

CHIEF EXECUTIVE

Overview

- B.1. The Chief Executive's department comprises the Chief Executive's Office, External Affairs Team, Regeneration and Planning and Human Resources.
- B.2. The Chief Exec's Office supports the Chief Executive and chief officer leadership team in translating political vision into projects and programmes across the council as well as supporting effective scrutiny function and management of the opposition office. The division also includes the emergency planning and resilience team, therefore creating a direct line between the Chief Executive as the council's most senior responsible officer and the team.
- B.3. The External Affairs division comprises policy and public affairs, media, marketing and cabinet support. As well as this, we manage internal communications for the council and the administration's political assistant. Our services are responsible for managing and enhancing the standing of the council through the development of external and internal communications, public affairs, policy projects and initiatives.
- B.4. The department also brings together planners, regeneration and colleagues across the council dedicated to shaping place to improve economic prosperity.
- B.5. The department leads on the council's delivery of regeneration and building strong local communities, bringing about thousands of new homes, jobs and opportunities across the borough and making our neighbourhoods places in which people are proud to live and work.
- B.6. The Human Resource service continues to implement measures to reduce usage of agency staff across the council through greater workforce planning and recruitment.

Efficiencies and Improved Use of Resources

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

Income Generation

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

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

Savings impacting on Service Delivery

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

Commitments

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

Equalities Analysis

B.12. As specific proposals are brought forward the impacts on residents and staff will be assessed for equalities impact, although an initial equalities impact assessment has not highlighted any areas of concern. Any proposals affecting staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures. It is expected that all staffing savings proposed for 2021-22 can be managed through natural turnover of staff.

CHILDREN'S AND ADULTS' SERVICES

Overview

- B.13. Children's and Adults' Services represents approximately two thirds of the council's budget. The department provides a wide range of services, including social care and education, to all sections of the population in Southwark.
- B.14. The budget proposals for 2021-22 include a range of modest efficiencies that largely achieve reductions in expenditure through the continuation and improvement of tried-and-tested approaches. These efficiencies, which are both safe and fair, are necessary to contain inflationary cost pressures, which include increases in the London Living Wage. Proposals also include plans not to re-open the Fred Francis day centre, which has been closed since the beginning of the pandemic, however there remains other day care provision within the borough. These are difficult decisions to make but are consistent with the Council's vision of a fairer future for all.
- B.15. The sector has struggled in recent years with the combined effects of austerity, demand pressures and continued funding uncertainty. The impact of this is seen nation-wide, both in the number of councils reporting major social care overspends and in the number of providers going bankrupt or handing back contracts.
- B.16. For several years now, the Council, in partnership with NHS and voluntary sector colleagues, has risen to these challenges and continues to provide a safe social care service with good outcomes within budget. The department is once again forecasting a breakeven social care position for 2020-21 (after application of Covid 19 funding from MHCLG). However, central government policy changes on Special Educational Needs and Disability have caused a significant and growing deficit for the ring-fenced Dedicated Schools Grant (DSG) and we are seeing increasing numbers of schools falling into financial difficulty.
- B.17. The Council continues to work with the Schools Forum to tackle the growing deficit on the DSG, however the pandemic has delayed a number of workstreams and the year-end position is likely to exceed £21m. The Government has now instructed councils to ringfence DSG deficits in a separate adjustment account outside of the general fund, in an effort to prevent a situation arising whereby DSG overspends overwhelm available reserves, however this merely delays resolution of the underlying issue – chronic underfunding.

Equalities Analysis

- B.18. Initial equalities analysis has been undertaken for each proposal. Consultations have been and will be undertaken for proposals relating to service changes where appropriate. Impact is mitigated by alternative offers of services, support or personal budgets as per service user choice in line with Care Act eligibility

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

B.19. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. The equality analysis is under way and will be collated to look for any cumulative impacts. In line with the process across the council, information on equality analysis will be shared with decision-makers for consideration before any decisions are taken.

B.20. Southwark Council's Fairer Future Promises are reflected in the proposals set forth as is a shift upstream to prevention and early help, recognising the evidence base and the outcomes that can be achieved by offering our residents good universal services.

HOUSING AND MODERNISATION (H&M)

Overview

- B.21. The department comprises a diverse range of services funded from both the general fund and the ring-fenced housing revenue account (HRA) for landlord services. In delivering the council's Fairer Future Promises, the department aims to maximise investment in its housing stock, build new council homes at council rents, deliver consistently high quality services and continue to support the most vulnerable residents, particularly those in need of temporary housing.
- B.22. A high proportion of the housing general fund budget is either demand driven or of a fixed contractual nature, for example, temporary accommodation and the customer contact centre, which leaves relatively little scope to make any meaningful savings towards meeting the budget gap without having a detrimental impact on services. For 2021-22 savings of £2.124m are achievable, which includes a windfall Freedom Pass contribution reduction of £1.557m. Conversely, commitments total £4.807m, predominantly to meet increasing homelessness demand (£4.245m), along with other unavoidable commitments of £562k and a negative income adjustment of £750k giving rise to an overall cumulative net budget increase of £3.433m for 2021-22 as outlined below.

Asset Management

- B.23. Services comprise aids and adaptations, handypersons and private sector housing renewal and empty homes. Savings have previously been achieved through the rationalisation of management across these functions without affecting service delivery. Following a review, there has been a change of emphasis towards greater support for the new homes programme with a consequent employee saving of £58k in the general fund and funding switching to the HRA moving forward. At the same time, new requirements in relation to fire risk assessments in private sector housing necessitate the establishment of a specialist compliance team within the asset management division and budget commitment of £443k in a full-year.

Central Services

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

Resident Services

B.25. Services comprise travellers' sites and supported housing management, which has shared funding arrangements with the HRA. Significant reconfiguration and improvement works to improve health and safety and fire protection measures at sites have been undertaken. The council has been successful in securing grant funding of £1.7m from the Greater London Authority (GLA) towards these works and is in preliminary discussions around a further grant bid towards a hostels improvement programme. Residual savings of £25k arising from the closure of the temporary site at Devonshire Grove means a small saving can be achieved for 2021-22 without any detrimental service impact.

Modernisation

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

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

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

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

B.30. The council is currently engaged on a major IT improvement programme involving migrating its data centre and computing environment to the cloud and

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

Customer Experience

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

Temporary Accommodation (TA) and Housing Solutions

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

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

Equalities Assessment Summary

- B.36. The department undertakes equality analysis/screening on its budget proposals ahead of final decisions being taken. This helps to understand the potential effects that budget proposals may have on different groups, whether there may be unintended consequences for those groups and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts, continuing through the cycle of planning and implementation of these proposals
- B.37. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions as appropriate. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. To date no cumulative impacts have been identified through the analysis.

ENVIRONMENT AND LEISURE

Overview

B.38. The Environment and Leisure department delivers services that make a real difference to the everyday lives of all residents and visitors. The department is focused on providing high quality services to the borough's residents and shaping those services to support the wellbeing of our residents and support the objectives of other parts of the Council.

B.39. The department aims to make Southwark's neighbourhoods great places to live, places that are clean, safe and vibrant and where activities and opportunities are accessible to all. As well as our front-line environmental services we are proud to work with partners to improve health and wellbeing for all our residents through a rich leisure and cultural programme.

B.40. Many of the operational activities of the department are frontline services for the benefit of all residents: they physically improve the environment; they provide opportunities for health and enjoyment, support knowledge and learning or help improve safety and confidence. The department comprises four directorates, Environment, Leisure, Communities and Public Health.

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

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

○ Efficiencies and Improved Use of Resources	£2.760m
○ Income Generation	£1,182k
○ Savings impacting on service delivery	£265k

Efficiencies and Improved Use of Resources

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

Income Generation

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

Savings impacting on Service Delivery

B.45. Some savings are proposed from the reorganisation of Adventure Playgrounds service and renegotiation of the grounds maintenance contract.

Commitments

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

Equality Analysis

B.47. As specific proposals are brought forward the impacts on residents will be assessed for equalities impact, although an initial equalities impact assessment has not highlighted any significant concern. Any proposals affecting staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.

FINANCE AND GOVERNANCE

Overview

B.48. The Finance and Governance Department includes the Director's office, which provides strategic leadership for the department and Section 151 responsibilities; Exchequer Services, which encompasses revenues and benefits and housing rent collection, as well as the financial transaction processing teams; the Law and Democracy division responsible for electoral, constitutional and legal services and the Professional Financial Services including financial governance.

B.49. In supporting the Fairer Future promises of the council, the department's vision is to "make a positive difference everywhere we engage" and to be "efficient and effective in all that we do". Specifically, Finance and Governance endeavours to help the council to "manage every penny as carefully as local families look after their own household budgets".

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

Efficiencies, Income generation and other savings

B.51. Over 70% of the departments expenditure budget is staffing costs and we are continuously reviewing services to ensure they are operating efficiently and are adapting to changing demands and caseloads so as to ensure they are fit for the future. Further savings of £0.321m are proposed in 2021-22 through implementation of a digital self-service platform and greater automation of processes as well as the creation of a shared service partnership for back office services.

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

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

Commitments

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

Equality Analysis

B.55. As specific proposals are brought forward, and at each stage of implementation thereafter, the impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy

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

CORPORATE

Overview

B.56. The Corporate budgets include technical accounting budgets such as Minimum Revenue Provision (MRP), treasury income and costs, pension related costs and budgets which impact across the wider council. The £4m contingency budget also sits within corporate to support the wider budget risks.

Income Generation

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

Commitments

B.58. As indicated in capital monitoring and treasury management reports, the council has an underlying need to borrow in order to fund the council's capital investment programme. A commitment is included to reflect the additional debt financing costs of £2.1m in 2021-22 as a consequence of approved capital investment decisions.

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

Equality Analysis

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