

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Policy and Resources Strategy - 2015/16 to 2017/18: Revenue Budget	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, finance, strategy and performance	

**FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, STRATEGY AND PERFORMANCE**

This report sets out in detail our draft budget proposals for 2015/16. Cabinet is asked to agree these proposals recommendation to Council Assembly on 25 February.

This year is the fifth consecutive of cuts in government funding, with Southwark once again one of the hardest hit councils. Since 2010 our spending power has fallen by almost £700 per household, the sixth hardest hit local authority in the country. In 2015/16 alone we are the third hardest hit council losing £155 per household, whilst some other, less deprived, boroughs are seeing an increase in spending power.

However, despite the reduced funding we will not reduce our ambitions for this borough. Within these proposals we have budgeted to deliver our Fairer Future promises such as the Southwark Ethical Home Care Charter and the pilot of Free Swims and Gyms.

In November and December we ran extensive public consultation at Community Council and pop-up street stalls. Residents told us they wanted us to be more efficient and find more cost effective ways to deliver our services, to cut back office costs and to protect front line services especially adult social care and children’s services.

So yet again we are finding ways to be more efficient with our money and targeting our savings away from the front line so we can keep delivering quality services and protecting the most vulnerable. Within these budget proposals £26m of the £30m of savings are from efficiencies and improved use of resources and just £1m from savings impacting on services.

We have listened to people and are protecting the things that they say matter most like libraries, children’s centres, leisure and home care.

Every household in the borough is affected by council tax. Just as the council faces budget challenges, many of our residents are also suffering from difficult financial times. Therefore we are recommending freezing council tax for the seventh consecutive year, consistent with the fairer future promises.

## RECOMMENDATIONS

That cabinet:

1. Note that the government's Autumn Statement was delivered on 3 December 2014; that the final settlement was announced on 3 February 2015, but is still subject to parliamentary approval. The motion to approve the Settlement in Parliament will be on the 10 February 2015.
2. Note that the provisional settlement contained no indicative grant settlement figures for 2016/17 or beyond.
3. Note that the final settlement included additional resources for the council of £750,000 in respect of an increased allocation to assist in dealing with pressures on local welfare and health and social care, and that this has been used to substitute the need for use of the Hardship Fund to support the Southwark Emergency Support Scheme in 2015/16.
4. Note that the Hardship Fund resources will be returned to ringfenced earmarked resources to be allocated by cabinet to support those most in need at some future date.
5. Note that representations have been made to the minister by the leader and by the cabinet member for finance, strategy and performance with regard to the provisional settlement.
6. Note that specific funding by government for Local Welfare Provision has been removed from the settlement.
7. Note that cabinet have previously agreed to extend the Southwark Emergency Support Scheme until 2017/18, despite the withdrawal of this Social Welfare Provision funding and that budget provision for 2015/16 is provided in the budget proposals contained in this report.
8. Note that on 27 January, cabinet agreed to set a one year budget for 2015/16 in the context of uncertainty over funding levels for 2016/17 and beyond.
9. Note the balanced general fund budget proposals for 2015/16 contained within this report, including resources available, commitments, income generation efficiencies and improved use of resources and other savings impacting on service delivery.
10. Note that the balanced budget plans for Council Tax to be frozen for 2015/16.
11. Note that these proposals for 2015/16 include the impacts of:
  - The provisional grant settlement;
  - An increase in Council Tax revenue to reflect an increase in the taxbase and improved collection rates;
  - An increase in retained business rates;
  - Pay awards for council staff in line with national agreements;
  - Contractual inflation;
  - Top slicing of new homes bonus to redirect resources to the Local Enterprise Partnership (LEP);

- Reduction in grant to support Housing Benefit administration;
  - One off use of reserves of £6.2m;
  - One off reductions in insurance fund provisions of £300k to reflect reduced insurance risks;
  - Contingency provision retained at £4m to help mitigate risks inherent within the council's savings programme for 2015/16 and beyond.
12. Note the need in the context of these proposals to monitor especially the implementation of the Care Act during 2015/16 and any further and unforeseen implications on general fund budget proposals.
  13. Note the feedback from the public budget consultation exercise.
  14. Note that the delivery of the Fairer Future Council Plan commitments is included in this budget.
  15. Take into account the recommendations of the overview and scrutiny committee on 2 February 2015 contained in paragraphs 97 to 102, and ask the cabinet member to respond to the committee.
  16. Note the draft 2015/16 to 2017/18 medium term resources strategy included in paragraphs 91 and 92 and Appendix L.
  17. Agree the proposals in this report for a balanced budget based on a nil council tax increase for 2015/16 for recommendation to Council Assembly on 25 February 2015. The budget schedules are set out in Appendices H-K.

## **BACKGROUND AND PURPOSE**

18. This report follows the cabinet meeting of 27 January and now includes changes arising from the announcement of the final grant settlement. The report includes the results of the budget consultation exercise and makes proposals for a balanced budget for 2015/16.

## **KEY ISSUES FOR CONSIDERATION**

### **The Autumn Statement**

19. On 3 December 2014, the Chancellor of the Exchequer presented his Autumn Statement.
20. It was announced that the overall government Resource Departmental Expenditure Limit (RDEL), the most significant source of government funding for local authorities, will fall from £337.4 billion in 2014/15 to £302.5 billion in 2019/20. This is a cut of £34.9 billion (10%) in cash terms over six years, or £59 billion (17%) in real terms. This is over and above the funding reductions delivered during the period from 2010/11 and represents a further measure to address the government's deficit position.
21. The tables below illustrate the extent of budget reductions for non-ringfenced departments between the government's 2014 budget in March and the autumn statement in December 2014. Ringfenced departments are designated as Health,

Education, Department for International Development and the devolved nations (Scotland, Wales and Northern Ireland).

22. Non-ringfenced departments are all the other departments. This includes the DCLG which is responsible for local authorities. The statement set out additional pressures for the non-ringfenced departments for 2016/17 and beyond. These pressures go beyond the budget position set out by government in March 2014.

**Budget March 2014 - % cut to Resource Departmental Expenditure Limits**

	2014/15	2015/16	2016/17	2017/18	2018/19
Ringfenced	2.2%	1.0%	1.0%	1.0%	1.1%
Non-ringfenced	(4.5%)	(10.8%)	(12.2%)	(16.8%)	(8.3%)

**Autumn Statement 2014 % cut to Resource Departmental Expenditure Limits**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Ringfenced	2.2%	2.6%	0.7%	1.1%	1.1%	1.1%
Non-ringfenced	(4.5%)	(10.8%)	(19.8%)	(18.2%)	(12.5%)	(10.7%)

23. Briefing papers for both the Autumn Statement and the provisional grant settlement as produced by the Local Government Association and London Councils are available as background papers to this report. The 2014 National Audit Office report on the Financial Sustainability of Local Authorities is also available as a background paper by way of supporting information.
24. The main features of the Autumn Statement that affect local government are as follows :

**Government Funding**

- The pace of the funding reductions required for 2016/17 and 2017/18 appear to be faster and steeper than previously anticipated. The Office for Budget Responsibility (OBR) estimates that there will be further funding reductions for the sector of 60% by 2020.
- An extra £2 billion will be spent on frontline NHS services in 2015/16. This is part of a multi-year £3.1 billion UK-wide investment in the NHS.
- The principles of the Troubled Families programme will be extended as part of the next Spending Review to other groups of people with complex needs. This is expected in 2015.
- New financial rewards will be paid to local authorities that reduce the amount of money lost through fraud and error in Housing Benefit.
- The government is committing to give local authorities and CCGs indicative multi-year budgets as soon as possible after the next Spending Review.

**Business Rates**

- In order to reduce the tax burden on small businesses, the government will conduct a long term review of the structure of business rates. The outcome of the review will be reported before the government's 2016 budget. The

review is expected to be fiscally neutral and consistent with the government's previously agreed financing of local authorities.

- A review into the way in which the business rates system in England is administered by the Valuation Office Agency and local authorities, with a view to strengthening its responsiveness to changes in property values and its simplicity and transparency to business ratepayers, began in February 2014. The government published their interim findings in December 2014 and will refer to these as part of their longer term review.
- As in this financial year, the government will for 2015/16 :
  - cap the business rates multiplier increase at 2%, (the increase if September RPI had been used, would have been 2.3%);
  - extend the doubling of small business rates relief for a further year; and
  - increase the business rates discount for retail and food and drink premises with a rateable value of £50,000 and below.
- The government will extend transitional arrangements for properties with a rateable value of £50,000 and below facing significant bill increases due to the ending of Transitional Rate Relief from April 2015 to March 2017.
- The government will change regulations so that alterations to rateable values can only be backdated to the period between April 2010 and April 2015 for Valuation Office Agency (VOA) alterations made before April 2016 and for ratepayers' appeals made before April 2015.

### **Final 2015/16 Local Government Finance Settlement**

25. The final 2015/16 local government finance settlement was announced on 3 February. No indicative figures for 2016/17 were announced. However, until the settlement is agreed by parliament, this is still subject to change. The secretary of state will be presenting this settlement to parliament on 10 February 2015.
26. As part of the final settlement, it was confirmed that Southwark Council would lose further spending power in cash terms in 2015/16 of £20.4m as set out in this report. This excludes any allowance for inflation, pay awards or demand pressures.
27. This loss in spending power is in addition to loss of around £73.0m since 2011/12 as advised by the DCLG, again excluding price and demand pressures during that period. Southwark Council has been one of the worst affected councils in London by these austerity measures and that trend is set to continue into 2015/16.

### **Changes in Settlement Funding Assessment (SFA)**

28. Final figures from the government show that Southwark Council faces a further £32.2m (14.2%) reduction in the Settlement Funding Assessment (SFA) in 2015/16. Total resources from government fall from £227.5m to £195.2m. The SFA excludes ringfenced specific grants such as Public Health.
29. The SFA reduction of £32.3m for Southwark Council comprises a loss in revenue support grant of £34.2m less the projected increase in retained business rates and top up of £1.9m. Overall this is an improvement of £0.7m since the report to Cabinet in January 2015.

30. This is a consequence of a combination of factors: the capped increases in the business rate multiplier; adjustments for the inclusion of 2014/15 council tax freeze grant; and the removal of funding for the carbon reduction scheme in 2015/16 revenue support grant. Since the January report, the government announced in the final settlement that Southwark would receive a further £0.7m to assist in local welfare and health and social care provision. These changes are set out in the table below.

	2014/15 £m	Provisional 2015/16 £m	Final 2015/16 £m	Change from 2014/15 £m
Retained business rates	(59.2)	(60.2)	(60.2)	(1.0)
Business rates top-up	(44.1)	(45.0)	(45.0)	(0.9)
Revenue Support Grant	(124.2)	(88.5)	(88.5)	35.7
Council Tax Freeze Grant		(0.9)	(0.9)	(0.9)
Carbon Reduction Scheme		0.1	0.1	0.1
Local welfare provision			(0.7)	(0.7)
Revenue support grant	(124.2)	(89.3)	(90.0)	34.2
<b>Total SFA</b>	<b>(227.5)</b>	<b>(194.5)</b>	<b>(195.2)</b>	<b>32.3</b>

### Changes in spending power

31. Revenue spending power (RSP) was introduced by government as an indicator in 2011/12 and has become a measure to assess the impact of changes to grants on council budgets. Each year, the elements of the calculation may change, but the assessment currently includes :

- Revenue Support Grant
- Assumed funding from the local share of business rates
- Council Tax
- Council Tax Freeze Grant
- Public Health Grant
- Autumn statement measures grant
- New Homes Bonus Grant
- NHS funding (from 2015/16, Better Care Fund)
- Efficiency support grant (applies to councils with reductions in spending power greater than 6.4%, and therefore not available to Southwark )

32. The calculation excludes :

- income from fees and charges ( including parking)
- investment income
- hypothecated grants which are passed on to third parties (e.g. Dedicated Schools Grant (DSG) and Housing Benefit Administration Grant)
- Education Services Grant (ESG)
- minor bid-based funding streams

33. The government reported an average loss in spending power across all local authorities of 1.7% for 2015/16. This average calculation importantly included

additional monies for ring fenced specific grants (e.g. Better Care Fund) where Local Authorities are not the sole administering authorities.

34. London faced an average 3.2% loss and London Council's modelling shows that Southwark's spending power will reduce by 5.7%, the second highest cash reduction in spending power in London (£20.4m) behind Hackney at 6.1%. (£20.7m).
35. Using the government's calculation, the average reduction for London authorities is 3.2% (inner London 4.8%, outer London 2.0%). The outer London decrease includes five boroughs with increased spending power ranging from Barnet at 0.2% (£.6m ) to Richmond with a 1.8% increase (£3.1m)
36. As part of the government's final settlement documentation, the loss of spending power per dwelling is reported.
37. For Southwark, the £20.4m loss in spending power represents a loss per dwelling of £155 . The cumulative effect of the total reductions in spending power of some £94m represents a total loss of spending power per dwelling since 2010/11 of almost £700.

### **Council Tax, Retained Business Rates and Collection Fund**

38. In addition to the retained business rate assumptions given by the government, authorities are able to generate additional resources through growth in the rateable value of business premises.
39. Development in Southwark continue to progress and as a result an estimate of £5.0m over and above the £60.2m included in the government's assumptions within SFA is being included within the budget proposals set out in this report. This is an increase of £2.5m on the estimated growth included in the 2014/15 budget.
40. A total of £65.2m is therefore included in the budget for retained business rates in 2015/16.
41. The collection fund is currently forecasting a net surplus in 2014/15. This surplus is now expected to be approximately £2.9m arising from an increasing taxbase, improved collection rates and the impact of fewer exemptions and discounts. The Council Tax Base report for 2015/16 was agreed by Council Assembly on 21 January 2015 and this is the basis for council tax income in this report. Allowance is made in the assumed levels of council tax income for the revised taxbase and improved collection rates.
42. The business rates collection account remains in deficit as the backlog of appeals in excess of £30m continues to be provided over five years in line with recommended accounting practice.

### **Changes in Grant Funding**

#### **New Homes Bonus and the local growth fund**

43. The New Homes Bonus (NHB) commenced in 2010/11. It is calculated on the amount of extra council tax revenue raised from new-build homes and long-term empty homes brought back into use. There is also payment for providing

affordable homes. This was intended to release resources for local authorities to pay for the increased services resulting from the growth in dwellings.

44. Initially, NHB was set aside primarily to help resource the council's capital programme to encourage reinvestment across the borough and thereby to encourage more house building. Only a small proportion of NHB was directed to revenue purposes. In 2014/15, given the continued extent of funding reductions, it became necessary to redirect this resource to support the General Fund.
45. As previously reported, an element of Southwark's 2015/16 NHB and beyond will be top-sliced for use by the GLA (28%) for the London Enterprise Panel (LEP) programme.
46. Provisional figures announced in the settlement show that the general fund element of NHB for Southwark in 2015/16 will be £12.2m, an increase of £2m over the £10.2m funding level from 2014/15. However when the estimated top-slice of £3.4m (notification of the exact amount has not yet been formally received) is deducted, £8.8m will remain to support the General Fund budget. It is not clear whether this top-slice will continue in 2016/17.
47. Overall, this represents a net reduction in NHB of £1.4m over the sum included in the 2014/15 General Fund budget. This reduction has been included within the balanced budget proposals included in this report.

#### **Autumn Statement Measures Grant**

48. In the 2013 Autumn Statement, measures set out by the Chancellor of the Exchequer had an impact on the amount of business rates that local authorities could retain. These measures included a cap at 2% (RPI was running at 2.6% at the time) on the inflation increase of rateable values for 2014/15, the doubling of small business rates relief and retail relief.
49. To compensate for this, in July 2014 the government announced the Autumn Statement Measures Grant, and Southwark's reimbursement was £1.9m, being the sum lost as a result of the autumn statement measures.
50. It has been confirmed that the Autumn Statement Measures Grant will now continue into 2015/16 and as a result, an additional £1.9m has been included in the grant resources available in the 2015/16 budget proposals included in this report. This is a change from the assumptions reported to Cabinet in October 2014. The exact level of grant will remain unknown as it will be calculated by DCLG from the Council's NNDR1 (estimate of business rates for 2015/16). This return is scheduled to be completed by 31 January.

#### **Housing Benefit Administration Grant, Localised Council Tax Support Grant and Council Tax Support**

51. Since October 2014, provisional grant figures have been published and are included within this report. These show a grant loss of some £400k over 2014/15.

#### **Better Care Fund (BCF)**

52. The report to October cabinet included the assumption that the full £10.2m additional better care funding would be available for use by the council, as reflected in the DCLG's spending power assessment published as part of the



2014/15 settlement. At the time, a number of caveats were highlighted indicating that these resources would be pooled with the NHS and would not be fully controlled by the council and that the resources would be shared with the NHS.

53. Following the council's successful submission to NHS England (favourably received and approved by them) this specific funding line has been removed from the grant projections. The BCF will be used in accordance with the Health and Well being Board's approved submission.
54. Part of the agreement with the NHS relates to investment in the implementation of the requirements of the Care Act. Planning and implementation will continue through 2015/16 and will need to be continually reviewed in the context of the scale of the project and financial risks associated with it.

### **Council Tax Freeze Grant**

55. The provisional grant settlement announcement confirmed that Council Tax Freeze Grant will continue to be paid in 2015/16 to a limit of a 1% increase on the current Band D rate. The settlement also confirmed that a local referendum would be required to approve any Council Tax increase above 2%.
56. This report is assuming that in line with previous years, the freeze grant will be accepted by the council and that there will be no increase in the Southwark Council element for 2015/16. On this basis, grant will be received of approximately £900k as a replacement for tax that would otherwise be billable.
57. The consequence of accepting the freeze grant relates principally to the loss in future years of any income generation by the council tax increase that has been foregone. There is a risk as the freeze grant is withdrawn or absorbed within general grant provisions of a net loss to the resources available.

### **Free Healthy School Meals**

58. In 2014/15, £1.5m was included within the council's approved budget as an estimate of new grant to be received to reflect government's policy to introduce free school meals for reception year and years one and two. This scheme had already been implemented by the council for a wider range of children (reception to year six) and has been funded accordingly.
59. For 2015/16, further grant is expected of £860k and this has been included as part of the council's projected grant income. The total estimated for the Universal Infant Free School Meals grant for 2015/16 is now £2.36m.
60. It should be noted that this grant does not cover all of Southwark's free healthy school meals costs which, for 2015/16, amount to approximately £5.639m. This budget an extra £200,000 council funding as a result of the increasing numbers of pupils at Southwark schools.

### **Local Welfare Provision (Social Fund grant)**

61. In 2013/14, as part of its welfare reforms, the government transferred some of the elements of the social fund, previously administered by the Department of Work and Pensions (DWP), to local authorities. The grant was set out for two years to be administered by local authorities. Southwark Council ringfenced this grant to

support its own Southwark Emergency Support Scheme (SESS) that has run successfully in support of those most in need in the borough.

62. In 2013/14 Southwark received £1.65m in Social Fund grant. In 2014/15, and renamed as the local welfare provision grant, this reduced to £1.63m.
63. In the final settlement the government have included additional resources of £0.7m (£74m nationally) to assist in local welfare and health and social care provision, ensuring that funding is available for the continuation of the Southwark Emergency Support Scheme (SESS).

### **Public Health Grant and Commissioning of 0-5 children's public health services**

64. In April 2013 public health responsibilities were transferred from the NHS to local authorities. To enable local authorities to discharge their new responsibilities, a specific and ringfenced Public Health Grant was created. Southwark's allocation of Public Health Grant in 2013/14 was £21.8m, this increased to £22.9m in 2014/15, and has been frozen at this level for 2015/16.
65. Current modelling is based on the latest information on the public health grant. This budget includes some £22.9m public health grant, plus an estimated contribution from the CCG of £1.4m, a total of £24.3m.
66. On 11 December 2014 the government wrote to Chief Executives of all upper tier local authorities to confirm that from 1 October 2015 the commissioning of 0-5 year old children's public health services will transfer from NHS England to Local Authorities.
67. These services are vital to support families in giving children a healthy start and are therefore vital for life chances and communities across the country. This will include commissioning of the Healthy Child Programme including delivery of the health visiting service and FNP (Family Nurse Partnership) targeted services for teenage mothers.
68. Southwark's proposed costs for the six months of transfer in 2015/16 is £3.464m, (some £6.9m in a full year). The transfer of responsibility will be funded through an addition to the indicative 2015/16 public health grant. Similarly this grant will be ringfenced for the purposes set out.
69. It is currently being assumed that there will be no unfunded costs relating to these services falling on councils.
70. From April 2016, it is anticipated that the Public Health Grant will include all public health responsibilities transferred to Local Authorities from 1 April 2013 onwards, including 0-5 public health services. This is based on advice from the Advisory Committee on Resource Allocation (ACRA).

### **Actions to meet the challenge of the 2015/16 Budget**

71. In general terms, but with the main exception of changing governance for the Better Care Fund monies, the council faces a budget gap not dissimilar to that expected following the indicative statement made by government alongside the 2014/15 final settlement.

72. Reports were submitted to cabinet through the course of 2014/15, updating them on the situation, especially in the context of emerging information and the Autumn Statement. In October 2014 a funding gap was reported to cabinet of £31.4m. A further report was presented to cabinet in December 2014.
73. These reports also drew attention to a range of budget pressures and other commitments, including those to meet council priorities. These have included the pressures of inflation and pay awards, concessionary fares, and the ethical care charter.
74. Throughout the year, all Strategic Directors and their teams have been taking a number of measures to help meet the challenge of delivering a balanced budget in 2015/16. These considerations have taken place alongside a detailed programme of consultation with the public and other key stakeholders. The results of this consultation are reflected within this report and the detailed proposals for each department are set out in the appendices.
75. This report consolidates this work and presents a draft balanced budget for 2015/16 for consideration by cabinet. In view of uncertainty over the government's funding arrangements for 2016/17 and beyond and the scale of the work needing to be completed to prepare further budget proposals impacting on council services, the Strategic Director of Finance and Corporate Services is seeking agreement from the cabinet to propose a one year budget only. This would be on the understanding that options for further savings in 2016/17 are drawn up early in the new financial year in response to funding levels and other factors being projected for the future by London Councils and others.
76. Arising from the proposals, there will be a number of staffing impacts as services are reviewed and rationalised and where they are fundamentally transformed. Detailed resource planning will be needed across these services to give certainty as to the precise numbers affected. At this time, it is estimated that as many as 200 posts may be lost, although some will be currently vacant or filled by agency placements or interims. There will also be some natural turnover. At all times, compulsory redundancies will be kept to a minimum, although it is almost certain that there will be some job losses. In all cases, these changes will be subject to consultation with individuals, staff groups and the trades unions.
77. The table below outlines the balanced budget proposal for 2015/16 in line with funding and resource considerations outlined above and budget proposals for each council service as detailed in the appendices to this report.

## 2015/16 Budget

Item	2014/15 Budget £m	2015/16 Balanced Budget £m
<b>Resources</b>		
Retained Business Rates (DCLG)	(59.2)	(60.2)
Business rates top-up (DCLG)	(44.1)	(45.0)
Revenue Support and other Grants, (including Public Health and other specific grants)	(146.0)	(120.5)
<b>Total funding (inc Public Health and other new grant funding)</b>	<b>(249.3)</b>	<b>(225.7)</b>
<b>Council Tax and Retained Business rates</b>		
Council Tax baseline	(76.9)	(78.2)

Item	2014/15 Budget £m	2015/16 Balanced Budget £m
Taxbase increase (2%)		(1.6)
Budgeted increase in collection levels by 0.25%		(0.2)
Estimated increase in business rate retained	(2.5)	(5.0)
Collection fund surplus	(1.3)	(2.9)
<b>Total revenue from council tax &amp; retained business rates</b>	<b>(80.7)</b>	<b>(87.9)</b>
<b>Total funding</b>	<b>(330.0)</b>	<b>(313.6)</b>
<b>2014/15 budget starting point (includes Public Health expenditure)</b>	<b>355.8</b>	<b>336.2</b>
<b>Inflation</b>		
Employees (1.2% increase)	1.8	2.1
Contractual inflation	3.9	2.3
<b>Commitments</b>	<b>8.4</b>	<b>4.7</b>
<b>Grants</b>		
New Homes Bonus	(8.7)	1.4
Changes in grant related expenditure		3.6
HB admin subsidy, and council tax support:	0.0	0.4
Net change in council tax freeze grant	0.9	(0.9)
<b>Net budget before proposals</b>	<b>362.1</b>	<b>349.8</b>
<b>Proposals</b>		
Efficiencies and improved use of resources	(24.4)	(26.1)
Income generation	(1.0)	(2.9)
Savings impacting on service delivery	(0.5)	(1.0)
<b>Total budget</b>	<b>336.2</b>	<b>319.8</b>
Planned Contribution from Balances	(6.2)	(6.2)
<b>Net budget after contribution from balances</b>	<b>330.0</b>	<b>313.6</b>

78. The budget proposals include the prudent use of reserves, The Section 151 officer considers this level of reserve contribution appropriate given the current funding position. It should be noted that any under utilisation of contingency set aside in the 2014/15 budget will be the first call on this contribution.
79. The Strategic Director of Finance and Corporate Services recognises and accepts that it is necessary to make some prudent use of balances through the period of introduction of new funding arrangements for local government and the general cutbacks in public expenditure. He recognises also that this expedient can only be short term and that year on year the council target must be to remove any dependency on reserves and balances in order to reconcile resources with spending needs.
80. The 2015/16 budget proposals include a further £6.2m use of reserves. This contribution is consistent with both 2013/14 and 2014/15.

### **Budget Consultation – Engaging With The Community**

81. As in recent years, the cabinet requested that community conversations took place across the borough through November and December. The consultation took place in the context of the scenario whereby the council would need to make savings of around £90m over the next three years. This estimate was established in the context of forecast reductions in central government funding and its

potential distribution as set out by London Councils and the Local Government Association.

82. These conversations included specific events at each of the five community councils and consulting people at pop-up street stalls at busy locations in the borough for example at East Street Market. The results of this consultation are set out in full in Appendix A of this report
83. Residents were also given the option of giving on-line feedback on the budget consultation exercise. Specifically, the survey asked residents where they would prefer to make savings and which services they would prefer to protect.
84. The results from this latest series of community conversations were compared with the 2013 conversations to look for any significant changes in local opinion. Over the last two years, more than 700 residents have participated in the consultation across all parts of the borough. This response has proved extremely helpful in understanding better local opinion, although it has been recognised repeatedly how difficult the choices have been as funding reductions have consistently demanded high levels of savings.
85. In general the pattern of findings for 2014 are not significantly different from 2013. Most significantly, it is clear that there is a preference among stakeholders to protect front line services and to focus savings on those items considered managerial or back office. This overriding priority is replicated in other surveys across the country. The consultation again demonstrated a preference especially to protect Children's and Adults' services. This again is reflected in budget consultations across the country.
86. Residents were also able to record any specific comments that they may have and more than 400 individual responses were received. A summary of these responses are included within appendix A.
87. The budget proposals contained within this report have considered fully the outcome of the consultation. Illustratively, it should be noted that the budget proposed includes further significant savings targets for the two central departments, the Chief Executive's Department and the Finance and Corporate Services Department. These departments provide the major part of the council's back office services. Where possible, savings in front line service departments also attempt to tackle management and administration costs in order to minimise the impact on the front line.
88. In addition, there are proposals for a number of projects to increase income to the council in an attempt to mitigate the impact of funding reductions on the level or quality of services.
89. Most importantly, the major elements of the budget proposals are concentrated on savings arising from efficiencies and redesign or configuration of services, seeking best practice and reducing unit costs.
90. Detailed commentaries from each of the departments and public health on their 2015/16 budget proposals identifying changes from commitments, efficiencies, income and savings, are included as Appendices to this report.

## Medium Term Resources Strategy

91. In setting the budget the council needs to be mindful of the continued uncertainty with regards future funding particularly beyond 2015/16. These risks strengthen the importance of maintaining a robust MTRS within which to plan council business and sustain delivery of essential frontline services.
92. The current MTRS has been updated and a draft is attached as appendix L.

## 2016/17 and 2017/18 Policy and Resources Strategy

93. No indicative announcement has been made with regard to funding beyond 2015/16. However the Autumn Statement announcement that the government is committed to give local authorities and CCGs indicative multi-year budgets as soon as possible after the next spending review in 2015 is good news for future years' financial planning.
94. The effect of the reductions in non-ringfenced RDEL cash allocations for 2016/17 onwards are highlighted in paragraph 21. If applied to Southwark's provisional 2015/16 Settlement Funding Assessment, the impact would be as shown below.

	2015/16	2016/17	2017/18	2018/19	2019/20
RDEL change		(19.8%)	(18.2%)	(12.5%)	(10.7%)
Southwark SFA	£194.5m	£156.0m	£127.6m	£111.6m	£99.7m
Reduction		(£38.5m)	(28.4m)	(£16.0m)	(£11.9m)

95. If realised, the scale of this change in funding is significant with further loss of grant over the period to 2019/20 of approximately £100m. The council will wish to monitor closely the outcomes of the next spending review and to make representations insofar as cuts of this nature will inevitably compromise the consistency of services being delivered, both at a statutory and discretionary level.
96. Subject to the agreement of the 2015/16 budget, the council will wish to engage in forward planning as soon as possible in order to ensure that balanced budgets may continue to be achieved into the future.

## Overview and scrutiny committee recommendations

97. On 2 February the overview and scrutiny committee (OSC) met to discuss the budget options reported to cabinet in January with cabinet members and chief officers. The following paragraphs contain the recommendations from OSC arising
98. Cabinet review the voluntary redundancy offer being made to employees at the council. OSC believes that an enhanced offer may attract more people, and make it possible to secure more long term savings. An enhanced offer should be contained in a new, formal voluntary redundancy policy which should be pro-actively advertised to staff.
99. OSC notes that many of the budget proposals require savings involving demand management and changing client behaviour. This means that for some proposed savings there is a risk that they will not be delivered. OSC recommends that officers bring back a report to the committee in six months' time to:

- review the progress in making savings and monitor the risk and impact of those savings
  - update the committee on the Better Care Fund
  - clarify the impact on staff in terms of voluntary and compulsory redundancies, and
  - assure the committee that opportunities for the Community Infrastructure Levy are being taken advantage of.
100. OSC notes the level of government funding and distribution across councils and recommends that the cabinet work with London Councils to set out a fairer case for councils like Southwark and put this to the DCLG.
101. Some of the savings proposed in the budget are rightly based on moving Southwark residents to digital interaction. Councillors should also set an example in this respect. OSC recommends that the relevant cabinet member looks into the possibility of reducing amount of paper documents sent to members, with a view to reducing the amount of money spent on printing council agendas and papers. Proposals should be based on a “bring your own device” model which is increasingly common in the workplace.
102. That council officers look into the possibility of introducing a staff bank approach for street cleaning, rather than making use of agencies to supply staff.

### **Next steps**

103. This report will be submitted to council assembly for the annual budget and council tax setting meeting on 25 February 2015.

### **Community impact statement**

104. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with the budget for 2014/15 and for previous years, each department is finalising equality analysis on its budget proposals ahead of the final decisions being taken.
105. 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 being undertaken to consider any cross-cutting and organisation-wide impacts.
106. For many services the budget proposals 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.
107. The development of equality analysis informs each stage of the budget process and work continues to update the analysis as further information becomes available throughout the cycle of planning and implementation.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

108. 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.
109. 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.
110. Decision makers must understand the effect of policies practices and decisions on people with protected characteristics.
111. Equality impact assessments are the mechanism by which the council considers these effects. The report sets out how it is proposed equality impact assessments will be undertaken in relation to the budget proposals.
112. 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**

113. The council is committed to publishing budget proposal as the earliest possible opportunity to ensure they are available to the public for comments and questions.
114. Under the council's constitution there is a requirement for the OSC to review and challenge budget proposal. This took place on 2 February 2015, and recommendations arising from this meeting are included in paragraphs 97 to 102 of this report...

### **REASONS FOR LATENESS**

115. To enable the recommendations from OSC, and final settlement figures to be incorporated into the report.



## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources 2014/15 to 2016/17: cabinet 28/01/14	160 Tooley Street PO Box 64529 London SE1P 5LX	Jennifer Seeley 020 7525 0695
Link: <a href="http://modern.gov.southwark.gov.uk/documents/s43572/Report%20Policy%20and%20Resources%20Strategy%20201415%20to%20201617%20-%20Provisional%20Settlement.pdf">http://modern.gov.southwark.gov.uk/documents/s43572/Report%20Policy%20and%20Resources%20Strategy%20201415%20to%20201617%20-%20Provisional%20Settlement.pdf</a>		
Autumn Statement 2014 Briefing – LGA	LGA website	Local Government Association
Link: <a href="http://www.local.gov.uk/documents/10180/5533246/On+the+Day+Briefing+Autumn+Statement+2014.pdf/bc59ad98-25f2-4188-a166-c0511d2d3ba2">http://www.local.gov.uk/documents/10180/5533246/On+the+Day+Briefing+Autumn+Statement+2014.pdf/bc59ad98-25f2-4188-a166-c0511d2d3ba2</a>		
Autumn Statement Briefing 2014 – London Councils	London Councils Website	London Councils
Link: <a href="http://www.londoncouncils.gov.uk/policylobbying/localgovernmentfinance/publications/autumnstatement2014.htm">http://www.londoncouncils.gov.uk/policylobbying/localgovernmentfinance/publications/autumnstatement2014.htm</a>		
Provisional 2015/16 LG settlement briefing – LGA	LGA website	Local Government Association
Link: <a href="http://www.local.gov.uk/documents/10180/5533246/LGA+On+the+Day+briefing+Provisional+LG+Finance+Settlement-201516.pdf/4ce0905f-d881-4426-8a7b-9755ec6d26bc">http://www.local.gov.uk/documents/10180/5533246/LGA+On+the+Day+briefing+Provisional+LG+Finance+Settlement-201516.pdf/4ce0905f-d881-4426-8a7b-9755ec6d26bc</a>		
Provisional 2015/16 LG settlement briefing – London Councils	London Councils website	London Councils
Link: <a href="http://www.londoncouncils.gov.uk/policylobbying/localgovernmentfinance/publications/localgovfinancesettlement.htm">http://www.londoncouncils.gov.uk/policylobbying/localgovernmentfinance/publications/localgovfinancesettlement.htm</a>		
The 2014 National Audit Office report on the Financial Sustainability of Local Authorities	NAO website	National Audit Office
Link: <a href="http://www.nao.org.uk/wp-content/uploads/2014/11/Financial-sustainability-of-local-authorities-20141.pdf">http://www.nao.org.uk/wp-content/uploads/2014/11/Financial-sustainability-of-local-authorities-20141.pdf</a>		

## APPENDICES

	Title
A	Consultation Responses and analysis
B	Supporting Narrative for Budget Proposals – Children’s and Adult Services
C	Supporting Narrative for Budget Proposals – Chief Executive’s Department
D	Supporting Narrative for Budget Proposals – Environment and Leisure
E	Supporting Narrative for Budget Proposals – Finance and Corporate Services
F	Supporting Narrative for Budget Proposals – Housing and Community Services
G	Supporting Narrative for Budget Proposals – Public Health
H	Proposed growth and commitments
I	Proposed efficiencies and improved use of resources
J	Proposed income generation
K	Proposed savings impacting on service delivery
L	2015/16 to 2017/18 Medium Term Resources Strategy

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Fiona Colley, Cabinet member for finance, strategy and performance	
<b>Lead officer</b>	Duncan Whitfield – Strategic Director of Finance & Corporate Services	
<b>Report author</b>	Jennifer Seeley – Deputy Finance Director	
<b>Version</b>	FINAL	
<b>Dated</b>	6 February 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to constitutional team</b>		6 February 2015

# Budget Challenge 2014 Community Conversation report

Lets talk about how the council spends your money

Through November and December 2014 council budget community conversations took place across the borough. Our residents were also given the opportunity to complete an on-line survey and feedback and meetings also took place with representatives of our partners in the voluntary sector. The aim of the exercise was to ask local residents their views on how the council should prioritise its spending in the face of ongoing reductions in funding from central government.

The consultation responses summarised in this report will be used to inform the council's cabinet about resident's priorities for budget setting decision making, starting with the 2015/16 council budget.

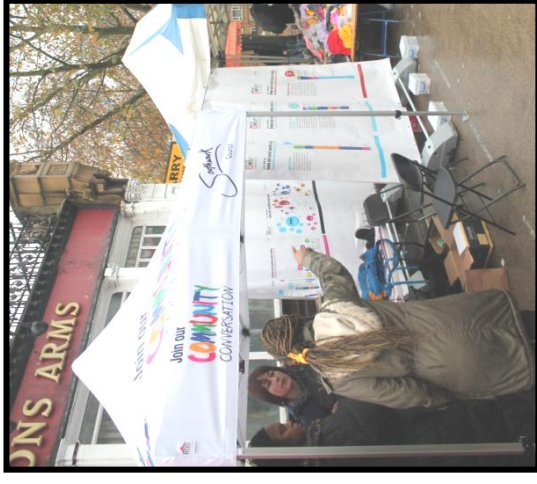
## Introduction

1. In October 2014 the council's cabinet tasked officers with undertaking a budget consultation with local residents to inform decisions to be made about the council's budget in future years, starting with the 2015/16 budget.
2. This report provides an analysis of resident's responses to the Budget Challenge consultations that took place in November and December 2014. Over 200 residents responded to the budget challenge, 185 residents at nine community conversations; comprising of five Community Councils, two busy local markets (East Street and North Cross Road), a community conversation with 14-18 year olds at Southwark Youth Council, and a community conversation with disabled residents at Southwark Resource Centre in Walworth, and a further 37 residents completed an on-line survey. One more community conversation has been scheduled in for early 2015 with Southwark Pensioners Forum. We also consulted the voluntary sector through meetings with 20 VCS representatives at Community Action Southwark and the Forum for Equalities and Human Rights in Southwark. We are very grateful to everyone who gave their time to talk to their council about "how we spend your money".
3. Council budgets are set annually, and in advance of the start of the council's financial year, which runs from April to March. The Council's cabinet proposes a budget for consideration and agreement by the Full Council of all 63 elected councillors in February each year. The cabinet, which includes the leader and deputy leader and the councillors who head up each service area, considers all the facts before it, including the ideas provided by residents through these Budget Challenge consultations.
4. Our community conversations took place at a vital time for Southwark council; because at the time of undertaking the exercise the estimate was that the council would lose £90m due to cuts in central government grant over three years. This grant alongside other council income pays for the eight local service areas that we asked residents about, such as Children's Services and Environment services, it is £330m this year, and of course we expect it to fall to £240m in three years time.
5. The budget consultation exercise focused on the controllable parts of what is known as the general fund budget. The council has other sources of income which are ring-fenced for expenditure on specific things, such as council homes (£275m), money for buying and maintaining physical assets such as buildings and parks (£376m) and for schools (£195m). The savings that the consultation exercise addressed were the estimated £90m from the general fund. We explained all of this to the people who participated in the exercise; who were given spending figures for each service area, very detailed information on each service area, and information about overall council income and expenditure. This was designed to help those who participated to make more informed choices about how we should spend money in the coming years. Staff working on the community conversations all reported back that many residents commented on how, while the choices to make were very difficult, they were nevertheless pleased that they were able to be engaged in this important matter with us. It was entirely understandable that most people found it a challenge to find a "safe home" for reductions in spending on local services. Such prioritising is extremely difficult and we were told by many that that there are no easy ways to reduce spending. Everyone who took

part was reassured that their considered choices would inform how the council made its budget decisions for 2015/16 and for two subsequent years up to 2018.

6. The first thing we asked residents to consider was the existing spend, which is split between these 8 service areas:

- Adult services (£96.1m – down from £104.8m in 2013/14).
- Children’s Services (£85m – down from £86.3m in 2013/13).
- Central and support services (£64.6m – down from £72.2m in 2013/14).
- Environment (£38.8m – up from £38.5m in 2013/14, due to increases for waste, transport and street cleansing).
- Housing and Community Services (£22.2m – down from £25.2m in 2013/14).
- Public Health (£22m – up from £21.8m due to increases in sexual health services, public health advice, and physical activity services).
- Culture, libraries and leisure (£9.2m – down from £10m in 2013/14).
- Regeneration and Planning (£3.3m – up from £3.1m due to increases in regeneration and strategy).



7. The information provided explained what each section of a council service area does, and broke this down into more detail. For example there are 7 areas covered by Adults Service; including Care for Older People Living at Home, and Care for Adults with Physical Disabilities. Or for the case of Environmental Services; there are areas such as Community Safety and Waste and Transport. This information was distributed to residents as a booklet and on large consultation panels that explained in understandable terms what is a very complicated picture of local government finance. Staff were on hand to explain and respond to queries from residents, but not to influence the choices they made on their priorities.

8. The consultation also explained existing council commitments and the key priorities of the Council Plan, and the 10 Fairer Future promises that were approved by cabinet in July 2014. This enabled residents to take these promises into account when they thought about prioritising spending for the future. The promises were reproduced on a consultation panel alongside the areas of expenditure and residents were directed to this when completing the exercise. These 10 Fairer Future promises are:

- i) Value for money.
- ii) Free swimming and Gyms.
- iii) Quality Affordable Homes.
- iv) More and Better Schools.
- v) Investing in Nurseries and Childcare.

- vi) A Greener Borough.
- vii) Education, Employment and Training promises.
- viii) To revitalise neighbourhoods.
- ix) To become an “Age Friendly Borough”.

9. The methodology used and the places we went to were very similar to previous Budget Challenge consultations (in 2010 and 2013). We spoke to:

- 185 people at Community Conversations held in every neighbourhood in Southwark.
- 37 people sent us their comments on-line.
- 20 people talked to us about our budget challenge at voluntary sector forums.

10. In 2014 there were 9 community conversations over two months; and 17 community conversations took place over 3 months in 2013. When we analysed the 2014 results we took into account what people had said in 2013, and looked for any significant change over the year. This meant that we did not need to repeat exactly the intensive series of community conversations held in 2013. Taken together, we are looking here at the views of over 700 people; 232 respondents in 2014, and 516 respondents in 2013.

11. 232 responses in 2014 is a considerable number of people and each response represents a considered, thoughtful and careful set of ideas. The number of people responding allows us to be comfortable with the validity of the findings, and a comparison to 2013 shows that overall people’s ideas and thoughts fit a similar pattern of response over both years, giving us confidence in the results.

12. Any differences in the results since 2013 are discussed below in the commentary below table 1 and table 2 (on pages 9 and 11). The main difference appears in summary to be an even more pronounced wish a year on from the last time we asked to protect children and young people from any reductions in the services they use, including schools, youth clubs, services for children in care or at risk, the things we do to support vulnerable and disabled children, and our work with whole families. The converse of this is of course with respondents needing to reduce their support for other services. In general the results give a sense of residents wanting to protect services for vulnerable people.



## Summary of the results

In general the comparison to 2013 shows that overall people's views on their priorities fit a similar pattern of response over both years with most people likely to want to protect frontline services and make reductions in things they see as managerial or back-office. This is reflected in budget consultations across the country. There was however some significant differences in results and these are outlined below.

Comparison with the 2013 results shows a strengthening of support for protecting and increasing spend on Children's Services, and some amount of fall back in support for Environment Services, and for Culture, Leisure and Libraries services, and about the same rates of response for all other services.

Residents also left comments explaining their responses to the consultation in more detail. In total there were over 400 individual responses. An analysis of these comments suggests the following:

- With regard to savings people were more likely to comment on the need to make reductions by significant service redesign or transformation and increasing collaboration with others, for example through finding more cost effective ways of providing services to customers and better integration of services across council departments. This was described by many of those responding as finding cheaper ways of providing services that they valued in a way that as far as possible protected the frontline.
  - With regard to services that people wanted to protect residents were more likely to mention protecting specific social care services (rather than adults or children's services as a whole) in particular services; for people who were seen as vulnerable. For example, care for older people at home or in residential homes.
  - With regard to increasing investment people were more likely to comment on increasing services that were seen as providing opportunities for residents such as sports, libraries, schools, and youth work. Highways, Parks and Open Spaces was also seen as an important service because of the value these add to neighbourhoods and the public realm.
13. Taken as a whole the responses residents gave us demonstrate that they are more likely to want to protect services that they see as dealing with the most vulnerable people. Many residents wanted us to protect Children's Services and Adult's Services from spending cuts, with services for children and young people, disabled people, and care for older people often receiving a mention. Overall frontline services are highly valued and these included, but with slightly less priority than those for vulnerable children or adults, environmental services, culture, libraries & leisure services, public health services, and housing and community services.

14. Back office costs were most often seen as the safest place to save money, compared to front line costs. Therefore spending on management costs, and savings on those services that are needed for longer term success, were seen as being less essential in the current financial context.

15. One further trend can be seen in responses; in that many people saw changing the way we provide customer services as a potential way of saving money.

16. We should also highlight the diversity of views amongst local people. For example, whilst few people, if any, had negative ideas about social care services, some commented on the relatively high cost of these services and wanted the council to find more cost effective ways to provide these. As before people were more likely to see services that they personally used as higher priority.

17. Because of the inherent complexity of understanding what 300,000 people want their local council to do about spending cuts, we listened carefully to the ideas that people had about how we can go about making savings, and asked people to write down their ideas for us. Some of these comments are based on daily observation of the council services closest to home, such as street cleaning services, or about the interactions people have with council staff when they contact us. Some comments were about the need for more collaboration with community groups or with the NHS. These ideas form a rich source of information on people's views and perceptions of individual services.

18. The remainder of this report explains in more detail the results of the exercise.

**Methodology**

19. The Spending Challenge methodology involved providing residents with information on departmental budgets and functions and inviting them to decide how to make £90m in funding decisions. This replicates – in a user-friendly, accessible format – the decision-making process the council will be undertaking in the coming years.

20. The exercise was not a referendum on the council's budget but gives us a sense of our residents' priorities when faced with difficult choices.

21. In order to take part in the challenge, participants were provided with a number of "cheques", worth either £1m or £3m to allocate to relevant services:

- **31 red savings cheques of £3m each** (to allocate to the service/s where they would make savings if they were the council)





- 3 green increase cheques of £1m each (to allocate to the service/s where they would make increases if they were the council)
- 1 blue protect cheque (to allocate to the one service they would spare from savings if they were the council).

**Feedback and comments about this consultation exercise**

22. The vast majority of residents were very pleased that the council had come out to talk to them close to where they live, or at meetings that they were attending. The general feedback was that the importance of the topic was understood and our commitment to listening was also commented on. Most people said that they liked the “cheque” method and felt it gave them choices to make about how to prioritise council spending.
23. As before lessons learned from this consultation will be used to inform future consultations.
24. The most common comment about the consultation itself was along the lines of “but will you take any of this (our views) seriously”. In response to this staff engaged in the consultation exercise reassured residents that the results would be presented to the most senior decision makers in the council, and committed to feeding back the results of the exercise to residents.

**Data Validity and Demographics**

25. There have been 9 Spending Challenge events to date, with 185 people taking part in these (and another 37 people filled in an on-line consultation form). Local people from all age groups, ethnicities, income groups and neighbourhoods were involved. We compared who took part against the 2011 census to check the extent to which the sample was representative, and we found that we had included a relatively balanced sample of the population.
26. Not all respondents completed the monitoring form, as is common in these exercises. Therefore, we have a smaller sample than the overall sample size; however in general the data confirms that the views given can be taken as representative of people from all backgrounds and identity in the borough.
- Age:** of those who returned the monitoring forms the younger or older age ranges are well represented. These are the age ranges that can be missed out unless we design consultations properly and make sure we talk to these age groups.

Age range	Percentage (%)	Southwark population Census 2011 (%)
Under 16	21	18.5
16-24	10	13.9

25-34	4	23.6
35-44	7	23.7 (35-49)
45-60	34	12.6 (50-64)
65 and above	24	7.7

**Gender:** The majority of those completing the monitoring form (66%) were female. This is similar to other consultation exercises like the one in 2013. Our view is that this does not make the overall results unrepresentative of the wider population.

Gender	Percentage (%)	Southwark population Census 2011 (%)
Female	66	49.5
Male	34	50.5

**Ethnicity:** A significant majority of respondents were from Black or Black British (41%), with White British respondents (29%) being the next largest group. This is consistent with the aim of talking to a wide range of people from typical Southwark backgrounds and identities although not a precise mirror of the census data.

Ethnicity	Percentage (%)	Southwark population Census 2011 (%)
White British	29	54
Mixed/duel heritage	3	5.1
Asian or Asian British	11	4.1
Chinese	3	2.8
Black or Black British	41	26.9
Latin American	3	No specific data
Vietnamese	3	No specific data
Prefer not to say	7	No specific data

Summary of findings

Table 1: Summary of all 185 off-line Community Conversations results (with 2013's results in brackets)

Choices Made/Service Area	Adult Services	Children's Services	Public Health	Environment	Culture, Libraries and Leisure	Central and Support Services	Regeneration and Planning	Housing and Community Services
<b>Protect</b>	21% (19%)	38% (30%)	11% (11%)	6% (11%)	10% (17%)	3% (4%)	5% (2%)	6% (6%)
<b>Increase</b>	19% (20%)	29% (23%)	13% (9%)	9% (14%)	13% (14%)	2% (2%)	4% (7%)	11% (11%)
<b>Reduce</b>	9% (11%)	8% (8%)	9% (11%)	11% (6%)	8% (6%)	29% (30%)	14% (10%)	12% (14%)

27. When reading Table 1 it is worthwhile thinking that if all the cheques had been evening distributed between all services, then all 8 services would get 12.5% each (8 divided by 100 = 12.5). Therefore any results deviating significantly from 12.5% indicate a strong preference for that choice.
28. In terms of protecting a service, or increasing spending on a service, the choices people made were clearly for Children's Services (38% to protect and 29% to increase) and Adults Services (21% to protect and 19% to increase).
29. For finding ways to save money only Central Support Services stands out as being very different to the 12.5% average, as it is the choice made by 29% of respondents. There are no other large scale swings away from the average of 12.5%.
30. The figures in brackets in table 1 above represent the results from the 2013 community conversations. The comparison shows a strengthening of support for protecting and increasing spend on Children's Services since 2013, up to 38% from 30%. Overall some amount of fall back in support for Environment Services, and for Culture, Leisure and Libraries services is evident; as fewer respondents allocated protect and increase "cheques" compared to 2013, and more respondents allocated reduce/savings "cheques" to these two services. Results for Adult Services, Public Health, Regeneration & Planning, and Housing & Community Services have stayed at similar levels to 2013.

Chart 1: Bar chart showing 185 off-line Community Conversations results, shown as % of choices made

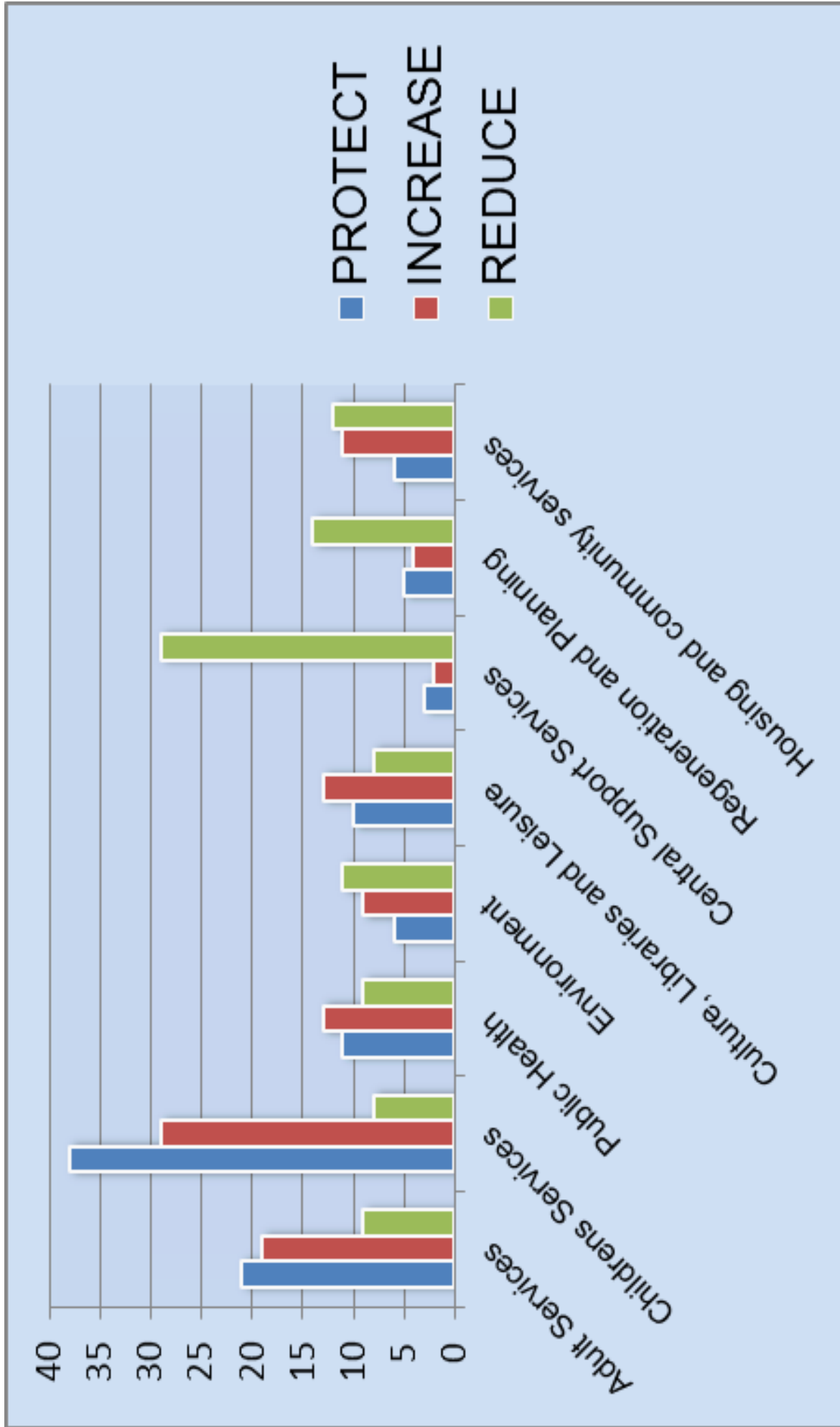
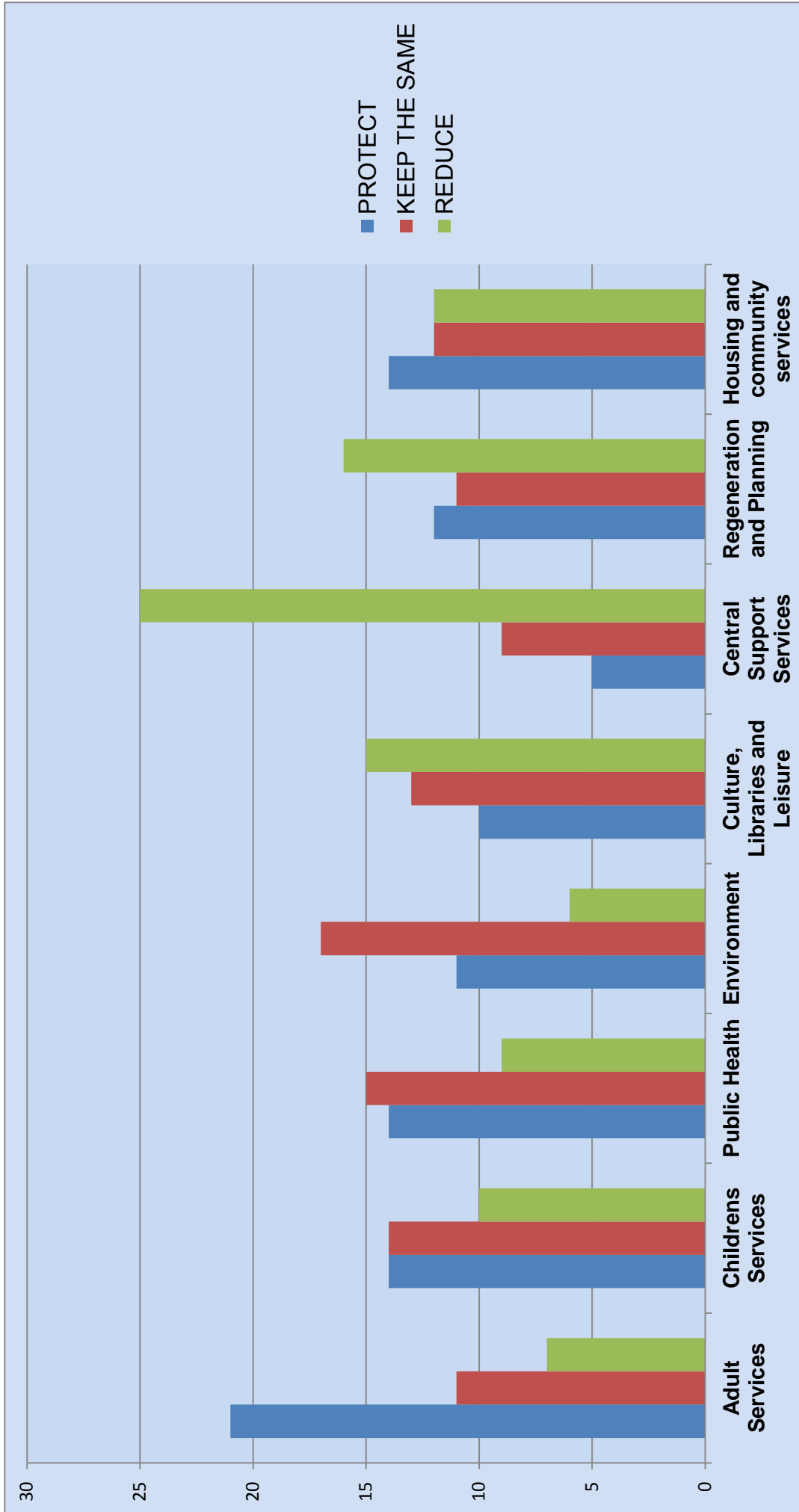


Table 2: Summary of all 37 on-line results (with 2013's results in brackets for the reduce line)

Choices Made/Service Area	Adult Services	Children's Services	Public Health	Environment	Culture, Libraries and Leisure	Central and Support Services	Regeneration and Planning	Housing and Community Services
<b>Increase</b>	21%	14%	14%	11%	10%	5%	12%	14%
<b>Keep the same</b>	11%	14%	15%	17%	13%	9%	11%	12%
<b>Reduce</b>	7% (14.8%)	10% (10.7%)	9% (10%)	6% (8.3%)	15% (9.5%)	25% (22.2%)	16% (10.7%)	12% (13.9%)

31. Remembering that 12.5% is the average result, we can see that this table differs slightly from the off-line results in that answers are more evenly spread between service areas.
32. There are two non average results. 21% of respondents wanted an increase in spending on Adult Services, whilst 25% indicated reductions in spending on Central Support Services. However, the preference amongst off-line respondents for protecting or increasing Children's Services was much less evident at 14% and 15% respectively, which are quite close to the average of 12.5%.
33. The figures in brackets for the reduce line represent the data that we can use to compare to results in 2013. This shows that fewer people were thinking that savings could come from Adult Services, with 7% down from 14.8%, and that a greater number of people felt that savings could come from Culture, Libraries and Leisure services, with 15% up from 9.5%, and from Regeneration and Planning services; 16% up from 10.7%. There is no significant divergence for the rest of the council's services.
34. However we should treat the on-line results with caution because there are a smaller number than for the community conversations, and this contributes to the differences between the two. There may also be other factors that define on-line results as different from off-line results, such as access to the internet, or willingness to use the internet for exercises such as this one.

Chart 2: Bar chart showing 37 on-line Community Conversations results, shown as % of choices made.



## Analysing people’s comments

35. In order to get richer information and to better understand the responses that participants gave; we analysed the 408 comments that respondents wrote onto their cheques. Understandably respondents did not confine themselves to the way councils title their services, and people wrote in the service type which they felt the council should really concentrate it’s thoughts on protecting, increasing or finding savings in, and explained this in their own words.
36. A full list of all 408 comments is provided in appendix A. Many people made more than one comment.
37. In order to analyse this qualitative feedback we used three different researchers who grouped responses and analysed and categorised comments into broad headings. Using three different researchers gives more confidence that there was no bias in how the comments were analysed.
38. We also did not start off by imposing our own set of headings or categories on the data, but let these emerge from what residents said, so giving us greater confidence that the categorisation reflected what most people would be likely to respond.
39. Many respondents’ comments lead to the conclusion that residents’ views where they wanted to protect services did not reflect their views on a whole department but on specific individual services.
40. Table 3 shows the categorisation of comments on Protect cheques, along with some examples of these comments.

**Table 3: Summary of comments made about protecting a service**

Type of service/numbers of comments made	Numbers of comments	Examples of comments
Social care services	23	Protect services for disabled people, protect universal childcare services, and protect care for older people living at home or in residential homes.
Frontline services	22	Protect school nurses, protect sexual health services, protect highways, parks and open spaces.
Protect by significant redesign and increase collaboration	5	Protect the voluntary sector and protect police.

41. A very similar exercise was done for all the comments written onto the Increase and Reduce/Make Savings cheques, with the results presented below in tables 4 and 5.

**Table 4: Summary of comments made about increasing spend on a service**

Type of service/numbers of comments made	Numbers of comments	Examples of comments
Frontline services	55	Increases for adult education, increases for apprentices, increases for community engagement, increases for libraries, increases for youth work, youth clubs and adventure playgrounds, increases for sports and leisure facilities, increases for arts & heritage.
Social care services	26	Increases for disabled people, increases for older people, increases for services for people suffering mental health illness.
Increases to bring about significant redesign and increasing collaboration.	9	Helping schools to improve.
Back office services	2	Increases for commissioning services.

**Table 4: Summary of comments made about Reducing/Making savings on a service**

Type of service/numbers of comments made	Numbers of comments	Examples of comments
Savings by significant redesign and increasing collaboration.	73	Savings on voluntary organisations, savings on the use of contractors, savings by reducing regulatory services, savings by involving the community and voluntary sector, savings by more cross departmental working and shared services, savings on communications, and savings on providing customer experience services in a different way.
Frontline services.	66	Savings on waste and transport services, savings on sexual health services, savings on sports and leisure services, savings on substance misuse, savings on events/festivals,



		savings on libraries, savings on physical activities.
Back office services.	<b>59</b>	Savings on revenues and benefit services, savings on the costs of managers, savings on the costs of human resources, including learning and development, savings on corporate strategy and economic wellbeing services.
Social care services.	<b>36</b>	Savings on care support for adults with learning disabilities, savings on day care and respite services for older people and adults, savings on services for children at risk of abuse, harm, neglect or with disabilities.
Unnecessary spending when many people are struggling.	<b>9</b>	Savings on projects for entertainment, savings on food for meetings, savings on office refurbishment.

42. Finally we analysed people's general comments not intended for any of the above headings, and those have been written into table 5 below.

**Table 5: Summary of general comments not intended for any of the above headings**

Type of service/numbers of comments made	Numbers of comments	Examples of comments
significant redesign and increasing collaboration	<b>14</b>	Reduce and join tenant and resident associations, abolish use of herbicides on streets to clear weeds, install more public seating on parks and public places, save money on public health by insisting the NHS pays for health services.
Prioritise differently	<b>10</b>	Reduce criteria on adult social care services and concentrate resources on those most in need, increase spending on adult services because these are the most vulnerable, not enough spent on street cleaning compared to other central London locations.
Comments on this consultation exercise	<b>4</b>	Nonsense to prescribe a financial value on each cheque, Need more information before deciding, What awful choices you have to make.
Longer term challenges we should face	<b>3</b>	No more cuts, give people who are not working jobs.

Better working practices	2	Improve customer care by council staff, increase income through trading.
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43. On the next 4 pages are four “wordle” type pictures of the words most often used for Protect (page 17), Increase (page 18), Decrease/find savings (page 19), and Other Ideas (page 20). These word-count images represent every word used on the “cheques”, except common words such as “and, if, the”. The computer programme shows each word in the size proportional to the number of times it appears in the written comments. You can get an instant impression of the words most often used to explain the choices people made to protect, increase, decrease or improve service areas. You do not get complete accuracy of analysis because some words seem unusual when taken out of the context of the sentence they were used in. Nevertheless a glance at the major groupings of words can help readers understand what resident’s views taken together can mean.

HERITAGE VOLUNTEERS ADVENTURE ACCESS SUFFERING DISABLED ESSENTIAL LIBRARIES PLAYGROUPS HOMES PEOPLE UNIVERSAL YOUTH HEALTH HOLDER HOMES ADVENTURE CLUBS HERITAGE RESIDENTIAL CHILDREN ADULTS EDUCATION CARERS ADVENTURE MENTAL TRAINING MENTAL TRAINING PLAYGROUPS SUPPORTING POSITIVE ACCESS ILLNESSES CHILDREN RESIDENTIAL EDUCATION RESPIRE HEALTH DISABLED TRANSPORT HERITAGE ACCESS ADULTS CARE LIBRARIES POSITIVE RESIDENTS DISABLED WASTE DEMENTIA CHILDREN CHILDCARE POSITIVE RESPIRE HEALTH ADVENTURE LIBRARIES SUPPORTING VOLUNTARY POSITIVE RESPIRE HEALTH ADVENTURE RESIDENTIAL WASTE RESPIRE CARERS WORK POSITIVE DISABLED SUFFERING CARERS WORK POSITIVE DISABLED







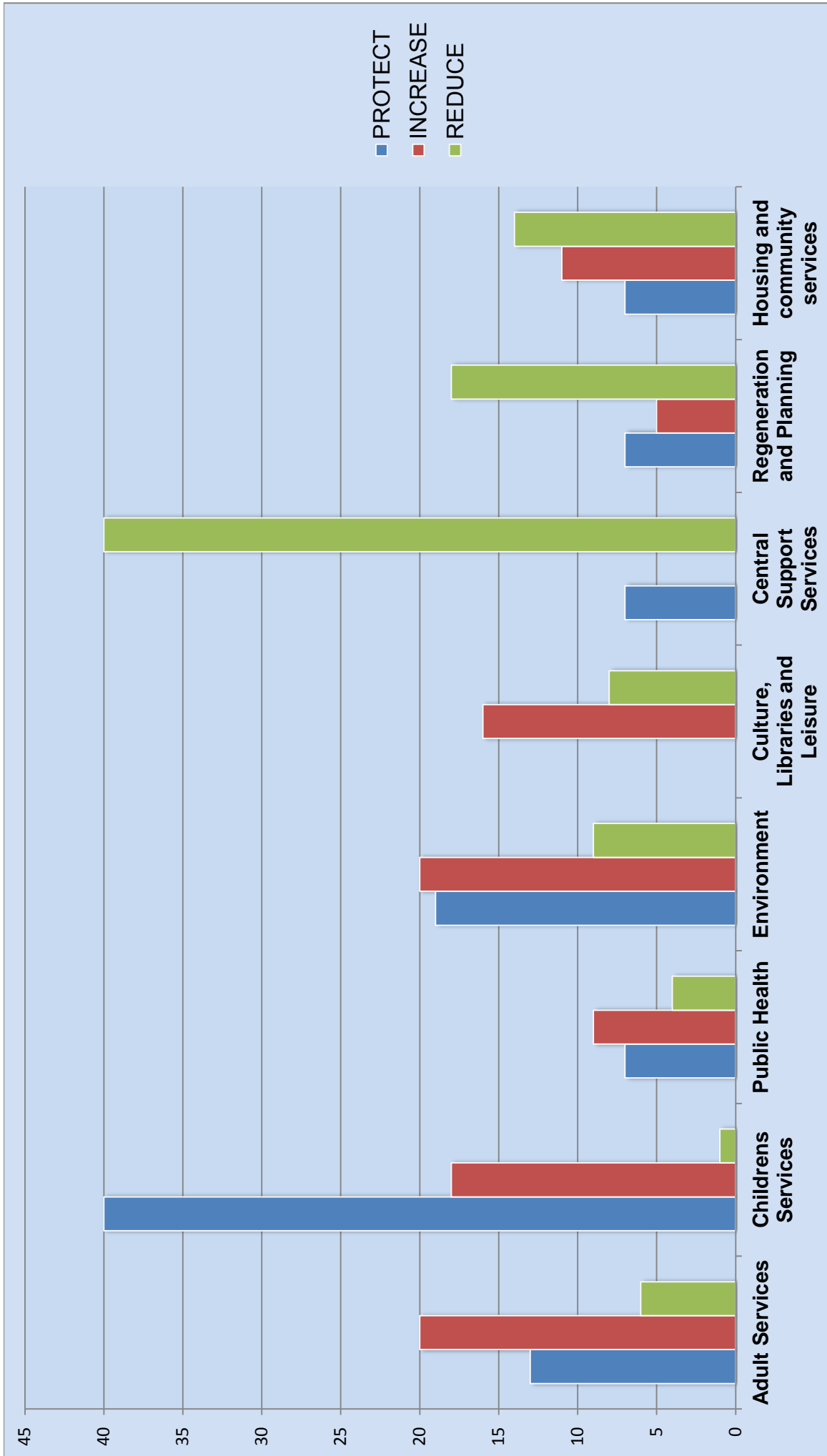
### **Voluntary sector, Southwark Resources Centre/Southwark Disablement Association and the Youth Council.**

44. The cabinet member for Finance, Strategy and Performance held a meeting with the “Southwark Voice” forum at Community Action Southwark, on Wednesday 29th October. A detailed summary of the council’s financial situation and commitment to work constructively with the voluntary sector was presented. Points raised included the need to ensure a safety net for those people whose welfare benefits have been reduced, a greater emphasis on supporting integrated care pathways across sectors, the extent to which council departments need to focus service delivery on preventative approaches, and issues such as housing for disabled children and HIV awareness. A full record of these points can be found at Appendix B.
45. General consultation exercises can fail to include disabled people properly, so our community conversation at Southwark Resource Centre was designed to ensure that the voices of people with disabilities were represented. This took place immediately after the Southwark Disablement Association’s 2014 AGM. Not surprisingly adult services were very much understood and appreciated, and over 50% of respondents wanted the council to protect these services from cuts. The next most popular service to protect was Children’s Services. Reasons given were similar to those in the general consultation – that the council should find ways to protect vulnerable people as its top priority. Central and Support Services were felt to be the service where savings could be found (see bar chart with results on page 29).
46. A community conversation was also held with young people at the Southwark Youth Council. Again not surprisingly given the audience over 50% of the Youth Council wanted Children’s Services protected, and were particularly concerned about the need for the council to continue its commitment to “universal” youth services, i.e. where anybody of the right age can join. Public Health, and Culture, Libraries and Leisure were the second most popular council services. As reflected elsewhere savings were most often allocated to Central and Support Services (see bar chart with results on page 30).

### **Detailed Results**

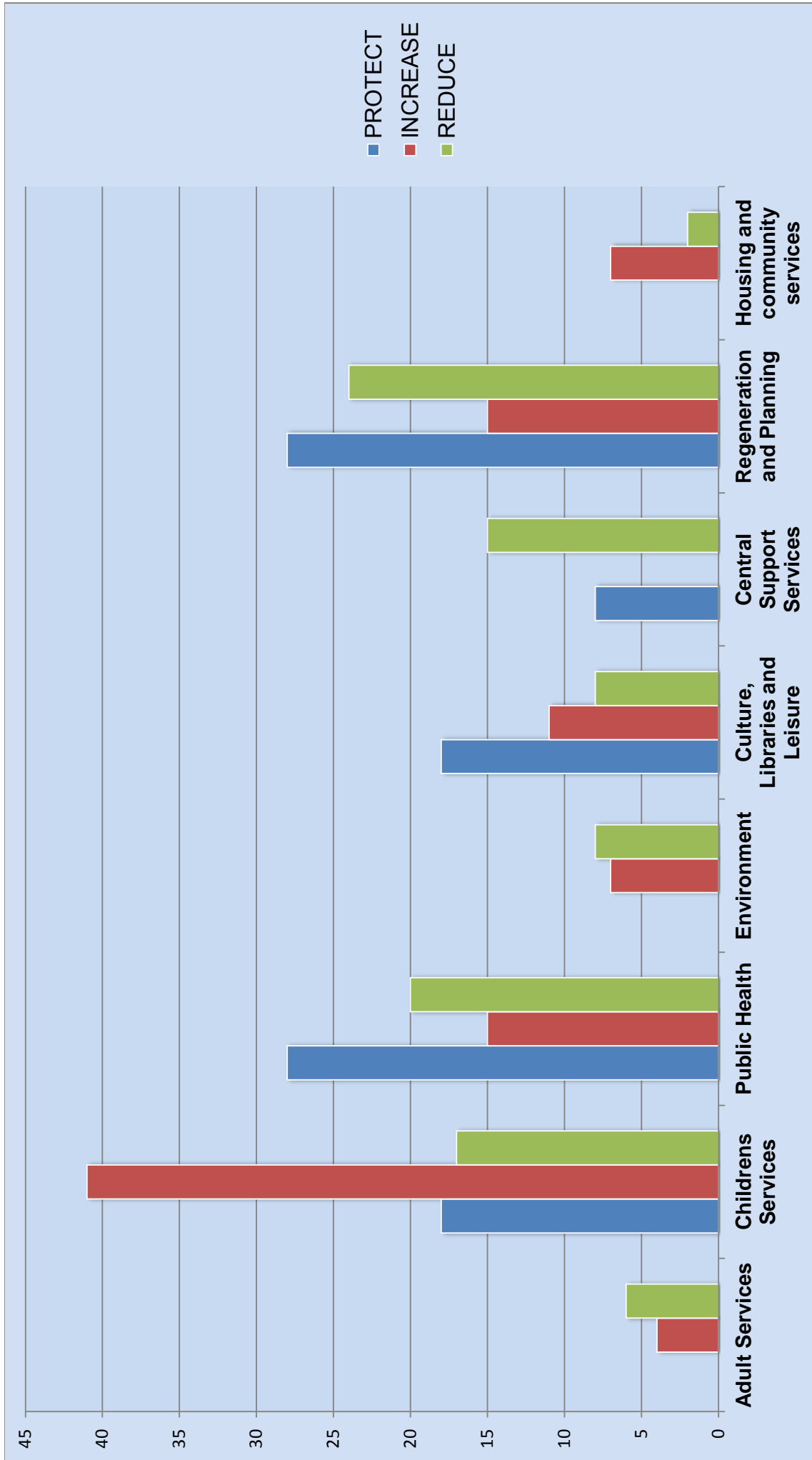
47. The next section of the report consists of graphs showing the results from each of the nine community conversations. Overall these show consistency in results between the different conversations; and that adds more weight to our confidence that the views expressed are representative of Southwark’s opinion. They also demonstrate how people’s day to day experience of council services colours how they see the savings dilemma. So, understandably, disabled people knew the most about adult social care and the Youth Council know a lot about the council’s services for young people.

Peckham and Nunhead Community Council; 10<sup>th</sup> November 2014. Results by percentage of choices made.

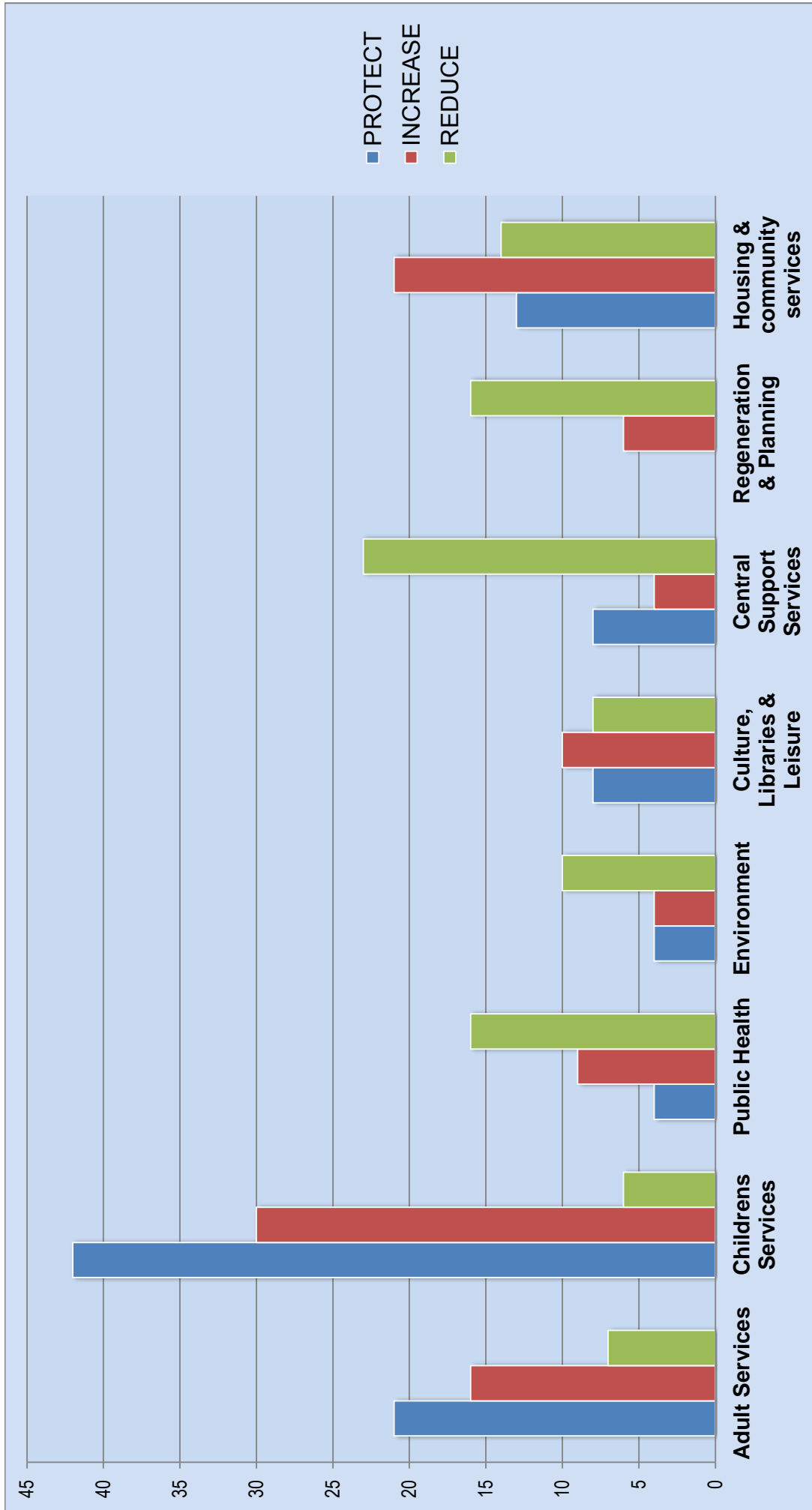




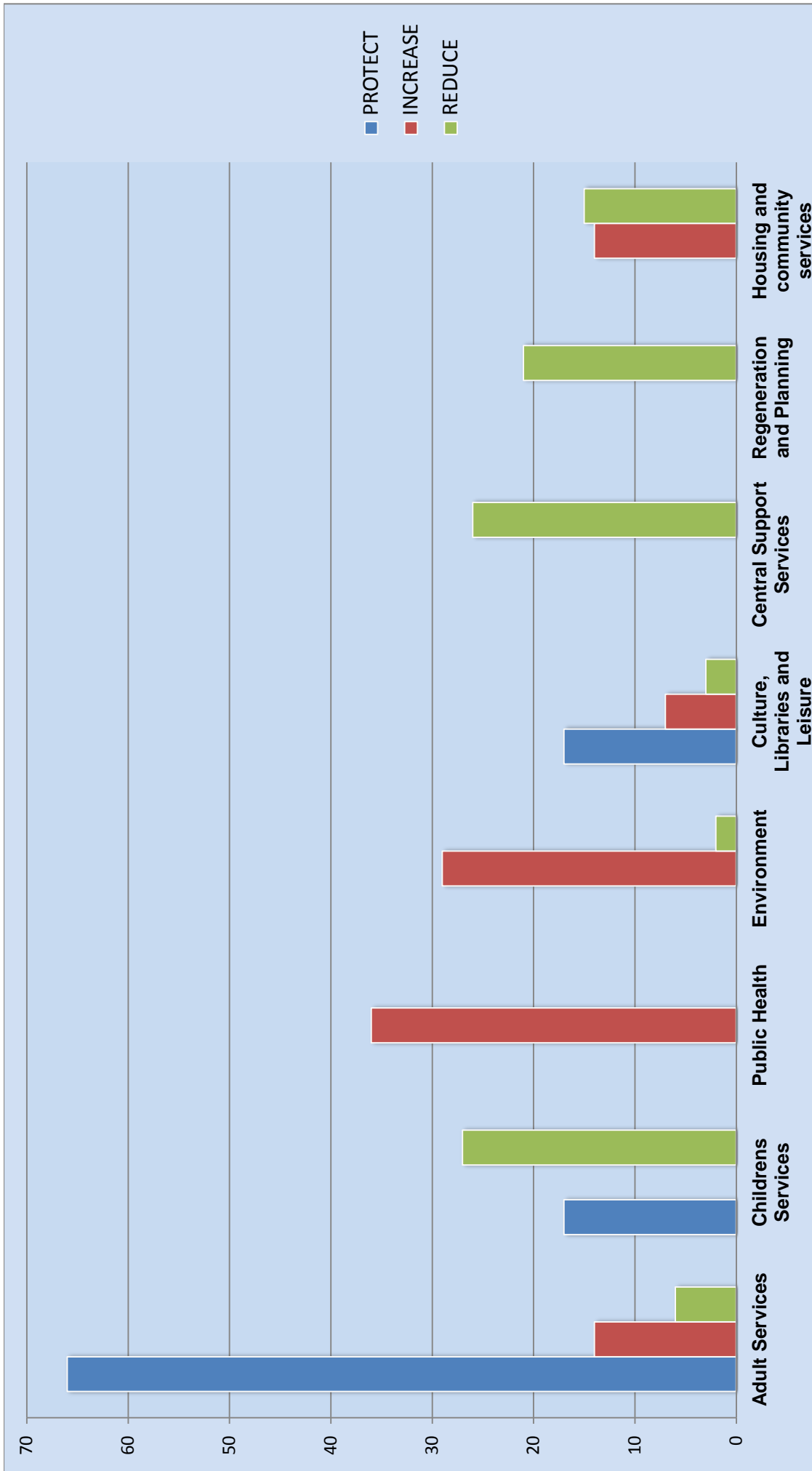
Camberwell Community Council, 15<sup>th</sup> November 2014. Results by percentage of choices made.



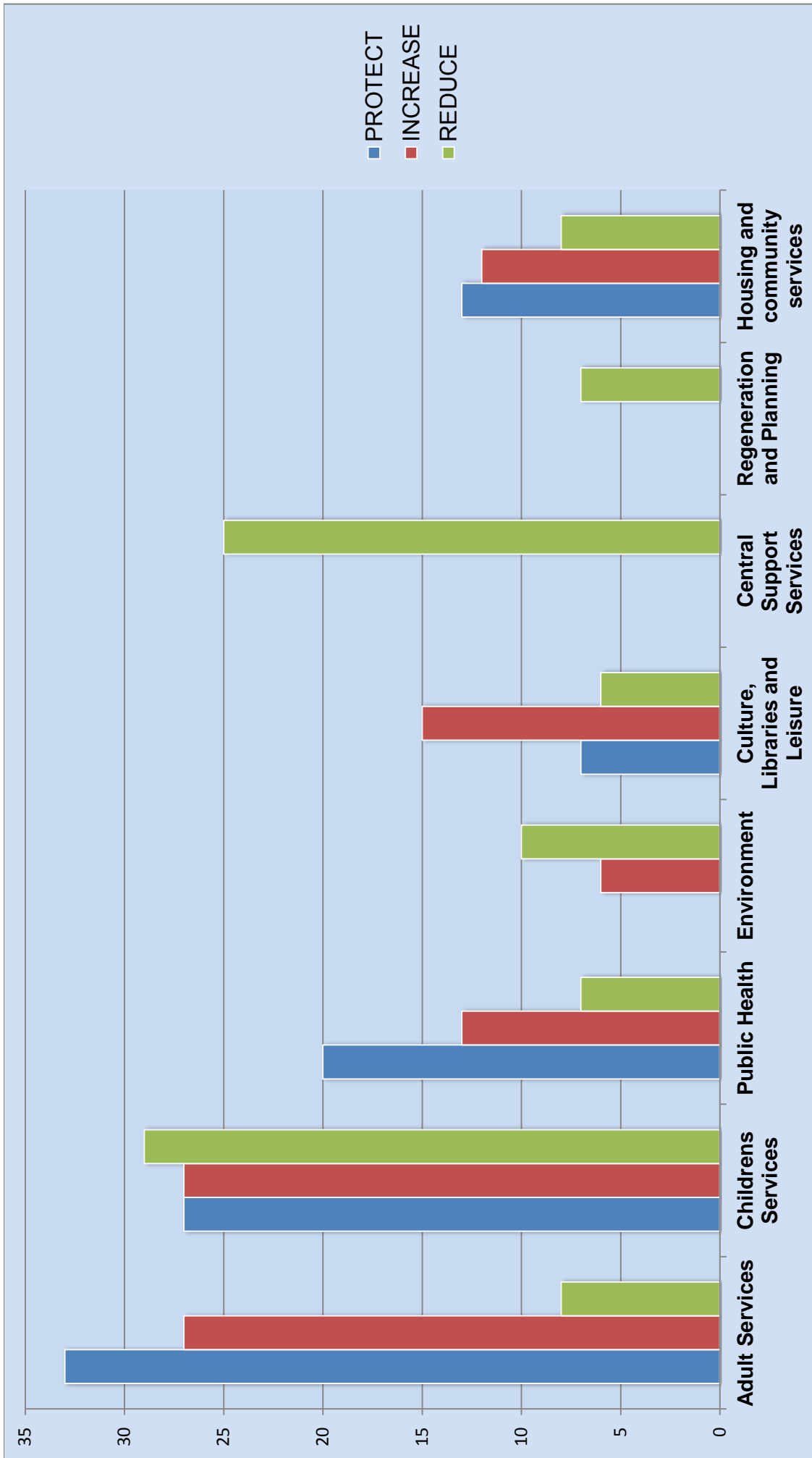
Bermondsey and Rotherhithe Community Council, 29<sup>th</sup> November 2014. Results by percentage of choices made.



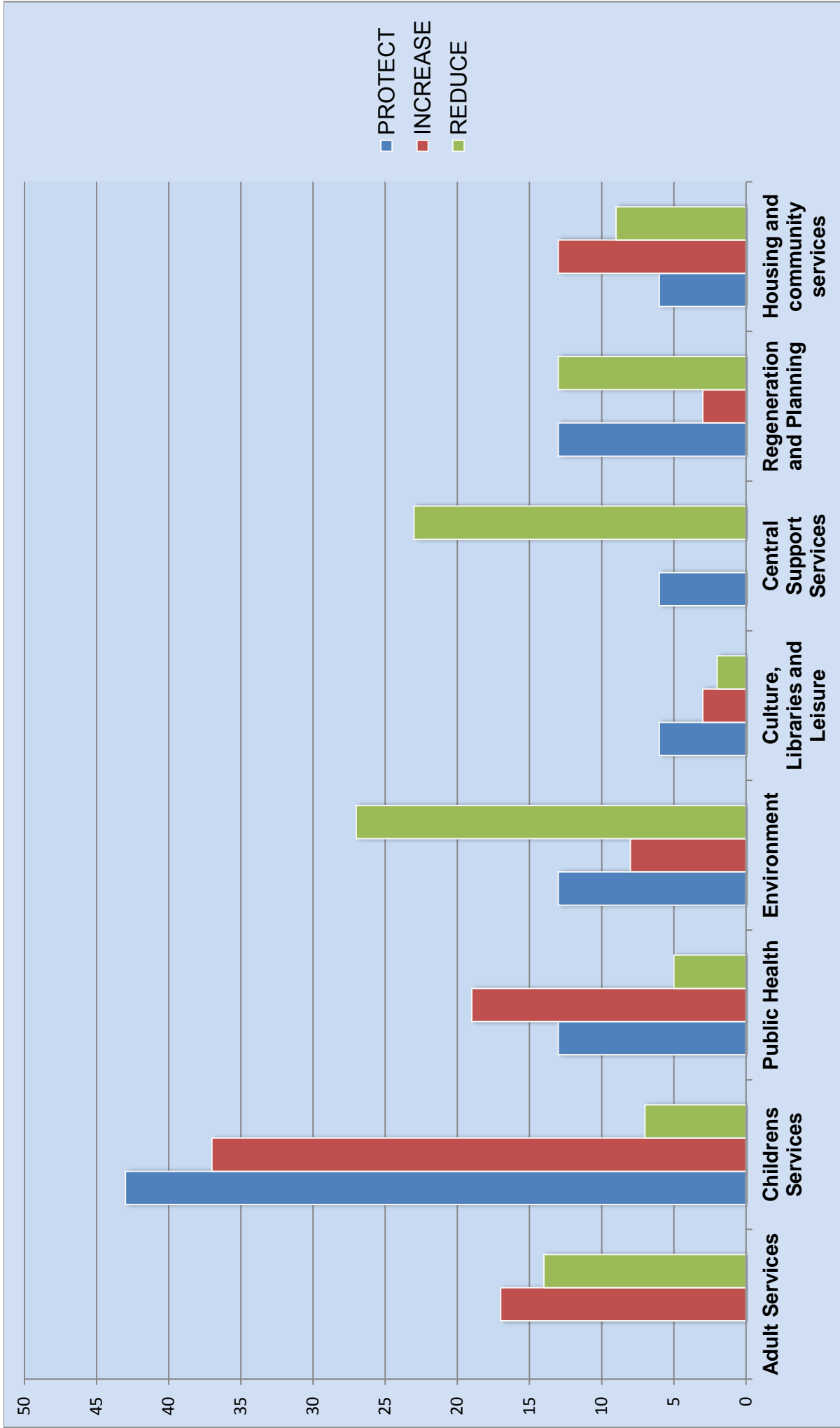
Borough, Bankside and Walworth Community Council, 29<sup>th</sup> November 2014. Results by percentage of choices made.



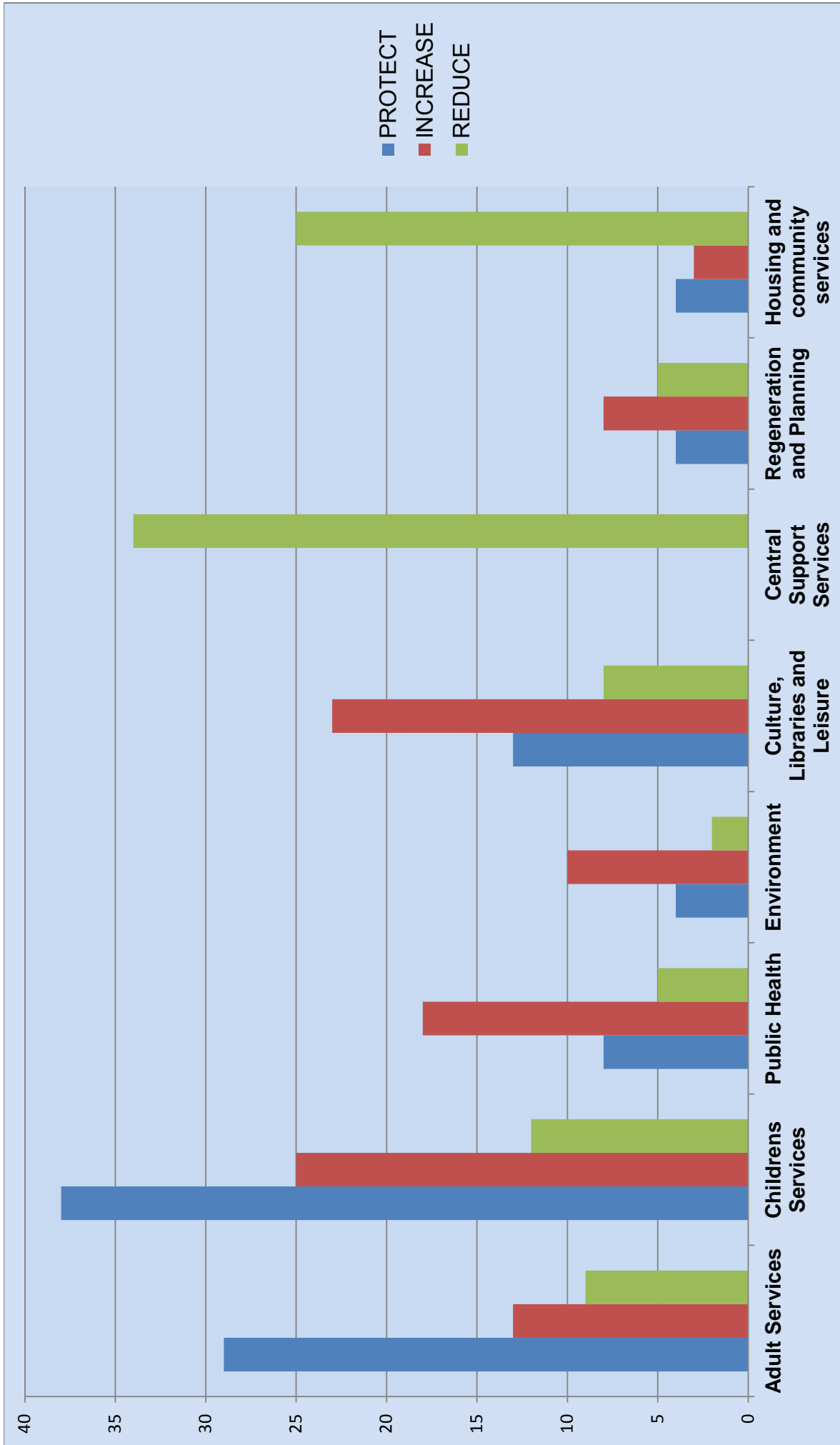
Dulwich Community Council, 3<sup>rd</sup> December 2014. Results percentage of choices made.



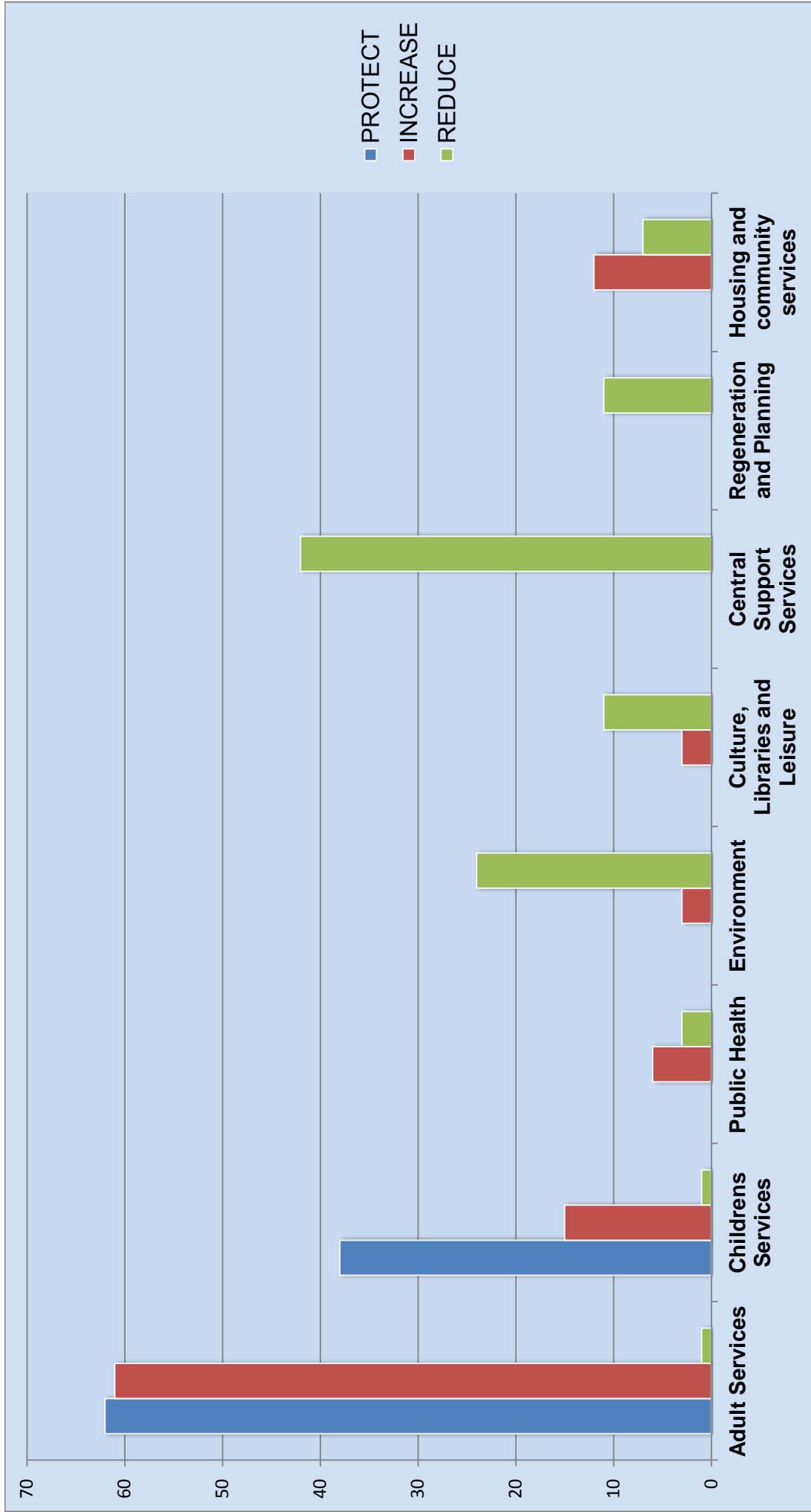
East Street Market Community Conversation, 22<sup>nd</sup> November 2014. Results by percentage of choices made.



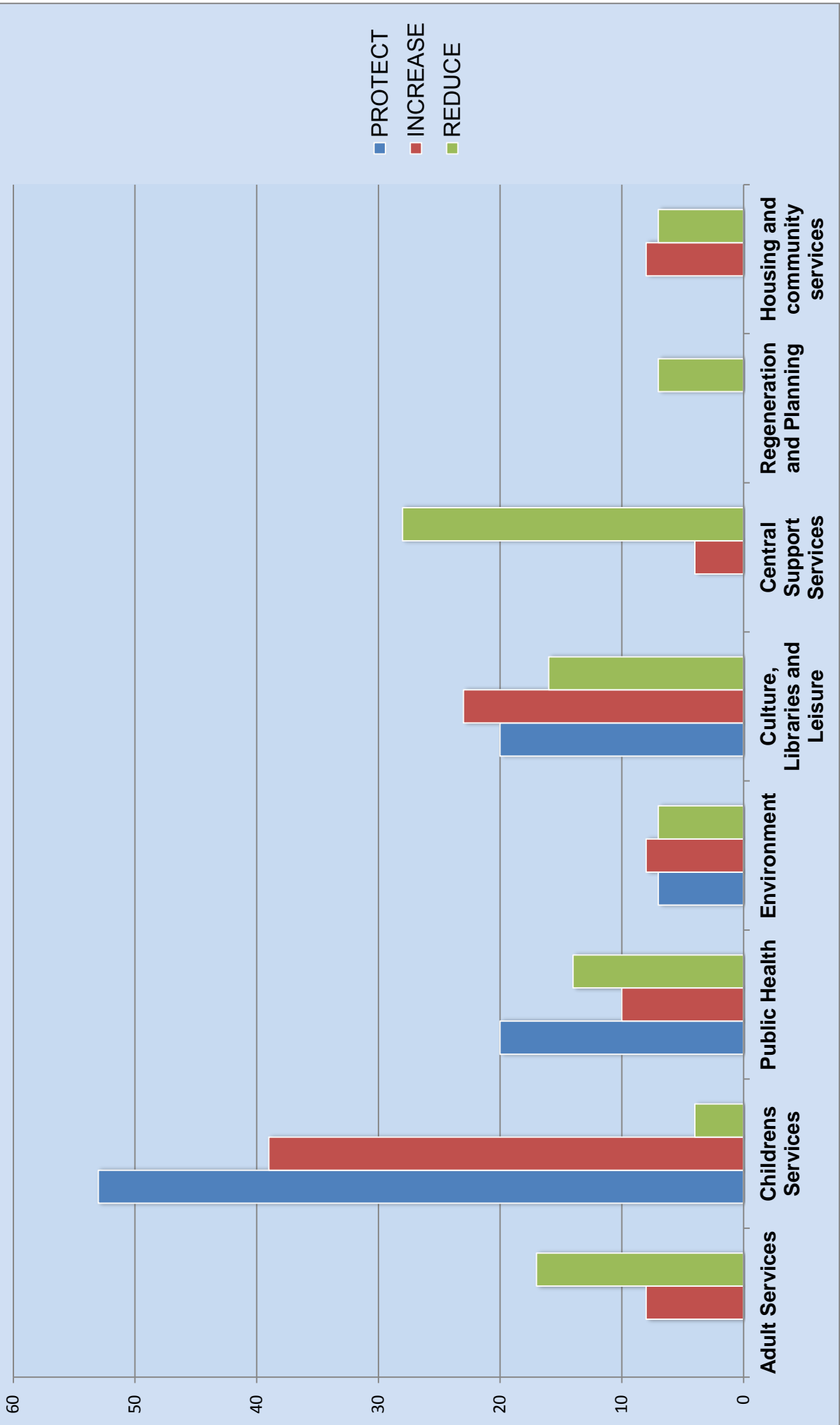
North Cross Road Market Community Conversation, 6<sup>th</sup> December 2014. Results by percentage of choices made.



Southwark Resource Centre/Southwark Disablement Association AGM Community Conversation, 21st November 2014. by percentage of choices made.



Community Conversation at the Youth Council, 17<sup>th</sup> November 2014. Results by percentage of choices made.





## Appendix A – written comments list

Protect this service
Youth work/youth clubs and adventure playgrounds x10
Care for older people living at home or residential homes x7
Day care and respite services for older people and adults x4
Services for adults suffering with mental health illnesses x4
Libraries x4
Health x4
Sexual health services x4
Disabled people x3
Universal childcare services x2
Highways, parks and open spaces x2
Supporting vulnerable and disabled children to access education and training x2
A&E / Ambulances
Arts and heritage
Carers services
Council services
Dementia
In some areas the service could be better but it is acceptable
Keep Council Tax low
No high rise developments over 4 stories in Peckham
Police
Positive results for ALL residents
Road crossing services
School nurses
Services for children at risk of abuse, harm or neglect or with disabilities

Sports and leisure services
Voluntary sector
Waste and transport
<b>Increase spending on this service</b>
<b>Youth work/youth clubs and adventure playgrounds x19</b>
<b>Highways, parks and open spaces x13</b>
<b>Sports and leisure services x12</b>
<b>Libraries x11</b>
<b>Helping schools to improve x9</b>
Adult education x6
Disabled people x6
Repairs and compliance x6
Older people x6
Arts & heritage x5
Services for adults suffering with mental health illnesses x4
Sustainable transport x4
Affordable/social housing x4
Apprenticeships x3
Community engagement x3
Play and recreation x2
Vulnerable people x2
Computer access/training x2
Health x2
Children in care
Children with special needs
Commissioning
Community safety

Conservation
Constitutional support and scrutiny
Creative industries
Day care and respite services for older people and adults
Early years service
Education
Free cultural events/festivals in parks
Housing benefit
Increase in Activities for 18 – 55
On my care package and health and social care
Pay contractors the London Living Wage
Physical activity
University bursaries
Recycling
Retail
Safeguarding adults and assuring quality provision
Services for children at risk of abuse, harm or neglect or with disabilities
Sexual health services
Smoking and tobacco
Social Responsibility
<b>Find savings with this service</b>
<b>Customer experience x15</b>
<b>Communications and publicity x13</b>
<b>Managers x11</b>
<b>Revenues and benefits x10</b>
<b>Libraries x10</b>
Corporate facilities management x7

Let people sort out their own problems x7
Substance misuse x7
Consultants x7
Waste and transport x7
Corporate strategy and economic wellbeing x6
Electoral services x6
School nurses x6
Smoking and tobacco services x6
Highways, parks and open spaces x6
Sexual health services x5
Involve the community and voluntary sector x5
Strategic financing x5
Cross-departmental working and shared services x4
Contractors x4
Insurance x4
Finance and financial services x4
Staff should be Better qualified x4
Keep cutting x4
Physical activity x4
Helping schools to improve x4
Day care and respite services for older people and adults x3
Repairs and compliance x3
Care support for adults with learning disabilities x3
Care support for adults x3
Developers should contribute more to regeneration costs x3
Meetings/food for meetings x3
Office refurbishment x3

Community engagement x3
Safeguarding adults and assuring quality provision x3
Human resources including learning and development x3
Sports and leisure services x2
Care for older people living at home or residential homes x2
Councillors/Leader x2
Drop the free gym promise x2
Information and data services x2
Health x2
Public health advice x2
Land x2
Family work x2
Commissioning and contract management x2
Arts and heritage x2
Become a cooperative council
Bring all services in house
Ceremony
Charge families means tests
Child Benefit
Community safety
Community Wardens
Consultations
Do not rebuild the Cumming Museum
Educate households to be more responsible about their waste.
Events/festivals
Free school meals
Admin

Adoption
GPs
Housing Benefit
Increase efficiency
Increase rents
Lots of things
Operations
Parking enforcement [shouldn't] be incentivised to give out more tickets
Planning and transport
Play and recreation
Pointless change. Use money <u>wisely</u> through community engagement
Politicians Expense Accounts, Foreign Policies, War Budgets
Projects for entertainment
Road surfacing
Services for adults suffering with mental health illnesses
Services for children at risk of abuse, harm or neglect or with disabilities x5
Services for drivers
Services for people with irregular immigration status
Specialist housing services
Sustainable transport
Pay
Staff – Temporary
Street cleansing
Too many regulatory organisations
Traffic management schemes
Traffic Wardens
Voluntary organisations

Why weren't there any African org talking about Ebola - very colonial [illegible word]
Youth work/youth clubs and adventure playgrounds

<b>General Comments</b>
<b>Need more information before deciding x17</b>
<b>No more cuts x6</b>
Not enough spent on street cleaning compared to other central London locations. X2
too little spent on regeneration and planning, considering its significance in Southwark x2
increasing internet use is making spending on libraries less essential x2
the council needs to update it's working best practice rules and then save money on excess staffing x2
Abolish use of herbicides on street to clear weeds on pavements and front walls.
All public information from the council must be available in audio formats for visually impaired residents. This should be a priority for council spending discussions.
Clear accumulated leaves on side roads, which become a hazard when more leaves fall and we have wet weather.
Ensure that the council is aware of the identity and qualifications of all contractors staff (and agency + sub-contractors)
Give people who are not working jobs.
Hedges overgrown from private homes + so the council should enforce against private owners, better ramps on street for disabled people.
Improve customer care by council staff
Increase income through trading
Install more public seating on parks and public areas
Leaseholder charges have to be explained better.
Less attention paid to community identity matters, such as the label "BME"
Less parking restrictions in shopping areas
Money should be re-distributed e.g. substance misuse and smoking and tobacco should be included with public health service.
Nonsense to prescribe [a financial value on each cheque]
Reduce + join TRA's
Reduce number of fast food restaurants

School on Dulwich Hospital Site. Why can we not prioritise this and put pressure on the NHS to release part of the site? The Charter School could expand quickly + easily into it.
Schools should be included with the spending challenge
There are other services which should take priority over this.
Vouchers such as my uni-days discounts for young people from age of 13.
What awful choices you have to make!
increase spending on adult services because these are the most vulnerable.
reduce criteria for adult social care and concentrate resources on those most in need.
increase spending on vulnerable young people
reduce spending on looked after children so as to discourage some people from having "too many" children
spending on culture, leisure and libraries is what makes Southwark a great place to live, so spend more.
save money on public health by insisting the NHS pays for health services.
save money on back office costs by employed fewer staff and encouraging residents to use on-line services.



## Appendix C

### Report on Spending Challenge workshop Southwark Voice meeting for members of Community Action Southwark Wednesday 29 October 2014

Cllr Colley – Cabinet member for Finance, Strategy and Performance, gave an overview of the budget situation of the council. This was followed by a question and answer session with members of Southwark Voice.

#### Questions and issues raised

- How can we ensure a safety net for those who have lost the state safety net (housing, benefits)? Advice services might have to start limiting support to only the more vulnerable – may need to think strategically with the council about how to identify them. Cllr agrees that demand for emergency support is rising; Council will be continuing the Emergency Support Scheme.
- The relationship between VCOs and their service users may need to change. For example, they may need to be more proactive in terms of helping people with their finances – setting up standing orders. This is a more intrusive approach than they are used to.
- The VCS needs to be more involved in integrated care pathways/strategies (existing ones, and also mental health one emerging). We do provide services but this is not always acknowledged – leads to duplication. The VCS is often the ‘cement around the blocks’ which creates a ‘whole person’ approach. Cllr said the new Director for Adults and Children’s services may work on this. Also, the public health powers are new and more can be done especially around prevention.
- Families are often being given housing that is unsuitable for children’s disabilities – e.g. house by a loud road for a child with severe autism. Cllr advised groups to contribute to the new Housing Strategy and emphasise issues other than wheelchair accessibility.
- When families are assessed under Common Assessment Framework and helped, then case closes, and has to be reopened if there are more issues – which there often are. People are already in the system but have to ‘start again’.
- None of the local secondary schools are Local Authority. Some Academies are more willing to cooperate than others. There is potential for more curriculum devolution to LAs which might be helpful – can adapt the courses offered to local need (e.g. building and health services), rather than student demand.

- There is a need for regular, varied information about HIV. Awareness needs to be maintained – the problem hasn't gone away. Cllr agreed. Testing services are expensive – think what could be achieved through prevention.
- Have directors been asked about the proportion of their departments' spend which is preventative? Cllr agreed this would be a good question to ask.
- Sector welcomes the news that grants will continue – they are a key reason for the positive state of the local sector compared to others. Cllr agrees that they are important – e.g. for core costs – and says we need to find ways to put more social value into contracts too.
- Transition Fund: Work by CAS to help organisations strengthen their core is key. E.g. niche organisations serving specific groups which are losing funding.
- Contracts take a lot of admin and writing. Hard to get pots for innovation even in key priority areas e.g. digital inclusion.

### **Budget delegation**

At the time of the discussion CAS were gathering evidence from the VCS on its preventative role and costs saved to the council. CAS planned to take a delegation to the next available Council Assembly.

## SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

### Children's and Adults' Services

#### Overview

The Children's and Adults Services department provides the following services, arranged as four divisions:

- Children's social care: Delivers statutory social service functions to children, young people and families, including providing services for looked after children, child protection, foster care, adoption, youth offending and children with disabilities, as well as a specialist parenting service
- Adults' social care: Delivers statutory social service functions to adults and carers, such as providing services for frail older people, including those with dementia, and adults with a disability, learning difficulty or mental health need
- Education: Delivers universal services and statutory functions, including early years, school improvement, school admissions and youth services, specialist education, and special educational needs services
- Strategy and commissioning: Delivers strategy, performance, planning and commissioning services for the department, business administration and project management

The department provides funding to schools through the dedicated schools grant and administers the various funding formulas.

Changes to Children's and Adults' services are driven by the need to improve outcomes for Southwark's most vulnerable residents, whilst also achieving best value. Across services for children and adults, we are looking to shift the balance of care and support from the most costly residential placements to more appropriate settings in the home.

#### Children's Social Care

So for children who are looked after, that means identifying children who are currently in residential care homes who could be placed with foster families given the right package of support, (with an increased proportion of those foster carers being in-house, rather than independent fosterers), as well as reducing the number of children coming into local authority care when with more effective intervention they could safely remain with their families.

A transformation of the way we approach early help in Southwark, through the Families Matter approach, will integrate locality-based services for families - including the reconfiguration of additional support to children's centres - and will reduce long term demand on children's social care.

#### Adults' Social Care

For adult social care, as people exercise more choice and control through personalisation, less money will be spent with high cost providers in residential settings as we support older people, as well as people with physical disabilities and learning disabilities to live more independently. This will be delivered alongside the implementation of the Southwark Ethical Care Charter which restores dignity and respect for home care workers and people in receipt of care and support.

Increased integration between health and social care, supported by the Better Care Fund, will protect social care services to enable people to live at home for as long as possible, with care and support services reaching out into home and community settings. Efficiencies will be driven through the whole system by integrating teams on the ground in Local Care Networks.

Efficiencies and savings will be achieved by reviewing and reassessing clients needs, and working with providers to review placement costs using cost/market analysis tools to negotiate lower fees. There are also opportunities to help clients to move on from residential care to living in the community.

The Council's decision in 2014 to provide access to free Assistive Technology (AT)/telecare to vulnerable clients is in support of our prevention strategy – using equipment, adaptations and technology / telecare to prevent falls and injuries, enable people to be safer and more independent in their own homes for longer, and preventing admission to care homes or hospital, reducing attendance at A&E. Additional investment in telecare by the council will see an additional 1000 clients supported by AT/telecare, working especially with clients with high cost support to review them and reduce support packages with AT provision.

The work to review LD clients in the community and progress their independence is good practice. Over time, with the right support and intervention, people with learning disabilities gain skills, capabilities and confidence, which means they have potential to be more independent. The social work team will help people to progress their independence, redesigning their support accordingly, often leading to a reduced reliance on paid adult social care support. This means support plans and personal budgets will deliver better outcomes and value for money for the client and for the council. In addition to supporting value for money, the work accords with the council's values, particularly helping every person to realise their potential and treating every resident as a valued member of our community.

The personalisation agenda has led to a significant decrease in demand for day centre places, and provides the opportunity to alter our day services in response.

The council is strengthening the pathway for identifying and assessing people with continuing health care needs, and ensure the right decisions and outcomes from the process.

### **Education**

Further savings will be found in the education budget through integrating the management of play services and youth services and by restructuring education and training services to respond to the new requirements for special educational needs.

### **Strategy and Commissioning**

Strategy and Commissioning teams, as well as Business Improvement services and data management will be restructured, with the aim of further integrating Children's and Adults as one directorate and with a sharp focus on the council's priorities.

Children's and Adults' services will reduce costs and increase value for money by restructuring a significant section of our back office functions, including a review of the strategy and commissioning teams. We will bring together IT systems and data management across the department, as well as reviewing commissioned contracts to ensure close alignment with service priorities for adult social care. Children's Social Care will work with health partners to joint fund care for children with disabilities.

## **Fairer Future / Council Plan**

Children and Adults' services will be leading the delivery of a number of the key fairer future promises and Council Plan pledges, including, Southwark becoming an age friendly borough, value for money, free fruit in schools, the achievement of five or more good GCSEs for 70% of our young people, Council Tax subsidy for foster carers and adopters and the payment of London Living Wage, travel time and guaranteed hours for homecare workers, as well as doubling the number of free NHS health checks to catch problems like heart disease and diabetes.

The review of the customer journey will consider the whole adult social care system. It will look to reduce duplication and streamline processes. The review will also consider whether current organisational structures assist in keeping vulnerable people safe, and are age friendly. It is closely linked with the improvement to the IT infrastructure and the implementation of a new client information system. We will review how the current staff and management structure needs to change to deliver a simple, easy to understand, and efficient service delivery model. This area of work supports several of the "Fairer Futures" promises: value for money, delivering value for money whilst ensuring quality, safer communities, and an age friendly borough.

## **Modernisation / VFM / Efficiencies**

The total savings proposed in 2015/16 are £17.592m (or 10%). The savings for each of the divisions are:

- Children's Social Care savings of £5.385m (10%)
- Adults' Social Care savings of £8.364m (10%)
- Education savings of £1.843m (10%)
- Strategy and Commissioning savings of £2.000m (10%)

## **Children's and Adults - Equalities Impact Summary**

Front line services and improved outcomes for vulnerable children and adults will continue to be prioritised. The equalities impact of any changes for staff due to realignment and integration is being carefully considered.

The implementation of the Care Act from April 2015 will bring more people within scope of means testing and support (as they access the care cap), and a contributions policy will be considered by members in due course.

The proposals impact on adults with learning disabilities and physical disabilities, aged 18 and over, many of whom are Southwark residents placed out of area. The work will enable many to return to be closer to their families in Southwark, and ensure that their wishes, preferences and choices are heard and taken into account in terms of current and future support arrangements.

Some will be people with very complex needs, profound and multiple disabilities and long term health conditions. The project will support their quality of life and lead to better outcomes, rather than impact adversely in any way.

This impacts on all adult social care client groups – older people predominantly, adults with physical and learning disabilities, and adults with mental health needs, mainly those living at home but also those living in supported living and care homes. AT is not expected to have any adverse impact on these groups of people. Work with adults

with learning disabilities aged 18 and over and living in the community, either in their own homes or tenancies or with their carers/families, will focus on understanding their wishes, aspirations, skills and abilities, seeking to maximise their achievement of their potential, and they will be able to use the same local community resources and services as non disabled peers. This is tackles inequalities and supports choice.

Adults with physical disabilities and sensory impairments and older people have been rigorously assessed and supported by SW and the Independent Living Team to prepare for travelling independently with support as needed.

This will impact primarily on older adults and adults with learning disabilities supporting their access to NHS continuing care funding, to which they are rightfully entitled, which will address inequalities in application of the NHS CHC criteria and should have no adverse impact.

## SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

### CHIEF EXECUTIVE'S DEPARTMENT

#### Overview

The Chief Executive's department is made up of four divisions: regeneration, planning, corporate strategy and human resources.

The vision for the department is to provide leadership to support the delivery of the Council Plan and take forward projects to bring about change across the organisation whilst continuing to achieve value for money and spend money as if it were from our own pocket. The department leads on the council's delivery of regeneration, which is bringing about thousands of new homes, jobs and opportunities across the borough, making our neighbourhoods places in which people are proud to live and work.

The department's activities directly support a number of fairer future commitments including supporting 5,000 more local people into jobs, creating 2,000 new apprenticeships and transforming Elephant and Castle, the Aylesbury and the Old Kent Road. The department also ensures the council has the internal capacity to deliver the council plan promises, principally through leadership of the Modernise transformation programme.

Savings are proposed of £1.192m across the department. Further savings are expected in 2016/17 as some proposals may take some time to implement and the full effect will not be realised before then. These will be achieved through more efficient and smarter ways of working largely as a result of staff reorganisation and rationalisation alongside some proposals to raise income (of some £220k, specifically within planning and property services).

Public Health also sits within the department and proposals are described in a separate narrative.

#### Chief Executive's Department – Equalities Impact Summary

The services across Chief Executive are largely staff based including back office services. The role of Chief Executive's Department is to enable a consistent approach to equality across the whole council, ensuring equality is taken into account in all decision making processes where relevant. The department also ensures that effective policy and robust performance measures are in place to support the council's compliance with the public sector equality duty in its role as employer and service provider.

In terms of direct customer contact, Southwark's significant regeneration and planning services provide a platform for addressing strategic equality priorities with regards to community development, improvements in the built environment and in maximising economic growth opportunities.

Residents across all housing tenures, visitors and businesses in the borough are all potential beneficiaries of regeneration schemes. However, in planning and delivering for future regeneration, the council needs to be mindful of the potential impact on some of the most disadvantaged and vulnerable groups and ensure mitigating actions are

identified and in place. For example where external funding from government has been reduced, the mitigating action is to retarget available resources to schemes that support people with higher levels of need as far as is possible.

The majority of savings proposed for 2015/16 will be achieved through more efficient and smarter ways of working achieved through service reconfiguration and rationalisation of staff resources. The impacts of such savings would primarily fall on staff rather than service users in the first instance. As specific proposals are implemented the different impacts on different categories of staff will be assessed.



## SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

### ENVIRONMENT AND LEISURE

#### Overview

The Environment & Leisure department delivers services that make a real difference to the everyday lives of all residents and visitors. The majority of our operations are frontline services: they physically improve the environment, they provide opportunities for health and enjoyment or they help improve safety and confidence. The Strategic Director is also the Electoral Registration and Returning Officer, so the department includes the electoral services team. The other services can be broadly grouped into:

- **Public Realm** covering parks and open spaces, parking, highways, transport planning, cleaner greener safer initiatives, cemeteries and crematorium services
- **Environmental Services** covering waste management and refuse collection, street cleaning and recycling, carbon reduction and energy projects
- **Community Safety and Enforcement** covering the Safer Southwark Partnership, drug and alcohol teams, emergency planning, environmental health, community wardens, antisocial behaviour unit, environmental enforcement, private sector housing renewal, noise and CCTV
- **Culture, Libraries, Learning and Leisure** covering arts, heritage, leisure centres, sports, libraries and adult learning.

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

All of the department's activities contribute towards all the Council's Fairer Future Promises and the objectives set out in the Council Plan, whether it be by delivering Free Swim and Gym, delivering A Greener Borough, making the borough a safer place, creating Quality Affordable Homes, contributing to health improvements or improving the environment for everyone in Southwark.

The department's activities mainly fall within the responsibilities of six Cabinet Members, and each of these receive briefings in relation to the budget proposals and performance against the Council Plan objectives.

The budget for environment and leisure services in 2014/15 is £72m. The department has already achieved savings of £5.5m during 2012/13, £2.6m during 2013/14 and is on target to achieve £2.3m savings for 2014/15. For 2015/16 it is proposed to make total savings of £5m (11%), including generating additional income of £2m.

It is proposed to make efficiency savings of £710k in Public Realm. This comprises £450k of efficiencies in winter maintenance, highways and gullies maintenance following increased capital investment and use of reserves, £180k from modernising

back office functions and harmonising staff terms & conditions, and £80k by introducing improved technology for contract supervision.

In Environmental Services, improved efficiency at the waste facility and a review of our clinical waste service provision will generate savings of £253k. Other efficiency savings include a divisional restructure and more effective use of agency staff. The division will generate electricity by installing large photovoltaic array on the roof of the council's waste management facility as an "invest to save" project. This will not only attract financial incentives from central government but also reduce the council's carbon footprint.

Community Safety & Enforcement division is proposing to make efficiency savings of £651k by restructuring and finding alternative funding for some of the existing posts. This includes phase 1 of review and rationalisation of all enforcement services saving £340k. Phase 2 will commence in 2016/17 with expectation of delivering further savings while maintaining the council's response to anti social behaviour and noise issues, and reducing the bureaucracy experienced by businesses.

It is proposed to make efficiency savings of £900k within the Culture, Libraries, Learning and Leisure division. These have been made possible through better management of the leisure management contract, a review of the libraries and heritage staffing structures to reflect technological changes and modernisation of heritage services within the new 151 Walworth Road building and by securing public health funding for community sports and well being services provided in libraries.

There are plans to generate additional income of some £2m for 2015/16. Public Realm and Environmental Services are proposing to generate £1m and £760k respectively from chargeable services whilst remaining in line with the London average. Culture, Libraries, Learning and Leisure will benefit from increased income at Kingswood House through better marketing and improved management of facilities which are also being upgraded through the capital programme. Community Safety's additional income of £100k will be generated from anticipated cost recovery from selective licensing activities, subject to consultations.

Budget commitments total £430k and are required for additional running costs for the new Camberwell Library, the start of an apprentice programme within our noise service and the pilot and implementation costs of our free swim and gym initiative.

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

### **Environment and Leisure – Equalities Impact Summary**

The Environment and Leisure department offers and delivers a diverse range of services that shape the everyday experience of residents in the borough. Any savings proposals that may have a negative impact on the wider community or reduce the level of services offered have to be closely examined both in terms of community impact and the general duties of the Equality Act.

We have sought to do all we can to protect and offer continuity for front line operational services, especially where they have an impact on vulnerable residents. However, the

majority of our services are front line and changes and reductions to service delivery are inevitable in order to meet the scale of savings required. The proposals set out here seek to make savings and efficiencies through increased income generation, back office reductions, improved processes, leaner staffing structures and negotiating better value for money from our contractors.

An equality screening process has been completed on all the proposals to ensure that we have properly considered any impact there may be on specific groups and those with protected characteristics. Each of the 46 proposals have been risk assessed and four have been identified as having a potential equalities impact.

An equalities analysis has been carried out on these specific proposals to gauge the potential impacts, risks and mitigating controls that may be put in place to minimise any impact, and suitable recommendations have been made. The majority of these proposals have already been subject to extensive consultation with the community and partners prior to implementation, and further equalities assessments will need to be carried out once implementation and delivery plans are clarified.

## SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

### FINANCE AND CORPORATE SERVICES

#### Overview

The Finance and Corporate Services Department (FCS) includes Revenues and Benefit Services (including financial and cash transactions teams) and back office business support services: Corporate Facilities Management; Finance (incorporating Procurement Advice and Audit Teams); Information and Data Services; and Legal Services.

The vision for Finance and Corporate Services is to “make a positive difference everywhere we engage”; underpinning the department’s need to be efficient and effective in what we do.

In line with the Fairer Future promises, FCS endeavours to help the council to "manage every penny as carefully as local families look after their own household budgets".

The savings proposed for the department of £3.434m (9.4%) are in the main focused on more efficient ways of working and improving value for money in line with the fairer future promise. The budget consultation exercise recognised the need for savings to be concentrated as a priority on the back office services and this is reflected by these proposals.

#### Revenues and Benefits

Savings of £700k consist of staff savings resulting from improved processes, and new ways of working within the housing benefits claims and overpayments teams and the cash office function. It is proposed to close the two remaining cash offices in March 2015 and to redirect their activities to post office and pay point locations across the borough but more importantly to transfer these payments to accessible, cheaper and more efficient cashless methods, especially direct debit.

#### Corporate Facilities Management

Savings of £535k arise mainly due to more efficient contracting arrangements and building facilities operations; programmed capital investment reducing the need for reactive maintenance and, in addition, £90k savings from restructuring of the division.

#### Finance

Service savings proposed of £953k include a £229k saving in external audit fees, with the remainder of the savings to be delivered by a restructure of the finance teams. This is consistent with the reducing size of the organisation and follows on from a series of smaller scale changes over the last four years.

#### Information and Data Services

Of the savings proposed of £617k; half are proposed to be delivered through reduced IT transaction costs as volumes fall (e.g. printing) and half through restructuring and the loss of a number of posts that are currently vacant.

## **Legal Services**

Savings of £629k will met by an increase in property related income of £100k and back office staff restructure resulting from improved ways of working.

## **FCS Equalities Impact Summary**

The department is committed to achieving the required level of savings to meet the budget challenges and to reflect closely on the findings of public consultation while remaining mindful of the critical nature of many of the services provided and the need to sustain these at minimum levels.

The impact of implementing these proposals will fall largely on staff as the majority of the FCS budget is staffing related expenditure. The management team is committed to assessing the impact on staff to ensure fairness and equality. As budget reductions are implemented the impact on staff will be considered in detail throughout the implementation of each proposal, which will be conducted in accordance with the council's reorganisation, redeployment and redundancy procedure. Detailed plans and consultation documents are already being prepared and trades unions are briefed regularly.

## SUPPORTING NARRATIVE FOR BUDGET PROPOSALS

### HOUSING AND COMMUNITY SERVICES

#### Overview

The department's vision is to make Southwark homes great places to live, where good services are delivered right first time. Linked to the council's Fairer Future promises, the department aims to boost investment in the housing stock, build new council homes at council rents and improve performance in all core service areas. We aspire to work closely with residents to deliver consistently high quality services, achieve better value for money and continue to support the most vulnerable residents, particularly those in temporary housing need.

The department delivers a diverse range of services funded from both the council's General Fund, and the ring-fenced Housing Revenue Account (HRA) for landlord services, which cabinet considers separately from the General Fund budget. Activities are focused on:

- Ensuring council housing is warm, dry and safe including a kitchen and bathroom renewal programme.
- Delivering an improved and customer orientated housing repairs service, including an enhanced voids letting standard.
- Ensuring that homeowner charges are fair.
- Tackling fraud and ensuring that homes are allocated to those in genuine housing need.
- Increasing housing supply and reducing the use of temporary accommodation.
- Improving the customer experience and increasing digital service delivery.
- Delivering efficiency savings and improving value for money.
- Involving customers in the improvement and local management of services.
- Developing the department's equalities framework.

The primary areas for consideration are:

#### Customer Experience

The customer access programme aims to achieve improved customer services whilst at the same time delivering efficiencies. It aims to deliver this through electronic service provision; on-line service access and self service, and smart telephony. The large majority of council services are now accessible on-line, 24 hours a day and at the customer's convenience.

The opportunity to reconfigure and improve customer access and service delivery in the contact centre has generated £3.3m savings since the contracted-out service was brought back in-house in 2013 with a further £831k earmarked for 2015/16. Investment in on-line provision, particularly through 'My Southwark', means more customers can now self-serve and transact their business with the council digitally, rather than through traditional routes. The benefits of moving to new shop-front style My Southwark Service Points and rationalising office accommodation has generated greater efficiency (£205k) whilst raising customer satisfaction levels to 93%.

The division is also responsible for a number of other services, which also contribute to the savings proposals as follows: customer resolution (£160k), concessionary travel and registrars and coroners services (£90k) and housing options (£166k). The division also continues to support employment in the borough through its apprenticeship programme with the appointment of 12 new apprentices across the division this year.

Most recently, the housing portal available through My Southwark has enabled council tenants and leaseholders to view their rent or service charge accounts on-line and request a repair. These service access improvements also provide the opportunity to review and rationalise the opening hours for the contact centre. It is proposed to bring the service in line with most other London councils and to revert to a 9 to 5pm, Monday to Friday service, whilst providing an out of hours emergency service at all other times.

### **Specialist Housing Services**

One of the most significant financial risks the council faces is homelessness and the upward cost pressure of temporary accommodation provision, particularly bed and breakfast. Southwark is recognised as a leader in homelessness prevention, but it is simultaneously facing challenges through rising demand and a reduction in the availability of accommodation. Hostels and estate voids in the HRA provide more financially neutral forms of temporary accommodation and these are utilised wherever possible to ameliorate the impact on the general fund. Further efficiencies (£206k) arise in operational running costs linked to modern ways of working and digital by default agendas; together with efficiencies in the private sector leasing schemes which have moved to being self-funding; and staffing efficiencies in reducing management roles whilst preserving frontline services. Additionally, measures are being taken to better manage demand, up-scale supply and discharge our statutory responsibilities through the private sector and registered providers. The demand-driven nature of the activity makes it difficult to predict the extent of the budget pressure that may occur, but this will be addressed by way of corporate contingency as required.

### **Community Engagement**

The division delivers consultation and community engagement activities across the council that are about involving residents and the voluntary and community sector (VCS) in the decisions that the council makes, improving our services in a climate of reduced resources and getting residents involved in managing and delivering services where they are better able to do so. This is an integral part of the Fairer Future vision and the Council Plan, in particular working with local people, communities and businesses to innovate improve and transform public services.

The division supports the five community councils, works with tenants and residents associations across the borough, manages the relationship between the council and the voluntary and community sector and commissions services that support our most vulnerable residents. The key priorities include:

- Introducing resident housing inspectors.
- Introducing a new diversity standard to ensure that people from every community have their voices heard.
- Involving residents in the council's ambitious plans to build 11,000 new council homes.
- Supporting an independent Commission to enhance the vital work of the VCS.

The approach to the budget has been where possible to involve residents and the VCS to develop budget proposals that protect services and to identify where investment in preventative services can reduce demand on more costly crisis services further down the line. Despite the significant level of cuts in council funding over the medium-term, the impact on voluntary sector funding has been significantly less, but the severity of the impending cuts clearly make this position harder to sustain which presents a challenge for both the council and the role of the VCS going forward.

For 2015/16 the budget savings comprise:

- A reduction in the community capacity grants programme arising from two organisations having ceased to operate.
- Rationalisation of existing arrangements into a single service infrastructure contract for VCS support.
- Reprourement for the statutory provision of HealthWatch Southwark.
- Review and restructuring of support arrangements for community engagement, Mayor's office and community councils.

### **Housing and Community Services- Equalities Impact Summary**

In developing budget proposals, the department remains committed to delivering efficiency savings that as far as possible protect frontline service provision. For 2015/16 a further £2.025m savings have been identified (c. 9%), through revised and more efficient working within the housing service and working more collaboratively across departments via streamlining back-office processes and structures, partnership working and investment in alternative service delivery models.

The drive towards greater operational efficiencies through service rationalisation and integration and moving towards more cost effective transaction routes continues apace and offers further scope for savings going forward.

Together with smarter procurement and rigorous contract management it has been mostly possible to protect service outputs albeit at reduced cost so far, but given the scale of reductions in central government funding it is inevitable there will be an impact going forward. In line with the Public Sector Equality Duty, impact assessments consider whether there are any disproportionate impacts on any particular groups and identify actions to mitigate these. Wherever possible budget proposals attempt to protect frontline services and therefore have a neutral effect including for those who share a protected characteristic under the Equality Act.



**SUPPORTING NARRATIVE FOR BUDGET PROPOSALS**

**PUBLIC HEALTH**

**Overview**

The overall Public Health budget in 2015/16 is £24.283m, funded by specific ringfenced grant and additional CCG contributions to be consolidated within the specific grant in the future.

Services cover issues such as support for individuals with drug and alcohol addictions, sexual health services, school nursing, health checks and a team that provide specialist public health advice and support. From October 2015, health visitors will also become part of the council's public health remit increasing the budget by £3.464m.

The council is keen to ensure that the use of Public Health investment is appropriate and in line with regulations and locally established priorities that focus on better outcomes, reducing health inequalities in the borough.

**Fairer Futures / Council plan**

The council's fairer future promise to double the number of NHS health checks will be provided through effective re-commissioning of the Healthcheck service across Lambeth and Southwark while achieving better value for money and improved outcomes.

**Modernisation / VFM/Efficiencies**

The commissioning strategy is being reviewed to deliver improved focus on commissioning for effective outcomes, which will release resources of £2.3m across Children's and Adults', Environment and Leisure and the Specialist Advice Team. This funding will be reinvested in services that support the council's public health objectives and priorities.

**Public Health – Equalities Impact Summary**

As the commissioning strategy is developed, impact assessments will continue to consider whether there are any disproportionate impacts on any particular groups and identify actions to mitigate these.

**Proposed Commitments:****Appendix H**

Department	Ref	Description of Commitments	2015/16 £'000
<b>Children's and Adult Services</b>			
Strategy, Commissioning & Business Improvement	1	Free Healthy School Meals - Increase in pupil numbers for years 3 to 6 as larger year groups move upwards in school years	200
	2	Free fruit for Key Stage 2 children - implemented in September 2014	365
Children's Services	3	Staying put - Children to remain in Placements beyond 18. Children's & Family Bill requires councils to ensure that any child in foster care can continue until they are 21 if the child and carer want to. Currently this arrangement only happens if the child moving out would impact on their education. The bill also requires that the foster carer must not lose out financially. The impact of this is expected to increase each year.	100
Children's Services	4	Family drug & alcohol court assessments (FDAC) - Pilot initiative being run across a consortium of councils for which Southwark are currently the lead partner. This will enable us to purchase 10 parenting assessments and work with families with children on the edge of care.	250
Children's Services	5	Council tax payments for Southwark residents who foster or adopt a Southwark looked after child	200
Adult Services	6	Implementation of the Ethical Homecare charter	2,000
<b>Total Children's and Adult Services</b>			<b>3,115</b>

**Proposed Commitments:****Appendix H**

Department	Ref	Description of Commitments	2015/16 £'000
<b>Environment and Leisure</b>			
Leisure	7	Initial assessment of additional and ongoing running costs for Camberwell Library	100
Leisure	8	Costs of 2015/16 pilot and pre implementation of the free swim and gym initiative scheduled to be rolled out in the summer of 2016.	200
SASBU, Noise, Licensing and EPT	9	Additional costs to implement zero tolerance on noisy neighbours. The investment will pay for four grade 3 apprenticeship noise officers who will support qualified noise officers and increase the capacity in the team to carry out visits, including non statutory noise nuisance cases.	130
<b>Total Environment and Leisure</b>			<b>430</b>
<b>Corporate Budgets</b>			
	10	Concessionary fares (Freedom Pass) arising from fare increases and number of people eligible.	265
	11	Estimated increase in levies for the LPFA, Environment Agency, and Lea Valley due to increase in tax base from which the levies are calculated	50
	12	Continuation of SESS (Southwark Emergency Support Scheme)	700
	13	Annual fireworks event	65
	14	Costs and administration of offering to open a credit union account with a £10 balance for all 11 year olds in the borough	50
<b>Total Corporate Budgets</b>			<b>1,130</b>
<b>Total Commitments</b>			<b>4,675</b>

**Proposed Efficiencies and improved use of resources:****Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
<b>Children's and Adult Services</b>			
Adults (Learning Disabilities)	15	Shifting the balance of care - reducing learning disability placements and supported living costs	(2,600)
Adults (Physical Disabilities)	16	Shifting the balance of care - reducing placement and supported living costs for adults with physical disabilities	(400)
Adults (Older People)	17	Reduced expenditure on void beds within block contract in Older People's residential home	(700)
Adults (All)	18	ASC management restructure	(80)
Adults (Customer Journey teams)	19	Review of adult social care customer journey and identification of efficiencies through staff and management reorganisation	(424)
Adults (LD)	20	Expanding reablement and progression of independence for adults with LD living in the community	(500)
Adults (OP/PD)	21	Redesign day services: Southwark Resource Centre, Fred Francis, Southwark Park	(200)
Adults (All)	22	Efficient application of Better Care Funds to protect Social Care targeting specific schemes. Also applying replacement funding for existing Council spend on voluntary sector	(1,200)
Adults (OP/PD)	23	Reduction in admissions to nursing and residential care placements arising from integrated working	(100)
Adults (OP/PD)	24	Reablement expansion and progression of independence for adults with long term support needs.	(500)
Adults (ALL)	25	Targeted roll out of Assisted Technology / telecare to reduce high cost support across client groups	(500)

**Proposed Efficiencies and improved use of resources:****Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
Adults (NRPF)	26	Following Audit review, a significant number fraudulent claim cases were identified within No Recourse to Public Funds clients. As a result more robust checks and anti fraud measures are being introduced	(450)
Adults (ALL)	27	10% reduction in spend on photocopying, printing, stationery, post, etc across all Adult Social Care budgets, as part of an efficiency drive on general office administration	(60)
Adults (ALL)	28	Supporting people with evidence of primary health need through the Continuing Health Care assessment process	(550)
Adults (Adult Mental Health)	29	Shifting the balance of care - adult mental health placements reduction	(100)
Strategy, Commissioning & Business Improvement	30	Restructure commissioning & strategy teams	(450)
Strategy, Commissioning & Business Improvement	31	Reconfigure business improvement, strengthening capacity to meet information and Freedom of Information compliance	(50)
Strategy, Commissioning & Business Improvement	32	Bring together children's and adults' data, performance management and IT functions	(140)
Strategy, Commissioning & Business Improvement	33	Continue to reduce IT applications technology and consumable costs	(100)
Strategy, Commissioning & Business Improvement	34	Review of Adult services commissioned contracts to ensure close alignment with service priorities for adult social care	(900)
Strategy, Commissioning & Business Improvement	35	Review of Children's services commissioned contracts to ensure close alignment with service priorities for Children's Social Care and Education	(300)
Education	36	Review of the management and support for the division	(20)

**Proposed Efficiencies and improved use of resources:****Appendix I**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
Education	37	Home to school transport contract reconfiguration	(50)
Education	38	Reconfigure health visitor and speech and language service in children's centres	(200)
Education	39	Restructure of secondary and further education provision	(489)
Education	40	Integration of youth and play services	(445)
Education	41	Remodel children centres management into locally based management	(100)
Education	42	Review childcare provider (private, voluntary and independent sectors) training and support	(224)
Children's Social care	43	Reducing residential placements	(1,000)
Children's Social care	44	Reducing independent fostering	(300)
Children's Social care	45	Development of suite services or options for children between 16-18 on the edge of care	(100)
Children's Social care	46	Reducing the number of children in care proceedings	(400)
Children's Social care	47	Reconfiguration of the services across children's services in line with latest activity	(300)
Children's Social care	48	Creation of an all age disability pathway	(70)
Children's Social care	49	Review travel arrangements for staff and families	(25)
Children's Social care	50	Proactive system of managing staff vacancies reducing reliance on Agency staff	(340)
Children's Social care	51	Reconsider the schedule for planned reviews of allowances, to allow transformation to be embedded	(1,000)

**Proposed Efficiencies and improved use of resources:**

**Appendix I**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
Children's Social care	52	Delivery of multi disciplinary teams	(720)
Children's Social care	53	Integrating resources for accommodating 16 - 19 year olds	(130)
Children's Social care	54	Reducing the number of children in care by working more closely with families	(200)
Children's Social care	55	Family matters: Development of locality based services for children and families	(600)
<b>Total Children's and Adult Services</b>			<b>(17,017)</b>

**Proposed Efficiencies and improved use of resources:****Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
<b>Environment and Leisure</b>			
Leisure	56	Final year adjustment to current leisure management contract	(400)
Libraries	57	Reorganise libraries and heritage staffing structures	(200)
Libraries	58	Public health funding to support work in libraries around well being and mental health	(100)
Leisure	59	Further public health funding of community sports making a total of £300k, in addition to the £100k previously agreed for 2014/15. Full funding of the community sports is now from public health.	(200)
Waste and Transport	60	Divisional restructure to refocus team on commercial opportunities	(60)
Waste and Transport	61	Invest to save - install a large photovoltaic (PV) array on the roof of the Council's integrated waste management facility to generate electricity, reduce energy bills and attract government financial incentives. Non financial benefits include carbon footprint reductions.	(62)
Waste and Transport	62	Fundamental review of clinical waste service provision to ensure that disposals are completed in the most appropriate manner.	(90)
Southwark Cleaning	63	Reduce agency staff use, thereby increasing proportion of council staff.	(48)
Waste and Transport	64	Improved efficiency of the waste facility (mechanical biological treatment plant)	(163)
Env Health & Trading Standards	65	Deletion of two vacant regulatory service posts	(86)



**Proposed Efficiencies and improved use of resources:**

**Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
Env Health & Trading Standards	66	Include in base budget funding for 50% Trading Standard post from Proceeds of Crime Assets	(25)
Env Health & Trading Standards	67	Include in base budget funding from Network Rail for the Air Pollution post	(20)
CSPS	68	Include in base budget funding from Crime Prevention Fund for two community safety officer posts	(100)
Env Health & Trading Standards	69	Restructure Private Sector Housing Renewal unit to reflect increased priority in licencing of private sector rental.	(80)
Public Realm Division	70	Reorganise back office functions.	(80)
Public Realm Asset Management	71	Savings to highways maintenance arising from increased capital spend	(300)
Public Realm Network Management	72	Reduced costs from harmonising staff terms and conditions following previous insourcing of contract staff	(100)
Public Realm Asset Management	73	Reduction in Highway Contract Supervision through introduction of IT improvements, including remote working	(80)
Public Realm Asset Management	74	Winter Maintenance budget - reduction following creation of reserves for severe weather conditions	(70)
Public Realm Asset Management	75	Reduction in repairs costs of road gullies following capital investment	(80)
SASBU, Noise, Licensing, EPT and Wardens & Enforcement	76	Phase 1 of review and rationalisation of all enforcement services saving £340k. Phase 2 will commence in 2016/17 with expectation of delivering further savings while maintaining the council's response to anti social behaviour and noise issues, and reducing the bureaucracy experienced by businesses.	(340)
<b>Total Environment and Leisure</b>			<b>(2,684)</b>

**Proposed Efficiencies and improved use of resources:****Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
<b>Housing and Community Services</b>			
Community Engagement	77	Review and restructuring of support arrangements for community engagement, Mayor's office and community councils, leading to a reduction in employee and operating costs.	(93)
Community Engagement	78	Contract re-procurement to provide HealthWatch Southwark (recently won by Community Action Southwark), allowing for the statutory requirement for Healthwatch, to deliver a health and social care patient and user champion, advocate and involvement mechanisms	(88)
Community Engagement	79	Reduction in Community Capacity grants programme budget arising from two organisations (SMWA and Elephant Jobs) who have ceased to operate.	(91)
Community Engagement	80	Rationalisation of existing arrangements into a single infrastructure contract for VCS support outside the council to include financial support, networking and representation, and volunteering.	(47)
Customer Experience	81	Residual efficiencies from bringing the contact centre in-house, primarily the removal of contingency sums as part of the service transition and a reduced requirement for projects budget going forward.	(205)
Customer Experience	82	Reduction in call volumes arising from the implementation of a wider range of online service provision to meet customer needs and to enhance their experience of dealing with the council, especially the wider application of My Southwark.	(125)
Customer Experience	83	Further review and restructuring of contact centre staffing resources and establishment of a re-skilled smaller quality assurance team to deliver officer support & monitoring roles.	(296)

**Proposed Efficiencies and improved use of resources:****Appendix I**

Department	Ref	Description of Savings	2015/16 £'000
Customer Experience	84	My Southwark Services - reduction in transaction volumes and greater use of self-service and appointments system in accordance with the customer access strategy. My Southwark office relocations in Bermondsey and Walworth have also delivered lower overhead	(205)
Customer Experience	85	Review and restructuring of the Disabled Travel team following greater take-up of on-line service provision.	(15)
Customer Experience	86	Review and restructuring of Customer Resolution team - reduced requirement for investigator posts to reflect volume/activity changes.	(116)
Customer Experience	87	Homeless and Housing Options - various operational cost reductions, including removal and storage, provision of household goods (restricted to statutory obligations), legal fees and disbursements for ad-hoc challenges and fees to external partners/agencies	(166)
Specialist Housing Services (CMH)	88	Reablement Team - reduction of team leader post achieved through more generic working with Tenancy Sustainment team; together with operational efficiencies and greater internal and on-line training.	(43)
Specialist Housing Services (CMH)	89	Private Sector Housing - operational running costs, including training, equipment and greater use of document imaging.	(6)
Specialist Housing Services (CMH)	90	Private Sector Leasing - volume reduction in provision of external leased accommodation, alongside reprofiling of in-house and social lettings agency contracts.	(157)
Corporate Services	91	Review and restructuring of Housing Regeneration Initiatives team.	(25)
<b>Total Housing and Community Services</b>			<b>(1,678)</b>

**Proposed Efficiencies and improved use of resources:****Appendix I**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
<b>Chief Executives Department</b>			
Regeneration	92	Various efficiencies across the Regeneration teams and increased recovery of staff costs through capitalisation	(177)
Planning & Transport	93	Rationalisation of structure	(95)
Human Resources	94	Rationalisation of staffing structure; reliant on maximum use of on-line transactions. Reduction of contract costs, especially agency vendor management costs	(186)
Human Resources	95	Rationalisation of Organisational Development staffing structure. Reduction in centrally-held training budgets; to some extent reflected by increased efficiency in training provision costs and better use of on-line methods	(159)
Human Resources	96	Rationalisation of budget for trade union duties arising from a number of efficiency measures.	(40)
Corporate Strategy	97	Rationalisation of staffing capacity including streamlining of management and reprioritisation of service and support functions	(355)
<b>Total Chief Executives Department</b>			<b>(1,012)</b>

**Proposed Efficiencies and improved use of resources:****Appendix I**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
<b>Finance and Corporate Services</b>			
Finance and Accounting	98	Review of the finance and accountancy teams to reflect focus on high level financial support, reductions in the level of transactions and to reflect the reduced size of the current budget	(724)
Finance and Accounting	99	Reduction in external audit fees following the abolition of the audit commission	(229)
Legal Services	100	Increase in externally generated income from legal charges associated with agreements with developers	(100)
Legal Services	101	Review and rationalisation of staffing arising from demand realignment and increased productivity	(529)
Revenues and Benefits / FTSS	102	Improved collection, including housing benefit overpayment recovery	(200)
Revenues and Benefits / FTSS	103	Faster processing through the application of a risk based approach to verification of housing benefit claims	(100)
Information Data Services	104	Benefits through reduced and rationalised data and voice network provision	(135)
Information Data Services	105	Reprocurement of BT analogue lines using Crown Commercial Services-led tender	(36)
Information Data Services	106	Rationalisation of council buildings resulting in reduced telephony and circuit costs	(138)
Information Data Services	107	Reduction in staffing and agency budgets (there are currently seven vacant posts across the division)	(308)
Corporate Facilities Management	108	Restructuring of Division and further reduction of up to 2.5 posts	(90)

**Proposed Efficiencies and improved use of resources:****Appendix I**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
Corporate Facilities Management	109	Innovation and economies of scale on Facilities Management (FM) costs within the new contract supported by central management of consolidated FM budgets	(250)
Corporate Facilities Management	110	Invest to save programme for building services as part of the capital programme	(100)
Corporate Facilities Management	111	Improved building efficiency such as installation of electric hand dryers and lower-maintenance fire extinguishers	(95)
<b>Total Finance and Corporate Services</b>			<b>(3,034)</b>
<b>Corporate</b>			
	112	Final savings arising from the acquisition of 160 Tooley Street. This follows £1.5m in 2013/14 and £2.0m in 2014/15, a total saving of £3.7m	(200)
	113	Estimated phased reduction in insurance fund provision to reflect improved risk management and claims performance (2015/16 only)	(300)
	114	Review of senior managers salaries	(200)
<b>Total Corporate</b>			<b>(700)</b>
<b>Total efficiencies and improved use of resources</b>			<b>(26,125)</b>

**Proposed Income generation:****Appendix J**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
<b>Children's and Adult Services</b>			
Strategy, Commissioning & Business Improvement	116	Maximise use of external funding and contributions from partners	(60)
Education	117	Use of income to cover posts	(100)
Education	118	Effective use of grants to cover posts related to specific funding streams	(215)
Children's Social care	119	Maximise external funding and contributions from partners to fund Family packages	(200)
<b>Total Children's and Adult Services</b>			<b>(575)</b>

**Proposed Income generation:****Appendix J**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
<b>Environment and Leisure</b>			
Arts & Culture	120	Increased income through better marketing and management of facilities at Kingswood House	(20)
Parks and Open Spaces	121	Generate more income from parks and open spaces by offering a wide range of services	(50)
Waste and Transport	122	Commence council commercial waste service	(30)
Southwark Cleaning	123	Deep cleaning of estates to enhance services provided to HRA	(100)
Pest Control Service	124	Offer Pest Control services to commercial properties	(20)
Southwark Cleaning	125	Additional income from cleaning/grounds maintenance services	(190)
Southwark Cleaning	126	Charge for contract waste collected as part of the Integrated Cleaning Contract	(245)
Network Management, Parking and Marina	127	Additional income being generated from South Dock Marina	(95)
Public Realm Projects	128	Capitalising staff costs engaged in capital projects undertaken for third parties and capitalisation of any work related to council capital schemes.	(200)
Public Realm Asset Mgt	129	Hire of lamp columns to Wi-Fi providers for business customers	(75)
Public Realm Asset Mgt	130	Sponsorship of Christmas decorations in town centres	(70)
Network Management, Parking and Marina	131	Additional income from highway licence fees arising from increased activities and price adjustments in line with MTRS	(80)
Network Management, Parking and Marina	132	Additional income from £1 per hour increase of street parking charges in CPZ zones C1,C2 & F which are subject to high levels of parking pressure, particularly from visitors	(200)
Cems & Crems	133	Additional crematorium income from charges to private companies for the use of spare capacity	(100)



**Proposed Income generation:****Appendix J**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
Environmental Services / Public Realm	134	Review of environmental charges in line with the London average in summer 2015 (this is equivalent to a 3% increase in current fees and charges for the department)	(380)
Env Health & Trading Standards	135	Anticipated cost recovery from selected licencing activities, subject to consultation with stakeholder groups.	(100)
<b>Total Environment and Leisure</b>			<b>(1,955)</b>
<b>Housing and Community Services</b>			
Customer Experience	136	Coroners - introduction of a 10% management fee recoverable from other consortium members to defray the hosting costs incurred by the council.	(90)
	137	Introduction of administration fee for Blue Badges to bring council in line with other London boroughs.	(29)
<b>Total Housing and Community Services</b>			<b>(119.0)</b>
<b>Chief Executives Department</b>			
Regeneration	138	Property increased income	(70)
Planning & Transport	139	Increase projected income from planning fees	(75)
Planning & Transport	140	Increase projected income from mayoral Community Infrastructure Levy collection fee	(75)
<b>Total Chief Executives Department</b>			<b>(220.0)</b>
<b>Total income generation</b>			<b>(2,869)</b>

**Proposed Savings impacting on service delivery:****Appendix K**

<b>Department</b>	<b>Ref</b>	<b>Description of Savings</b>	<b>2015/16 £'000</b>
<b>Environment and Leisure</b>			
Arts & Culture	141	Review arts grants strategy to reduce reliance on grants	(85)
Southwark Cleaning	142	Reduce graffiti teams to six from current eight.	(120)
Waste and Transport	143	End the free provision of bio-degradable bags to properties on food waste collections, to bring in line with most London boroughs	(113)
Southwark Cleaning	144	Reduce grounds maintenance by providing lower maintenance planting	(73)
<b>Total Environment and Leisure</b>			<b>(391)</b>
<b>Housing and Community Services</b>			
Customer Experience (CMH)	145	Contact centre will move to a 9am to 5pm Monday to Friday daytime service, the Out of Hours emergency only service will operate at all other times, resulting in lower operating costs.	(228)
<b>Total Housing and Community Services</b>			<b>(228)</b>
<b>Finance and Corporate Services</b>			
Revenues and Benefits / FTSS	146	Closure of cash offices in April 2015 arising from reduced use of the facilities, pay points where cash can be used (e.g. post offices) and improved take up of direct debits.	(400)
<b>Total Finance and Corporate Services</b>			<b>(400)</b>
<b>Total Savings impacting on service delivery</b>			<b>(1,019)</b>

**DRAFT**  
**Medium Term**  
**Resources Strategy**  
**2015/16 – 2017/18**

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## Foreword



Following the May 2014 elections the council has committed to continue in delivering a Fairer Future for Southwark over the next four years. We have listened to your priorities and have committed to an ambitious new set of promise and commitments that reflect the needs of our residents. The building of 11,000 new council homes, free swim and gym use for our residents and guaranteed education, employment or training for every 18 year old reflect our continued commitment to equality and fairness valuing all residents in the borough.

Unfortunately in 2015/16 we face the third highest cut of spending power per household in the country, therefore more tough decisions about how we spend money lie ahead.

The purpose of the Medium Term Resources Strategy (MTRS) is to enable the council to make best use of financial, human, technological and other resources available and to enable the delivery of our Council Plan commitments and continued provision of value for money services that meet the needs of residents, businesses and other stakeholders. It is at the heart of our Fairer Future promise to keep council tax low by delivering value for money across all our high quality services.

The scale of the resource challenge in the coming years cannot be understated. Effective and efficient management of resources through a robust MTRS will be pivotal to meeting that challenge and delivering our ambitious Council Plan.

The core principles of fairness and support to the most vulnerable, of listening to our residents and protecting the front-line services they value the most were fundamental to the setting of the budget. These principles will continue to guide the MTRS and our management of resources over the coming years.

Cllr Fiona Colley  
Cabinet Member for Finance, Strategy & Performance

# INTRODUCTION AND BACKGROUND

Council services that support all major policy objectives and priorities as set out in the Council Plan are delivered using any number of a range of different resources. This document sets out the council's resources strategies in relation to financial management and control, workforce, asset management, the voluntary and community sector, contracts and procurement and technology.

The key resources are:

## Financial

Focus	Enablers
<ul style="list-style-type: none"> <li>▪ <i>Retention of Business Rates</i></li> <li>▪ <i>Government and other grants</i></li> <li>▪ <i>Council tax</i></li> <li>▪ <i>Fees and charges</i></li> <li>▪ <i>Capital finance</i></li> <li>▪ <i>Housing finance</i></li> <li>▪ <i>Financial control and anti-fraud</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Value for money</i></li> <li>▪ <i>Statutory &amp; Regulatory duties (s151)</i></li> </ul>

## Workforce

Focus	Enablers
<ul style="list-style-type: none"> <li>▪ <i>Employees</i></li> <li>▪ <i>New recruits</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Recruitment and retention</i></li> <li>▪ <i>Learning and development</i></li> <li>▪ <i>Rewards and remuneration</i></li> <li>▪ <i>Mobile ways of working</i></li> </ul>

## Assets

Focus	Enablers
<ul style="list-style-type: none"> <li>▪ <i>Administrative buildings</i></li> <li>▪ <i>Office accommodation</i></li> <li>▪ <i>Operational buildings</i></li> <li>▪ <i>Housing stock</i></li> <li>▪ <i>Commercial portfolio</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Facilities management</i></li> <li>▪ <i>Health and safety and Equality Act compliance</i></li> </ul>

## Voluntary & Community Sector

Focus	Enablers

<ul style="list-style-type: none"> <li>▪ <i>Partnership</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Grants</i></li> <li>▪ <i>VCS compact</i></li> </ul>
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### **Contracts and Procurement**

<b>Focus</b>	<b>Enablers</b>
<ul style="list-style-type: none"> <li>▪ <i>Procurement</i></li> <li>▪ <i>Commissioning</i></li> <li>▪ <i>Supplier relationship and contract management</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Service design</i></li> <li>▪ <i>Market considerations</i></li> <li>▪ <i>Competencies and compliance</i></li> </ul>

### **Technology**

<b>Focus</b>	<b>Enablers</b>
<ul style="list-style-type: none"> <li>▪ <i>Business applications</i></li> <li>▪ <i>IT infrastructure</i></li> <li>▪ <i>Desktop</i></li> <li>▪ <i>Network</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Service design</i></li> <li>▪ <i>partnership working</i></li> <li>▪ <i>training</i></li> </ul>

### **Facilities Management**

<b>Focus</b>	<b>Enablers</b>
<ul style="list-style-type: none"> <li>▪ <i>Administrative buildings</i></li> <li>▪ <i>Office accommodation</i></li> <li>▪ <i>Operational buildings</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Facilities management</i></li> <li>▪ <i>Health and safety and Equality Act compliance</i></li> </ul>

Depending upon the design of each service, all or some of these resources may be utilised to deliver agreed outcomes. Because the extent of resources is limited, principally by financial constraints, the council sets out clear priorities in order to distribute available resources effectively.

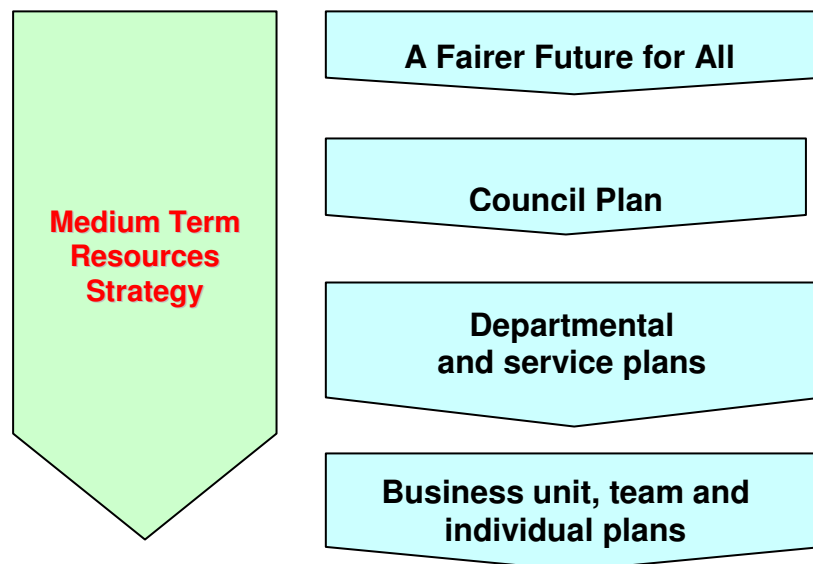
The MTRS provides a framework of underlying principles by which resources may be allocated across the council and other relevant considerations that need to be taken into account.

Each key resource is managed centrally within the council and has a specific strategy in place. Each strategy is designed not only to enable best practice but also to allow for innovation and most importantly to deliver the key outcomes for frontline services across the council. These strategies are set out within this document.

The MTRS has been embedded in the council’s strategic planning processes since 2008. While the strategy was developed initially in response to the government’s first three year grant settlement, it has become an essential management tool in directing council resources. It has adapted and will continue to adapt over time to changes in council policy and other relevant factors. Most importantly the MTRS provides a key reference point for the Council Plan.

## IMPLEMENTATION

The MTRS and Council Plan form important components of the council’s “business management framework”. The business management framework provides a “golden thread” linking the council’s overarching strategy and plans such as the Council Plan to the performance of departments and individual members of staff within the council. This ensures that there is collective responsibility across the council for achieving the outcomes of the MTRS. The MTRS is kept under regular review, including an annual refresh, to ensure it remains relevant to delivering the Council Plan and local priorities.





# **FINANCIAL MANAGEMENT AND CONTROL STRATEGY**

**Lead Department:** Finance & Corporate Services

**Strategic Director:** Duncan Whitfield

**Lead Officer:** Jennifer Seeley

## **Context**

The Financial Management and Control Strategy sets out the financial principles of the Council and the remit within which it plans its business. The strategy is set in the context of a number of key themes, each structured to support all major policy objectives and priorities as set out in the Council Plan. As the council faces a sustained period of reducing resources, the key considerations influencing key principles of the strategy are:

- Retention of Business Rates
- Government and other grants
- Council tax
- Fees and charges
- Capital finance
- Housing finance
- Financial control and anti-fraud
- Value for money
- Statutory and regulatory duties (S151)

## **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- Unqualified accounts each year.
- A balanced three year budget agreed annually.
- A robust ten year capital programme.
- A ten year housing investment programme, secured and maintained.
- Maximisation of the collection income due to the council.
- Maintenance of appropriate levels of general and earmarked balances and contingencies to protect council services and assist in mitigating future risks.
- Maximisation of returns from council investments, within a prudent framework.
- Minimisation of the impact of fraud and corruption on council business.

## **Key Principles**

The principles which underpin how finance resources will be allocated are set out below.

### **Budget setting**

- To prioritise commitments made and updated by the cabinet and the vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
- To protect front-line services and support the most vulnerable people.
- To provide value for money, value for council tax payers and to contribute towards delivering the vision of creating a fairer future for all in Southwark.
- To explore alternative ways of providing a service, talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities (links to *contracts and procurement* below).
- To be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible, and explore with them other ways to provide the service, conducting equalities analysis for all budget proposals.
- To provide a clear and comprehensive explanation for why any service should be cut, reduced or no longer provided by the council, and this explanation should be capable of being subject to robust challenge.
- To take a three year approach and have regard to innovative ways of providing services and maintaining employment in the borough.

### **Financial Management**

- To spend only within budgeted limits whilst sustaining and achieving performance improvement in line with strategic policies and priorities.
- To rigorously review all proposed unavoidable commitments and ensure that all possible avenues for delivery, including alternative funding, have been explored, and that the costs have been kept to the minimum required to meet statutory and contractual requirements.
- To only fund new service growth from additional, identified departmental savings.
- To underpin all council resource allocation decisions with financial reality and health checks.
- To return all windfall benefits not planned within base budgets to central resources for corporate allocation in line with strategic priorities.

### **Value for money and the management of performance**

- To ensure that value for money is sustained and impact of spending reductions on service performance and quality is mitigated as far as effectively possible.
- To monitor and benchmark service performance relative to costs against other councils, nationally and locally.
- To ensure there is an appropriate test of value, efficiency and quality in commissioning arrangements.
- To maximise returns on cash investments while maintaining capital preservation and liquidity.
- To target sustained upper quartile performance for pension fund investments.

### **Reserves, balances and central contingency**

- To present balanced budgets year on year without recourse to reserves and balances except for specific earmarked projects.
- To maintain a central contingency at a sufficient level to cover demand pressures that are volatile, difficult to predict or unforeseen and cannot be reliably quantified at the time the budget is set.
- To maintain reserves and balances at a level sufficient to manage the potential risks and opportunities of the council.
- To target an increase in general fund balances to £20m, over the course of medium term, in line with similar local authorities in London.
- To maintain appropriate earmarked reserves to mitigate risk and smooth cost pressures arising from major council projects and priorities, not least regeneration and development, modernisation and service improvement.
- To use the New Homes Bonus to incentivise house building by returning the benefits of growth to the community, generally through capital projects.
- To allocate to reserves any money received from relevant short-term funding streams, to meet the implementation costs of major projects.

### **Savings and efficiencies**

- To maintain a robust programme of efficiencies and other savings that minimise the impact on the delivery of local priorities.
- To invest to save on the basis of sound and robust business cases.
- To continually review the extent and costs of discretionary services or activity being provided in the context of service priorities and resources available, and explore alternative ways of providing a discretionary service or activity prior to proposing any cut or reduction.

## **Income and investments**

- To maintain the Southwark element of any council tax increases within consumer price index inflation levels over a medium term planning horizon.
- To maximise billings and improve council tax collection rates and non-domestic rates (NNDR) collection rates eliminating unnecessary waste identified within processes.
- To maximise external funding opportunities whilst ensuring the continuance of and further investment in key priorities.
- To achieve an effective and prioritised forward strategy when specific external funding streams cease.
- To maximise the council's income generation by seeking income streams in line with council policies and priorities.
- To increase discretionary fees and charges to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients.
- To increase all fees and charges capped by statute to the maximum level the cap allows.
- To make appropriate representations to government to ensure the council receives the fairest possible level of grant to support Southwark's population and communities.
- To act to reduce arrears overall, with particular emphasis on council tax, rent and NNDR, and seek prompt payment or payment in advance so as to improve the council's overall cash flow position.
- To ensure a suitable provision for doubtful debts to cover any eventual write-off of bad, uncollectable debt, with a documented methodology based on known best practice and local knowledge, which is reviewed annually and notified to all relevant staff.

## **Treasury Management**

- To optimise investment income returns within the principles of "security, liquidity then yield", in line with the risk appetite and counterparty selection as set out in the Treasury Strategy report as approved by Council Assembly each year.
- To manage debt from borrowing in line with the principles of the Prudential Code and within the setting of Prudential Indicators as approved by Council Assembly each year.

- To use prudential borrowing only where business cases are agreed in accordance with the principles of the overall treasury strategy.
- To seek to reduce the cost of borrowing through debt repayment or debt refinancing where it is economically viable and affordable within the budget framework to do so.
- To set aside funds from the revenue budget to meet the cost of the repayment of debt in accordance with statutory provisions or under the requirements of the Prudential Code as implemented.
- To secure increased funding levels of the pensions fund over time to achieve 100% funding within the period recommended by actuaries.

### **Capital Programming and strategic projects**

- To incorporate major strategic projects in the mainstream capital programme.
- To exploit opportunities afforded through the regeneration programme, including setting a target for capital receipts from regeneration projects to support the council's future capital programme.
- To profile capital schemes realistically over their lifetime and apply full whole life costing principles to all major capital projects including investment and disposal decisions.
- To establish over the medium term sufficient lifecycle maintenance provision for the council's fixed assets where the assets are essential for service delivery and it is cost effective to maintain them in line with the council's asset management plans.
- To review uncommitted budgets within the existing approved capital programme annually and reprioritise as necessary.
- To identify, review and select the most appropriate procurement strategies and partnerships arrangements (where appropriate) for all major capital projects.
- To maximise and accelerate the programme of capital receipts ensuring best consideration and due regard to service provision, in line with the asset management strategy.
- To maximise use of planning gains and associated benefits in accordance with agreements and strategic priorities, by prioritising the use of external grants and planning gains ahead of corporate receipts.
- To pool corporately all capital receipts without any specific earmarking unless so directed by the cabinet.
- To build and maintain a capital contingency reserve (£5m) to fund urgent and unavoidable works, including health and safety and DDA works.

## **Housing finance**

- To ensure the adoption of a balanced Housing Revenue Account (HRA) budget throughout the budget planning horizon.
- To support the provision of landlord services to residents, including planning for balance levels adequate to support the continuing provision of these services.
- To set rents at a level consistent with income assumptions within the 30-year HRA self-financing business plan
- To calculate service charges for tenants and leaseholders to match relevant costs for particular levels of service provision.
- To maintain a business plan for the HRA consistent with self-financing requirements.
- To support the delivery of the housing investment programme within the context of self-financing.

## **Governance and partnerships**

- To regularly review the financial standing orders, financial regulations and contract standing orders to ensure their robustness and continued suitability in order to safeguard the council's assets, maximise its resources and ensure value for money.
- To ensure effective governance arrangements for all partnership agreements are in place particularly where there is a shared use of resources.
- To maintain a risk register for joint risks of all partnerships.
- To optimise the opportunities for efficiencies afforded by improved partnership working and shared services.

## **Financial control and anti-fraud**

- To review controls, systems and processes and ensure proposals for improvement following fraud loss are robust.
- To promote efficiencies to tackle fraud through collaborative working, including local and regional partnerships.
- To share information and good practice with key stakeholders, within statutory guidelines in the interest of preventing and detecting fraud. This will include continuing to undertake statutory data matching across all relevant service areas.
- To ensure a systematic and comprehensive approach to fraud prevention across all service provision.
- To promote ethical behaviour and raise fraud awareness.
- To promote a zero tolerance approach towards fraud which ensures dishonesty is dealt with firmly and consistently.

- To constantly keep under review key fraud risks so that fraud exposure is minimised.
- To enhance the effectiveness of the anti-fraud service through maximising and reinvesting losses recovered.
- To successfully manage operational demand through times of change.
- To conduct professional investigations in line with the changing statutory environment and requirements.
- To minimise fraud risk across all service provision through the effective provision of advice and support.
- To ensure continued fitness for purpose, through regular and rigorous review, of policies, procedures and working practices in relation to the prevention and detection of fraud.

# WORKFORCE STRATEGY

## WORKFORCE STRATEGY

**Lead Department:** Chief Executive's

**Strategic Director:** Eleanor Kelly

**Lead Officer:** Bernard Nawrat

### Context

The Council is operating in an environment which will require a significant reduction in posts arising from the general fund savings programme. In implementing these savings the Council will look first at existing vacant posts, agency / temporary staff cover, as well as natural wastage. The Council has tried and tested policy and procedures to manage workforce change and there will be greater emphasis on the redeployment process, supporting staff and in mitigating redundancies.

### Key Outcomes

Over the period of the MTRS we will achieve the following:

- The Council remains an employer of choice.
- Staff are equipped with skills to manage the organisation through a period of significant change.
- A talented and diverse workforce is retained and developed.
- Efficiencies and service improvements are achieved through embedding flexible working practices throughout the organisation.

### Key Principles

There are some underlying principles that the Council will aim to maintain through this period of significant change whilst trying to meet financial challenges through collective means. These principles are:

- **Recruitment & Retention**  
Ensure that Southwark is an employer of choice that attracts, develops, motivates and retains staff of sufficient numbers and talent to deliver our fairer future promises.
- **Resource management**  
Ensure we use every penny as if it were our own through striving to do things better.



- **Reward, recognition & support.**

Deliver a total reward package which is fair, seen as fair & robust to external scrutiny.

- **Employee development & career opportunities**

Develop people's skills & knowledge so that they enjoy productive careers & deliver innovative high performing services and excellent customer care.

- **Employee engagement & communication**

Enable employees to trust the organisation and be committed to its goals. They must be empowered to believe their views count and will be acted upon.

- **Identifying & developing leaders**

Employ and build leaders who can demonstrate the courage, energy and capability to deliver organisational goals and work in partnership with others.

# ASSET MANAGEMENT PLAN

**Lead Department:** Chief Executive's

**Strategic Director:** Eleanor Kelly

**Lead Officer/s:** Steve Platts / Matthew Jackson

## Context

Built around the objective of delivering corporate priorities from available resources as efficiently as possible, the refreshed Asset Management Plan (AMP) establishes a framework for rationalisation across the council's £3 billion corporate asset base and for achieving sustainability in the retained portfolio.

The overriding objective of the AMP is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. In turn the estate will contribute to improving operational and service delivery outcomes.

Much of course has changed in the public sector resources environment over the last few years. Therefore the AMP seeks to fully address the pressures of escalating property holding costs, and mounting financial constraints on the public sector purse. The council's estate and those across the public sector (including those of our operating partners) will emerge very significantly altered and our overall vision is to plan for a smaller, sustainable corporate estate.

## Key Outcomes

Over the period of the MTRS we will achieve a property estate that:

- Is treated as a corporate resource and is managed corporately;
- Supports the delivery of the council plan;
- Prohibits the use of premises that are judged not to promote a vibrant, sustainable range of retail and service activities across the council's retail estate.
- Is well maintained and fit for purpose (i.e. delivering services);
- Is fully utilised;
- Is suitably located and accessible;
- Is cost effective and represents a value for money return on the council's investment.

## **Key Principles**

The principles which underpin how the council's assets are managed are set out below.

### **Corporate & Operational**

- To achieve a corporate portfolio that is appropriate, fit for purpose, affordable and which contributes to improving operational and service delivery outcomes i.e. (sustainable; efficient; value for money).
- To ensure strategic planning of the estate is fully integrated into the council's business planning processes.
- To proactively mitigate the affects of the market downturn whilst reconciling this with the strategic objectives of the council.
- To consolidate property management arrangements at strategic and operational levels.
- To manage our estate in accordance with our obligations as a landlord and with regard to all relevant health and safety / statutory compliance requirements;
- To constantly review and monitor the operational estate to achieve portfolio objectives, including the maximisation of opportunities and efficiencies from the council's occupation of 160 Tooley Street and Queen's Road offices.
- To successfully manage operational demand for corporate accommodation arising from extensive restructuring across the organisation and the ongoing drive towards modernise.
- To provide flexible solutions to operational requirements to allow for changing future demands in the operational estate (including through exit strategies).
- To respond to changing demand for property services from all parts of the organisation; balancing those demands against the resources available.
- To promote collaborative/partnership working to provide efficiencies, either through occupational, operational or procurement arrangements.
- To promote high environmental sustainability in both existing buildings and in procurement of new assets in order to minimise costs in use and emissions.

### **Arrangements for Asset Management**

- To ensure the provision of effective, professional property advice in support of departmental strategic objectives;

- To raise the profile of asset management planning corporately and operationally across the authority and reinforce the role of the Corporate Property Officer;
- To renew and reinforce structures for asset management planning at a corporate level;
- To ensure property strategies in support of corporate objectives are properly resourced and programmed;
- To review and refine systems, data, and performance management arrangements in order to fulfil the growing client expectations;
- To safeguard the Council's legal position with regard to its land holdings by completing a comprehensive review and registration of title programmes.

### **Regeneration**

- To contribute to key regeneration projects through acquisition and disposal activity, rent and lease renewal strategies, and use of compulsory purchase order powers where appropriate.

### **Investment Assets**

- To challenge reasons for holding investment property and monitor investment returns and performance;
- To manage rent reviews and lease renewals to maximise revenue income;
- To take appropriate action to minimise the arrears of rent;
- To proactively manage the investment portfolio to ensure compliance with lease terms and protect/enhance value.

### **The Voluntary & Community Sector Estate**

- To review the strategy in 2015 for managing voluntary and community sector assets owned by the council, building on the previous strategy framework of 2009, and 2010 Corporate Asset Management Plan.

### **Surplus Properties and Disposal**

- To deliver challenging capital receipt targets whilst maintaining best consideration principles and balancing revenue requirements.

# **VOLUNTARY AND COMMUNITY SECTOR STRATEGY**

**Lead Department:** Housing and Community Services

**Strategic Director:** Gerri Scott

**Lead Officer/s:** Stephen Douglass

## **Context**

The voluntary and community sector (VCS) has an essential role to play in Southwark. The role of VCS organisations is increasingly important to ensure that our most vulnerable residents are not left behind. To do this in the current financial climate the council and the VCS are working together to change and modernise the way we do business and draw upon the expertise and experience that exists across all our partners.

The council has a history of promoting greater engagement by the community however the resource environment continues to be tight. The community must be encouraged to seek opportunities for widening this engagement and meeting the challenge that sits alongside the loss of financial resources. The fundamental principle continues to be change that has collaboration at its heart. We will work to build on the strong relationship we have developed with the VCS to shape the services our residents use and help tackle the problems facing the local community.

Work will continue on the key principles of relationship between the council and VCS to ensure that they are fit for purpose and robust. Keeping the principles under review will assist in the delivery of activities involving partnership working between the council and the VCS.

## **Key Outcomes**

Over the period of the MTRS we will work in partnership with the VCS to achieve:

- A modernised relationship between the council and the VCS that supports the delivery of efficient public services.
- A self-sustaining sector that enables local organisations to find new ways of accessing funding, resources, and support.

- New models of service provision that work with our residents to identify and deal with issues that they face at an earlier stage before they become harder to resolve and more costly for the council and our partners to deal with.

### **Key Principles**

The principles which underpin the council's approach to the VCS is set out below;

- To work with partners to reconfigure and redesign public services to meet the needs of the most vulnerable in future and develop public services which are efficient and effective.
- To continue to reduce the burdens on the council and the sector that are imposed through commissioning relationships by removing unnecessary barriers and streamlining commissioning processes so as to minimise transaction costs.
- To further promote the social benefits that come from having a strong relationship with the VCS community and to build on our relationships with our contractors and other partners to ensure we deliver even better social value through those we do business with.
- To reduce cost by working in more efficient ways with the sector to support a programme of VCS modernisation.
- To ensure that the impact of the cuts on frontline service provision is minimised by helping to develop a strong independent VCS that is ready to face the challenges of the future
- To work with the VCS as a critical friend to the council in impact assessments including equalities as budget reductions and policy changes are implemented
- To promote and encourage the sharing of VCS back office costs and collaboration and merger where it is appropriate and best to do so.
- To better understand the overall funding landscape of the VCS sector and how the council can contribute to leveraging funds from other sources.
- To work with the VCS to maximise resources and support from a wide range of sources in order to ensure the sustainability of the sector enabling local organisations to find new ways of accessing funding, resources, and support.
- To support the VCS in developing the most effective and the best value for money services. Finding better ways of measuring outcomes for our residents so that we know what is being achieved not just what is being done.
- To ensure that the VCS is supported in the development of business plans, fundraising strategies and future funding bids that leads to self-sustaining

financial and other key resource outcomes. We will also work with our VCS partners to continue to develop volunteering and local philanthropy.

- To continue to actively encourage the development of initiatives that will support third sector organisations to engage with the personalisation agenda.
- To encourage and support, where possible and viable, new models of service provision, innovation, resource activity including those resulting from the recommendations of the Early Action Commission that also more effectively and efficiently realise savings over the medium term planning period.
- To take an approach that strengthens the resilience of the sector by finding new or better ways of supporting our local VCS that go beyond the financial. The current review of the VCS premises strategy will include how we use our property portfolio to support the VCS to achieve self-sustainability and take advantage of regeneration and development opportunities to find new ways of improving and providing community spaces that are efficient and fit for purpose.

# CONTRACTS AND PROCUREMENT STRATEGY

**Lead Department:** Finance & Corporate Services

**Strategic Director:** Duncan Whitfield

**Lead Officer:** Jennifer Seeley

## **Context**

The aim of the Contracts and Procurement Strategy is to ensure that the council takes the right steps when:

- Identifying service needs and options for the ways in which these may be best delivered.
- Procurement of these services where contracting is the preferred option.
- Management and monitoring and commissioning of contracts that have been awarded.

Where contracting with external suppliers is the preferred vehicle for providing services, this must be successful in meeting defined service objectives, meet the commitments of the Council Plan and achieve value for money.

Procurement, contract management and commissioning remains a critical element of the council's efficiency programme and budget plan, alongside issues of people, property and process. All cost reductions and efficiencies must be considered in the context of the need to maintain the most appropriate service levels, protection of the council's statutory and regulatory functions and the needs for customer satisfaction. The Finance and Corporate Services department will therefore continue to support managers across the council to secure products and services that provide value for money.

## **Key Outcomes**

Over the period of the MTRS we will achieve the following through procurement, commissioning and contract management:

- Maintain a clear and unambiguous understanding of current and future service needs.
- Provide contracts that deliver quality services at an affordable cost.
- Sustain a joint passion with our contractors for customer service and satisfaction.



- Commit to contracts that achieve a right first time approach to service delivery.
- Continually improve through collaboration and partnership working with contractors.
- Facilitate and promote innovation through procurement, contract management and commissioning.
- Procure and manage contracts in a way that is fair to local businesses and to their employees.
- In real and recognised terms, be known as a good organisation to do business with.

### **Key Principles**

In achieving these outcomes, the council's contracts and procurement function will continually refer to following key principles:

#### **Value for Money**

- To recognise the balance between price and quality and the relative importance of both.
- To get best value from contracted services through :
  - Challenge of procurement arrangements and seeking opportunities to reduce price, improve quality and maximise efficiency.
  - Delivery of service solutions that are future proof.
  - Understanding distinction between essential and non essential service needs and the impacts on cost.
  - Decisions supported by comprehensive and robust data.
  - Whole life analysis of options and assessment of risks.
- To improve contract management by continuously improving and learning from experience of relationship management.
- To achieve continuous improvement from all areas of procurement expenditure by ensuring that all procurement activity is undertaken by informed managers supported by professional procurement staff.
- To increase the utilisation of e-procurement facilities to deliver process and procurement savings.
- To continue joint procurement of services with other councils where such arrangements deliver value for money and improved services.

### **Good Governance, Effective Process and Competencies**

- To ensure all procurement practices are legal, ethical and transparent, conforming to procurement legislation and regulation and robust enough to meet the challenge of external scrutiny.
- To ensure that the council's governance arrangements are appropriate to meet the principles of openness and accountability.
- To maintain a model where service directors are accountable for the delivery of service definition, procurement, commissioning and contract monitoring.
- To provide specialist support, advice and leadership as appropriate.
- To have clear, unambiguous and sufficiently flexible operational arrangements that respond to service needs, reduce red tape and protect statutory and regulatory responsibilities of the council.
- To promote a climate of corporate compliance supported by appropriate staff competencies in procurement, contract management and commissioning.
- To promote commitment of suppliers to the prevention, detection of fraud and corruption in their processes.

### **Support and Advice**

- To provide high quality guidance, support, documentation and awareness sessions for service managers and their staff engaged in procurement processes.
- To ensure all procurement process projects follow standard project and risk management procedures appropriate for the size and complexity of the procurement.
- To reduce the costs of procurement process and the time it takes by taking a planned and co-ordinated approach that is efficient, effective and streamlined and avoids duplication and waste.
- To ensure existing contracts, frameworks and internal and external procurement vehicles are utilised to reduce procurement costs.

### **Social Considerations**

- To demonstrate improvement in the equality of opportunity and the promotion of good relationships between people within a diverse community in all procurement activity.
- To ensure that all procurement considers the environment and where appropriate includes evaluation models that take into account the council's sustainability objectives.

- To develop socially responsible specifications and to seek to realise social, environmental and community benefits through procurement.
- To create a basis for assessing social, environmental and community benefits within the process for evaluating contracts where it is both affordable and legal to do so, taking into account the Public Services (Social Value) Act 2012.

### **Market Considerations**

- To work with current suppliers and contractors to explore opportunities for bringing benefits to the local community and employment, including application of the London Living Wage.
- To operate a mixed economy of service provision with ready access to a diverse, competitive range of suppliers providing quality services, (including small firms, social enterprises, minority businesses, and voluntary and community sector groups), and wherever possible encourage local sourcing and local employment.
- To promote the concept of the London Living Wage not only within council contracts but also with those businesses and employers working in Southwark.
- To build good relations with suppliers and making Southwark an organisation of preferred choice for companies of all types.
- To ensure that good communications exist with suppliers before, during and after procurement processes.
- To be 'open and transparent' treating all potential suppliers both 'fairly' and equally during tender processes
- To make available contract and tender applications on the council website.

### **Contracts fit for purpose**

- To secure an open and honest approach to relationship management.
- To ensure good communication exist with contractors and that respective roles and responsibilities are clear.
- To share objectives for service outcomes.
- To continually develop contracts through formal and informal management of relationships, including variations to reflect changing need and innovation.

# TECHNOLOGY STRATEGY

**Lead Department:** Finance & Corporate Services

**Strategic Director:** Duncan Whitfield

**Lead Officer/s:** Richard Heap / Ian Morrisey / Matthew Hunt

## **Context**

This strategy is in a transitional phase. Options are being considered for the future support and management of the IT service, especially that which is presently provided through existing contracts in the context of new and emerging technologies, such as cloud computing.

Exploiting the opportunities provided by technology remains integral to the council's drive to deliver essential high quality, universal services that get it right first time and reduce waste and duplication.

The effective use of technology – along with change management, process redesign and training - is fundamental to achieving service wide improvement in a time of resource restraint. Southwark is committed to exploring the use of technology to the advantage of its citizens, wherever the resulting business benefits are justified by the investments required, and wherever the organisation needs to deliver service excellence.

The Technology Strategy will be revised as the council transforms specifically in response to reductions in funding across all services and to changes in functions, activities and delivery models that this will create. Significant investment however will be required in technology to ensure that key business applications are responsive to service needs, and to enable and facilitate better service delivery at an affordable cost.

## **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- Services kept operational
- Improve supplier relationships
- Improve supplier performance
- Enhance customer relationship and involvement

## **Key Principles**

The principles which underpin the council's strategy around technology will continue to be reviewed and currently include:

- To keep information services operational.
- To realise the potential of existing systems through the effective implementation of changes to the infrastructure;
- To improve the delivery and cost of services through the effective use of technology;
- To have the technology which enables the sharing of data and information so that sound decisions can be made and processes can be streamlined;
- To enable residents increased access to services within the borough by improved on-line and interactive provision;
- To maximise output from contracted outsource providers;
- To improve supplier relationships and improve stakeholder management in IS delivery.

## **Facilities Management**

- To maintain a sustainable corporate estate and preserve its inherent investment and utility value. This will be delivered through comprehensive facilities management arrangements and a planned preventative maintenance programme;
- To put in place a full condition survey programme for the operational estate;
- To improve stock condition and minimise backlog maintenance;
- To ensure statutory compliance and minimise facilities exposure to risk;
- To rationalise and repackage facilities management contracts to achieve management efficiencies, economies of scale and mitigation of corporate landlord compliance risk;
- To consolidate facilities management budgets providing total cost of occupancy to support strategic asset management;
- To undertake informed outsourcing based on fixed price repairs and maintenance bringing significant cost certainty and increasing transfer of risk to the supply side;
- To continue the delivery of the corporate compliance programme, working toward best practice allowing effective and transparent management of risk.

# **FACILITIES MANAGEMENT STRATEGY**

**Lead Department:** Finance & Corporate Services

**Strategic Director:** Duncan Whitfield

**Lead Officer:** Matthew Hunt

## **Context**

Through its established Asset Management Plan and ongoing modernisation programme the Council is working to deliver a corporate, operational portfolio that is appropriate, fit for purpose and affordable. This process is well underway with a significant disposal programme in train.

Key to this is the development and ongoing, effective management of healthy, safe and compliant buildings that provide both a good, efficient working environment for staff and modern facilities for the delivery of services to Southwark residents.

The Council's Facilities Management (FM) strategy is to progress towards a consolidated approach to FM for its operational estate both in terms of management and the provision of contracted services. It is moving from multiple, single provider service contracts to a small number of newly procured, appropriately specified service arrangements.

This approach to procurement will provide the platform to bring together all FM arrangements for the operational estate, and to develop those with partners to deliver further efficiencies through economies of scale

All new and refreshed office accommodation will operate under the Council's fully adopted Modern Ways of Working (MWoW) principles, with the adoption of these principles where practical in the remaining estate.

The FM Strategy will be reviewed as the council and its operational estate transforms specifically in response to reductions in funding across all services and to the resultant changes in operational property requirements.

## **Key Outcomes**

Over the period of the MTRS we will achieve the following:

- A reducing operational estate
- Increased and co-ordinated management of FM related budgets
- A rationalised FM supplier base
- Innovative and improving FM services at reducing cost.
- Improved supplier relationships
- Continuously improving supplier performance
- Delivery of customer focussed services
- Comprehensive management information for the operational estate

## **Key Principles**

The principles which underpin the FM strategy will continue to be reviewed and currently include:

- To maintain a sustainable corporate estate and preserve its inherent investment and utility value delivered through comprehensive FM arrangements and a co-ordinated planned preventative maintenance programme;
- To put in place and manage comprehensive condition data and associated building related management information;
- To improve stock condition through a targeted capital preventative planned maintenance programme;
- To ensure statutory building related compliance and effectively manage any residual risk;
- To implement corporate standards across all FM services to bring consistent, affordable and appropriate service levels to the working environment;
- To rationalise and repackage FM contracts through informed procurement to achieve management efficiencies and economies of scale bringing increasing cost certainty and transfer of risk to the supply side;
- To implement best practice contract management to deliver services that meet the evolving needs of the council;
- To continue the consolidation of FM budgets providing total cost of occupancy to support strategic asset management and ensure the best use of the council's resources.