

## Overview & Scrutiny Committee

Monday 22 January 2024

10.30 am

Ground Floor Meeting Room G02A - 160 Tooley Street, London  
SE1 2QH

## Supplemental Agenda No.1

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### Contact

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Date: 17 January 2024

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 5 December 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Policy and Resources: Budget Setting Update 2024-25	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Stephanie Cryan, Communities, Democracy and Finance	

## **FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, DEMOCRACY AND FINANCE**

The Autumn statement on 22 November 2023 was disappointing. Economic growth remains weak and inflation and interest rates are expected to stay higher for longer and rather than compensating public services for the higher costs, the Chancellor opted to cut taxes. It was clear that councils will not receive any funding for the additional inflationary pressures in 2023-24 and there was no specific announcement for local government funding in 2024-25. The provisional settlement is due only at the end of December, when the council will receive specific notification of grant funding for next year.

Despite the lack of long-term certainty of funding from the Government we will be setting a three year budget to ensure we are delivering the services and support our residents want and need. This report takes into consideration both the autumn statement and the updated budget proposals for 2024-25 to 2026-27. We previously reported the scale of the challenge that we looked to be facing for the three year medium term budget planning process. We set out the emerging pressures in the context of high interest rate and inflation rates, and the resultant cost of living crisis and those requiring social care and those faced with homelessness.

The report has identified savings options that fit within the overall policy and financial framework, aligning resources to the council's key priorities including commitments around Southwark 2030, Southwark Stands Together, the climate emergency, our Council Delivery Plan and the additional demand pressures.

We have set out in this report £20.9m of savings in 2024-25 through a combination of efficiencies and other savings. These proposals will be consulted on with staff, affected residents and other stakeholders and partners as necessary.

After amending our assumptions following the autumn statement, together with the savings currently identified, the budget gap reported in October of £24m has reduced to £6.7m. This is after assuming a council tax increase of 4.99% in line with the governments policy statement in December 2022 (2.99% general increase, and 2% for social care).

Unlike central government, the council is legally required to set a balanced revenue budget without resorting to borrowing so I have asked that work to explore ways to manage this is continued. Further work is needed to set out detailed council wide transformation plans for the period beyond 2024-25.

Notwithstanding the challenges, this administration remains determined to keep our promises, to protect the most vulnerable, reduce inequalities and to continue to focus on the delivery of Southwark 2030 and to make Southwark a Fairer, Greener, Safer borough.

## **RECOMMENDATIONS**

That cabinet note:

1. The updates from the autumn statement delivered on the 22 November 2023 and the budget challenge process;
2. The updated budget gap for 2024-25 of £6.7m; and for the following 2 years £4.5m and £4.6m respectively;
3. The proposed options to help achieve a balanced 2024-25 budget and indicative savings for 2025-26 and 2026-27 together with departmental narratives (Appendices A to E);
4. Appendix F which details the draft fees and charges schedules;
5. Strategic Directors will continue to work with their respective Cabinet Members to find additional savings option;
6. The intention is to prepare a balanced one year 2024-25 budget, together with indicative savings for the following two years, for recommendation by cabinet, in advance of approval by council assembly in February 2024;
7. Equality Impact Assessments are ongoing and that a cumulative impact assessment will be presented to cabinet as part of the budget update in February;
8. Officers will undertake further consultation for new budget options where necessary or appropriate;
9. The appendices A-F will be considered by the overview and scrutiny committee on 22 January 2024, prior to February 2024 cabinet.

That cabinet approve:

10. The write-off of one NNDR debt of £292,849.08 which is irrecoverable (Appendix G).

## BACKGROUND AND PURPOSE

11. 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, which in recent years has been for one year only. The 2024-25 budget will be presented for approval, in line with the requirements of the Local Government Finance Act, by council assembly in February 2024 as part of council tax setting.
12. In addition, the council has undergone a three-year budget process which will be reported to February cabinet and council assembly. This will detail the predicted budgets, funding gaps and expected further savings required for the following two years, 2025-26 and 2026-27. This approach will enhance the council's commitment to financial planning and efficiency. Most importantly, it ensures that the policies and priorities set out in the council delivery plan are aligned to the projected financial resources.
13. During austerity, (2011-12 and 2019-20), the council lost government funding in cash terms of more than £146m. Since then, the council has faced the impact of the pandemic and currently a cost of living crisis. 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. The impact of constrained income streams at the same time as increased demand and the increased cost of delivering council services has created significant budget pressures over this 12-year period.
14. This report provides an update on the work undertaken to both reflect the work undertaken through the budget challenge process and the latest information on available resources following the autumn statement. It considers budget savings and commitments proposed through the budget challenge process for the full three-year period, 2024-25 to 2026-27, ensuring that the council's vision illustrated through Southwark 2030 and the council delivery plan are put at the heart of this budget. The report follows the October cabinet approach and takes a multi-year view to manage efficiencies within the council and to ensuring financial sustainability in the longer term. It also seeks to bring together reporting requirements into one document, enabling simpler and shorter formats, with the appendices providing the detail for cabinet to note or approve.

## KEY ISSUES FOR CONSIDERATION

### Autumn Statement – 22 November 2023

15. The initial spending assumptions and economic context were set out in the October cabinet report. The autumn statement provided no significant changes to the funding assumptions for local government. The increase in tax receipts through the freezing of thresholds has been used to deliver cuts to corporation tax and national insurance rather than compensate public services for higher costs.
16. Both inflation and interest rates remain high – October CPI has reduced to 4.6% from September CPI at 6.7%, though this is still above the government's 2% target. Central bank interest rates remain at 5.25%. The Office for Budget Responsibility (OBR) economic and fiscal outlook that was published alongside the statement downgrades economic growth in 2024 and 2025 to 0.7% and 1.4%, from the March 2023 forecast. Unemployment increases to 4.6% of the labour force and living standards expected to be 3.5% lower than the pre pandemic level.
17. The key announcements in the November autumn statement were:-
  - Overall, the public sector, as previously announced, will be given a 1% a year increases, in real terms. However, given that some sectors have been promised more, the OBR forecasts that local government is likely to have a reduction by 2.3% in real terms from 2025-26.
  - To deliver planned reductions whilst maintaining and improving public services would require a significant improvement in public sector productivity. The government announced a target of 0.5% p.a. in productivity improvements, through reductions in bureaucracy.
  - An increase in the local housing allowance (LHA) rates, to equal the 30th percentile of an area's market rents in 2024-25. The government's decision to reset LHA rates should alleviate the huge affordability pressures facing private renters on benefits. However, the Institute of Fiscal Studies (IFS) comments that the decision to then freeze rates for a year rather than permanently linking rates to rents means this is only a temporary solution. Families on benefits continue to face uncertainty on the affordability of their housing.
  - Support for small businesses. The standard business rates will be increased by September CPI (6.7%); the small business multiplier will be frozen for a fourth consecutive year. The current 75% relief for eligible retail, hospitality and leisure properties will be extended for 2024-25. Local Authorities will be fully compensated for the loss of business rate income because of these measures and will receive new burdens funding for administrative and IT costs.

- To reform the local planning system to allow councils to recover the full cost of planning fees for major planning applications in return for a requirement to meet faster timelines, otherwise fees will be refunded in full.
  - The National Living Wage will increase by 9.8% from April 2024, to £11.44 an hour and lower the age threshold from 23 to 21 years old.
  - Benefits will increase in line with the September CPI (6.7%) and the triple-lock for pensions will be honoured giving an increase of 8.5%. There will be changes to the work capability assessments for those unable to work due to illness or disability. The long term unemployed (over 18 months) will be required to take part in mandatory work placements or their benefits will be cut.
18. The Autumn Statement made no reference to permitted increases in council tax so the assumption remains from the December 2022 policy statement that the core referendum principle allows for increases in council tax up to 3%. Similarly, the assumption remains that the social care precept increase will continue at 2%.
19. It has been confirmed that there is no extension to the Household Support Fund grant for 2024-25. In 2023-24, Southwark received £5.5m of government funding to support vulnerable households, which will no longer be available.

### **The Budget Challenge Process**

20. The budget challenge process commenced after the July 2023 cabinet which reported a potential budget gap of £24m in 2024-25 with a cumulative expected funding gap of £51m over the 3 year period to 2026-27.
21. The council has completed two budget challenge rounds to find savings as well as early identification of future demand and cost pressures. Currently the net impact of these reduces the 2024-25 funding gap to £6.7m.
22. The process has been conducted with regard to the full 3 year period, with a review of future council procurement plans to better assess the council's proposed commitments and savings over the medium term. These are being assessed together with identifying council-wide transformation programmes to reconfigure services and the corporate centre to support the council delivery plan priorities.
23. Consultation with residents on how to achieve these priorities, is taking place via the Southwark 2030 project, with a report due in March 2024. The themes identified and actions required to achieve this will be aligned to available financial resources.

## Updated three year budget proposals

24. In accordance with instructions from the October 2022 cabinet, this report provides updated budget proposals for 2023-24. Taking into account the latest funding assumptions and assuming the options presented in schedules B-E are accepted in full, the current gap stands at £6.7m.
25. The remaining gap still presents a challenge, not least in the context of the savings that the council has previously had to make throughout the austerity period, the impact of unfunded increases in inflation and additional commitments to support residents with the cost of living crisis. Strategic Directors will continue to work with their respective Cabinet Members to find additional savings options to present a fully balanced 2024-25 budget for the February 2024 cabinet meeting, in advance of February council assembly.
26. Table 1 below compares the current 'most likely' budget scenario against the current year budget (2023-24). 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. More detailed information on specific proposals can be found at Appendices B to E.

**Table 1: Change in Key Budget lines 2023-24 to 2026-27**

		2023-24	2024-25	2025-26	2026-27
Resources	Un-Ringfenced Government Grants	(82.38)	(83.55)	(80.00)	(81.18)
	Ringfenced Government Grants	(78.68)	(82.62)	(83.65)	(84.71)
	<b>TOTAL GOVERNMENT FUNDING</b>	<b>(161.05)</b>	<b>(166.16)</b>	<b>(163.65)</b>	<b>(165.88)</b>
	Council Tax	(137.71)	(146.99)	(158.75)	(170.01)
	Business Rate Growth	(136.06)	(131.07)	(131.07)	(131.07)
	<b>COUNCIL TAX AND RETAINED BUSINESS RATES</b>	<b>(273.77)</b>	<b>(278.06)</b>	<b>(289.82)</b>	<b>(301.07)</b>
	Contribution from earmarked reserves	(2.50)	(2.50)	(2.50)	-
	<b>TOTAL RESOURCES</b>	<b>(437.32)</b>	<b>(446.72)</b>	<b>(455.97)</b>	<b>(466.96)</b>
Growth & Savings	Prior Year Budget	<b>391.15</b>	<b>437.32</b>	<b>446.72</b>	<b>455.97</b>
	Inflation	48.74	26.40	24.07	18.18
	Commitments & Contingency:	13.84	10.64	6.69	6.17
	Savings	<b>(16.41)</b>	<b>(20.93)</b>	<b>(17.02)</b>	<b>(8.72)</b>
	<i>In-Year Gap</i>		<b>6.72</b>	<b>4.49</b>	<b>4.64</b>
	<i>Prior year savings not yet identified</i>			6.72	11.20
	<b>TOTAL SHORTFALL (cumulative)</b>	-	<b>6.72</b>	<b>11.20</b>	<b>15.84</b>

## Government Grants

27. The un-ringfenced government grants include the Revenue Support Grant (RSG), the business rates top up and legacy grants. The autumn statement indicated no change from the October assumptions, which suggest a reduction in cash terms for 2025-26 and 2026-27. This represents a significant real terms reduction in funding with inflation currently running at 4.6%. The distribution of grant will not be known before the provisional local government finance settlement in late December. The publication of the 'Final Settlement' in January 2023 enables local authorities to finalise their budgets and to set their council tax by the statutory deadline (11 March).
28. The ring-fenced grants include the Social Care grants, Improved Better Care Fund (BCF), the Public Health Grant. No change has been assumed following

the Autumn statement.

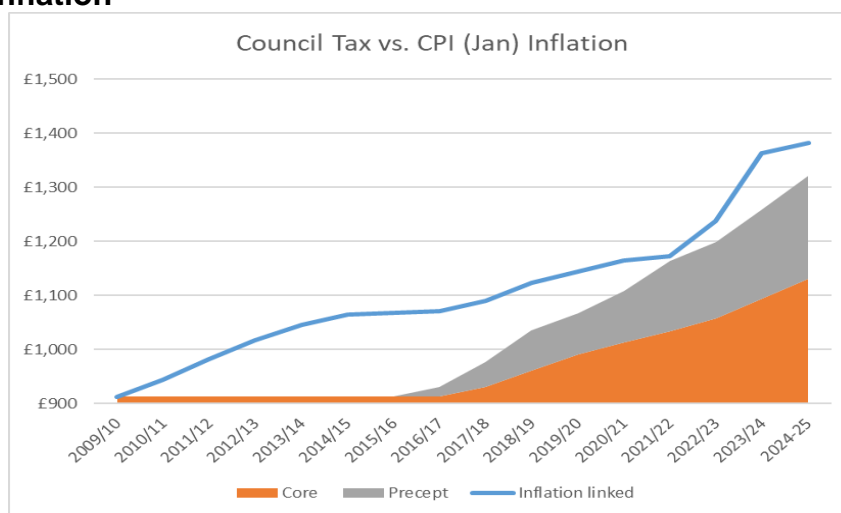
29. The overall position remains the same as reported to October cabinet for government grants. It should be noted that the unringfenced grants make up only around 50% of the total government grant funding which constrains local autonomy to spend in areas of local need. The actual allocations will be reported to February cabinet following the local government settlement announcement.

## Revenue Funding from Local Taxation

### Council Tax

30. The council is committed to keeping council tax low. The Southwark element of council tax was frozen from 2008-09 until 2017-18. After this financial pressures and the cumulative impact of reduced government funding meant that it was no longer sustainable to hold this position.
31. In the December 2022 policy statement, it was announced that the cap on council tax would remain at 2.99%, with the assumption that local authorities will use this additional flexibility to fund council services.
32. The authority has been able to maintain the eighth lowest level of council tax in London in 2023-24, despite having incurred some of the largest reductions in government grants. Table 2 shows that council tax would still remain below the charge it would have been if CPI had been applied each year since 2010-11.

**Table 2: Comparison of Actual (and proposed) Council Tax increases vs. Inflation**



33. 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 2024-25.



### Social Care precept

34. Since 2016-17, the Government has provided flexibility to local authorities to increase council tax to provide a contribution towards the significant financial pressures in social care. The Government guidance was:
  - a 2% increase in the precept in 2016-17;
  - a 6% increase over the three-year period 2017-20. A 3% precept was applied in 2017-18 and 2018-19 and 0% in 2019-20;
  - a 2% increase in 2020-21;
  - A 3% increase with local discretion to spread across 2021-22 and 2022-23
  - A 2% increase in 2023-24.
35. The December 2022 policy statement extended this flexibility for a further year with an increase to 2%. The government's spending power calculations assumes that all authorities with social care responsibilities will increase the precept in line with the guidance.

### Council Tax

36. All except two London Boroughs, including Southwark, increased their council tax in 2023-24, with 21 of those choosing to do so by the maximum amount permissible. This is indicative of the cumulative impact of financial stress across local authorities in London.
37. In the context of pressures on council finances, the resilience of reserves and the historical year on year reductions in spending power, council tax remains a key source of income for the council. An increase of 2.99% in council tax amounts to £4.1m income.
38. As reported in the 2024-25 Council Tax Base report (also on the agenda), growth in the tax base is slightly higher than previous years as the number of new buildings completed and projected for completion has increased, and the total amount of discounts, exemptions, and relief reduces after high levels of support offered to residents during Covid.
39. The report recommends that the collection rate be maintained at 97.2%, but given the current economic climate, this target is particularly challenging for the forthcoming year. The revenues collection teams will be reviewing approaches to collection and enforcement, where possible, to maintain levels of performance.

### Business Rates

40. The 2024-25 budget includes a forecast assumption that the council's Business Rate Retention income will remain the same as in 2023-24. As the council no longer receives support for pandemic-related collection fund deficits, this shows a decrease in resources for 2024-25: these assumptions remain the same since October. The economic recession and energy cost crisis adds to the challenges of maintaining business rate yields. Careful review of financial risk reserves may be required to manage any volatility.

### **Inflation and Pay Costs**

41. Inflation continues to be a key risk to the council's budget setting process for 2024-25 with October CPI running at 4.6% The autumn statement assumptions expect inflation to be 7.5% overall in 2023 and to fall back down to 3.6% in 2024 and 1.8% in 2025.
42. Taking this forecast into account, the current general fund budget forecast includes the following assumptions;
  - i) Contractual inflation (5%)
  - ii) Pay inflation (6%)

### **Efficiencies and Improved Use of Resources**

43. The council is committed to keeping 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 £12.8m (detailed in Appendix B).

### **Income Generation**

44. 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 total budget proposals include additional income generation of £7.6m (detailed in Appendix C).

### **Savings Impacting on Service Delivery**

45. 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 D propose savings of £0.6m with potential to impact on service delivery.
46. Comprehensive equalities analysis of the impact of these savings will be considered before the budget is finalised.

### **Commitments**

47. The proposals include £5.7m of commitments, many of which are driven by inflationary pressures.
48. A detailed list of all proposed commitments can be found in Appendix E.

## **Fees and Charges**

49. 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.
50. In reviewing fees and charges, the policy is to increase them to a level that is at least equal to the most appropriate London average except where this either conflicts with council policy, or would lead to adverse revenue implications or would impact adversely on vulnerable clients. The draft schedules have used the September CPI at 6.7% to update many of the fees and charges (Appendix F). The final schedules of proposed fees and charges for 2024-25 will be brought to cabinet for approval in February 2024.

## **Use of Reserves and Balances**

51. 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.
52. 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.
53. The budget proposals for 2024-25 include a contribution of £2.5m from general reserves to balance the budget.
54. 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.

## **Planned Corporate Contingency**

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

### **Debt Write-offs**

56. The constitution requires that all debt write-offs greater than £50k are subject to cabinet approval.
57. A business rates debt of £292,849 has been deemed irrecoverable. All possible action has been taken to recover the debt but the company has gone into liquidation. There was no dividend paid to unsecured creditors and the company was dissolved in February 2023. This can be met from the council's bad debt provision. Details are in appendix H.

### **Consultation**

58. Business rate payers will be consulted on the budget proposals in early January 2024. One hundred organisations will be selected using a method that captures the range of financial liabilities of organisations paying NNDR in Southwark.

### **Community, equalities (including socio-economic) and health impacts**

59. 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.
60. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Borough Plan. As with the budget for 2023-24 and for previous years, each department will undertake equality analysis/screening on its budget proposals ahead of the final decisions being taken. Where screenings identify potential impacts, more detailed analysis is being carried out.
61. Undertaking equality analysis helps the council to understand the potential effects that the budget proposals may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis is also undertaken to consider any crosscutting and organisation-wide impacts.
62. For many services, the budget proposals will include efficiencies that 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.

63. 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 necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. The equality analyses will be collated across the council to look for any cumulative impacts.

### **Climate change implications**

64. There are no direct climate change implications arising directly from this report, which provides an update on the budget setting process for 2024-25. The individual proposals contained within this report and its appendices will be subject to appropriate processes to assess and mitigate risks and to maximise potential benefits.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive (Governance and Assurance)**

65. 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.
66. Council assembly is responsible for agreeing the council budget in accordance with Part 3A of the council's constitution. Cabinet responsibilities under Part 3B of the constitution include agreeing a draft budget for council assembly. This report sets out the progress that has been made in relation to making that recommendation, which will be made at a future cabinet meeting.
67. The report includes reference to the proposed fees and charges that will be agreed at a future cabinet meeting. These are agreed on an annual basis and are included in the cabinet's reserved activities in Part 3C of the constitution. Fees and charges are set on the basis of a range of statutory duties and powers including the Local Government Act 2003 and the Localism Act 2011. Ordinarily these will be set on a cost recovery basis.
68. There is reference in the report to the statutory requirement (under section 65 Local Government Finance Act 1992) to consult representatives of non-domestic ratepayers in relation to the council's proposals for expenditure in the forthcoming financial year. The results of such consultation will need to be conscientiously taken into account by the cabinet and council assembly in finalising the budget proposals.
69. 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.

70. 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 so that the implications can be considered when the budget recommendations are made.
71. 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.
72. This report also seeks agreement to a write-off of a business rates debt. Because this is over £50,000 it is a matter reserved to the cabinet to determine in accordance with Part 3C of the constitution.

### **REASONS FOR URGENCY**

73. The council is committed to publishing budget proposals at the earliest possible opportunity to ensure they are available to the public for comments and questions. Presenting this report to cabinet on 5 December 2023 gives the opportunity for debate prior to presentation of budget figures to February cabinet. Under the council's constitution, there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this is due to take place in January 2024.

### **REASONS FOR LATENESS**

74. The report was delayed due the timing of the autumn statement, subsequent analysis of the impact and the need to take into account the latest updates from the budget challenge process.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
<a href="#">Agenda item 9, October 2023 cabinet report</a>	160 Tooley Street PO Box 64529 London SE1P 5LX	Tim Jones 020 7525 1772

## 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	Draft Fees & Charges
Appendix G	Debt write off

## AUDIT TRAIL

Cabinet member	Councillor Stephanie Cryan,Communities, Democracy & Finance	
Lead officer	Clive Palfreyman,Strategic Director of Finance	
Report author	Timothy Jones – Departmental Finance Manager	
Version	Final	
Dated	30 November 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Comments Sought	Comments included
Assistant Chief Executive (Governance and Assurance)	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		30 November 2023

**APPENDIX A****STRATEGY AND COMMUNITIES****Overview**

- A.1. The Strategy and Communities department brings together corporate functions and is responsible for the council's strategic core. The vision for the department is to work in partnership to support everyone who has a stake in our borough to deliver the Southwark 2030 Strategy and associated transformation and change. Our strategic intent is to use modern change techniques, skills and insight to provide impactful support to our organisation, our partners and our community to sustain the work and focus which will be required to deliver the 2030 vision and transformation priorities of the council.
- A.2. The purpose of Strategy and Communities is to ensure that that the council has the corporate services that effectively enable the organisation to achieve the priorities and commitments set out in the Council Delivery Plan, and more widely Southwark 2030 and the transformation priorities associated with that vision.
- A.3. The department comprises the Chief Executive office, Leader's Office and Cabinet Office, Equalities, Diversity and Inclusion, Communications and Corporate Consultation, Strategy and Change, Policy, Partnerships and Performance, and Emergency Planning and Resilience.
- A.4. The departments provides strategic leadership and has responsibility for our framework for equality, diversity and inclusion ensuring this is at the heart of our transformation agenda of people power, thriving neighbourhoods and closing the gap in equalities in all we do.
- A.5. The department includes the emergency planning team, leading on the council's overall emergency plan and ensuring the Council is best able to respond to emergency incidents and build community resilience.
- A.6. The department has identified savings for the forthcoming 2024-27 period amounting to £234,000. This will be achieved through effective prioritisation of business activity to release savings and will require ongoing analysis and prioritisation of the capacity support given to cross-council projects and programmes.
- A.7. The department has a commitment of £7,500 in 2024-25 to support enhancement of emergency planning and resilience support bringing this in line with resilience standards for London.

**Equalities Analysis**

- A.8. As specific proposals are brought forward the impacts on residents and staff will be assessed for equalities impact, although an initial 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.

## GOVERNANCE AND ASSURANCE

### Overview

- A.9. Governance and Assurance comprises of the Constitutional Team and Member services, Legal Services. Human Resources (HR) and Organisational Development, Corporate Facilities Management, Electoral Services, Scrutiny, and information Governance
- A.10. HR and Organisational Development includes the council's key enabling functions to support service delivery council wide alongside leadership of workforce strategy and planning.
- A.11. Legal services is a trading service offering legal support to all parts of the council. It covers the whole range of local authority legal work including corporate advice; advice in relation to governance matters, contract formation and advice, litigation and advice departmental specialisms; and general litigation including debt collection.
- A.12. Constitutional and Member Services - support member level decision making at council meetings and in individual decision making. The team provides Constitutional advice and support to the Mayor/Civic Office, councillors, officers and the general public ensuring the decision making process is efficient, open and accountable to local people. The constitution is maintained by the team and this provides the framework for the council's decision making processes.
- A.13. Scrutiny - The scrutiny team provides advice, research and meeting support to the members of the overview and scrutiny committee and its commissions to enable the effective undertaking of the council's scrutiny function, working towards driving improvement in public services.
- A.14. Information Governance are responsible for advising and supporting all staff on data protection, data breaches, data sharing, data rights, information requests and records management matters
- A.15. Electoral Services team are responsible for electoral registration, all electoral events and polling district boundary reviews. The team provide support to the Electoral Registration Officer and to the Returning Officer, both statutory roles with personal responsibility for delivery.
- A.16. Corporate Facilities Management oversee the management, repair, maintenance, compliance and provision of facilities management and workplace related services to the council's operational and non-housing estate. CFM manage a broad range of essential corporate support contracts (printing services, archiving and storage, couriers, taxis, furniture, stationary, postage etc.). Human Resources and Organisational Development - includes the council's key enabling functions to support service delivery council wide alongside leadership of workforce strategy and planning:-

A.17.The department has identified savings for the forthcoming 2024-27 period amounting to £3.6m. This will be achieved through reorganisation of staffing structures and review of processes to achieve efficiencies, rationalisation of Council staff accommodation and disposal of buildings as well as innovative ideas for income generation.

A.18.The department has a commitment of £100k to support period poverty £50k to support the service improvements.

### **Equalities Assessment Summary**

A.19.Equalities analyses of the impact of the proposed savings and commitments over the 3 year period are assessed as low.

## **CHILDREN'S AND ADULTS' SERVICES**

### **Overview**

- A.20.Children's and Adults' Services represents approximately half of the council's general fund budget. The department provides a wide range of services, including social care, education and public health, to all sections of the population in Southwark.
- A.21.The budget proposals for 2024-25 are made up of a combination efficiencies that are continuation of tried and tested approaches as well as proposals that relate to change in the way services are delivered to achieve better value for money. The proposals aim to ensure minimal impact on statutory and front line services and some of them focus on redesigning the back office functions as well as maximising income generation. In the current economic climate, the cost of living crisis and higher than 'normal' inflation increases, these are difficult financial decisions to make, but are consistent with the council's vision of a fairer future for all.
- A.22.For several years now, the council, in partnership with the NHS and voluntary sector colleagues, have provided a safe social care service with good outcomes and within budget. The sector continues to struggle with the combined effects of austerity, demand pressures, workforce challenges, continued funding uncertainty, as well as taking on significant burdens as result of the cost of living crisis.
- A.23.The department also proposing a commitment in order to address the increasing pressure on the home to school transport. The increase in demand for special education needs support as well as the inflationary increases led to significant cost pressures for the service. While the service is working on mitigationary actions such as implementation of the independent travel training, promoting direct payments and further review of the 16-25 transport it is expected that some investment in the service will be necessary over the next few years to get it onto a sustainable position.

### **Equalities Analysis**

- A.24.The equalities analysis is currently being undertaken for each proposal. Consultations have been and will be undertaken for proposals relating to service changes where appropriate. The impact is mitigated by alternative offers of services, support or personal budgets, as per service user choice, in line with the Care Act eligibility and national legislative thresholds and government guidance.
- A.25.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.

A.26. The vision set out in the council's delivery plan 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**

### **Overview**

- A.27. 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. 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. These ambitions have to be affordable and the council must ensure long term financial sustainability.
- A.28. 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.

### **Asset Management**

- A.29. General fund services comprise aids and adaptations, handypersons, empty homes and private sector housing renewal and building safety.

### **Resident Services - Temporary Accommodation (TA) and Housing Solutions**

- A.30. Southwark is a leading authority on homeless prevention recognised nationally. However the cost of TA remains unremitting, driven by the 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. These factors along with the unprecedented fallout of the pandemic has had a very significant impact on the council's TA budget. Furthermore, the Housing Solutions service is under similar budgetary pressure with the need for additional staff resources to cope with the demand and the rising cost of upfront incentives payable to landlords to support homeless households into private sector leased accommodation.

### **Equalities Assessment Summary**

- A.31. The department undertakes equality analysis/screening on its budget proposals ahead of final decisions being taken. This helps to understand the potential effects that the budget proposals may have on different groups and whether there may be unintended consequences and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts and continues through the cycle of planning and implementation of these proposals
- A.32. In line with our Public Sector Equality Duty, any changes to services arising from the proposals in Appendices B-E will be implemented in such a way so as to not

impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken.

## **ENVIRONMENT, NEIGHBOURHOODS AND GROWTH**

### **Overview**

- A.33. The Environment, Neighbourhoods and Growth 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.
- A.34. 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.
- A.35. 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 has six directorates, Environment, Leisure, Planning and Growth, Local Economy Team, Climate Change, Stronger neighbourhoods.

### **2024-25 Savings**

- A.36. For the forthcoming year, 2024-25, the department has identified a number of savings options and these are reflected in the detailed budget schedules for the department.

### **Fees and Charges**

- A.37. The 2024-25 fees and charges for the department are proposed to be increased in line with inflation or benchmarked against other London Boroughs where appropriate and details are reflected in the Fees and Charges schedules for the department.

### **Equality Analysis**

- A.38. 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 CORPORATE**

### **Overview**

- A.40. The Finance Department provides strategic financial leadership for the department and Section 151 responsibilities. The department has five divisions, professional financial services, exchequer services, pensions services, the procurement advice team and technology and digital services.
- A.41. In supporting the council delivery plan, 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 endeavours to help the council to "manage every penny as carefully as local families look after their own household budgets".
- A.42. 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.

### **Efficiencies, Income generation and other savings**

- A.43. 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. Savings of £5.2m are proposed in 2024-27 through a range of operating efficiencies.

### **Commitments**

- A.44. The department is proposing a small number of commitments to cover additional costs arising from IT and licencing costs.

### **Equality Analysis**

- A.45. 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.

Updated General Fund Budget Schedules - Overview & Scrutiny Committee: 22 Jan 2024

These lines are based on the proposals published at the December Cabinet meeting, updated for any subsequent changes. Changes, including new additions, are indicated in the final column.

Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Evelyn Akoto	Efficiencies and Improved Use of Resources	Children and Adults	Adults' Social Care	101	Efficiencies through promoting greater independence for clients linked to ongoing recovery post discharge through early and regular reviews and interventions such as bed-based reablement, support from occupational therapists, aids and adaptations as well as greater use of universal services and the transitioning of clients into more independent accommodation.	(2,000)	(1,500)	(1,000)	(4,500)	
Cllr. Evelyn Akoto	Efficiencies and Improved Use of Resources	Children and Adults	Adults' Social Care	102	Efficiencies though maximisation of extra care, night time provision and step down accommodation.	(500)	(500)		(1,000)	
Cllr. Evelyn Akoto	Efficiencies and Improved Use of Resources	Children and Adults	Adults' Social Care	103	Efficiency as result of review and re-distribution of work across Adults' Social Care	(500)			(500)	
Cllr. Evelyn Akoto	Efficiencies and Improved Use of Resources	Children and Adults	Adults' Social Care	105	Telecare transformation	(250)	(250)		(500)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Public Health	Public Health	112	Efficiencies in the Public Health workforce.	(200)			(200)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Public Health	Public Health	113	Free school meals - reduced numbers due to falling pupil numbers.	(221)	(180)		(401)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Public Health	Public Health	114	Efficiencies in delivery of sexual health service provision.	(228)			(228)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Public Health	Public Health	115	Efficiencies in delivery of Healthy Adults health promotion and outreach services	(230)			(230)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Public Health	Public Health	116	Efficiencies in delivery of Children and Young People outreach services	(360)			(360)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Children and Adults	Commissioning	125	Reduction in contribution to costs related to insourced hostels due to consolidation from 6 to 5 buildings due to improved flow of support and continued home first approach.	(100)			(100)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Children and Adults	Commissioning	126	Reduction in training budget to reflect actual spend over the last few years	(5)			(5)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Children and Adults	Commissioning	127	Funding from PH Grant to support the commissioning activities related to the division in terms of procurement and commissioning.	(35)			(35)	
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Children and Adults	Commissioning	128	Rationalisation of ancillary software (small ICT contracts)	(40)			(40)	

Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Evelyn Akoto	Efficiencies and Improved use of Resources	Children and Adults	Commissioning	129	Rationalisation of use of ICT systems for record keeping into a single database		(150)	(150)	(300)	
Cllr. Evelyn Akoto	Income Generation	Children and Adults	Adults' Social Care	201	Telecare - Income Generation from Health related services and digital health provision	-	(250)	(250)	(500)	
Cllr. Evelyn Akoto	Income Generation	Children and Adults	Adults' Social Care	202	Fairer contributions to Adults Social Care	(1,665)	(1,000)	(500)	(3,165)	
Cllr. Evelyn Akoto	Income Generation	Children and Adults	Commissioning	203	Introducing a flat two tier fee for (1) the equipment only and (2) equipment and response service in Telecare	(50)	(50)		(100)	
Cllr. Evelyn Akoto	Income Generation	Children and Adults	Adults' Social Care	219	Better Care Fund provides a stable contibution to Adult Social Care Hospital Discharge Teams and other related services. Additonal BCF has been approved.	(500)	(500)	(350)	(1,350)	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	402	Food security and sustainable food strategy	90			90	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	403	School meal price increase (+ allocation methodology change)	425			425	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	404	Health outreach to health inclusion and vulnerable groups	152			152	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	405	Prevention in Children's settings	180	180		360	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	406	Investment in Community Reproductive Health services	227			227	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	408	Procurement Support to the existing commissioning team and further staffing investment in this team	85			85	
Cllr. Evelyn Akoto	Commitment	Public Health	Public Health	409	Contribution to Supported Housing	80			80	
Cllr. Evelyn Akoto	Commitment	Children and Adults	Adults' Social Care	425	Introducing an automatic disability related expenditure (DRE) disregard scheme	415			415	
Cllr. James McAsh	Efficiencies and Improved use of Resources	Environment, Neighbourhoods and Growth	Waste & Cleansing	136	Resolution of outstanding contract issues within the Waste Management contract	(800)			(800)	
Cllr. James McAsh	Efficiencies and Improved use of Resources	Environment, Neighbourhoods and Growth	All	142	Conduct a review of expenditure and income in the light of regional and national benchmarks particularly where current financial performance indicates that Southwark is a high-spend council, and consider options for change.		(500)	(500)	(1,000)	
Cllr. James McAsh	Efficiencies and Improved use of Resources	Environment, Neighbourhoods and Growth	Waste & Cleansing	143	Reduction in property related costs (utilities/rent/service charges) by relocating Cleansing and Grounds maintenance services from Sandgate Industrial Estate		(450)		(450)	
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Waste & Cleansing	205	Increase in Waste Management fees and charges including increases in Commercial Waste, recycling and other charges and increasing the Garden Waste charge from £60 to £80 per annum, maintaining charging levels below both the London average and near neighbours.	(417)			(417)	
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Traded Services	207	Increased commercialisation opportunities		(100)	(100)	(200)	
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Parking, Network Management & Markets	208	Savings from investment in Active Travel	(1,240)	(620)		(1,860)	
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Parking, Network Management & Markets	209	Increase in Network Management income volumes	(150)	(100)		(250)	

Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Parking, Network Management & Markets	210	Review of PCN charges set by London Councils (Southwark currently issues approx. 190,000).		(950)		(950)	
Cllr. James McAsh	Income Generation	Environment, Neighbourhoods and Growth	Environment Directorate	211	Additional Income from Increased Fees and Charges across Environment directorate services	(381)	(280)	(290)	(951)	
Cllr. James McAsh	Efficiencies and Improved Use of Resources	Environment, Neighbourhoods and Growth	Waste & Cleansing	303	Re-organise the Cleaning Service to provide a more efficient management and operational structure, making better use of technology, and enhancing flexible working arrangements for staff.	(200)			(200)	New Line
Cllr. Martin Seaton	Efficiencies and Improved use of Resources	Environment, Neighbourhoods and Growth	Planning & Growth	138	Reorganisation of Property and Sustainable Growth Division	(100)	(200)		(300)	
Cllr. Martin Seaton	Income Generation	Environment, Neighbourhoods and Growth	Planning & Growth	220	Increases in Commercial property income from rent reviews and letting of void properties	(550)	(422)	(129)	(1,101)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	106	Consolidation of performance and data functions, enabled through modernisation and digital transformation of performance frameworks and systems	(300)			(300)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	107	Modernisation of business management and administration capacity through digital transformation	(354)	(498)	(498)	(1,350)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	108	Reformed service delivery and development of an enhanced pathway to independence for Care Leavers	(746)	(400)	(402)	(1,548)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	109	Continued reduction of numbers of children in care, and in high cost placements, through ongoing investment in effective services to support children and families.	(1,063)	(1,800)	(1,180)	(4,043)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	110	Transformation of Children and Family Centres into Family Hubs, making most efficient and effective use of partnership early help resources and capacity to reduce higher end late intervention for supporting families. This efficiency also takes into account a 21% reduction in the number of 0-4 year olds in recent years.	(185)	(150)	(100)	(435)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Children and Families	111	Review staffing structure whilst protecting statutory functions within children's social care.	(380)	(312)	(206)	(898)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Education	119	Review all support functions across the division (business support, finance, project support, data and performance and data)	(125)			(125)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Education	120	Consolidation of council work relating to information advice and guidance, work placements and post-16 provision.		(9)		(9)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Education	122	Priortise delivery of Education Psychology Team to delivery of statutory duties and support to the most in need pupils		(140)	(140)	(280)	

Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Education	123	Integration of Early Years support into Family Hubs neighbourhood delivery models	(152)			(152)	
Cllr. Jasmine Ali	Efficiencies and Improved Use of Resources	Children and Adults	Education	124	Savings through senior management reductions through joining Children and Families, and Education Services.	(180)			(180)	
Cllr. Jasmine Ali	Efficiencies and Improved use of Resources	Environment, Neighbourhoods and Growth	Communities	139	Review of Communities directorate structure	(60)			(60)	
Cllr. Jasmine Ali	Efficiencies and Improved use of Resources	Children and Adults	Children and Families	170	Public Health investment in parenting programmes (see matching commitment, line 405)	(180)	(180)		(360)	
Cllr. Jasmine Ali	Savings Impacting on Service	Children and Adults	Education	301	Undertake review of the Southwark Information and Advice Service (SIAS) team.	-	(47)	(94)	(141)	
Cllr. Jasmine Ali	Commitment	Children and Adults	Education	413	Investment into Special Education Needs (SEND) transport provision to deal with demand and inflationary pressures of the service	1,936	457	411	2,804	
Cllr. Jasmine Ali	Commitment	Children and Adults	Education	414	Investment into Special Education Needs (SEND) delivery teams functions		700		700	
Cllr. Jasmine Ali	Commitment	Environment, Neighbourhoods and Growth	Communities	417	Increased demand for No Recourse to Public Funds client payments and accommodation.	700			700	
Cllr. Catherine Rose	Income Generation	Environment, Neighbourhoods and Growth	Parks and Natural Environment	213	Additional Income from Increased Fees and Charges in Leisure Services	(750)	(484)	(493)	(1,727)	
Cllr. Catherine Rose	Income Generation	Environment, Neighbourhoods and Growth	Leisure Services	214	Additional or uplifted charges in parks & leisure centre car parks, and across some other discretionary services – including tennis court hire and youth & adventure play, informed by benchmarking undertaken	(200)	-		(200)	
Cllr. Catherine Rose	Income Generation	Environment, Neighbourhoods and Growth	Leisure Services	215	Additional income as a result of revenue savings at leisure centres from climate work	(150)	(120)	(75)	(345)	
Cllr. Catherine Rose	Income Generation	Environment, Neighbourhoods and Growth	Leisure Services	216	Review of targeted leisure centre programmes, supported by Public Health.	(200)	(400)		(600)	New Line
Cllr. Catherine Rose	Savings Impacting on Service	Environment, Neighbourhoods and Growth	Parks and Natural Environment	304	Grounds Maintenance efficiencies - Idverde contract	(50)	-		(50)	
Cllr. Catherine Rose	Savings Impacting on Service	Environment, Neighbourhoods and Growth	Parks and Natural Environment	305	Efficiencies in tree contract and capitalisation of some costs	(50)	-		(50)	
Cllr. Catherine Rose	Savings Impacting on Service	Environment, Neighbourhoods and Growth	Leisure Services	312	Closure of Seven Islands Leisure Centre, when Canada Water leisure Centre opens		(1,000)		(1,000)	
Cllr. Catherine Rose	Savings Impacting on Service	Environment, Neighbourhoods and Growth	Culture Division	316	Remodelling of library service - including introduction of additional services/uses. Will be informed by usage/demand and may include some self-service and some community management.	(50)	(250)		(300)	



Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Catherine Rose	Commitment	Environment, Neighbourhoods and Growth	Leisure Services	418	Harmonisation of leisure centre staff contracts	750	-		750	
Cllr. Catherine Rose	Commitment	Environment, Neighbourhoods and Growth	Leisure Services	419	Cost of additional repairs and maintenance in Leisure Centres	250	-		250	
Cllr. Natasha Ennin	Income Generation	Environment, Neighbourhoods and Growth	Regulatory	206	Phase 2 Private Rented Sector Licensing - Additional income as a result of new schemes to licence private rented sector property (phase 2 - designations 3 and 4 of selective licensing)	(1,100)			(1,100)	
Cllr. Natasha Ennin	Savings Impacting on Service	Environment, Neighbourhoods and Growth	Regulatory	302	Review of Noise Nuisance service in order to ensure that the service continues to meet demand at the high volume times		(90)		(90)	Delayed one year
Cllr. Stephanie Cryan	Efficiencies and Improved Use of Resources	ACE - Governance & Assurance	Corporate Facilities Management	131	Rationalisation of the corporate estate including Talfourd House, Curlew House, 47B East Dulwich Road and Sumner Road	(270)	(220)		(490)	
Cllr. Stephanie Cryan	Efficiencies and Improved Use of Resources	Finance	Exchequer Services	132	Review of corporate contact centre/Exchequer customer services to promote digital first, align performance standards/look at generating economies and consistent approaches to performance management.	(80)			(80)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Strategy and Communities	ACE-S&C	135	Rationalisation of the three year strategy for the Strategy and Communities team and activity to ensure the target operating model is contained within a fixed financial envelope.	(70)	(70)	(94)	(234)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Technology and Digital Services	144	Savings arising from the replacement of circuits across council buildings as part of the national switchover of the Public Switched Telephone Network from analogue to digital. Savings will accrue across council departments.	(150)			(150)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Technology and Digital Services	145	O2 mobile phone Contract Renegotiation and allocation policy review	(75)	(75)	(50)	(200)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Corporate	146	Efficiencies through centralising of some departmental IT support teams into the Tech & Digital service.		(200)		(200)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Technology and Digital Services	147	Technology and Digital Service staffing review		(80)		(80)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Exchequer Services	148	Income collection staffing re-organisation	(370)			(370)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Exchequer Services	149	Merging of contact centres	(220)			(220)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Exchequer Services	150	Increased collection of Council Tax through reducing debt arising through the Council Tax Reduction Scheme (CTRS) following migration to Universal Credit		(250)		(250)	

Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Corporate	151	Finance system replacement			(600)	(600)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	All	152	Review and reduction of debt provision (cross cutting), in tandem with refresh of debt recovery approach and processes.	(350)	(350)	(350)	(1,050)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	All	153	Removal of risk premium on employers' pension contributions for decarbonisation strategy following above benchmark fund performance.	(1,600)			(1,600)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	Finance	Professional Finance Services	154	Reorganise Professional Finance Services to increase value-adding activity.	(50)			(50)	
Cllr. Stephanie Cryan	Efficiencies and Improved Use of Resources	ACE - Governance & Assurance	Corporate Facilities Management	160	More efficient use of resources for Helpdesk		(200)		(200)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Governance & Assurance	Corporate Facilities Management	163	Development of a corporate landlord model, inc. standardised approach to facilities management and opportunities for further income generation		(350)	(350)	(700)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Governance & Assurance	All	164	Rationalisation of staffing structures across Governance & Assurance.	(100)	(125)	(125)	(350)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Governance & Assurance	HR & OD	165	Reduced spend on third party support following implementation of SAP replacement			(68)	(68)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Governance & Assurance	HR & OD	166	HR & OD staffing efficiencies resulting from the replacement of SAP			(100)	(100)	
Cllr. Stephanie Cryan	Efficiencies and Improved use of Resources	ACE - Governance & Assurance	HR & OD	167	Reduction in need to pay overtime		(150)	(150)	(300)	
Cllr. Stephanie Cryan	Efficiencies and Improved Use of Resources	ACE - Governance & Assurance	Law and Governance	169	Rationalisation and efficiencies in administration of meetings		(50)		(50)	
Cllr. Stephanie Cryan	Efficiencies and Improved Use of Resources	Finance	Professional Finance Services	171	Insource some Internal Audit & Anti-Fraud Support		(94)		(94)	
Cllr. Stephanie Cryan	Income Generation	ACE - Governance & Assurance	Law and Governance	204	Review fees in line with inflation (still significantly lower than market rates). Necessary in order to ensure that appropriate charges are made to the HRA, other statutory accounts and to external parties where appropriate	(150)			(150)	
Cllr. Stephanie Cryan	Income Generation	ACE - Governance & Assurance	Corporate Facilities Management	217	Rental Income generation from Tooley Street		(1,080)		(1,080)	
Cllr. Stephanie Cryan	Savings Impacting on Service	Finance	Professional Finance Services	314	Delete Vacant Posts	(250)			(250)	
Cllr. Stephanie Cryan	Savings Impacting on Service	ACE - Governance & Assurance	Law and Governance	315	Rationalisation of resources in the Elections Team	(70)			(70)	

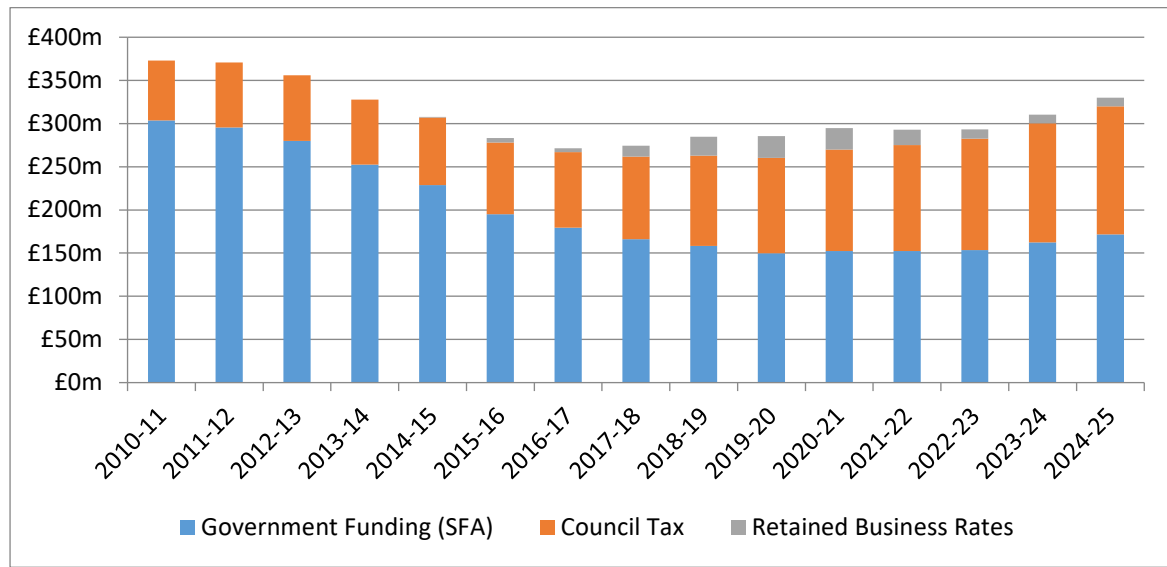
Lead Member	Saving Type	Department	Division	Ref.	Description	2024-25 £000	2025-26 £000	2026-27 £000	Total £000	Change since December Cabinet?
Cllr. Stephanie Cryan	Commitment	ACE - Governance & Assurance	Law and Governance	415	Increased communications and workload associated with the Election Act - specifically the new requirement to show photo ID when voting	25	-		25	
Cllr. Stephanie Cryan	Commitment	Finance	Technology and Digital Services	420	Increase in IT and Licensing costs arising through the in-sourcing of the council's Leisure service.	286	28		314	
Cllr. Stephanie Cryan	Commitment	ACE - Governance & Assurance	Corporate Facilities Management	423	Implementation of period poverty commitment	100			100	
Cllr. Stephanie Cryan	Income Generation	ACE - Governance & Assurance	Corporate Facilities Management	424	Reduction in rental income arising from down-sizing of the ICB presence in the Tooley Street building	300	-	-	300	New Line
Cllr. Stephanie Cryan	Commitment	ACE - Strategy and Communities	ACE-S&C	426	Additional cost attached to bringing resilience support in line with resilience standards for London.	8			8	
Cllr. Stephanie Cryan	Commitment	ACE - Governance & Assurance	Law and Governance	427	Overview & Scrutiny - Support costs for change in meeting style to implement the recommendations of the Scrutiny Review	25			25	
Cllr. Helen Dennis	Income Generation	Environment, Neighbourhoods and Growth	Planning & Growth	212	Increases in planning fees by CPI, mandatory planning fees and Community Infrastructure Levy (CIL) admin fees	(275)	(333)	(379)	(987)	



## Budget Contextual Information

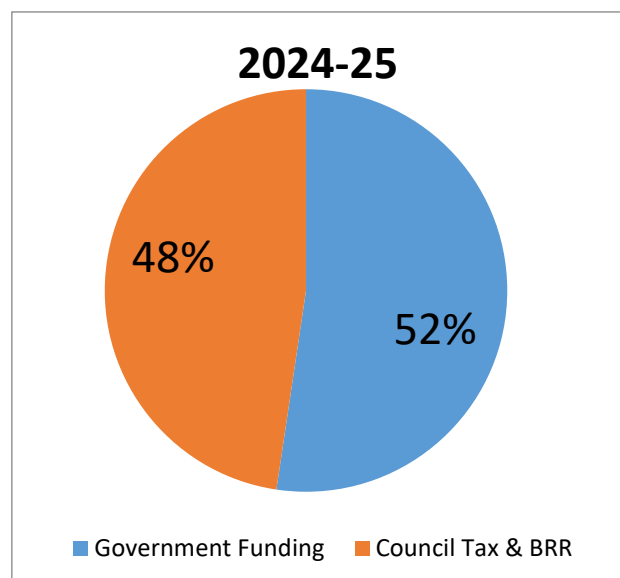
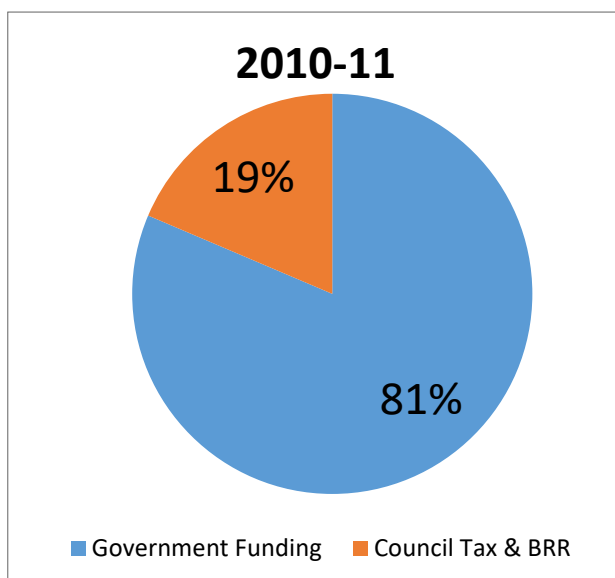
### Funding Trend 2010-11 to 2024-25

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 2024-25.



### Key Messages

- Total general funding has decreased from £373m in 2010-11 to £330m in 2024-25, a reduction of £43m. This represents a real terms decrease of over 40%.
- General support from central government has decreased from £304m in 2010-11 to £172m in 2024-25, a reduction of £132m. 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 £89m highlighting the increased reliance on locally generated income.



## COMPARISON OF SOUTHWARK COUNCIL REVENUE BUDGETS OVER A 10 YEAR PERIOD

- **24% reduction in net spending over the 10 year period in real terms, despite increase in demand for services and new burdens**
- **Reduction in grant income and reliance on fees and charges**

Expenditure	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
	£	£	£	%	£	%
Finance	320,114,070	280,184,739				
Strategy and Communities	5,738,398	7,194,800				
Governance and Assurance	27,843,761	36,088,769				
Children and Adult services	432,192,460	515,974,585				
Housing	41,520,080	59,831,698				
Environment Neighbourhoods and Growth	146,284,456	200,376,157				
<b>Total</b>	<b>973,693,225</b>	<b>1,099,650,748</b>	<b>125,957,523</b>	<b>13%</b>	<b>- 129,339,607</b>	<b>-11%</b>

Income	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
	£	£	£	%	£	%
Finance	282,213,596	235,939,745				
Strategy and Communities	225,086					
Governance and Assurance	14,088,980	12,299,385				
Children and Adult services	223,264,493	349,356,549				
Housing	5,707,753	36,384,256				
Environment Neighbourhoods and Growth	62,465,317	107,415,390				
Support cost reallocation	57,956,000	42,422,712				
<b>Total</b>	<b>645,921,225</b>	<b>783,818,037</b>	<b>137,896,812</b>	<b>21%</b>	<b>- 31,460,261</b>	<b>-4%</b>

Net Expenditure	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
	£	£	£	%	£	%
Finance	37,900,474	44,244,994				
Strategy and Communities	5,513,312	7,194,800				
Governance and Assurance	13,754,781	23,789,384				
Children and Adult services	208,927,967	166,618,036				
Housing	35,812,327	23,447,442				
Environment						
Neighbourhoods and Growth	83,819,139	92,960,767				
Support cost reallocation	- 57,956,000	- 42,422,712				
<b>Total</b>	<b>327,772,000</b>	<b>315,832,711</b>	<b>- 11,939,289</b>	<b>-4%</b>	<b>- 97,879,346</b>	<b>-24%</b>

Employee costs	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
	£	£	£	%	£	%
Finance	30,618,573	36,817,027				
Strategy and Communities	2,095,505	2,862,127				
Governance and Assurance	11,409,521	14,826,654				
Children and Adult services	63,465,698	77,244,784				
Housing	8,918,321	8,513,890				
Environment						
Neighbourhoods and Growth	54,716,416	68,181,749				
<b>Total</b>	<b>171,224,034</b>	<b>208,446,231</b>	<b>37,222,197</b>	<b>22%</b>	<b>- 7,671,824</b>	<b>-4%</b>

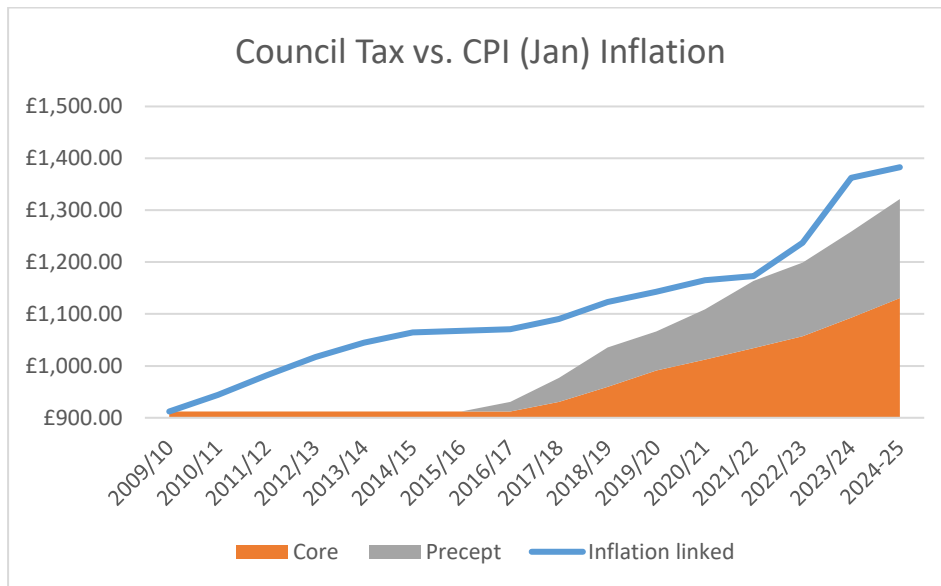
Local Income	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
Fees and Charges and other income	£	£	£	%	£	%
Finance	10,041,787	7,230,069				
Strategy and Communities	317,192	-				
Governance and Assurance	2,882,044	1,416,345				
Children and Adult services	16,947,980	21,482,441				
Housing	3,386,013	26,368,249				
Environment Neighbourhoods and Growth	54,716,416	58,744,900				
<b>Total</b>	<b>88,291,432</b>	<b>115,242,004</b>	<b>26,950,572</b>	<b>31%</b>	<b>3,801,033</b>	<b>3%</b>

Local Income	2013-14	2023-24	Cash change over 10 years		Real terms change over 10 years	
Grants	£	£	£	%	£	%
Finance	236,078,375	179,264,681				
Strategy and Communities	211,268	-				
Governance and Assurance	166,977	-				
Children and Adult services	205,365,488	321,675,140				
Housing	59	6,742,777				
Environment Neighbourhoods and Growth	2,862,391	7,970,922				
<b>Total</b>	<b>444,684,558</b>	<b>515,653,520</b>	<b>70,968,962</b>	<b>16%</b>	<b>- 45,624,939</b>	<b>-8%</b>

**Comparable 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	2021-22	2022-23	Change on previous year	Change since 2010/11
	% collected	% collected	% collected	% collected
Haringey	94.6%	96.2%	1.6%	2.2%
Redbridge	96.6%	96.9%	0.3%	1.7%
Hounslow	96.4%	97.5%	1.1%	0.9%
Barking and Dagenham	93.6%	93.6%	-0.1%	0.7%
Kingston upon Thames	98.2%	98.8%	0.6%	0.4%
Southwark	91.9%	92.9%	1.0%	0.3%
Greenwich	94.0%	94.5%	0.5%	0.2%
Sutton	98.1%	98.6%	0.5%	0.1%
Tower Hamlets	91.2%	95.2%	3.9%	0.1%
Merton	96.7%	97.3%	0.6%	0.0%
Hillingdon	96.4%	97.0%	0.6%	0.0%
Croydon	95.8%	95.9%	0.1%	0.0%
Ealing	95.8%	96.8%	1.0%	-0.3%
Havering	96.4%	96.5%	0.0%	-0.3%
Harrow	96.7%	96.6%	-0.1%	-0.4%
Kensington and Chelsea	95.3%	96.0%	0.7%	-0.4%
Richmond upon Thames	98.1%	98.4%	0.4%	-0.5%
Bromley	96.9%	97.1%	0.2%	-0.5%
Waltham Forest	94.9%	95.3%	0.4%	-0.5%
Barnet	94.5%	95.0%	0.5%	-0.6%
Bexley	95.4%	95.2%	-0.2%	-0.8%
Lambeth	93.2%	93.8%	0.7%	-0.8%
Islington	94.1%	94.4%	0.3%	-1.1%
Wandsworth	95.9%	96.7%	0.7%	-1.2%
Lewisham	92.4%	92.8%	0.4%	-1.3%
Newham	89.4%	90.3%	0.9%	-1.4%
Brent	92.2%	93.4%	1.3%	-2.2%
Enfield	93.7%	93.3%	-0.4%	-2.4%
Westminster	91.5%	93.6%	2.1%	-2.4%
Camden	94.2%	94.0%	-0.2%	-2.5%
City of London	96.3%	96.8%	0.5%	-2.6%
Hammersmith and Fulham	93.9%	92.5%	-1.5%	-3.0%
Hackney	63.8%	78.3%	14.5%	-14.8%



- The above graph highlights that Southwark Council's level of council tax remains below inflation.

## Comparative Business Rates and Council Tax Collection Rates

Non-domestic rates - collection rates 2015-16 to 2022-23								
	% collection rate							
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
England	98.2	98.2	98.4	98.3	98	98	95.5	96.8
Inner London Boroughs	98.6	98.6	98.8	98.6	98.3	98.3	93.2	96.0
Southwark	99.5	99.3	99.4	99.4	99.7	94.1	99	99.1

Council tax - in-year collection rates 2015-16 to 2022-23								
	% collection rate							
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
England	97.1	97.2	97.1	97	96.8	95.7	95.8	96.0
Inner London Boroughs	95.8	96	95.9	96	95.6	91.9	91.1	93.0
Southwark	95.2	95.9	95.5	95.9	95.4	92.9	91.9	92.0

## OVERVIEW & SCRUTINY COMMITTEE

### MUNICIPAL YEAR 23-24

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