

## APPENDIX B

### CHIEF EXECUTIVE

#### Overview

- B.1. The Chief Executive's department comprises the Chief Executive's Office and External Affairs Team.
- B.2. The Chief Exec's Office supports the Chief Executive and chief officer leadership team in translating political vision into projects and programmes across the council as well as supporting effective scrutiny function and management of the opposition office. The division also includes the emergency planning and resilience team, therefore creating a direct line between the Chief Executive as the council's most senior responsible officer and the team.
- B.3. The External Affairs division comprises policy and public affairs; media; marketing; and cabinet support. As well as this, we manage internal communications for the council and the administration's political assistant. Our services are responsible for managing and enhancing the standing of the council through the development of external and internal communications, public affairs, policy projects and initiatives. The total general fund net budget for the department for 2018-19 is £3.2m.

### CHILDREN'S AND ADULTS' SERVICES

#### Overview

- B.4. As reported to Cabinet in September 2018, Children's and Adults' services are forecasting balanced budgets in a context which remains very challenging. Despite ever-increasing demand and cost pressures and uncertainty surrounding the future of funding for social care, the department's transformative approach to prevention, early help and effective support is paying dividends, both in budgetary terms and importantly through quality outcomes for service users.
- B.5. Whilst a break-even position is forecast for social care services and core education in 2018-19, the ring-fenced Dedicated Schools Grant (DSG) continues to be of concern. A strong lobbying stance has been taken with Government with regard to the inadequacy of funding (including for 16-25yr olds) and also the need for flexibility on DSG block transfers, however even this will become challenging, noting the worsening position for our schools from the National Funding Formula (NFF) and falling rolls. The council is working closely with Southwark Schools Forum to develop a DSG budget recovery plan for the medium to long term and within the council the Budget Recovery Board will bring oversight, challenge and support to this process.
- B.6. The indicative budget to be agreed at Council Assembly in February 2019 proposes Adult Social Care efficiencies for 2019-20 of £5m offset by commitments of £4.7m. This demonstrates the investment of the increased Improved Better Care Fund (£3.2m) in protecting homecare, reablement and bed-based care packages and transformation work to improve the health, wellbeing and resilience of vulnerable residents. It also reflects the allocation of £1.6m one-off funding for Adult Social Care announced in the Autumn Budget statement.
- B.7. Children's services continue to manage within budget despite demand and cost pressures, building on the progress already made through practice and service

transformation. Rising demand and cost pressures such as unaccompanied asylum seeking children and leaving care responsibilities contribute to a significant challenge as these new duties have been inadequately funded by Government. Recognising these issues, a net budgetary increase of £2.2m is proposed comprised of £1.1m of savings offset by £3.3m of commitments.

- B.8. In Education, reduced grant and funding continue to impact upon the budget, as well as the increasing demand for statutory SEN education and home to school transport. In 2019-20 for Education there are savings and efficiencies of £0.3m as the school improvement service moves towards a fully traded model.
- B.9. With regard to the Dedicated Schools Grant (DSG), which funds schools, special needs education, early years and some central education functions, the final grant for 2019-20 for the Schools Block is expected in December 2018. There have been very modest increases to both schools and high needs funding in 2018-19.
- B.10. There are significant pressures on the high needs block in 2018-19 due to demand and cost pressures across settings and there is insufficient funding from Government to recognise this. As at 31 March 2018 there was an accumulated DSG deficit of £4.1m, which is forecast to increase to £11m by the end of 2018-19. The council continues to work with the Southwark Schools Forum on a DSG deficit recovery plan which includes proposals for reductions in central retentions, block transfers as well as reductions in funding to settings. This will be subject to full consultation and equalities impact assessment. We will concurrently lobby Government for fair funding.

#### **Equalities Analysis**

- B.11. 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, national legislative thresholds and Government guidance; other services are discretionary and universal.
- B.12. Further 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.13. 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 the right support at the right time, and working in their best interests.

## **ENVIRONMENT AND LEISURE**

### **Overview**

- B.14. The Environment and Leisure department delivers services that make a real difference to the everyday lives of all residents and visitors. The majority of the operations are frontline services: they physically improve the environment; they provide opportunities for health and enjoyment, support knowledge and learning or help improve safety and confidence. The department comprises two directorates, Environment and Leisure.
- B.15. 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. We work with our partners to improve health and wellbeing for all our residents.

B.16. The 2018/19 net general budget for the department is £65.6m. The department over the last seven years has achieved savings of £30.2m. The savings options would be delivered alongside the considerable capital spend across the department.

B.17. For the forthcoming year, 2019/19, the department has identified a number of savings options amounting to £3.86m:

- Efficiencies and Improved Use of Resources      £0.86m
- Income Generation    £3.0m

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

B.18. Efficiency savings of £0.34m are being proposed in our cleansing operations by rationalising our litter picking schedules to focus effort where it is most needed. We are also reviewing our library operations, consistently with our new library strategy and the council plan commitments to keep libraries open when people need them. We expect to save £0.1m on our street lighting budget by the move to more environmentally friendly lights and savings of £0.17m are proposed in overnight sweeping as services are being reconfigured with early morning hot-spot cleaning to minimise the impact on service provision.

### **Income**

B.19. The council, like a number of other councils, is adopting a more commercial approach to its activities and is proposing to generate additional income of £3m in 2019-20.

B.20. The department will seek to expand its income streams in a variety of ways which includes additional income expected of £0.7m on our leisure management contract. The introduction of controlled parking zones which have already been agreed will bring in £0.5m and meeting the predicted future resident demand for controlled parking zones is expected to generate a further £0.7m. The department also expects to generate additional income of around £0.370m by expanding car club permit scheme and street advertising. The department is also proposing to follow the example of many other London boroughs, by introducing a night time levy and paid subscription for fortnightly green waste collections.

### **Commitments**

B.21. Several initiatives arising from the council plan commitments totalling £0.375m are proposed for 2019-20. These will enable us to set up a community toilet scheme, protect Southwark's biodiversity, re-open the Blue Youth Club, introduce free swimming lessons while we work to develop the expansion of free swim and gym, and start to roll out free visits to the theatre for primary school children.

B.22. In addition, we have carried out a thorough review of our tree stock and the regime for maintenance and inspection. The number of trees that we are responsible for has now been more accurately recorded as 82,000, and to ensure the correct frequency of inspections and maintenance, we are increasing the budget for trees by £0.3m.

B.23. Other commitments include £0.170m increased revenue resources for Newington Library and Heritage Centre, £0.082m rent increase at Sandgate depot and £0.055m electricity costs from installation of lamp column vehicle charging points.

## **PLACE AND WELLBEING DEPARTMENT**

- B.24. The department consists of four divisions: Regeneration, Planning, Public Health and Community Engagement.
- B.25. The department leads on the council's major regeneration schemes, social regeneration and is responsible for developing policies to guide land use and long-term physical development in Southwark.
- B.26. The department also aims to improve the health and wellbeing of Southwark's residents and to reduce health inequalities by working closely with local communities, CCG, NHS and the Voluntary Sector and promoting asset based community development in partnership with the voluntary and community sector.
- B.27. The total general fund net budget for the department for 2018/19 is £6.2m and savings of £332k are proposed for 2019/20 across the department (excluding the Public Health areas). Savings totalling £212k are delivered through realignment of staffing resources and other efficiencies in service provision and commissioning arrangements. The remaining £120k is being achieved from increased income on planning fees and property leases.
- B.28. The Public Health service is funded from a ring-fenced grant of £27.4m and savings of £925k are proposed in line with the expected reduction in grant for 2019/20. These savings are being achieved from a combination of efficiencies, service design and economies in commissioning arrangements across the service areas.

## **FINANCE AND GOVERNANCE**

### **Overview**

- B.29. The Finance and Governance Department includes the Director's office which provides strategic leadership for the department and s151 responsibilities; Exchequer Services which encompasses revenues and benefits and housing rent collection, as well as the financial transaction processing teams; the Law and Democracy division responsible for electoral, constitutional and legal services; Professional Financial Services (finance, audit and procurement teams); and the Financial and Information Governance Team.
- B.30. 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". This budget proposes efficiency savings of £0.997m and commitments of £0.252m.

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

- B.31. The efficiency savings across the department are mainly made up of staffing-related savings totalling £0.852m which reflects the fact that over 70% of the overall expenditure budget is staffing costs. Savings from staffing costs will be achieved through increased efficiency, reduction in caseload and changing what we do and how we work, to become an organisation that is fit for the future.
- B.32. In addition to the staffing related savings, £0.030m of the savings proposed relate to efficiencies from modernising council and committee meetings; £0.030m from reduction

in printing and postage usage from Elections and Registration services; £0.030m from reduced business support provision to legal services; and £0.055m savings arising from external audit contract procurement.

### **Commitment**

- B.33. Professional Finance Services is proposing a commitment of £0.095m to re-create a technical financial planning and accounting resource to improve understanding of, and planning for, the changing environment for local government funding and £0.075m to increase resources in the anti-fraud team in order to better detect and prevent fraud.

### **Equality Analysis**

- B.34. 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.

## **HOUSING AND MODERNISATION**

### **Overview**

- B.35. Housing and Modernisation (H&M) delivers 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 vision, as outlined in the Fairer Future Promises, the department aims to maximise investment in its housing stock, build new council homes at council rents and improve performance in all core service areas. The aspiration is 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 need of temporary housing or who have no recourse to public funds (NRPF).
- B.36. Budget proposals are set in the context of the department's continued commitment to protect frontline services as far as possible. For 2019-20 greater efficiency and improved use of resources will deliver savings of £0.6m, plus a further £0.1m impacting on service provision. However, commitments total £3.9m net (£5.9m gross) in respect of temporary accommodation and NRPF specifically. Further detail on the principal budgetary proposals for 2019-20 is outlined below.

### **Asset Management**

- B.37. Services comprise aids and adaptations, handypersons and private sector housing renewal and empty homes. Savings achieved through the rationalisation of management across these functions were delivered in 2018-19 without impacting on service delivery but there are no opportunities to deliver further savings at this juncture.

### **Communities**

- B.38. The division is responsible for consultation and community engagement with council tenants, homeowners and residents, the civic office, community safety, Prevent and child sexual exploitation and No Recourse to Public Funds (NRPF), which is a persistent budgetary pressure.

B.39. The council has made good progress in managing caseload, but determination of a client's status rests with the Home Office and while cases are proactively escalated, the process is protracted and ultimately not directly within the council's control. Demand remains volatile and the cost/availability of suitable accommodation challenging. The outturn forecast for 2018-19 has been revised following recent procedural changes which have impacted the rate of case resolution and this upward pressure is expected to continue into 2019-20 requiring a further commitment of £0.7m to maintain the budget at a sustainable level going forward.

### **Resident Services**

B.40. Services comprise travellers' sites and supported housing management, which has shared funding arrangements with the HRA. The realignment of the base budget requirement for the Devonshire Grove temporary traveller's site means the saving of £62k can be achieved without any detrimental service impact.

### **Modernisation**

B.41. The modernisation division incorporates information technology and digital services (ITDS), human resources (HR), corporate facilities management (CFM) and organisation transformation (OT). These services are of a corporate nature and underpin the modernise agenda.

B.42. 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. Cabinet approved a commitment in the current year in order to address inherent budget pressures and stabilise the position going forward. The two existing service provider contracts will co-terminate in June 2020, and a procurement strategy report detailing options for the future delivery of FM services will be considered by Cabinet imminently, which could potentially cost more than the existing arrangements due to external market conditions. Overall there is little scope for savings to be made in this area, other than two small-scale initiatives expected to deliver £0.147m in 2019-20.

B.43. The ICT shared service is still at a relatively early stage of development and there remains a huge amount of work to do to realise the material service benefits and potential efficiencies that a stable, resilient and quality ICT service can bring to the organisation. This has been underpinned by significant capital and revenue commitments and whilst the underlying financial model remains robust in terms of business as usual, there are some additional one-off pressures coming through in the current year which may not be containable within the contingency sum built into the I model. Looking forward, there is currently no expectation that any cashable savings will materialise in 2019-20.

B.44. Reorganisation and rationalisation of the HR and OT services during 2019-20 will deliver savings of £0.272m without impacting service delivery.

### **Customer Experience**

B.45. The division is responsible for a diverse range of functions including the customer service centre (CSC), customer resolution, concessionary travel, registrars and citizenship, coroners and mortuary services and housing solutions/temporary accommodation. Over time the proportion of HRA related activity delivered by the customer service centre has increased and following a detailed review, primary accountability for it moved to the HRA. The general fund proportion of savings arising

from the CSC and other jointly funded activities across the division is £0.195m for 2019-20.

### **Temporary Accommodation (TA) and Housing Solutions**

- B.46. Southwark is recognised nationally as a leading authority in homelessness prevention, but this remains a particularly challenging area as a result of statutory and policy obligations, increasing demand, restricted housing supply and the impact of Universal Credit (UC) on collection performance.
- B.47. Current cost projections indicate a budget shortfall of £3.5m in 2018-19, rising to £5.2m in 2019-20 predicated on the number of households supported in temporary accommodation increasing at a similar rate as the current year. Notwithstanding these cost pressures, cost reductions can also be achieved. These may be addressed through the restructuring of the Housing Solutions service to deliver operational efficiencies and through changes in policy and procedures which will be subject to review. Overall, subject to the actions described above, the minimum net commitment required for 2019-20 is £3.2m.
- B.48. The availability of HRA estate voids (predominantly on Aylesbury) is key to alleviating the current budget pressure for TA, which would otherwise be much greater, but as regeneration progresses the number and incidence of properties will decline adding additional pressure to find suitably affordable housing.

### **Equalities Assessment Summary**

- B.49. The department undertakes equality analysis/screening on its budget proposals ahead of final decisions being taken. This helps to understand the potential effects that the budget proposals may have on different groups and whether there may be unintended consequences and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and organisation-wide impacts and continues through the cycle of planning and implementation of these proposals
- B.50. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. To date no cumulative impacts have been identified through the analysis.

## **CORPORATE**

### **Overview**

- B.51. 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.
- B.52. For 2019-20, revenue savings of £4.600m have been identified from improved use of resources and commitments of £3.809m.

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

B.53. In accordance with the approved Minimum Revenue Provision policy it is proposed to utilise the flexibility to apply capital resources to fund MRP, reducing the charge to the revenue budget by £4.600m.

### **Commitments**

B.54. 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 interest and minimum revenue costs of this for 2019-20, totalling £3.809m.

### **Equality Analysis**

B.55. There are no equality analysis implications for these proposals.