coming from other parts of the capital, along with 64% of our population outflow.

Age

Southwark has a much younger population than the London or national average. The median age of Southwark residents in 2017 was 33.1 years; two years younger than the London average and almost seven years younger than the national average. While our population is comparatively young, this is not driven by a large number of children and young people. It is primarily a result of the large number of young adults in their 20s and 30s.

Ethnicity

Southwark is a diverse borough with people from a wide range of ethnicities and backgrounds. Over 120 languages are spoken here, and 11% of households have no members who speak English as a first language.

Just over half (54%) of Southwark's population is of white ethnicity, a quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities. This differs from the rest of London where a considerably smaller proportion (13%) identify as black and a considerably larger proportion identify as Asian (21%).

The ethnic diversity of the borough varies markedly across age groups and the population under 20 is much more diverse than other age groups, with a similar proportion of young people from white and black ethnic backgrounds.

The 2011 Census shows that ethnic minority groups in Southwark are not evenly spread across the borough

- The highest concentration of people identifying themselves as white is in the south of the borough
- The highest concentration of people identifying themselves as from a black minority group is in and around the centre of the borough
- The highest concentration of people identifying themselves as from an asian minority group is in the north of the borough

Pregnancy & Maternity

The fertility rate in Southwark is significantly below London and England, with just under 4,600 live births in 2015

Disability

Approximately 13% of people living in inner London have a disability, equating to 40,700 people in Southwark

Sexual Orientation

Estimates indicate that Southwark has the second largest gay or lesbian population in the UK, after Lambeth. 88% of the population identify as heterosexual or straight, 5% as gay or lesbian, 0.8% bisexual, 0.9% other and 5.2% refusing to say.

Religion or belief

Over half (52.5%) of Southwark residents stated their religion as Christian at the time of the Census. 26.7% say they have no religion and 8.5% state they are Muslim with a wide range of religions and beliefs represented in the borough.

Marriage & Civil Partnership

Over half (54.7%) of adults in Southwark had never been married or registered in a civil partnership at the time of the Census. 28.5% are married and 0.9% in a same sex civil partnership.

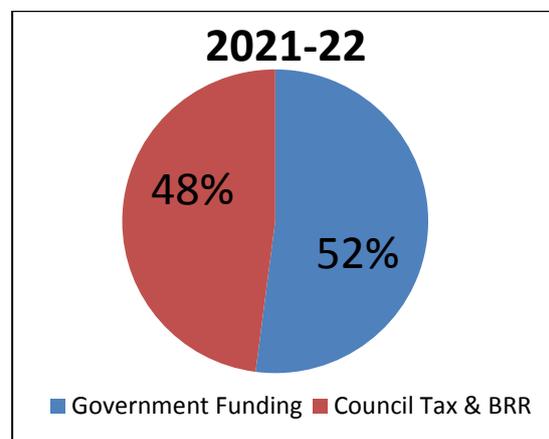
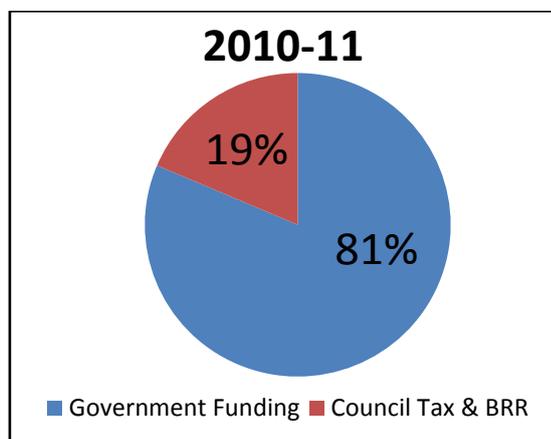
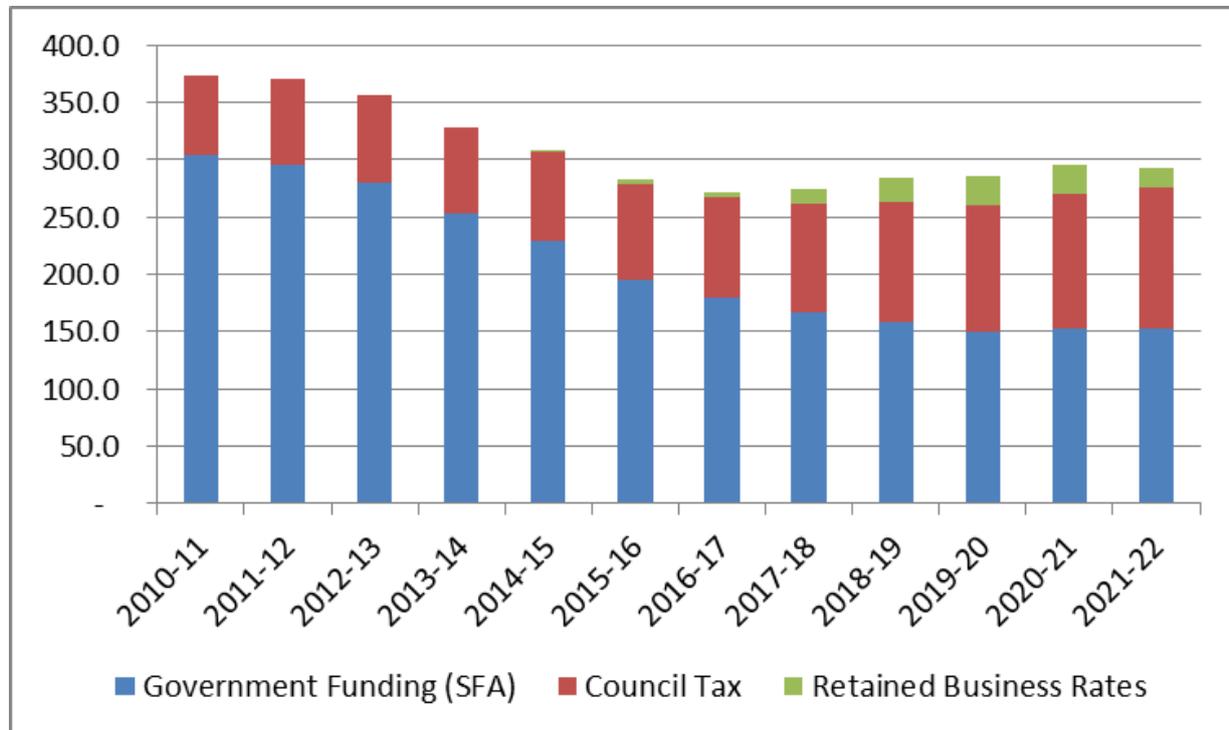
Gender Reassignment

Currently there are no standard or robust sources of statistics regarding gender reassignment, nor is there standard data on the use of health services or referrals to gender identity clinics. However, GIRES (the Gender Identity Research and Education Society) estimate that 0.6-1% of the population may experience gender dysphoria.

Budget Contextual Information

Funding Trend 2010-11 to 2021-22

The Budget Requirement is the amount of expenditure that is funded by general support from central government, council tax and retained business rate growth. The following graph shows how the Budget Requirement has changed over the period 2010-11 to 2021-22:



Key messages:

- Total general funding has decreased from £373m in 2010-11 to £293m in 2021-22, a reduction of £80m. This represents a real terms decrease of over one third.
- General support from central government has decreased from £304m in 2010-11 to £152m in 2021-22, a reduction of £152m. This represents a real terms decrease of around two thirds.
- Locally generated receipts (council tax and retained business rate growth) have increased over the same period by £71m highlighting the increased reliance on locally generated income.

REVENUE BUDGETS 2010-11 to 2020-21

Gross Revenue Expenditure 2010-11 to 2020-21											
	£'000										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Finance & Governance	278,165	308,030	300,949	315,267	320,386	301,993	293,624	289,963	266,492	239,483	242,251
Chief Executives	34,643	28,228	25,631	24,841	24,673	21,514	21,079	20,684	22,931	20,284	20,845
Children's and Adults Services	486,384	442,610	441,626	432,193	423,531	453,919	409,360	405,251	447,221	461,216	469,017
Housing & Modernisation	81,201	84,384	85,480	73,189	83,278	77,904	82,620	81,466	73,657	88,904	92,347
Environment & Leisure	131,109	128,280	123,327	128,647	155,334	155,318	165,264	166,331	176,414	184,711	191,152
Total	1,011,502	991,532	977,013	974,137	1,007,202	1,010,648	971,947	963,695	986,715	994,598	1,015,612

Income 2010-11 to 2020-21											
	£'000										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Finance & Governance	(235,567)	(285,122)	(282,192)	(285,778)	(302,014)	(287,264)	(290,618)	(288,774)	(270,984)	(230,745)	(233,960)
Chief Executives	(13,446)	(13,293)	(12,817)	(12,395)	(12,608)	(11,823)	(11,801)	(12,269)	(14,513)	(18,695)	(18,890)
Children's and Adults Services	(271,865)	(245,338)	(251,721)	(223,264)	(227,319)	(274,793)	(240,502)	(228,565)	(251,677)	(279,467)	(286,448)
Housing & Modernisation	(16,653)	(17,965)	(18,148)	(15,865)	(23,675)	(23,461)	(25,863)	(25,364)	(19,009)	(30,541)	(33,166)
Environment & Leisure	(46,755)	(48,004)	(43,993)	(50,662)	(75,221)	(83,387)	(87,712)	(91,229)	(98,998)	(103,984)	(108,114)
Support Cost Re-allocation	(63,351)	(58,789)	(59,308)	(57,956)	(57,956)	(46,508)	(44,071)	(43,177)	(37,264)	(40,740)	(40,740)
Total	(647,637)	(668,511)	(668,179)	(645,920)	(698,793)	(727,236)	(700,567)	(689,378)	(692,445)	(704,172)	(721,318)

Net Expenditure 2010-11 to 2020-21											
	£'000										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Finance & Governance	42,598	22,908	18,757	29,489	18,372	14,729	3,006	1,189	4,492	8,738	8,291
Chief Executives	21,197	14,935	12,814	12,446	12,065	9,691	9,278	8,415	8,418	1,589	1,955
Children's and Adults Services	214,519	197,272	189,905	208,929	196,212	179,126	168,858	176,686	195,544	181,749	182,569
Housing & Modernisation	64,548	66,419	67,332	57,324	59,603	54,443	56,757	56,102	54,648	58,363	59,181
Environment & Leisure	84,354	80,276	79,334	77,985	80,113	71,931	77,552	75,102	77,416	80,727	83,038
Support Cost Re-allocation	(63,351)	(58,789)	(59,308)	(57,956)	(57,956)	(46,508)	(44,071)	(43,177)	(37,264)	(40,740)	(40,740)
Total	363,865	323,021	308,834	328,217	308,409	283,412	271,380	274,317	294,270	290,426	294,294

Employee Budgets 2010-11 to 2020-21

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & wages	136,726	124,524	125,568	126,131	135,173	133,338	126,343	120,900	123,195	126,643	131,619
Employers National Insurance	11,357	10,688	10,558	10,409	11,250	11,274	11,245	13,262	13,314	13,649	14,313
Employers Pension expenses	29,636	28,897	30,054	32,169	26,961	27,684	27,064	26,970	28,830	29,578	30,195
Other Employee expenses	3,714	3,050	2,934	2,515	2,659	2,856	2,681	2,658	2,913	5,804	5,998
	181,433	167,159	169,114	171,224	176,043	175,152	167,333	163,790	168,252	175,674	182,125

Income Analysis 2010-11 to 2020-21

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Grants	(436,512)	(464,966)	(472,658)	(444,683)	(481,351)	(523,039)	(488,355)	(491,597)	(485,536)	(473,332)	(493,692)
Fees, charges and other income	(76,512)	(67,028)	(61,844)	(61,796)	(68,395)	(68,581)	(71,153)	(61,850)	(71,731)	(88,591)	(92,582)
Recharges	(134,613)	(136,517)	(133,677)	(139,441)	(149,047)	(135,616)	(141,059)	(135,931)	(135,178)	(142,249)	(135,044)
	(647,637)	(668,511)	(668,179)	(645,920)	(698,793)	(727,236)	(700,567)	(689,378)	(692,445)	(704,172)	(721,318)

NB - figures are for General Fund Revenue Account and exclude school employees, HRA and DSO

Comparative table of London local authorities council tax collection rates

Comparative statistical data is available for in-year collection rates only. However, the collection of both council tax and non-domestic rates continues once the financial year to which it relates has ended. This means the final collection rate achieved is somewhere between the figures shown in the tables below and 100%.

Authority	2010/11 % collected	2018/19 % collected	2019/20 % collected	Change on previous year	Change since 2010/11
Newham	91.7%	96.2%	95.9%	-0.3%	4.2%
Barking	92.9%	95.7%	95.7%	0.0%	2.8%
Southwark (l)	92.7%	95.9%	95.4%	-0.5%	2.8%
Haringey	94.0%	96.5%	96.5%	0.0%	2.5%
Redbridge	95.2%	97.3%	97.1%	-0.2%	1.9%
Hackney (l)	93.0%	95.0%	94.7%	-0.3%	1.7%
Hounslow	96.6%	98.0%	98.2%	0.2%	1.6%
Croydon	95.9%	97.3%	97.1%	-0.2%	1.2%
Kensington (l)	96.4%	97.8%	97.4%	-0.4%	1.0%
Tower Hamlets (l)	95.1%	96.5%	96.0%	-0.5%	0.9%
Westminster (l)	96.0%	96.7%	96.7%	0.0%	0.7%
Harrow	97.0%	97.6%	97.6%	0.0%	0.6%
Merton	97.3%	98.0%	97.8%	-0.2%	0.5%
Greenwich (l)	94.3%	94.5%	94.7%	0.2%	0.4%
Hammersmith (l)	95.5%	96.8%	95.9%	-0.9%	0.4%
Lambeth (l)	94.7%	95.0%	95.0%	0.0%	0.4%
Bexley	96.0%	96.3%	96.3%	0.0%	0.3%
Brent	95.6%	96.1%	95.9%	-0.2%	0.3%
Wandsworth (l)	97.9%	98.4%	98.2%	-0.2%	0.3%
Bromley	97.6%	98.0%	97.9%	-0.1%	0.3%
Kingston	98.4%	99.0%	98.7%	-0.3%	0.3%
Havering	96.8%	96.1%	96.9%	0.8%	0.1%
Barnet	95.6%	95.8%	95.7%	-0.1%	0.1%
Sutton	98.5%	98.3%	98.6%	0.3%	0.1%
Waltham Forest	95.8%	96.0%	95.8%	-0.2%	0.0%
Islington (l)	95.5%	96.1%	95.3%	-0.8%	-0.2%
Hillingdon	97.0%	97.2%	96.8%	-0.4%	-0.2%
Enfield	95.7%	95.7%	95.5%	-0.2%	-0.2%
Ealing	97.1%	97.0%	96.8%	-0.2%	-0.3%
Richmond	98.9%	98.5%	98.6%	0.1%	-0.3%
Lewisham (l)	94.1%	94.5%	93.7%	-0.8%	-0.4%
Camden (l)	96.5%	96.4%	95.4%	-1.0%	-1.1%
City of London	99.4%	98.3%	97.8%	-0.5%	-1.6%

Comparative business rates and council tax collection rates

Non-domestic rates - collection rates 2015-16 to 2019-20					
	2015-16	2016-17	2017-18	2018-19	2019-20
	%				
England	98.2	98.2	98.4	98.3	98.0
Inner London boroughs	98.6	98.6	98.8	98.6	98.3
Southwark	99.5	99.3	99.4	99.4	99.7

Council tax - in-year collection rates 2015-16 to 2019-20					
	2015-16	2016-17	2017-18	2018-19	2019-20
	%				
England	97.1	97.2	97.1	97.0	96.8
Inner London boroughs	95.8	96.0	95.9	96.0	95.6
Southwark	95.2	95.9	95.5	95.9	95.4

OVERVIEW AND SCRUTINY COMMITTEE (OSC) – 27 JANUARY 2021

RECOMMENDATIONS TO CABINET ON POLICY AND RESOURCES STRATEGY 2021-22

1. Overview and Scrutiny Committee (OSC) notes that there are a number of budget lines in which spending is required to increase, sometimes significantly. Some growth areas, but not all, reflect growing demand such as temporary accommodation, leisure and housing solutions. In the context of the pandemic, this is understandable, and cabinet is right to respond. However, OSC recommends that Cabinet puts in place a process for all of these growth areas, including consultation with service users, which will develop council policy to ensure spending in future budgets is sustainable, and guarantees the overall financial position of the council remains robust.

Response

We will continue to engage with service users and those affected by proposed cuts throughout the process. On Temporary Accommodation and Leisure we have separate new policy approaches being developed which will follow the normal process.

2. OSC notes that many other service areas, also experiencing unprecedented demand, are not seeing budget growth in the same way. OSC recommends that the good budget management in some service areas forms part of the review to help ensure budget spend best reflects the needs of residents rather than different standards of service performance and transformation.

Response

Cabinet notes this recommendation. Our performance management arrangements together with existing budget monitoring process will ensure that good practice is recognised and that best practice is shared and implemented in areas requiring improvement. The Budget Recovery Board has been an effective means of supporting services to improve standards and to put them on a sustainable financial footing in the face of significant demand pressures.

Budget proposals and the budget challenge process will continue to be driven by the fairer future budget principles, to manage budgets carefully, to prioritise the promises made in the council plan and to protect services for the most vulnerable.

3. OSC welcomes the reassurances given by cabinet that the provision of youth employment services and the reorganisation of employment support can be adequately funded via Section 106 in the year ahead, and is reassured that the cabinet recognises the importance of these in light of the impact of the pandemic on young residents of the borough. OSC notes that the Council is developing new technology to track planning fees, and Section 106 and Community Infrastructure Levy income. However OSC recognises that these incomes will be impacted by the Covid-19 recession and wants to receive regular updates on the

collection and use of this funding to ensure services that are dependent on it remain fully funded and will accommodate for a spike in demand as a result of the recession in the years ahead.

Response

The new system being installed to track S106 and CIL income is being designed to have a public facing module (PFM). This PFM will show all the S106 (both financial and non-financial) and CIL negotiated, collected and allocated for the whole borough. It will also show all the neighbourhood CIL available in each ward and what local projects have been agreed. The first phase of the PFM roll-out is due next month and will cover the most recent financial year. Over the next few months, the historic data from previous financial years will also be made public.

4. OSC welcomes the decision to remove the saving to the Adventure Playgrounds budget but supports the work currently underway to investigate whether some of the playgrounds can provide open access whilst maintaining risky and adventurous play. OSC recommends that the current capital budget allocated to investment in Adventure Playgrounds is also looked at as part of this review so that the additional capital investment that will be needed is agreed at the same time.

Response

This is the agreed process for taking forward proposals around adventure play.

5. OSC recommends that officers be asked to review the proposed increase in Pest Control Services (Residential Services) and if no evidence base that officers defer the proposed increase until after the pandemic or remove proposed increase altogether due to impact on low income families.

Response

The current pest control pricing valuation model is based on an inherited baseline. Price increases to date have been made by inflating this annually based on annual inflators linked to either CPI or RPI. No additional evidence based modelling has previously been undertaken to support any further pricing assumptions, or to establish whether the resultant rates calculated are fully recovering direct and overhead costs linked to service delivery.

The proposed price list attempts to address this and has an underpinning assumptions built into it with respect to full cost recovery. The baseline price calculated before discounts, attempts to fully recover all direct and overhead costs and is not cross-subsidised by other council budgets (i.e. HRA).

On a like for like comparison basis, our current pricing is less than the pricing in place from the majority of our private sector competitors operating in our local area. This remains the case even if we were to introduce the proposed price increases.

It should be noted that treatments for the most common pest types found in Southwark remain free of charge at the point of service for all council tenants and any leaseholder whose property is included in our pest control block

treatment programme. Also, to lessen the financial impact on low income families or individuals who are required to pay for our service, a 50% price reduction remains in place for residents who are in receipt of a 'passported' benefit and/or state pension.

6. Overview and Scrutiny Committee notes the sizable budget savings relating to agency staff (items 105 and 133) and to decisions yet to be taken by the NHS (items 106 and 304), and we recognise the potential delivery challenges that these entail. We therefore recommend robust monitoring arrangements for these and other significant savings. We request that the progress on this work is reported back to Overview and Scrutiny Committee during the municipal year.

Response

This will be covered off during Performance meetings going forward. Separate emails will follow regarding performance later this week, but we are keen to discuss both council plan commitments and also how budget savings are going so we can identify any issues early. We also recently agreed a process for reporting back to OSC on outcomes of performance challenge, so will include within that an update on any areas of concern of non-delivery of budget commitments

7. OSC notes the line items relating to reviews on talking therapies, bringing exercise to outdoor spaces and mental health support focussed on young people. OSC notes that the Council will seek additional government funding for increased demand due to Covid and recognises evolving health needs post the crisis. OSC recommends that Cabinet review and potentially offer mental and physical health support towards the latter stages of the Covid crisis for Southwark Citizens. Examples include a wider campaign followed by offerings for physical classes in parks, subsidised talking therapies or group CBT. Additional resource may need to be considered from a public health perspective to reducing health inequalities e.g. finding additional long term funding for health ambassadors.

Response

Cabinet notes this helpful recommendation and recognises the very real impact the pandemic is having on residents mental and physical health. Summarised in Annex1 is an outline of areas of mental and physical health support the council is already providing together with signposting to support provided by partners in Southwark.

The council has been allocated £11m in 2021-22 to fund the additional costs of the pandemic. This additional one-off funding is not in the base budget however it is expected that demand will exceed the available resources. Accordingly we will be seeking to prioritise this COVID funding for our priorities, including mental health.

Mental Health

The Nest

The Nest provides free mental health and wellbeing support for young people aged 13–25. This supports young people and their families with the opportunities, experiences and tools to enable them to develop their emotional and social skills through one-to-one and group work.

During the COVID-19 lockdown, the service offers remote support including e-resources, an online chat service, and one-to-one advice over the phone or video calls. Once lockdown restrictions are lifted these services will continue alongside face-to-face support from the base in Peckham.

Public Health

Improving our communications for the Public:

- Developed and published a new "taking care your mind" section on the website, which includes advice and information on mental health and wellbeing, as well as links to available services:
<https://www.southwark.gov.uk/health-and-wellbeing/coronavirus/health-advice-during-covid-19/taking-care-of-your-mind>
- Supported a SEL CCG Mental health communications campaign aimed predominantly at young people
- Developed a series of evidence-based tweets around mental health and wellbeing. These are currently with Comms
- Liaised with Comms to include Mental health advice and information in Council's newsletters and Southwark Life magazine
- Developed a leaflet and shared it with Housing and Income Officer Teams, so that they could print it out themselves distribute it to their tenants who are not online/use it to provide information. The leaflet covered not only mental health, but also other needs/issues such as loneliness, money problems, domestic violence, access to food and physical activity
- Provided advice to the Community Hub Team Leaders, and offered them training on Suicide Prevention (STORM)

Understanding the impact of Covid

- Liaised with local service providers (IAPT, Wellbeing Hub, Community Hub), reviewed the evidence and produced a Mental Health Rapid Impact Assessment. We presented the Impact Assessment at various forums, including: Health and Wellbeing Board, Southwark Stands Together Leads Group, Art and Health forums, Mental Health and Wellbeing Joint Strategy Steering Board and other professionals and services operating in the Borough.

Strengthening our strategies and building resilience in the community

- Southwark's Loneliness Strategy was approved by Cabinet in April 2020, however, it needs to be reviewed in light of COVID-19 pandemic. We are currently consulting with residents to have an updated indication on the

- level of need in the borough, understand new barriers and gather views and ideas on what should we do to help.
- Mental Health First Aid Training: we are in the process of commissioning new Mental Health First Training for an additional 100 council staff members - the budget for this has been taken from other public health areas. The training will be reserved to staff who work directly with members of the public, and will be adapted to be as relevant as possible to specific teams (i.e. Libraries, Pest Control etc).
 - Suicide prevention: Continued to deliver STORM suicide prevention training in partnership with Lambeth. Sessions have been taking place online. Southwark CCG area is also due to receive some funding for Suicide prevention activities, to be shared across the SEL CCG. We liaised with the Programme Lead and included some of our Suicide Prevention priorities within the plan.
 - Digital Public Health: mental wellbeing will be part of the digital public health offer under the "Take Care Southwark" branded digital tool for residents (currently under development)
 - Joint Mental Health and Wellbeing Strategy - working with the CCG and social care to shape the refreshed strategy in light of the impact of coronavirus

Protecting our workforce

- Public Health sits on the Council's Employee Wellbeing Board, and provided advice and signposting information on staff's mental health and wellbeing, as well as webinars and one workshop

Physical Activity

Public Health:

- Exercise on Referral (including Kick Start & Health Walks)
- Alive N Kicking (Tier 2 Children's Weight Management)
- Healthy Lifestyle Hub
- Move More web pages
- Currently developing a digital offer of support to move more

CCG:

- Walking Away from Diabetes
- Tier 2 Adults' Weight Management
- Tier 3 Adults' Weight Management
- Falls Prevention

Sports and Leisure:

- Free Swim and Gym (& swimming lessons)
- Oomph projects
- Dementia Walks
- Healthy Movers
- Daily Mile
- Sports club development
- London Youth Games
- Junior Park Run

Here are a few of our Common P groups that offer support in these areas and the nature of the support:

Southwark Pensioners Centre offer exercise classes including online chair-based Exercise Disco; Zoom Chi Kung exercise sessions. Face to face activities such as Line Dancing and “Strength and Balance” classes are on hold due to the pandemic

<http://www.southwarkpensioners.org.uk>

Mental Fight Club – support for people with and without mental health issues, integrating into the community with rich variety of wellbeing activities at the Dragon Café which is currently virtual <https://dragoncafe.co.uk/>

Southwark Day Centre for Asylum Seekers – mental health support for refugees and asylum seekers including group therapy; also therapeutic activities including gardening project www.sdcas.org.uk

AAINA women’s group <https://aainawomen.wordpress.com/> weekly organised walks; cycling lessons; currently doing online yoga and last summer did outdoor yoga

Bankside Open Spaces Trust www.bost.org.uk

London Wildlife Trust <https://www.wildlondon.org.uk/nature-reserves/centre-wildlife-gardening>

Surrey Docks Farm <https://www.surreydocksfarm.org.uk/>

- All gardening / food growing for physical and mental health

Walworth Golden Oldies – not started yet but will be looking at access to health and medical advice and support via digital methods <https://www.southwark-golden-oldies.com/>

Blackfriars Settlement <https://www.blackfriars-settlement.org.uk/mental-health> mental health and wellbeing project currently via zoom

Time and Talents <https://www.timeandtalents.org.uk/health-wellbeing> health and wellbeing activities, currently only

The Bike Project <https://thebikeproject.co.uk/> free bikes for refugees & online cyber cyclists programme.

Latin American Disabled People’s Project <http://www.ladpp.org.uk/community-mental-health--wellbeing-project.html> community mental health & wellbeing project

Southwark’s Local Offer offer website provides details of various wellbeing services within Southwark including those related to supporting mental and emotional health <https://localoffer.southwark.gov.uk/wellbeing>

Item No. 11.	Classification: Open	Date: 2 February 2021	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: capital monitoring report, including capital programme update 2020-21 (month 8)	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Rebecca Lury, Finance and Resources	

FOREWORD – COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE AND RESOURCES

As ever, we remain committed and ambitious about our ability to deliver major investments and improvements in our Borough. However, the impact of Covid-19 has had far reaching consequences which we could not have foreseen when we set the Budget back in March 2020, and which we expect to continue to have a significant impact on our financial position going forward.

Whilst activity was showing signs of recovery when we last reported to Cabinet in October, the Covid-19 pandemic continues to impact adversely on the delivery of the 2020-21 capital programme.

In order to provide as much certainty as we can during these changeable times, we have reviewed the entirety of the Capital Programme, to consider those projects which should be prioritised and those areas where we may need to think again about the timescales for delivery. The outturn forecast remains substantially below planned expectations, and the programme has therefore been adjusted to accommodate some of the inevitable delays.

As such, the re-profiled overall capital programme for 2020-21 is £251.8m, £136.0m of which is General Fund and £115.8m on the Housing Investment Programme.

The Council has committed to doing everything that it can to make Southwark carbon neutral by 2030. The Council already invests substantial resources in projects that contribute to this priority including our commitments to build energy efficient new homes, to provide efficient heating systems to our council homes, to plant trees and improve air quality and to reduce our operational property estate. However, we recognise the need to do more and are investing a further £25m to help tackle the climate change emergency.

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. I am therefore pleased to announce an additional capital allocation of £1m to support the delivery of the Cabinet's ambitious plan for youth provision which will sit alongside dedicated revenue budgets.

RECOMMENDATIONS

That cabinet:

1. Notes the forecast outturn and resources for 2020-21 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D;
2. Approves the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C;
3. Approve the inclusion in the programme of the capital bids set out in Appendix E;
4. Notes the significant funding requirement of £384.1m which needs to be identified for the general fund programme to be fully delivered over the remaining term of the programme, as detailed in Appendix A.
5. Notes the significant funding requirement of £103.9m which needs to be identified for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix B.

BACKGROUND INFORMATION

6. On 18 October 2020 the capital monitoring report including capital programme update 2020-21 (month 5) was presented to the Cabinet. This reported the forecast capital outturn of £178.8m and financing requirement (i.e. borrowing) of £120.7m on the General Fund programme. Forecast spend on the housing investment programme for the financial year 2020-21 was £223.0m, with £59.7m financed by borrowing.
7. The total programmed capital expenditure over the ten year period 2020-21 to 2029-30 is £574.7m for general fund and £2,096.0m for the housing investment programme.
8. The scale of the capital programme is immense, representing a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and do business in the borough.
9. Due to the size and scale of the programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. The Covid-19 pandemic

effectively halted the programme in March 2020. Whilst activity has started to recover, delays and additional costs were inevitable.

10. Actual resources may also vary to the plan, due to, for example, a delay in the sale of a property, or an external development with s106 or CIL obligations not being brought forward as quickly as anticipated. This has historically resulted in the capital programme being over-programmed in year, whilst retaining a balanced programme over the entire ten year life of the programme. However, the council now faces a position where planned spend is considerably in excess of forecast resources, not only in year, but also over the life of the programme.
11. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. On 20 February 2019 the council assembly agreed a refreshed 10 year general fund capital programme and housing investment programme (HIP) for the period to 2027-28. Cabinet will consider and approve the refresh of the capital programme on a regular basis through capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.

KEY ISSUES FOR CONSIDERATION

Programme position at Month 8 2020-21

12. The capital programme is detailed within the report and appendices as follows:
 - Appendix A set out the summary of the general fund capital programme 2020-2030
 - Appendix B sets the housing investment programme 2020-2030
 - Appendix C sets out capital programme budget virements and variations for approval
 - Appendix D provides further information on the general fund capital programme 2020-2030.
 - Appendix E details new capital programme bids to support the delivery of the refreshed council plan to deliver a fairer future for all. Departmental narratives provide further detail on these bids.

General Fund

13. Attached at Appendix A is a summary of the general fund capital programme position as at month 8. The total programmed expenditure over the period 2019-20 to 2029-30 is £574.7m. The forecast spend in 2020-21 is £136.0m against a programmed spend of £183.4m.
14. Capital expenditure to the end of Month 8 was £38.0m representing 28% of forecast spend for the year.

15. Appendix C details the budget virements and variations for approval by cabinet.
16. Appendix D provides a breakdown of the programme by directorate and project and the departmental narrative statements (paragraphs 29 to 102) provide further details.
17. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

Housing Investment Programme

18. The housing investment programme is forecasting total expenditure of £2,096.4m over the period 2020-21 to 2029-30. The forecast spend in 2020-21 is £115.8m against a budget of £221.2m. Spend to the end of month 8 was £57.7m representing 50% of total forecast spend for the year.
19. A breakdown of the schemes and budgets within the housing investment programme is included in Appendix B. Further narrative is provided at paragraphs 103 to 110.

Resourcing the 2020-21 programme and onwards

20. Capital expenditure is financed through a variety of sources, typically receipts from the sale of capital assets, capital grants, external contributions such as S106 or Community Infrastructure Levy (CIL), from reserves or from revenue budget contributions. Any capital expenditure that is not financed by available capital resources must be financed by borrowing.
21. The strategy for financing the capital programme is to utilise grants, before using council receipts and reserves, thereby minimising any requirements for borrowing which will impact on the council's revenue budget.
22. The council can temporarily utilise other resources in lieu of using external borrowing to fund capital expenditure. This is referred to as internal borrowing. Whilst internal borrowing is a useful treasury management facility to minimise debt financing costs, it merely defers the timing of external borrowing rather than obviating the need.
23. The shortfall in available capital resources is financed from borrowing and will be funded from revenue contributions to support the debt costs over the life of the debt repayment.
24. The treasury management strategy has been to defer external borrowing, borrowing only when needed for liquidity purposes. Whilst this strategy

has worked well for the council, saving over £20m since 2011, the increase in capital spending can no longer be financed entirely from internal borrowing. Accordingly since 2017-18 the council has needed to borrow externally to finance previous capital spending and to maintain target cash balances.

25. The make up of the capital programme is significantly influenced by the scale of resource availability from grants, s106, community infrastructure levy (CIL) and capital receipts and their timing. Over the life of the programme, all commitments must be met from anticipated resources. In the event of any shortfall in resources to fund the programme in any particular year the council would need to consider the use of prudential borrowing to bridge the gap. The cost of servicing the debt will be a charge to the revenue budget and funded from savings and/or returns on investments.
26. In the current ten year programme included within this report, there is a forecast shortfall of available funds of £383.1m to meet the planned general fund capital commitments and a borrowing requirement of £890.4m to fund the ambitious housing investment programme.
27. In addition, proceeds from capital receipts are continually kept under review especially for sales and development agreements. Financing will require careful monitoring of commitments and a drive to secure the forecast capital receipts and other resources as planned over the rest of the financial year. As part of work to review capital financing, a review of s106 has been undertaken to identify where contributions can appropriately be utilised to support the capital programme, subject to the agreement of the Planning Committee.
28. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources. Beyond 2020-21, there are likely to be future demands for borrowing and these will be assessed as necessary at the time as part of our treasury management strategy.

Departmental Updates

29. The sections below provide commentary on the budget outturn position by department for 2020-21.

CHIEF EXECUTIVE'S DEPARTMENT

30. The total value of the capital programme for the department over the period 2020-21 to 2029-30 is £241.0m. Project managers have reviewed the progress of the various schemes and budgets have been re-profiled in line with anticipated spend. The projected spend for this year is currently

estimated to be £77.2m against the budget of £89.2m

Regeneration Division

31. The regeneration division (comprising of four project areas, namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) has a combined budget of £172.7m with expenditure of £67.3m projected to be spent in 2020-21 and the remaining spend profiled across future years.

Walworth Road Town Hall

32. In December 2020 General Projects, the council's partner for the Walworth Town Hall project received planning and listed building consent for the refurbishment of the buildings and their use as co-working and business start-up space with a café and community space. This is a significant milestone in the programme to restore these Grade 11 listed buildings and to remove them from the building at risk register. The developers programme anticipates a start on site in quarter 2 of 2021/22.

Canada Water

33. Cabinet approved terms for a Master Development Agreement in March 2018. The agreement consolidates land holdings at Canada Water paving the way for the comprehensive redevelopment of a 55 acre site which will deliver new homes, [including up to 700 affordable units], jobs, new leisure centre [to replace Seven islands] public routes and open spaces. Under the terms of the agreement the council has secured a 20% interest in the site and has an opportunity to invest in the regeneration of the area on a plot by plot basis. The agreement provides a flexible framework by which the council can potentially benefit from the growth in capital values and rent which are expected to be generated from British Lands transformation of this key site. These returns could be used to support the funding of services benefitting residents. Plot investment decisions will be the subject of separate Cabinet reports the first of which is scheduled for March 2021.
34. Planning Permission for a hybrid application [detailed phase 1 and outline for all other phases] was granted in July 2019. The application was the subject of a Judicial Review process which ended in November 2020 when the claim was dismissed. The application can now be implemented and as a consequence the council was able to complete the MDA in December 2020. On completion of the agreement the council is required to make payments to British Land to meet the cost of its 20% share of the former Rotherhithe Police Station site and Dock Offices sites. These parcels of land form part of the development site and planning consent. In addition a payment is also required to meet costs arising from development of the scheme to date. In combination these payments are an investment which will ensure the council retains its 20% share in the

MDA site and plot investment options.

Canada Water Leisure Centre

35. The council's new Leisure Centre which will replace Seven Islands is to be located on plot A2 within the British Land Canada Water Masterplan. The judicial review process ended in November 2020 meaning that the planning permission issued for the masterplan in May 2019 (which includes the leisure centre) can now be implemented. Subsequently in December 2020 the council completed the property transaction with British Land in accordance with the Master Development Agreement agreed by Cabinet in March 2018. The achievement of these significant planning and property milestones will enable this transformational project to proceed to the implementation phase. Approval is now sought to include the council's contribution to historic project costs within the capital programme in the sum of £5.2m. Early enabling works are now underway to prepare for plot A2 for development. The construction of the leisure centre is a complex project and is expected to take around four years to complete.

Elephant and Castle Open Spaces

36. Dickens Square/ Dickens Fields: Contract awarded. Construction works started on 14 December with expected completion in June 2021.
37. Victory Community Park: Consultation on current proposals delivered throughout August and September via online survey and remote session. Final design pre-planning consultation and internal approvals in early 2021. Planning submission February – May 2021.
38. Nursery Row: Approval of Project Initiation Document (PID) in February 2021.

Local CIL Programme

39. The council launched a community consultation exercise in March 2020 to find out residents project ideas for spending the £6.5m of local CiL which has been secured from developments across the 23 wards in the Borough. Over 1000 project ideas were submitted. Following an assessment process councillors have agreed Community Investment Plans [CIP's] for their wards identifying local infrastructure projects that they wish to deliver over a 3 year period. The CIP's for all 23 wards in the borough were approved by cabinet in December 2020 and January 2021. In total around £6m has been allocated to 66 projects. Projects include investment in parks, youth and community facilities.

44 Webber Street

40. Essential repairs are required to the structure and fabric of this Victorian,

former school building which is let on commercial terms to the well regarded Centre for Literacy in Primary Education (CLPE). The asset generates a significant income and will continue to do so post-works, at which point we have negotiated the transfer of future repairing obligation from the landlord to the tenant. Works are underway and nearing completion.

Peckham Library Square

41. Peckham Library Square comprises of two distinct elements. A contribution of £900,000 to fund the gallery as part of the council homes scheme Peckham Gateway which was initially considered as a HRA asset and formed Housing Investment Programme, but as it has a wider use, it is more appropriate to be considered as a General Fund asset and its development costs, therefore, to be met from General Fund capital resources. The second element is a budget allocation of £5.7 million for a renewal scheme of the square and surrounding areas as a tangible legacy from the Southwark Stands Together Programme. This is reflected in Appendix C for cabinet approval.
42. The ambition is to deliver a public realm project that will demonstrate the council's learning and development of best practice for community representation and engagement, including those who are often underrepresented in the community. We will aim to ensure that new public spaces are rich in culture and heritage and are sustainable and genuinely owned and enjoyed by local people of all ages. The Square is uniquely located in the heart of Peckham and the project will be expected to use advocates and representative architects to set new standards for effective engagement, including the council's obligations under the Equality Act 2010.

21/23 Parkhouse Street

43. Parkhouse Street is a council homes scheme. The scheme also includes commercial space. Work is ongoing in order to resubmit the design for planning approval. The combined budget for the programme overall remains unchanged at £14,809,517. The costs are indicative at this stage.
44. The following capital bid from Chief Department is also reflected in Appendix C and is submitted for cabinet approval.

Canada Water Historic Development Costs (£5.214m)

45. Cabinet approved terms for a Master Development Agreement in March 2018. The agreement consolidates land holdings at Canada Water paving the way for the comprehensive redevelopment of a 55 acre site which will deliver new homes, [including up to 700 affordable units] , jobs, new leisure centre [to replace Seven islands] public routes and open spaces. Under the terms of the agreement the council has secured a 20% interest

in the site and has an opportunity to invest in the regeneration of the area on a plot by plot basis. The agreement provides a flexible framework by which the council can potentially benefit from the growth in capital values and rent which are expected to be generated from British Lands transformation of this key site. These returns could be used to support the funding of services benefitting residents. Plot investment decisions will be the subject of separate Cabinet reports the first of which is scheduled for March 2021.

46. Planning Permission for a hybrid application [detailed phase 1 and outline for all other phases] was granted in July 2019. The application was the subject of a Judicial Review process which ended in November 2020 when the claim was dismissed. The application can now be implemented and as a consequence the council was able to complete the MDA in December 2020. On completion of the agreement the council is required to make payments to British Land to meet the cost of its 20% share of the former Rotherhithe Police Station site and Dock Offices sites. These parcels of land form part of the development site and planning consent. In addition a payment is also required to meet costs arising from development of the scheme to date. In combination these payments are an investment which will ensure the council retains its 20% share in the MDA site and plot investment options. A capital bid is being made to support the Canada Water Historic Development Costs initiative in the sum of £5,214,300. This capital bid is also reflected in Appendix C and is submitted for cabinet approval.

Planning and Transport Division

47. The planning division (comprising of 2 project areas, namely transport planning and planning projects) has a combined budget of £5.56m with £4.49m projected to be spent in 2020-21 and the balance profiled over future years.
48. The transport planning budget of £4.49m is largely funded by Transport for London (TfL) to deliver transport improvement programme as contained within the borough's movement plan. Planning Projects budget of £1.07m is funded mainly by s106 to deliver various projects to mitigate the impacts of new developments, improve public realm, parks and open spaces as well as supporting the commercial viability of local shopping areas.

Planning Projects

49. A number of projects totalling nearly £1.3m are currently on site or have been completed by the Regeneration Teams, which promote the council's programme for supporting high streets. The schemes for East Street (the "What Walworth Wants" programme) and Harper Road and Tower Bridge Road have been completed while the; Walworth Road; Lower Road and Rye Lane are currently on site or well advanced in the design phase.

However the impact of the COVID-19 pandemic and the government's recent widespread changes to the Planning Use Classes are likely to have a considerable impact on these programmes. The first phase of the part Heritage Lottery Fund (HLF) funded Peckham Townscape Heritage Initiative is complete, the second phase of the programme completes by Christmas with a third phase about to commence.

50. The Thames Tideway programme is being developed with S106 secured for play area refurbishment and improvements to the Thames Path. The £700k for the play areas are schemes being developed with the CGS team in Environment and Leisure (E&L) department while the £300k for the Thames Path are being developed with the parks team in E&L.
51. Schemes funded by Neighbourhood CIL are also being developed with colleagues in Highways, Parks and the Regeneration divisions. Surrey Docks Farm has undergone a £500k rebuilding programme funded by the local CIL which has greatly expanded their education facilities and improved access from the Thames Path. The local CIL also part-funded the Harper Road shopfronts and public realm improvements. Projects under development include parks such as Little Dorrit in Bankside and Newington Gardens in the Elephant and Castle. Pedestrian improvements in Camberwell and Dulwich have been affected by the COVID-19 pandemic and the need to ensure social distancing in retail areas

TfL Funded Works

52. Southwark Cycle Spine works are nearing completion on site with some spend beyond TfL funding forecast, which will be funded from the cycling infrastructure fund capital budget. Design review of Lower Road has been completed, albeit with some delay.
53. Funding has been secured through the London Streetscape Programme, enabling the delivery of temporary works to improve active travel conditions and further support social distancing. This has included works to delivering school streets, provision of additional on street cycle parking and highway changes in Bermondsey Street and Southwark Bridge Road environs to name a few.

Elephant and Castle Roundabout Project

54. The capital programme also includes the remaining s106/CIL contribution of £37.71m (part of the total £63m) agreed by the council towards the strategic transport improvements project in Elephant & Castle.

CHILDREN'S AND ADULTS' SERVICES

55. The total value of the departmental capital programme for the period 2020-21 to 2029-30 is £127.9m with the forecast capital outturn for 2020-21 being £23.4m.

Adult Social Care

56. The capital programme budget for the period 2020-21 to 2029-30 is £32.9m, the main projects being £15m in respect of a programme of improvements to existing care settings; £10m for the provision of an additional bed-based care facility; and £6.2m for an essential lifecycle capital programme for four residential care homes. This report also identifies additional capital requirements for Mosaic Management Information Development. The aim of this project is to enhance the council's social care and education IT systems to develop business intelligence that will drive savings, enhance management information and result in improved outcomes for our service users.
57. The activity on the programmed life cycle work has been considerably affected by the pandemic. However, work has been re-started and contractors are planning to undertake work on a number of sites in 2020-21 that are in the lifecycle programme. However the delays lead to a reduced forecast of £400k for the lifecycle project works.
58. Lifecycle work on residential homes were affected by Covid-19 that resulting in delays in tendering and completing various projects. The expected spend on the homes has been consequently revised to £1.1m for 2020-21 and £2.9m for 2021-22.
59. The Adult Social Care Capital Board has identified a number of priorities for 2020-21 and beyond to meet current and future needs of vulnerable adults in the borough. The council is actively working with commissioned providers and partners to ensure sufficient capacity and choice of high quality provision across the borough.

Children's Services and Southwark Schools for the Future (SSF) Programme

60. The Children's Services capital programme budget for 2020-21 to 2029-30 is £84.5m. This consists of a £31.3m development of Charter & Rotherhithe Schools £17.5m refurbishment and £11.6m on Beormund Special School. There is a further £10.5m for the rebuilding of SILS K3, £8.5m of which is a remaining commitment from the Southwark Schools for the Future programme. The overall programme is focussed on rightsizing provision, ensuring the estate remains fit for purpose (and also on contributing to addressing high needs provision in the borough).
61. The overall context is that there is spare capacity in the primary sector because of falling rolls relating to a reduced birth rate and a slow down in growth in the secondary sector. Opportunities are being explored for rationalisation of buildings to make the best use of existing assets to reduce running costs for schools. There is also pressure to increase place supply for children with special needs, which is a national pressure.

62. Following the completion of the vast majority of projects in school expansion, which have now been successfully handed over, the key remaining project on school expansion is at Rotherhithe School, which received planning consent in April 2019 and is targeted for opening in the winter term 2021, although this will likely be delayed due to Covid-19. The enabling works have been completed and the main contractors started work on site in August 2020. Funding for this project will be monitored closely given the absence of basic need grant.
63. Work is progressing well on Charter School East Dulwich phase 2, which includes the 6th form centre. A key aspect of completion is dependent on the NHS relocation. Because of the impact of Covid-19 on the construction industry, the target date for practical completion and handover of phase 2 has been revised to December 2021. In addition work is planned to start this year on the Riverside School project with funding initially coming from the schools own balances.
64. The Primary Schools Refurbishment programme for 2020-21 is now substantially complete and planning is already well progressed for 2021-22.
65. A Key Priority of the programme is the provision of SEN/ higher needs places, building upon the work at Cherry Garden School and at Park College post 16 provision. Significant work was undertaken at SILS KS3 in 2019-20. However, there has been some slippage in the opening of resource units at COLA and Charter School East Dulwich and Spa Bermondsey (being separately managed). In addition the planned project at SILS KS4 and Beormund School needs to be reviewed given the change in market conditions, and this may be subject to a future capital bid.
66. Finally, in future there may be capital bids for other priority area such as Adult Learning.

ENVIRONMENT AND LEISURE

67. The total value of the departmental capital programme for the period 2020/21 to 2029/30 is £131.3m. The projected 2020-21 outturn is currently estimated at £23.3m against the budget of £24.2m. However, in view of the current Covid-19 pandemic situation and evitable delays to the some of the projects, a detail review is currently being undertaken with managers to update these projections. Once completed, the updated projected outturn will be reflected in the next capital outturn report to cabinet. The budget for future years will also be updated in line with this review.
68. The progress of major schemes is outlined below.

Highways

69. The Highways capital renewal programme budget has been increased by 1.7% to £5.51m, due to better than expected delivery of devolved highways projects through the summer period. The expected outturn is now £584,524 for Devolved Highways. The programme is currently approximately in line with the forecast with 64 schemes completed (against a forecast of 65) and a current overspend of 7% (£3.86m against forecast of £3.6m), however it is expected this will reduce to zero as work slows during the winter months.
70. The Principal Roads forecast remains unchanged with the overall budget currently set at £623k for 2020-21. Additional funding for principal roads, beyond the capital budget, has been provided by TfL. This will require an acceleration of the programme and some schemes will be brought forward from future years. Year end is still thought to be accurate, although this is subject to agreement by the contractor and the ability to secure streetworks permits
71. Package 3 of cycle infrastructure fund works are currently largely complete with only resurfacing left to complete. Package 5 is now under construction with completion forecast for Q4. It should be noted that year end outturn has been increased to make allowance for a combination of Covid-19 impacts (additional measures such as marshals and reduced productivity) and the impact of new traffic management rates that are higher than the previous contract.
72. Works to Dulwich Wood Park 20mph zone improvements are now complete with the final account due in Q4. Scheme costs have increased due to impacts of Covid-19 and increased traffic management rates under the new contract. Design work for Sydenham Hill and Brenchley Gardens has now recommenced with works on site expected early 2021-22.
73. Final account for Rotherhithe New Road is now paid. Budget shows £200 overspend to be resolved by year end.
74. Old Jamaica Rd area scheme is substantially complete, however scheme extents were curtailed due to the need to tie in with works next year under TfL funding stream (Tanner St to Willow Walk cycle route). £33k has been carried forward to allow for this.
75. Works outside Crawford School under the school expansion programme were brought forward to take advantage of the school being closed during lockdown. £37k has been brought forward from next year to cover this early completion.
76. St Saviour's Footbridge is now substantially complete within budget and no further costs expected from this capital budget.

77. Cox's Walk footbridge works have been delayed and will not be completed in this financial year. 2020-21 works have been brought forward to account for this allocation of budget.
78. In the 2020-21 Cleaner Greener Safer (CGS) funding allocation there were 204 new projects and 58 new grants. As of November 2020, there were 257 active projects and 97 active grants. As stated previously, the Covid-19 pandemic has and continues to impact the delivery of both projects and grants.
79. CGS project delivery has been slow but steady and the targets which were set reflected this. It was estimated that approximately 112 projects would be completed by the year end with this being reflected in a spend of £950k. As of November 2020, we are slightly above target for both spend and completions and will continue to monitor and amend where necessary.
80. The application round for 2021-22 CGS funding took place in September this year. We received just under 500 applications (which is about normal for CGS) despite running the application period for a slightly shorter time.
81. We have now completed the first round of Multi Ward Area presentation meetings and are awaiting draft funding decision lists from ward councillors ahead of the formal decision-making meetings scheduled for February/March 2021.

Flood Prevention

82. Coleman Road Flood Alleviation project substantially completed in 2018-19, additional works were undertaken in 2019-20. Currently going through the process of agreeing final account with the contractor. Work is ongoing across the borough as planned to replace dysfunctional gullies.
83. The major project under development is the Lost Peck Scheme. The Scheme which will protect more than 200 homes and business premises is estimated at £1.4m and is expected to be funded by the Environment Agency (EA). Planning approval was granted on 4 March 2020. An outline business case submitted to the EA in July 2020 has received approval in principle. Additional section 106 funds is being sought to cover the cost of general environmental improvements to be delivered as part of the scheme. Aecom Consultants has been commissioned to undertake detailed design and Geotechnical Investigation has also been commissioned to inform detailed design. The scheme is expected to be implemented by the end of the 2021-22 financial year.

Asset Management

84. Lamp column replacement on the basis of structural integrity and lantern replacement for energy consumption reduction is forecasted at full spend and completion of 2020-21 programme. LED lantern renewals are

currently 83% complete and over 42No. structural failures have been replaced. Structural and electrical testing has taken place for full programme.

85. Electric Vehicle lamp post chargers – We are forecasting full spend in 2020-21. To date we have installed over 73No. with the remaining 27No. being installed by the end of January. Further liaison with GULCS and OLEV for necessary reporting is being carried out by AMS in house.

Parks and Leisure

86. All projects currently in delivery are on budget within the parks and leisure capital programme. The current spend forecast for the Parks and Leisure Capital Programme in 2020-21 is £6.4mm of £12.5m budget. This represents an anticipated budget underspend of £6.1m as a result of programme delays due to Covid-19.
87. **Cemeteries:** Construction work at Area Z commenced in May and is on target to complete in April 2021 with an anticipated spend of £1.15m in 2020/21. Construction is also underway at Nunhead Cemetery East Lodge to partially dismantle and re-stabilise the building. Phase 1 is due to complete in January at a cost of £525k. Phase 2 works is currently being reviewed and re-scoped. Combined with a number of fees for other cemetery projects in progress the total projected spend for 2020/21 is £1.76m
88. **Marina Investment:** The construction contract to replace the lock gates started in October and is due for completion in February 2021 with a forecast spend of £983k in 2020-21.
89. **Leisure Investment:** Southwark Athletics Centre, construction programme started in October with a forecast spend of £968k with an underspend of £1.2m in 2020-21 due to programme delay. Similarly, deferred delivery of lifecycle maintenance and SSG disability and outdoor gyms amount to a further £500k underspend.

Community Sport Legacy Fund

90. Officers are currently setting up the framework for the delivery of the community sport legacy fund. It is anticipated that a pilot round will be delivered in the next 6 months and will be aimed at helping residents access physical activity opportunities in a post COVID environment.

Culture

91. Southwark Heritage Centre and Walworth Library project is currently on budget. The budget was increased in 2019 to meet increased cost and scope of project to include a mezzanine. The project is progressing successfully and has now been signed off on RIBA stages 1, 2,3 and 4. The works have been tendered and BW contractors were appointed in

early June. Construction and fit out commenced in late July. The project is due to be delivered in early 2021 within financial year 2020-21. Covid-19 issues may impact on this and it may require further adjustment.

Environmental Services

Carbon reduction Investment

92. The carbon reduction capital programme is currently being reviewed in order to support the emerging climate emergency strategy. The Tooley Street installation has now been completed, and further large installations such as Queens Road are being considered. Feasibility is also being carried out to install LED schemes at all our outdoor sports pitches, as well as seeking carbon reduction opportunities within new builds such as Southwark Park sports pavilion.

Environment Capital bids

93. **Cycle Hangers:** The capital cost for the provision of cycle hangers is currently met mostly through the devolved highways budget with a small level of funding provided through the local implementation plan (LIP) grant from TfL. This level of funding has proven to be insufficient to keep up with demand with the borough-wide waiting list increasing month on month (4,595 at the start of the current financial year rising to 7,516 at the end of October). Additionally the latest council plan targets have required that the existing provision is doubled (from 224 units to 448) by the end of the 2021-22. To tackle this latent demand a capital bid for a value of £800k has been submitted for approval. This value is based on the expected level of funding required based on DHB & CGS funding remaining constant.
94. **Youth Services:** Following a full and detailed review of the Council's youth provision Cabinet agreed an ambitious plan that aims to drive the transformation of services, ensuring that they are fit for purpose and enable the council to deliver its vision and aspirations for young people living in Southwark. The plans place young people at the heart of future service design to ensure that young people influence decisions affecting their lives. This includes ensuring that our facilities are fit for purpose, of high quality and young people friendly, that services meet their needs and enable them to fulfil their potential. This capital allocation of £1m will, alongside dedicated revenue budgets, support the delivery of the plan.

HOUSING AND MODERNISATION

95. The total value of the Housing and Modernisation general fund capital programme budget for the ten years to 2029-30 is £78.6m and comprises a diverse range of activity, mostly of a corporate nature. All areas of the 2020-21 programme have to some extent been impacted by the pandemic and whilst programme activity gradually recovers, it remains

substantially below planned expectations. In-year spend will be around £12.1m against an initial budget of £17.1m.

Modernise – Corporate Facilities Management (CFM)

96. Investment is targeted at the council's operational estate to ensure it is fit for purpose and statutorily compliant for the safety and wellbeing of its employees and service users. This is achieved through a comprehensive inspection and assessment regime and building lifecycle maintenance programme. While the works programme overall has been affected, progress has been made taking advantage in some instances of key buildings being largely unoccupied to enable works to be undertaken more efficiently. In moving forward, the service will continue to re-evaluate and re-profile priorities and timelines. The spend forecast for 2020-21 is £3.2m, plus a further £1.5m on projects being delivered on behalf of departmental clients who hold the budgets.

Modernise – Queens Road 4

97. The planned development of QR4 was a key element in the council's office accommodation strategy with a view to rationalising existing office provision into a two-hub model at Tooley Street and the Queen's Road complex. However, the unprecedented workplace changes made in response to the pandemic warranted a re-examination of the proposal and the council took the decision to pause the project to consider its longer-term requirements post Covid-19. This report confirms that the budget has been removed from the capital programme, albeit a provision of £0.4m is retained to accommodate any residual contract costs.

Modernise – Shared Information and Communication Technology Service (SICTS)

98. The critical importance of the council's IT infrastructure demonstrated through the response to the pandemic will continue to focus on upgrading the network infrastructure and internet connectivity together with the cloud migration to Microsoft Azure over the medium-term. However, for the most part during 2020, the focus has been on the delivery of the smart working programme and roll-out of remote working capability, limiting the investment in other areas to an estimated £1.1m.

Modernise – Smart Working Programme

99. The programme is on target to deliver investment of £5.8m in the planned laptop rollout, workstation refresh in key offices, upgrade to telephony and audio visual capability in support of the council's commitment to modernise the way it works and deliver services and create the flexibility needed to drive greater efficiency and productivity.

Asset Management – Housing Renewal

100. Housing Renewal comprises a range of initiatives that principally support people in private sector accommodation to remain living independently through assistance with repairs, improvements and adaptations to their homes. Support is also provided to landlords and property owners to bring their properties back into use. The programme is largely funded through Disabled Facilities Grant (DFG) and the council's own resources for the provision of grants and loans.
101. Due to the pandemic the council had to put on hold works across all tenures in line with Government guidance. However, specific measures were put in place to ensure the service could respond to emergency requests for people with life-limiting conditions or to support hospital discharge. Unspent funding will be rolled forward to accommodate an enhanced programme in 2021-22. The projected spend for 2020-21 is £1.3m of which £1.1m will be funded by DFG.

Resident Services – Traveller Sites

102. Reconfiguration and improvement works to address health and safety and compliance issues are well progressed and due to complete in 2021-22. Phase 2 works at Ilderton Road were a few weeks from completion before the lockdown which caused a delay to the project, but works are now substantially complete. However, this has resulted in additional costs, namely prolonged temporary re-housing, storage of mobile homes and residents belongings and additional safety works identified as the project progressed. The forecast spend for 2020-21 is £0.3m. Planned works at the Brideale and Burnhill sites are subject to review and will be reported to Cabinet at a later date.

HOUSING INVESTMENT PROGRAMME (HIP)

103. Overall, the HIP is forecast to spend £115.8m in 2020-21, comprising £54.1m on existing stock, £55.5m on new council homes including acquisitions and site assembly costs and £6.2m on wider regeneration schemes. This forecast is significantly lower than previously reported and reflects the on-going impact of the pandemic, which had been assumed, would have ended by the autumn, and a more rigorous focus on programme monitoring and forecasting. This will provide greater accuracy and improved resource planning for future years, which is crucial if the council is to meet its ambitions for the existing housing stock and build 11,000 new council homes. The scale of investment will inevitably require borrowing, specifically for new homes, heat network, and potentially new and emerging building safety requirements, which cannot be sustained through existing funding streams. At the same time, the council must ensure that the revenue impact of borrowing remains affordable to the HRA over the long-term, which requires continuous monitoring, review and where necessary, re-profiling of programmes and projects in line with resource availability/affordability.

Quality Homes Investment Programme (QHIP)

104. QHIP is the principal strand of the council's asset management strategy for maintaining and renewing the existing housing stock and is the successor to Warm, Dry, Safe (WDS). QHIP recognises the need for a cyclical approach to maintenance and aims to address wider investment needs including internal works, such as kitchens and bathrooms. Spend in 2020-21 is forecast at £36.6m, significantly lower than planned due to the pandemic, which has resulted in delays across most schemes. In light of other HIP commitments and borrowing capacity, further re-profiling and potential re-modelling of QHIP in subsequent years will be necessary. This will be outlined in the refreshed Asset Management Strategy during 2021.

Heat Network Strategy

105. The council's Heat Network Strategy recognises the substantial investment required in its ageing heat network. Running alongside this is the council's ambitious commitment to be carbon neutral by 2030. A report commissioned in 2016 by industry experts Parsons Brinckerhoff estimated investment of £100m over ten years and a total of £350m over forty years would be required to address the situation. Clearly that cost estimate will now be substantially greater and will also need to factor in the additional cost of becoming carbon neutral. The heat network strategy is being developed and the HIP currently contains an initial allocation of £100m towards meeting this commitment. The first scheme to install ground source heat pumps is currently on-site and progressing well. Forecast spend for 2020-21 is £3.1m.

Special Schemes

106. The special schemes programme covers those estates identified as high need/high cost requiring extensive repair and refurbishment. The schemes by their nature are complex and resource intensive and require bespoke funding solutions outside of the main QHIP programme. At this juncture, programme spend of £23.8m has been identified through to 2029-30, with £9.0m in 2020-21 primarily for Tustin estate high-rise. However, programme resources will need to increase significantly as schemes such as the Tustin estate low-rise and Ledbury Towers come to fruition, subject to resident ballots on the preferred options.

Other Programme Schemes

107. The remainder of the main programme covers a wide range of schemes, with forecast spend of £5.4m for 2020-21. This includes fire risk assessment, legacy warm dry and safe schemes, major works on individual properties and hostels and works carried out on behalf of the council by Leathermarket JMB.

New Council Homes

108. The council aims to deliver 2,500 new council homes by 2022, with 677 having been built so far. Projects are on site to deliver a further 576 council homes and a further 1,364 have schemes have received planning permission. Achieving the longer-term commitment to build 11,000 homes by 2043 will require more land for development than is currently available and this is reflected in the HIP with resources earmarked for site assembly. The current spend forecast for 2020-21 is £53.5m on new homes and £2.0m on site assembly and acquisitions. The proposed scheme for new dwellings on the Aylesbury First Development site, previously forecast for late 2020-21, will now fall into the new financial year with a phased payment profile in line with the development plan. The incidence and timing of prospective land and property acquisitions cannot be accurately predicted which is why HIP resources are earmarked to provide the flexibility to enable the council to avail itself of market opportunities as they arise.

Regeneration Schemes

109. Forecast spend on regeneration schemes for 2020-21 is £6.2m. The most significant regeneration scheme is the Aylesbury estate, which is planned in four phases. Forecast expenditure in 2020-21 is £4.0m which is almost exclusively for leasehold buybacks. The project has been subject to unavoidable delays arising from the rejection of the council's original CPO application resulting in a slower buy-back rate for phases 1 and 2. Given the continued uncertainty, further revisions to the current forecast and the overall acquisition programme are possible and will be kept under review.
110. Phase 3 environmental works on the East Dulwich estate, which commenced last year, are forecast to spend £1.4m. The scope of the works includes playground refurbishments and new communal gardens, new car parking areas and pedestrian paving, new planting across the estate and minor drainage works. Other works within this programme area included feasibility studies for the Tustin low rise programme (£0.3m), residual works on legacy schemes (£0.4m) and commercial properties (£0.1m).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

111. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
112. The capital programme satisfies the council's duty under the Local

Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

REASONS FOR URGENCY

113. The council regularly updates Cabinet on the capital monitoring position. This is vitally important in the current circumstances of the Covid-19 pandemic, and its financial impact on the councils overall financial position.

REASONS FOR LATENESS

114. We continue to monitor and review the financial impact of the pandemic on the council's overall capital programme and financial position in the context of the latest government announcements. The Prime Minister announced on 27 January that the national lockdown will be extended until at least March. The 2021-22 proposed revenue budget will be considered by Cabinet on 2 February.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: Capital monitoring outturn report 2019-20 and Capital Programme Refresh for 2020-21 to 2028-29	Southwark council Finance and Governance 160 Tooley Street London SE1 2QH	Rob Woollatt, Departmental Finance Manager, Finance and Governance
Link: http://moderngov.southwark.gov.uk/documents/s89251/Report%20Capital%20Outturn%202020-21.pdf		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position at Month 8 2020-21
Appendix B	Housing investment programme summary monitoring position at Month 8 2020-21
Appendix C	Budget virements and variations at Month 8 2020-21
Appendix D	General fund programme detail at Month 8 2020-21
Appendix E	New capital bids

AUDIT TRAIL

Cabinet Member	Councillor Rebecca Lury, Finance and Resources	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Rob Woollatt, Departmental Finance Manager, Finance and Governance	
Version	Final	
Dated	29 January 2021	
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 for Finance and Governance.	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	29 January 2021	

Appendix A - General fund capital programme 2020/21 month 8 report

Department	2020/21				2021/22			2022/23+			Total Programme 2020/21-29/30		
	Revised Budget	Spend at M8	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults' Services	50,501	6,498	21,195	(29,306)	37,716	67,022	29,306	29,234	29,234	-	117,451	117,451	-
Southwark Schools for the Future	2,217	1,989	2,217	-	3,272	3,272	-	-	-	-	5,489	5,489	-
Environment and Leisure	24,128	11,834	23,270	(858)	32,784	33,592	808	75,191	75,241	50	132,103	132,103	-
Housing and Modernisation	17,415	4,072	12,131	(5,284)	12,403	18,465	6,062	48,828	48,050	(778)	78,646	78,646	-
Chief Executive's	89,150	13,608	77,208	(11,942)	67,174	71,098	3,924	84,694	92,712	8,018	241,018	241,018	-
TOTAL EXPENDITURE	183,411	38,001	136,021	(47,390)	153,349	193,449	40,100	237,947	245,237	7,290	574,707	574,707	-
FUNDED BY:													
Corporate Resource Pool	23,845	-	23,845	-	8,500	8,500	-	54,700	54,700	-	87,045	87,045	-
Reserves	433	-	433	-	388	388	-	3,412	3,412	-	4,233	4,233	-
Capital Grants	20,095	6,815	15,531	(4,564)	6,135	10,598	4,463	24,451	24,552	101	50,681	50,681	-
Section 106 and CIL	8,486	795	7,445	(1,041)	7,642	8,634	992	27,916	27,965	49	44,044	44,044	-
External Contributions	716	25	716	-	3,919	3,919	-	-	-	-	4,635	4,635	-
TOTAL RESOURCES	53,575	7,635	47,970	(5,605)	26,584	32,039	5,455	110,479	110,629	150	190,638	190,638	-
Financing to be agreed	129,836	30,366	88,051	(41,785)	126,765	161,410	34,645	127,468	134,608	7,140	384,069	384,069	-

Project description	2020/21				2021/22			2022/23			2023/24+			Total Programme 2020/21-29/30			
	Revised Budget	Actual M08	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Warm Dry and Safe																	
Warm Dry and Safe	1,323	(70)	108	(1,215)	1,832	2,694	862	952	1,306	353	-	-	-	4,107	4,108	1	
	1,323	(70)	108	(1,215)	1,832	2,694	862	952	1,306	353	-	-	-	4,107	4,108	1	
Special Schemes/HINE																	
Chilton Grove Wall - Decent Homes	1,074	49	1,074	-	618	618	-	-	-	-	-	-	-	1,692	1,692	-	
Tustin	7,159	4,428	7,204	45	848	803	(45)	-	-	-	-	-	-	8,007	8,007	0	
Portland	13	13	13	-	-	-	-	-	-	-	-	-	-	13	13	-	
Damory/Thaxted externals	304	-	-	(304)	1,128	1,432	304	-	-	-	-	-	-	1,432	1,432	0	
Maydew	655	270	505	(150)	11,529	11,679	150	-	-	-	-	-	-	12,184	12,184	-	
Lakanal House	0	0	0	-	51	51	-	-	-	-	-	-	-	51	51	-	
Ledbury Refurbishment	73	185	217	144	357	213	(144)	-	-	-	-	-	-	430	430	(0)	
	9,279	4,945	9,014	(265)	14,531	14,796	265	-	-	-	-	-	-	23,810	23,810	0	
Asset management Strategy (Inc. Kitchens & Bathrooms & LD2)																	
Asset Management Strategy 2021+Future years (QHIP)	51,781	18,269	34,827	(16,954)	174,764	180,471	5,707	75,392	80,678	5,285	360,652	366,614	5,961	662,589	662,589	0	
Installation of LD2	1,686	-	1,192	(494)	2,000	2,494	494	2,000	2,000	-	13,830	13,830	-	19,516	19,516	(0)	
FRA Contingency Budgets	792	-	560	(232)	1,188	1,420	232	-	-	-	-	-	-	1,980	1,980	-	
	54,259	18,269	36,579	(17,680)	177,952	184,385	6,433	77,392	82,678	5,285	374,482	380,443	5,961	684,085	684,085	0	
Type 4 Fire Risk Assessment																	
Type 4 Fire Risk Assessment	807	300	587	(220)	2,008	2,774	766	4,000	3,810	(190)	21,170	20,814	(356)	27,985	27,985	0	
	807	300	587	(220)	2,008	2,774	766	4,000	3,810	(190)	21,170	20,814	(356)	27,985	27,985	0	
HEAT NETWORK STRATEGY																	
Heat Network Strategy (including SELCHP Expansion)	-	-	-	-	10,000	10,000	-	15,000	15,000	-	275,000	275,000	-	300,000	300,000	-	
Consort, Newington and Wyndham District Heating Heat	5,892	1,320	3,138	(2,754)	2,045	4,798	2,753	-	-	-	-	-	-	7,936	7,936	(0)	
	5,892	1,320	3,138	(2,754)	12,045	14,798	2,753	15,000	15,000	-	275,000	275,000	-	307,936	307,936	(0)	
Regeneration																	
Aylesbury Estate regeneration	3,580	3,366	4,033	453	2,578	2,125	(453)	-	-	-	-	-	-	6,158	6,158	-	
East Dulwich Estate	1,420	846	1,420	-	594	594	-	-	-	-	-	-	-	2,014	2,014	-	
Elmington Estate	155	-	180	25	-	-	-	-	-	-	-	-	-	155	180	25	
Heygate Estate	162	100	162	-	-	-	-	-	-	-	-	-	-	162	162	-	
Wooddene - Acorn Plant Re provision	27	-	27	-	-	-	-	-	-	-	-	-	-	27	27	-	
Regeneration Commercial properties	84	32	84	-	-	-	-	-	-	-	-	-	-	84	84	-	
Tustin Low Rise works	302	169	302	-	-	-	-	-	-	-	-	-	-	302	302	-	
	5,730	4,513	6,208	478	3,172	2,719	(453)	-	-	-	-	-	-	8,902	8,927	25	
New Builds																	
Hidden Homes	3,547	1,441	2,937	(610)	1,520	2,098	578	502	527	25	114	121	7	5,683	5,683	(0)	
Regeneration and Development	22,925	6,132	11,150	(11,775)	93,685	73,315	(20,370)	57,297	77,175	19,878	7,409	19,798	12,389	181,316	181,438	122	
Direct Delivery - New Council Homes Phases 1-5	46,974	19,454	39,456	(7,518)	138,332	141,320	2,988	177,087	196,904	19,816	115,525	102,602	(12,924)	477,919	480,281	2,363	
	73,446	27,027	53,543	(19,903)	233,537	216,733	(16,804)	234,886	274,605	39,719	123,049	122,521	(527)	664,918	667,402	2,484	
Acquisitions																	
Acquisitions & S106 properties	60,439	311	1,500	(58,939)	88,104	147,043	58,939	71,779	71,779	-	112,709	112,709	-	333,030	333,030	0	
Ledbury Acquisitions	3,486	248	500	(2,986)	3,241	6,227	2,986	-	-	-	-	-	-	6,727	6,727	(0)	
	63,925	559	2,000	(61,925)	91,345	153,270	61,925	71,779	71,779	-	112,709	112,709	-	339,757	339,757	0	
Other programmes																	
Adaptations	1,400	215	629	(771)	1,600	2,171	571	1,600	1,600	-	9,800	10,000	200	14,400	14,400	-	
Cash incentive & Home owner buy back scheme	211	67	111	(100)	788	311	(477)	-	211	211	-	366	366	999	999	0	
Disposals costs	400	225	210	(190)	400	590	190	400	400	-	690	690	-	1,890	1,890	-	
Hostels accommodation	413	198	217	(196)	-	197	197	-	-	-	-	-	-	413	414	1	
Major voids	450	-	236	(214)	303	517	214	-	-	-	-	-	-	753	753	(0)	
Security	127	98	67	(60)	141	201	60	-	-	-	-	-	-	268	268	(0)	
T&RA halls	160	3	84	(76)	1,530	1,606	76	-	-	-	-	-	-	1,690	1,690	0	
Other Installation of Sprinkler & smoke detection	39	3	20	(19)	-	18	18	-	-	-	-	-	-	39	38	(1)	
Misc. Tenants Homeloss Assistance & Payments	-	6	3	3	-	3	3	-	-	-	-	-	-	-	6	6	
WDS Leathermarket JMB	2,750	-	2,750	-	5,750	5,750	-	-	-	-	-	-	-	8,500	8,500	-	
Aylesbury Fire Remedial works	600	-	315	(285)	2,850	3,135	285	-	-	-	-	-	-	3,450	3,450	-	
	6,550	815	4,642	(1,908)	13,362	14,499	1,137	2,000	2,211	211	10,490	11,056	566	32,402	32,408	6	
	221,211	57,679	115,819	(105,393)	549,783	606,669	56,885	406,009	451,388	45,379	916,899	922,543	5,644	2,093,903	2,096,418	2,516	
FINANCED BY:																	
Capital Receipts b/fwd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital receipts Leather Market Self financing	2,750	-	2,750	-	5,750	5,750	-	-	-	-	-	-	-	8,500	8,500	-	
Capital Receipts	9,052	-	375	(8,677)	35,528	41,618	6,089	3,000	1,000	(2,000)	18,113	22,700	4,587	65,693	65,693	0	
Additional New Build Receipts-SRPP	-	-	-	-	22,107	22,107	-	19,475	19,475	-	22,568	22,568	-	64,151	64,151	-	
RTB Receipts - Restricted to New Build (incl buybacks)	9,483	-	2,837	(6,646)	17,316	27,103	9,787	30,350	32,703	2,353	41,338	35,844	(5,494)	98,487	98,487	0	
Major Repairs Reserves	54,298	-	38,212	(16,086)	51,000	67,086	16,086	51,000	51,000	-	357,000	357,000	-	513,298	513,298	(0)	
Revenue Contribution	10,513	-	17,691	7,177	30,871	23,694	(7,177)	20,745	20,745	-	145,213	145,213	-	207,343	207,343	0	
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
New Homes Grant	26,693	-	12,249	(14,444)	50,215	70,710	20,495	36,640	37,960	1,320	27,726	20,355	(7,371)	141,274	141,274	0	
Other Grants-External Contribution	980	-	385	(595)	3,470	1,095	(2,375)	5,760	5,760	-	2,790	5,760	2,970	13,000	13,000	0	
Section 106 Funds	49,514	-	33,411	(16,103)	10,000	26,103	16,103	10,000	10,000	-	24,780	24,780	-	94,295	94,295	0	
Borrowing - New Build	8,148	-	4,177	(3,970)	161,974	121,827	(40,147)	142,073	186,191	44,118	46,669	46,669	-	358,864	358,864	0	
Borrowing - Acquisitions and site assembly	43,289	-	1,331	(41,958)	60,573	101,669	41,096	54,031	54,025	(6)	78,367	79,234	867	236,259	236,259	0	
Borrowing - Heat Network	-	-	-	-	12,045	13,936	1,892	15,000	15,000	-	164,311	162,419	(1,892)	191,356	191,356	(0)	
TOTAL RESOURCES	214,720	-	113,419	(101,301)	460,850	522,698	61,848	388,074	433,859	45,785	928,875	922,543	(6,332)	1,992,519	1,992,519	0	
Forecast variation (under)/over	6,492	57,679	2,400		88,933	83,971		17,935	17,529		(11,976)	0		101,384	103,899		

**Appendix C - Budget virements and variations 2020/21
month 8 monitor**

Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
	£	£	£	£	£	£	£	£	£	£
CURRENT PROGRAMME AT MONTH 5 2020-21	84,503,990	32,124,518	116,628,508	5,489,177	129,685,872	96,051,214	210,714,523	558,569,294	2,066,813,041	2,625,382,335
Month 8 virements to be approved										
Children's Services										
Autism Spectrum Disorder Bases in Existing Secondaries	(900,000)		(900,000)					(900,000)		(900,000)
The Charter School East Dulwich	900,000		900,000					900,000		900,000
Housing and Modernisation										
IT planned preventative programme (CRP)						(1,790,829)		(1,790,829)		(1,790,829)
QR4- IT Corporate						1,790,829		1,790,829		1,790,829
Environment and Leisure										
Environment and Leisure/ Public Realm Projects					(2,111,598)			(2,111,598)		(2,111,598)
Environment and Leisure/ Public Realm Projects					2,111,598			2,111,598		2,111,598
Cemetery Burial Strategy					(600,000)			(600,000)		(600,000)
East Lodge Nunhead Cemetery					600,000			600,000		600,000
Bermondsey Streetscape Improvements					196,067			196,067		196,067
Weber St Public Realm Improvements					92,086			92,086		92,086
Chief Executive's										
Bermondsey Street Environs							(23,216)	(23,216)		(23,216)
Lynton Road Environs Improvement Projects							(110,781)	(110,781)		(110,781)
White Cube							(62,070)	(62,070)		(62,070)
Weber St Public Realm Improvements							(92,086)	(92,086)		(92,086)
Kerbside Smarter Street							(108,000)	(108,000)		(108,000)
Kerbside Smarter Street Programme							108,000	108,000		108,000
Acquisition of Properties							(21,600,000)	(21,600,000)		(21,600,000)
760 Old Kent Road							21,600,000	21,600,000		21,600,000
Old Kent Road Fringes							(341,180)	(341,180)		(341,180)
Enid Street Play Area							(23,450)	(23,450)		(23,450)
Bevington Street							(55,755)	(55,755)		(55,755)
Legible London-Bermondsey							(34,649)	(34,649)		(34,649)
Bermondsey Tourism							(5,000)	(5,000)		(5,000)
Legible London							(210,362)	(210,362)		(210,362)
GMH Bldgs, Brook Dri							(28,311)	(28,311)		(28,311)
Nursery Row Park							(288,884)	(288,884)		(288,884)
Newington Gardens							(48,352)	(48,352)		(48,352)
Livesey Exchange							(140,561)	(140,561)		(140,561)
St Olav's Square Redevelopment							(5,000)	(5,000)		(5,000)
Black Frairs Play Spaces							(27,652)	(27,652)		(27,652)
Walk Elephant							(73,847)	(73,847)		(73,847)
Holyrood Street Project							(59,149)	(59,149)		(59,149)
Old Kent Road Fringes							341,180	341,180		341,180
Enid Street Play Area							23,450	23,450		23,450
Bevington Street							55,755	55,755		55,755
Legible London-Bermondsey							34,649	34,649		34,649
Bermondsey Tourism							5,000	5,000		5,000

Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
Legible London							210,362	210,362		210,362
GMH Bldgs, Brook Dri							28,311	28,311		28,311
Nursery Row Park							288,884	288,884		288,884
Newington Gardens							48,352	48,352		48,352
Livesey Exchange							140,561	140,561		140,561
St Olav's Square Redevelopment							5,000	5,000		5,000
Black Frairs Play Spaces							27,652	27,652		27,652
Walk Elephant							73,847	73,847		73,847
Holyrood Street Project							59,149	59,149		59,149
								-		
HRA										
Installation of LD2									(3,455)	(3,455)
Asset Management Strategy (QHIP)									3,455	3,455
Direct Delivery - New Council Homes Phases 1-5									(24,967)	(24,967)
Acquisitions and site assembly for new council homes									24,967	24,967
										-
Total virements to be approved at Month 8	-	-	-	-	288,153	-	(288,153)	-	-	-
Month 8 - Variations to be approved										
Adult Social Care										
OP Hub and Day Centre		22,860	22,860					22,860		22,860
OP Southwark Resource Centre		200,000	200,000					200,000		200,000
Mosaic Management Information Development		600,000	600,000					600,000		600,000
Environment and Leisure										
Dulwich Hill ward					1,000			1,000		1,000
Dulwich wood ward					2,010			2,010		2,010
Cossl Park Master Plan & Kirkwood Rd Nature Reserve					356,541			356,541		356,541
Peckham Rye ward					13,776			13,776		13,776
Cycle Hangers					800,000			800,000		800,000
Peckham ward					15,000			15,000		15,000
Parks Fields in Trust					(11,199)			(11,199)		(11,199)
Hepworth Replacement					(47,959)			(47,959)		(47,959)
Parks Grounds					(56)			(56)		(56)
Youth Services					1,000,000			1,000,000		1,000,000
								-		-
Housing and Modernisation										
Queens Road 4						(17,685,309)		(17,685,309)		(17,685,309)
Ilderton Rd East						280,000		280,000		280,000
								-		-
Chief Executive's										
QBC Commercial Way							(100,000)	(100,000)		(100,000)
Southwark Bridge Road							200,000	200,000		200,000
LTN Dulwich							85,500	85,500		85,500
Modal Filters							(25,950)	(25,950)		(25,950)
School Streets							4,750	4,750		4,750
LTN Southwark Bridge							(7,000)	(7,000)		(7,000)
Healthy Neighbours							(265,000)	(265,000)		(265,000)
Local Environment Improvements							(7,550)	(7,550)		(7,550)
Cycle Parking							1,500	1,500		1,500
Public Transport Access Improvements							8,000	8,000		8,000
Go Ultra Low City EVCP							153,000	153,000		153,000
Consort Road							100,000	100,000		100,000
Bermondsey Street							50,000	50,000		50,000
RMP 1103 College Road/Crystal Palace Parade							50,000	50,000		50,000

Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
RMP 87 Dog Kennel Hill							120,000	120,000		120,000
R-2020-0080.01							18,500	18,500		18,500
R-2020-0080.02							(9,518)	(9,518)		(9,518)
Lavington & Great Guildford Streets South							1,164	1,164		1,164
Canada Water Historic Development Costs							5,214,300	5,214,300		5,214,300
Climate Emergency							25,000,000	25,000,000		25,000,000
								-		-
HRA										
Hidden Homes									31,420	31,420
Direct Delivery - New Council Homes Phases 1-5									8,343,877	8,343,877
Regeneration and Development									15,264,409	15,264,409
Aylesbury Fire Remedial works									3,450,000	3,450,000
Total variations to be approved at Month 8	-	822,860	822,860	-	2,129,113	(17,405,309)	30,591,696	16,138,360	27,089,706	43,228,066
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT MONTH 8 2020/21	-	822,860	822,860	-	2,417,266	(17,405,309)	30,303,543	16,138,360	27,089,706	43,228,066
REVISED BUDGETS	84,503,990	32,947,378	117,451,368	5,489,177	132,103,138	78,645,905	241,018,066	574,707,654	2,093,902,747	2,668,610,401
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:										
Corporate Resources / Capital Receipt	-	822,860	822,860	-	4,199,695	(17,405,309)	29,927,311	17,544,557	17,249,752	34,794,309
Major Repairs Allowance										
Reserves						(47,959)		(47,959)		(47,959)
Revenue										
Capital Grant						(11,199)	376,232	365,033		365,033
Section 106 and CIL						(1,755,057)		(1,755,057)	216,737	(1,538,320)
External Contribution						31,786		31,786	5,080,000	5,111,786
Supported Borrowing									4,543,217	4,543,217
TOTAL RESOURCES	-	822,860	822,860	-	2,417,266	(17,405,309)	30,303,543	16,138,360	27,089,706	43,228,066

Appendix D - General fund capital programme 2020/21 detail month 8 report

Capital Programme 2020/21-2029/30 Description of Programme / Project	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment and Leisure													
Cleaner Greener Safer	983	674	983	0	3,306	3,306	0	15,086	15,086	0	19,375	19,375	0
Cycle Superhighway 4 project	150	0	200	50	1,150	1,100	(50)	1,700	1,700	0	3,000	3,000	0
Southwark School Streets	218	43	218	0	1,287	1,287	0	1,420	1,420	0	2,925	2,925	0
Cycle Hangers	280	0	280	0	520	520	0	0	0	0	800	800	0
Other PR Projects	1,782	966	2,140	358	3,312	2,954	(358)	1,146	1,146	0	6,240	6,240	0
StreetCare	7,085	4,791	7,169	85	6,768	6,683	(85)	36,513	36,513	0	50,366	50,366	0
Carbon Reduction Investment	1,100	0	1,100	0	550	550	0	538	538	0	2,188	2,188	0
Air Quality	250	89	250	0	250	250	0	0	0	0	500	500	0
Air Quality Action Plan & Climate Emergency Deliver	293	0	293	0	812	812	0	15	15	0	1,120	1,120	0
Environmental Services	185	173	234	49	90	41	(49)	0	0	0	275	275	0
Street Metal Works	750	561	750	0	2,677	2,677	0	1,450	1,450	0	4,877	4,877	0
Walworth Library & Heritage Centre	3,813	2,561	3,813	0	0	0	0	0	0	0	3,813	3,813	0
Youth Services	0	0	0	0	334	334	0	666	666	0	1,000	1,000	0
Culture	406	131	378	(28)	39	67	28	0	0	0	445	445	0
Cemetery Burial Strategy	1,226	472	1,140	(86)	586	673	86	534	534	0	2,347	2,347	0
Nunhead Cemetery Wall Repair	0	0	0	0	700	700	0	300	300	0	1,000	1,000	0
East Lodge Nunhead Cemetery	525	372	25	(500)	1,065	1,565	500	410	410	0	2,000	2,000	0
Drinking Water Fountains throughout Southwark	0	0	0	0	80	80	0	120	120	0	200	200	0
Adventure Playground	50	0	10	(40)	500	540	40	1,950	1,950	0	2,500	2,500	0
Tree Planting	667	14	750	83	1,100	1,017	(83)	3,400	3,400	0	5,167	5,167	0
Parks	1,939	675	1,404	(535)	4,445	4,931	485	6,737	6,787	50	13,122	13,122	0
South Dock Marina	1,033	34	1,033	0	296	296	0	0	0	0	1,329	1,329	0
Active Southwark Community Investment Fund	100	0	0	(100)	500	600	100	2,400	2,400	0	3,000	3,000	0
Leisure	1,291	279	1,098	(193)	2,416	2,609	193	806	806	0	4,513	4,513	0
Environment and Leisure Total	24,128	11,834	23,270	(858)	32,784	33,592	808	75,191	75,241	50	132,103	132,103	0
Chief Executive's													
Planning	771	275	405	(366)	300	666	366	0	0	0	1,071	1,071	0
Transport Policy & Planning	4,489	3,266	4,489	0	0	0	0	0	0	0	4,489	4,489	0
Walworth Town Hall	2,350	298	2,350	0	750	750	0	0	0	0	3,100	3,100	0
Canada Water Leisure Centre	2,000	(214)	500	(1,500)	7,042	8,542	1,500	23,975	23,975	0	33,016	33,016	0
Canada Water Strategic acquisitions	3,100	0	3,100	0	0	0	0	0	0	0	3,100	3,100	0
Canada Water Development Costs	5,214	0	5,214	0	0	0	0	0	0	0	5,214	5,214	0
Blue Market Regeneration Programme	867	167	867	0	867	867	0	0	0	0	1,735	1,735	0
Revitalising the Blue	250	0	100	(150)	1,500	1,650	150	250	250	0	2,000	2,000	0
Southwark Play House	350	350	350	0	0	0	0	0	0	0	350	350	0
Riverside Walk	500	0	50	(450)	900	1,350	450	100	100	0	1,500	1,500	0
Regeneration North	1,398	460	1,061	(338)	4,287	4,593	306	37	69	32	5,722	5,722	0
Revitalising Camberwell	150	0	0	(150)	1,945	2,095	150	0	0	0	2,095	2,095	0
Peckham Rye Station Redevelopment	12,983	5,526	10,797	(2,186)	7,054	7,054	0	4,686	6,871	2,186	24,723	24,723	0
The Old Vic	2,436	0	0	(2,436)	1,300	3,736	2,436	0	0	0	3,736	3,736	0
Aylesbury - Plot 18	13,514	827	10,514	(3,000)	14,817	17,817	3,000	3,500	3,500	0	31,831	31,831	0
Regeneration South	1,265	144	765	(500)	1,230	1,730	500	0	0	0	2,495	2,495	0
21-23 Parkhouse Street	115	0	50	(65)	1,560	1,625	65	1,731	1,731	0	3,406	3,406	0
Peckham Library Square	900	0	100	(800)	5,700	700	(5,000)	0	5,800	5,800	6,600	6,600	0
Regeneration Capital	664	555	664	0	45	45	0	0	0	0	708	708	0

Appendix D - General fund capital programme 2020/21 detail month 8 report

Description of Programme / Project	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Acquisitions	7,814	101	7,814	0	10,000	10,000	0	0	0	0	17,814	17,814	0
760 Old Kent Road	21,600	1,094	21,600	0	0	0	0	0	0	0	21,600	21,600	0
Elephant & Castle Regeneration	5,000	0	5,000	0	4,800	4,800	0	27,916	27,916	0	37,716	37,716	0
Property Services	1,418	759	1,418	0	577	577	0	0	0	0	1,996	1,996	0
Climate Emergency	0	0	0	0	2,500	2,500	0	22,500	22,500	0	25,000	25,000	0
Chief Executive's Total	89,150	13,608	77,208	(11,941)	67,174	71,098	3,924	84,694	92,712	8,017	241,018	241,018	0
Children's and Adults' Services													
Centre of Excellence	40	39	40	0	0	0	0	0	0	0	40	40	0
Adult PSS Capital Allocations	624	0	624	0	2,000	2,000	0	2,661	2,661	0	5,285	5,285	0
Telecare expansion	0	0	0	0	143	143	0	0	0	0	143	143	0
Southwark Resource Centre	200	191	200	0	0	0	0	0	0	0	200	200	0
Lifecycle capital prog- Anchor homes	1,718	320	1,148	(570)	2,288	2,858	570	2,153	2,153	0	6,159	6,159	0
Lifecycle capital prog- ASC properties	1,000	105	600	(400)	1,000	1,400	400	8,520	8,520	0	10,520	10,520	0
Mosaic Management Information Development	0	0	0	0	600	600	0	0	0	0	600	600	0
Bed Based Care	0	0	0	0	10,000	10,000	0	0	0	0	10,000	10,000	0
2019/20 Primary Schools refurbishment programme	2,212	264	412	(1,800)	0	1,800	1,800	0	0	0	2,212	2,212	0
Primary Schools refurbishment programme 2020/21	3,329	2,068	3,329	0	167	167	0	0	0	0	3,496	3,496	0
2018/19 Primary Schools refurbishment programme	1,584	0	0	(1,584)	0	1,584	1,584	0	0	0	1,584	1,584	0
Autism Spectrum	0	0	0	0	900	900	0	0	0	0	900	900	0
Beormund Primary School Redevelopment	11,615	0	1,000	(10,615)	0	10,615	10,615	0	0	0	11,615	11,615	0
Healthy Pupils Programme	98	0	98	0	0	0	0	0	0	0	98	98	0
Ilderton School	172	2	172	0	0	0	0	0	0	0	172	172	0
LSBU Passmore	250	0	0	(250)	0	250	250	0	0	0	250	250	0
Nursery Buildings	19	0	0	(19)	0	19	19	0	0	0	19	19	0
Permanent Expansion	12,057	1,023	6,578	(5,479)	5,036	10,515	5,479	1,400	1,400	0	18,493	18,493	0
Primary Schools refurbishment programme	0	0	0	0	3,500	3,500	0	14,000	14,000	0	17,500	17,500	0
Riverside Primary School	500	1	500	0	2,500	2,500	0	500	500	0	3,500	3,500	0
Retention	78	0	0	(78)	0	78	78	0	0	0	78	78	0
Rotherhithe Primary School Expansion	12,341	1,837	5,000	(7,341)	6,383	13,723	7,341	0	0	0	18,723	18,723	0
SEND and disabilities development	2,208	311	1,038	(1,170)	0	1,170	1,170	0	0	0	2,208	2,208	0
Southwark Inclusive Learning Service KS4	0	0	0	0	3,200	3,200	0	0	0	0	3,200	3,200	0
Troubled Families	232	227	232	0	0	0	0	0	0	0	232	232	0
Classrooms	226	108	226	0	0	0	0	0	0	0	226	226	0
Children's and Adults' Services Total	50,501	6,498	21,195	(29,305)	37,716	67,022	29,305	29,234	29,234	0	117,451	117,451	0
Southwark Schools for the Future													
KS3 SILS	2,217	1,989	2,217	0	198	198	0	0	0	0	2,415	2,415	0
ICT	0	0	0	0	45	45	0	0	0	0	45	45	0
Contingency and retention payments	0	0	0	0	3,029	3,029	0	0	0	0	3,029	3,029	0
Southwark Schools for the Future Total	2,217	1,989	2,217	0	3,273	3,273	0	0	0	0	5,489	5,489	0
Housing and Modernisation													

Appendix D - General fund capital programme 2020/21 detail month 8 report

Capital Programme 2020/21-2029/30	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
Description of Programme / Project	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Renewal	1,493	96	1,281	(212)	2,107	2,157	50	16,903	17,065	162	20,503	20,503	0
Gypsy and Travellers Site Fire Safety Reconfiguration	447	266	300	(147)	0	147	147	0	0	0	447	447	0
IT Investment Schemes	5,791	519	1,134	(4,657)	2,169	6,826	4,657	8,410	8,410	0	16,370	16,370	0
Modern Ways of Working	50	0	14	(36)	50	138	88	794	743	(51)	894	894	0
Smart Working Programme	6,423	1,349	5,775	(647)	1,580	2,464	883	632	396	(236)	8,635	8,635	0
Operational Buildings Life Cycle Investment	2,491	1,453	2,907	416	6,017	6,254	237	13,451	12,798	(653)	21,958	21,958	0
PPM & Compliance Programme (CRP)	320	35	320	0	480	480	0	8,639	8,639	0	9,439	9,439	0
Queens Road 4	400	353	400	0	0	0	0	0	0	0	400	400	0
Housing and Modernisation Total	17,415	4,072	12,131	(5,283)	12,403	18,465	6,062	48,829	48,050	(778)	78,646	78,646	0
Total Expenditure	183,410	38,000	136,021	(47,389)	153,349	193,449	40,100	237,948	245,237	7,289	574,708	574,708	0

Item No. 12.	Classification: Open	Date: 2 February 2021	Meeting Name: Cabinet
Report title:		Aylesbury Regeneration Programme: Delivery of new council homes on the First Development Site	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Leo Pollak, Housing	

FOREWORD - COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING

This report confirms our announcement last Summer for the next chapter in our work to deliver high quality, truly affordable new homes for people who live on the Aylesbury Estate, with our plans updated so the First Development Site will now provide 581 new council homes for existing residents to move to.

While for over fifty years the Aylesbury Estate has provided spacious council homes for the local community, the quality of the original build means many blocks on the estate have not aged well and are now approaching the end of their life. In 2010, the council worked with the local community to adopt an Area Action Plan setting out how we will replace the poor condition homes on the estate with high quality new ones. The council then agreed a partnership with Notting Hill to build 4,000 new homes, of which 50% would be affordable housing. In December 2018, we were able to extend that commitment, reflecting the newly adopted 'expand and enrich' framework of the council's Great Estates programme and seeking to apply these principles retrospectively at the Aylesbury. This culminated in an amendment to the New Southwark Plan in 2019 committing to replace all existing social housing on the estate, with plans for the First Development Site confirmed in this report going further still. Our partnership with Notting Hill has now evolved to deliver 581 new council homes (of which, 559 will be at council rents on secure lifetime tenancies) on the First Development Site, with Notting Hill Genesis acting as a development manager for the council.

This change has been made possible through our ongoing campaigning, with the Mayor of London and many others, for councils to have the tools we need to build more council homes. In 2012, we had no way to borrow the money needed to deliver homes on this scale. Our success in persuading the Government to raise the borrowing cap and the improved grant secured by the Mayor of London has now made this possible.

In addition to new council homes, the plans set out in this report will also deliver a community facility and extensive new public space. Together these changes will speed up the delivery of new homes for residents on the estate. This will further ensure residents can move within the footprint of the estate, so the local community can stay together through this investment in the heart of our borough.

I'm pleased to see the progress being made on these sites as well as – unlike 45 years ago – the strong processes in place to ensure the highest standards of build quality to ensure a legacy of properly durable and manageable homes. With Package A currently in full flow and due to complete in 2022, and procurement now advanced for Package B with a view to works starting this Spring, the long-promised uplift in residents' living environment is now in view.

RECOMMENDATIONS

That Cabinet:

1. Confirms its approval in principle to the arrangements set out in this report for the delivery of 581 new council homes on the First Development Site at the Aylesbury Estate.
2. Delegates authority to the Strategic Director of Housing and Modernisation, in consultation with the Strategic Director of Finance and Governance and Director of Regeneration, to approve the detailed arrangements in line with the principles set out in this report.
3. Approves a further budget of £2.4m to meet the increase in estimated construction cost and notes a reduction in anticipated GLA grant available of £3.5m.

BACKGROUND INFORMATION

4. A report was considered by Cabinet on 14 July 2020 setting out proposals for revised delivery arrangements with Notting Hill Genesis that would deliver 581 new council homes on Package A and B of the First Development Site of the Aylesbury Estate, increasing the number of social rent homes delivered, providing an attractive opportunity for residents living in later phases of the programme to move to new modern homes, thus helping with the decant process of blocks due for demolition, and accelerating the delivery timescale for the First Development Site (FDS) and later phases of the Aylesbury Estate regeneration programme. Cabinet approved the arrangements in principle and delegated authority to conclude the detailed land transfer arrangements. Cabinet also agreed to make the necessary funding allocations, as well as noting future reports would be given on related matters of a local lettings policy and phasing and rehousing update. This update report should be read in conjunction with the 14 July 2020 Cabinet report, in which the background to this report is set out in further detail.
5. On 20 October 2020 Cabinet approved a capital allocation of £138.5m within the Housing Investment Programme towards the net cost of delivery of the new council homes in Package A & B.

KEY ISSUES FOR CONSIDERATION

6. Since the report to Cabinet in July 2020, detailed discussions have progressed with Notting Hill Genesis (NHG) regarding the delivery arrangements and the GLA regarding the grant arrangements and a firm tender price has now been confirmed by the contractor for Package B. As the delivery arrangements have now developed further, the purpose of this report is to update on changes and to approve the detailed arrangement in addition to updating the scheme costs based on the confirmed Package B tender price.
7. A variation to the existing Development Partnership Agreement (DPA) with NHG has been negotiated which varies the delivery arrangements for Package A & B in line with the key terms previously reported. In addition to those key terms previously reported, the following detailed terms form part of the revised delivery arrangements:

Package A

- NHG is to surrender the Package A Building Lease;
- The premium for the surrender will comprise NHG's costs to date, incurred through its delivery vehicle Walworth Homes Ltd, as approved by the council;
- NHG will simultaneously novate the Package A Build Contract, let by Walworth Homes Ltd, to the council;

Package A & B

- NHG will act as Development Manager, managing the delivery of Package A & B up to Practical Completion, on the council's behalf, for a capped monthly fee established on the basis of actual costs incurred;
- NHG, in its capacity as Development Manager will retain its existing professional consultants' appointments, managing these on behalf of the council; The terms of individual professional appointments will need to be further reviewed and any changes made to ensure they are acceptable to the council;
- The council will be responsible for all payments properly due under the professional consultants' contracts.
- The council will indemnify NHG for its liability under such consultants' contracts, up to a cap to be confirmed;
- NHG is to be released from its development obligations under the DPA in relation to Packages A and B, which pass to the council where they impact delivery of Package C.
- All planning risk in relation to Package A and B only, including responsibility for all commitments in s.106 agreements insofar as they apply to Package A & B only, will transfer to the council;
- The successful delivery to date of NHG's DPA obligations regarding Community Investment, Resident Involvement and Rehousing are acknowledged and the obligations fall away from completion, but responsibilities for the management of resident involvement and rehousing is included its Development Management role;

- NHG's share of the £9m FDS community infrastructure payment to be based on the proportion of respective development floorspace (net internal area) within Package A & B and Package C respectively, currently anticipated to be circa £2.9m;
- GLA grant funding of circa £3.9m allocated to Package A intended to cross-subsidise the delivery of new homes on Plot 18 is to be received by the council and passed on to NHG;
- The council to fund and deliver infrastructure under Package A and B comprising roads and highways, community facility, energy centre, with NHG to reimburse the council for its share of the cost of these facilities based on the proportion of development floorspace (net internal area) within Package A & B and Package C respectively on grant of the Package C Building Lease;

Package C

- NHG is to use its reasonable endeavours to bring forward a new planning application for Package C within 12 months of transferring Package A to the council.
8. Where shared FDS costs are apportioned based on the proportion of development floor space (net internal area) between Package A & B and Package C respectively, these proportions will be updated on the basis of the final Package C development floor space, which is expected to increase. Consequently, the NHG-funded portion of shared site costs is expected to increase.
 9. With the firm tender for Package B now received, subject to approval of the updated costs and key terms set out in this report, the Package B contract can now be let allowing the contractor to mobilise on site May 2021. The first blocks within Package A, which commenced in March 2019, are anticipated to be completed by Spring 2022 with further completions in Autumn 2022. Package B is anticipated to be complete mid-2024.

Tenure mix

10. As previously reported to Cabinet, the revised delivery arrangements will deliver 581 new council homes across Packages A & B of the First Development Site. The consented tenure mix for Package A comprises 193 homes for social rent (including 54 homes for residents with flexi (extra) care needs and 7 homes for residents with learning difficulties) plus 22 homes for intermediate sale and 14 homes for market sale. As previously reported to cabinet, the 14 homes for market sale will be converted to general needs social rent under the revised tenure mix, providing additional social rented homes. The 22 homes for intermediate sale will, however, now be retained for intermediate sale. These units provide an enhanced value to the council, although the capital receipt for part-sale have been excluded from the net cost. They provide capacity for the decant of resident leaseholders in subsequent phases and ensuring existing GLA grant funding for

these homes is retained. The revised tenure mix for Package B will remain as previously reported to Cabinet, and will deliver 352 general needs social rented homes, following the conversion of 132 homes for intermediate sale and 112 homes for market sale to social rent.

11. Overall, therefore, the revised delivery arrangements will deliver 559 council homes at social rents (including 54 homes for residents with flexi (extra) care needs and 7 homes for residents with learning difficulties) and 22 homes for intermediate sale. This represents an additional 258 social rented homes than would otherwise be delivered across these two packages.

Grant position

12. As previously reported to Cabinet there is an existing GLA allocation of £29m of grant funding towards the delivery of the new affordable homes on FDS Package A & B. In discussion with the GLA and NHG, this existing grant allocation would be transferred from NHG to the council. As a result of the revised tenure mix across Package A & B due to the revised delivery arrangements, additional grant of £22.1m may be available, comprising £9.5m for the conversion of homes for intermediate sale in Package B to Social Rent and £12.6m for the conversion of homes for market sale to homes for social rent in both Package A (£1.4m) and Package B (£11.2m), taking the total grant funding now available to £51.1m. A bid has been made to the GLA on this basis and the outcome is expected to be confirmed later this month. This represents a reduction of £3.5m in the anticipated total grant level available previously reported to cabinet of up to £54.5m. Negotiations with the GLA on grant subsidy are ongoing.

Quality management

13. A Quality Management Plan (QMP) which sets out the provisions in place for the safeguarding of quality in the delivery of the construction contracts for the FDS has been agreed with NHG and is in place for the whole of the FDS. Under the revised delivery arrangements, NHG will act as Development Manager to oversee and manage the delivery of the new council homes within Package A & B on the council's behalf, including managing the QMP.
14. The QMP sets out the roles and responsibilities and processes in relation to safeguarding quality across a number of areas, comprising:
 - The building contract itself, which includes Contractor obligations to manage quality in its delivery of the project;
 - Obligations of the Employers Agent, which includes; administration of the terms of the building contract, specifically the quality aspect of Certification, and contract management, specifically facilitating all quality-related signoffs, commissioning, test-witnessing and hand-over documentation;
 - Client's professional team reporting to NHG, acting as Development

Manager on the council's behalf, namely: Clerk of Works, M&E Inspector, Fire Guardian and Design Guardian.

15. In addition, the council and its key stakeholder representatives, including Adult Social Care and representatives related to the Community Facility, have ongoing input into the contractor's design development of the Extra Care, Learning Difficulty and Community Centre, through the Reviewable Design Data process, sign-off of contractor's samples, mock-ups and benchmark elements.
16. Under the terms of the contract, the Contractor is obliged to manage quality in the delivery of the Contract Works. The Contractor's Quality Assurance Plan (QA Plan), in accordance with ISO9001 format, sets out in detail how the Contractor intends to deliver and monitor the quality of the Contract Works both on and off-site. The QA Plan was provided prior to commencement on site and is updated throughout the life of the contract. The contractor is also obliged to submit various elements of design and works for sign-off, as set out under the Reviewable Design Data (RDD) process, as well as identified samples, mock-ups and benchmark elements.
17. In addition to the above, NHG, as Developer Manager, will retain a team of professional consultants related to the Contract Works, which cover the monitoring and management of quality, and includes Employer's Agent, Design Guardian Clerk of Works and specialist technical consultants.
18. The Employer's Agent has an ongoing role in quality monitoring and management, as part of a wider scope of service. Certification of the proportion of works completed includes a qualitative assessment of compliance of works with contract documents, in terms of quality, workmanship and specification. In addition, the Employer's Agent scope of service also includes contract management, including facilitation of contract obligations regarding sign-offs between the Contractor and stakeholders and statutory bodies including: design information, Reviewable Design Data (RDD); statutory approvals; mock-ups; samples; benchmarked elements; Monitoring of compliance against Employer's Requirements and various standards, including Approved Documents and Planning.
19. The Design Guardian is an additional role responsible for the ongoing review of design against requirements, including reviewing the Contractor's Architectural and Structural detailed design, in terms of buildability, best practice, long-term maintenance and compliance against ERs, Approved Documents, Codes of Practice, and preparation of a monthly Technical Report including commentary on the Contractor's Design and Workmanship.
20. The Clerk of Works' role includes technical and quality compliance and includes quality inspections on site a minimum of twice weekly throughout the construction programme to agree quality levels at each relevant stage

of works and compliance inspections to ensure delivery in line with Contract Documents, Standards, legislation and Contract Programme. The role also includes preparation of monthly Technical Report from site visits, including commentary on contractor's design and workmanship. In addition, specialist technical consultants including the M&E Inspector and Fire Guardian, are responsible for reviewing design and inspecting installation against the specific requirements of their specialist areas.

Policy implications

21. The policy implications of the revised delivery arrangements were set out in the original report to Cabinet of 14 July 2020. There are no further policy implications resulting from this update report.

Community impact statement

22. The community impact of the revised delivery arrangements were set out in the original report to Cabinet of 14 July 2020. There are no further community impacts resulting from this update report.
23. It should be highlighted that the employment, training and apprenticeship outputs for Package A & B continues to be set out in the construction contracts once transferred to the council. The Contractor is obliged to deliver the following employment and training opportunities:
 - 18 unemployed Southwark residents supported into employment and sustained in work for 6 months, via training or job brokerage per 10,000 m² GIA;
 - 6 Apprenticeships or equivalent Traineeships at NVQ level 2 or above per 10,000 m² GIA; and
 - 10 Southwark residents receiving pre- or post-employment training per 10,000 m² GIA.
24. On the basis of the anticipated development floor areas across the two contracts Package A & B combined will deliver:
 - 101 unemployed Southwark residents supported into employment and sustained in work for 6 months, via training or job brokerage;
 - 33 Apprenticeships or equivalent Traineeships at level 2 or above; and
 - 56 Southwark residents receiving pre- or post-employment training.
25. Further work to review and establish the detailed mechanisms for delivering these outputs following the revised development delivery arrangements will be undertaken.

Resource implications

26. The resource implications of the revised delivery arrangements were set out in the original report to Cabinet of 14 July 2020. There are no further resource implications resulting from this update report.

Legal implications

27. The legal implications of the revised delivery arrangements were set out in the original report to Cabinet of 14 July 2020. The further implications set out in this report update on those included in the July report.
28. There are a number of legal documents which will need to be agreed and entered into to effect the arrangements agreed in principle in this report, and, as noted in paragraph 2, approval has been sought to delegate approval of the detail and entering into of these arrangements to the Strategic Director of Housing and Modernisation, in consultation with the Strategic Director of Finance and Governance and Director of Regeneration. This will include the necessary variations to the DPA, including provision for a Development Management role to be undertaken by NHG, and revised contractual arrangements with the wider professional teams, including transfer of collateral and other warranties from the professional team, a deed of novation to the building contract for Package A, a deed of surrender in relation to the Package A building lease and the building contract for Package B now to be let by the council. This delegation will also include approval of any Gateway reports required as part of entering into those contractual arrangements.
29. On completion of the revised delivery arrangements, the existing Package A contract, let by Walworth Homes Ltd, will be novated into the council's name as employer. The associated Package A Building Lease will be surrendered by Notting Hill Genesis and the land will revert to the council. The previous report to Cabinet stated that the Package B contract would also be novated into the council's name as employer in the same way as Package A, however, as this contract has not yet been entered into, the council will now simply let this contract directly.
30. The Package A contract was procured through a competitive process as a call off contract under NHG's contractor framework, originally let on 31 May 2017 for a 4 year period and subsequently extended for a further year to 31 May 2022, and to which the council itself has access. The council has satisfied itself with the procurement process undertaken for Package A. The form of contract used is a JCT Standard Form Design and Build Contract (2016) with council amendments as required by the DPA plus subsequent amendments as required by the council having reviewed the contract.
31. The Package A Building Lease will be surrendered and the land will revert to the council. Legal advice taken on the Stamp Duty Land Tax implications of the surrender of existing land at Package A is that there would be no SDLT impact on the council on the basis that the scheme remains grant funded, and this has been tested with and confirmed by HMRC.
32. The Package B building contract has been procured via negotiated tender as a call off from the NHG contractor framework, which allows for direct

appointments in certain circumstances. These circumstances including where the call off contract has substantial similarities to a previous project in which the framework contractor was involved, which is the case here where the tender process for Package B has been based on the final contract information for Package A. The council has satisfied itself with the procurement process for Package B. The form of contract is a JCT Standard Form Design and Build Contract (2016) with council amendments as required by the DPA plus subsequent amends as required by the council having further reviewed the contract.

33. NHG will manage the construction on the council's behalf and a detailed scope of the Development Management service will be added into the DPA. As part of the Development Management role, NHG will continue to employ a professional consultants team to advise in connection with the construction schemes and these appointments will be reviewed, including any collateral warranties and/or guarantees that benefit the council, to ensure they are fit for purpose under revised delivery arrangements.

Financial implications

34. The overall cost to the council of delivery of Package A & B has been reviewed and updated based on the latest information available. The overall cost to the council of the revised delivery arrangements is now £195.5m. This represents a total increase in costs of £2.4m on those reported in July. Based on HRA Business Plan assumptions the new council homes will deliver a gross rental yield of £1.195bn over 80 years.
35. Changes since the figures previously reported to Cabinet are as follows:

Cost heading	Jul 20 (£m)	Jan 21 (£m)	Variance (£m)
Construction works	161.57	164.15	2.58
Utilities, on costs and professional fees	14.45	12.56	-1.89
NHG Development Management costs	1.48	1.88	0.40
Grant recovery	3.93	3.93	0.00
Finance costs	2.58	3.62	1.04
Site wide on-costs and professional fees	2.96	2.96	0.00
Operating and community development costs	2.82	3.28	0.46
Resident rehousing costs	0.34	0.34	0.00
Demolition (below ground)	2.44	2.69	0.25
<i>Sub-total</i>	<i>192.57</i>	<i>195.41</i>	<i>2.84</i>
LBS professional fees	0.50	0.10	-0.40
Total	193.07	195.51	2.44
Total anticipated grant subsidy	54.51	51.06	-3.45
Net total	138.56	144.45	5.89

36. Costs under a number of the above headings have varied for a range of

reasons. Construction works costs have increased by £2.6m due primarily to the confirmed final Package B tender price and enhanced delivery specification including fire safety improvements relating to Part B building regulations. Utilities, on costs and professional fees have reduced by £1.9m largely due to reduced statutory utilities costs. NHG's estimated Development Management costs have increased by £0.4m due to anticipated prolongation of the development period operating costs incurred £0.5m over the period, while additional developers finance costs of £1m have been incurred at the DPA contract rate.

37. The council will reimburse NHG its historic costs to date, currently understood to be circa £51m. At the point of completion, the council will take on the existing Package A contract and all future construction costs would be direct council costs. The Package B contract would be directly let by the council and the council will be directly responsible for all costs under that contract.
38. The council will be liable for the above gross cost of £195.5m, which equates to £337k per unit, and in the event that no grant were available this would be the cost to the council. As set out at paragraph 12 above, it is now anticipated that GLA grant of up to £51.1m is achievable, which is £3.5m less than the anticipated figure previously reported to cabinet. The reduced grant level, combined with the increased construction cost of £2.4m, results in a net cost to the council of £144.5m; an increase of £5.9m on the net cost of £138.5m reported in July. The revised net cost equates to £249k per unit. Overall, this cost per unit is broadly comparable to the cost of direct delivery across the council's programme and is considered to be value for money, noting also that these homes are built to Aylesbury AAP space standards, which are larger than typical units. It will also secure the timely delivery of a significant quantum of new council homes which, as set out in more detail in the July report, will assist in providing decant capacity to accelerate rehousing of residents in poor quality and deteriorating blocks elsewhere on the Estate which have cost the council in excess of £100m to maintain over the last 6 years alone.
39. Package A & B include infrastructure that serve the whole of the FDS, including the future Package C. These include works to improve existing and construct new highways, drainage, utilities diversions and connections, the FDS energy centre and associated district heating network and the FDS community centre. The cost of these elements of infrastructure are to be apportioned between the council and NHG on the basis of the proportion of development floorspace (net internal area) within Package A & B and Package C respectively. As the full cost of these works sit within the Package A & B construction contracts, and the NHG proportion does not become liable until the Package C Building Lease is granted, this will require the council to cashflow an element of these costs anticipated to be up to £3.7m in total.

Consultation

40. The position on consultation remains as set out in the original report to Cabinet of 14 July 2020.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

41. This report asks cabinet to confirm its approval in principle to arrangements for the delivery of 581 new council homes on the First Development Site (FDS) at the Aylesbury Estate as further set out in this report, and to seek delegation of the approval of the detailed arrangements as noted in paragraph 2.
42. The Development Partnership Agreement (DPA) between the council and Notting Hill Genesis was entered into in 2014 following an EU-compliant procurement process, and has been subject to certain amendments which the cabinet is aware from earlier reports. The FDS is split into a number of packages. With regard to Package A, a contract has been let by NHG, through its delivery vehicle Walworth Homes Ltd, to Hill Partnerships following a competitively tendered EU-compliant process and has progressed in accordance with the DPA. As noted in paragraph 29, the intention is that the Package A contract should be novated to the council, who will then act as employer in place of Walworth Homes Ltd under that construction contract. For Package B, NHG have negotiated the construction contract with Hill Partnerships, but the contract has not yet been awarded, and it is therefore the intention that for Package B the council would enter into a direct contract with Hill Partnerships for this work.
43. In agreeing changes to the existing contractual arrangements with NHG, and entering into a direct contract for Package B, there is a potential risk of procurement challenge. However the Public Contract Regulations 2015 do permit contracts to be modified in certain circumstances and advice is that the council should be able to enter into these arrangements within those requirements. Award of Package B is intended to be made through the NHG framework agreement, which permits direct award in these circumstances. The risk of challenge is therefore considered low, but the procurement implications will be considered further as part of the ongoing legal advice and these will inform the later decisions which are delegated.
44. The report describes at paragraphs 7 and 29 how Notting Hill Genesis will surrender the Package A Building Lease, the premium for such surrender being calculated by reference to the costs incurred to date. The surrender of the Building Lease amounts to an acquisition by the council, for which it has powers under s120 of the Local Government Act 1972 and under s227 of the Town and Country Planning Act 1990. Both powers enable councils to acquire land (including by way of surrender of a lease) for the purposes of the development or improvement of their area, and since the purpose of this acquisition is to enable to the council to develop the land

for housing, these purposes will be fulfilled.

45. The Cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Cabinet is specifically referred to the community impact statement at paragraphs 22 - 25, which references the earlier considerations that have been given and will continue to be given to equalities issues which should be considered when approving the recommendations in this report.

Strategic Director of Finance and Governance (H&M 20/128)

46. The Strategic Director of Finance and Governance notes the progress made in the long-awaited delivery arrangements for 581 new council homes on Package A and B of the First Development Site on the Aylesbury Estate, and the anticipated early commencement of works, which is to be welcomed. However, the report seeks an additional £5.9m of funding from resources supporting the council's Housing Investment Programme in response to an increase in estimated build costs of £2.4m and a reduction in expected GLA grant of £3.5m, since the last reported programme funding appraisal. Whilst these changes are unavoidable, it remains incumbent on the council to ensure best value is achieved at all times and contain costs within the revised programme allocation. The additional funding required will be met primarily from new borrowing, which will have further long-term revenue financing implications for the council's HRA.

REASONS FOR URGENCY

47. The report is urgent due to the need for the council to conclude the revised contractual arrangements with NHG in order to secure the delivery of new council homes along with the associated and additional grant funding and, in turn, to be able to let the contract for Package B now on the basis of the negotiated tender.

REASONS FOR LATENESS

48. It has not been possible to circulate the report five clear days in advance of the meeting because of the timing of receipt of the final tender price for Package B and time required for the council's advisors to assess the tender detail and price and for the council and NHG to review and update the revised financial implications, including refreshed tender price and latest grant position.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Regeneration Programme: Delivery of new council homes on the First Development Site	Regeneration South, 160 Tooley Street, London SE1 2QH	Matt Derry, 07718961418
http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=7136		
Policy and Resources Strategy: Capital Monitoring Report, including Capital Programme Update 2020-21	Regeneration South, 160 Tooley Street, London SE1 2QH	Matt Derry, 07718961418
http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=56021		

APPENDICES

No.	Title
Appendix 1	Scheme images and photos

AUDIT TRAIL

Cabinet Member	Cllr Leo Pollak	
Lead Officer	Michael Scorer	
Report Author	Matt Derry	
Version	Final	
Dated	28 January 2021	
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
List other officers here		
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	28 January 2021	

Aylesbury First Development Site (FDS) Package A & B*Image 1 FDS view from Burgess Park:**Image 2 FDS view from Burgess Park in construction:*

Image 3 FDS view from Burgess Park in construction:



Image 4 FDS Package A sub-plot 6 view from Albany Rd (Mae Architects):



Image 5 Package A sub-plot 6 in construction:



Image 6 FDS Package A / B (Mae Architects):



Image 7 FDS Package A / B (Mae Architects):



Image 8 FDS Package A sub-plot 1 (Mae Architects):



Image 9 FDS Package A Westmoreland Square (Mae Architects):



Image 10 FDS Extra-care communal space (Mae Architects):



CABINET AGENDA DISTRIBUTION LIST (OPEN)**MUNICIPAL YEAR 2020-21**

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