



Budget Book

2023-2024

Contents

Introduction.....	3
Council Tax 2023-24.....	4
Calculating the Council Tax for 2023-24	4
Budget 2023-24	5
Net Budget by Department	5
Gross Budget by Expenditure Type.....	6
Detailed Gross Budget by Department	7
Departmental Budget Books.....	8
Children’s and Adults’ Services	8
Finance	10
Environment, Neighbourhoods and Growth.....	12
Housing	14
General Fund.....	14
Housing Revenue Account.....	16
Deputy Chief Executive – Governance and Assurance	18
Deputy Chief Executive – Strategy and Communities	20

Introduction

Each year, the council updates a detailed Policy and Resources Strategy covering a period that normally reflects the duration of the government's financial settlement. As part of the Policy and Resources Strategy, and in line with requirements of the Local Government Finance Act, budgets are approved by Council Assembly for the next financial year as part of Council Tax setting. Where the settlement provides provisional funding commitments for more than one year, budgets may be agreed indicatively for a longer period.

For many years, this process has formed the pivotal component of the council's financial planning process. This strategy, and the formal approval by council assembly, sits at the heart of the council's commitment to financial planning and efficiency. Most importantly, the strategy is bound to the policies of the council and not least by the commitments in the Fairer Future Medium Term Financial Strategy (FFMTFS).

Between 2011-12, the first year of the major austerity cuts, and 2019-20, the council lost government funding in cash terms of more than £146m. According to government calculations, lost spending power exceeded £85m during the same period. Neither of these figures allow for the real terms impact of price and demand pressures. In addition, the council has committed to priorities that have needed to be funded through a limited number of sources. During this period the council has also looked to keep council tax as low as possible, recognising the pressure this places on all households but particularly the most vulnerable. Southwark remains the eighth lowest council tax rate in London.

This budget book presents the council's overall revenue budget for 2023-24 alongside more detailed departmental budgets that are broken down by division.

Council Tax 2023-24

As agreed by Cabinet on 6 December 2022, Southwark's Council Tax base consists of 109,174 Council Tax Band D equivalent properties.

Calculating the Council Tax for 2023-24

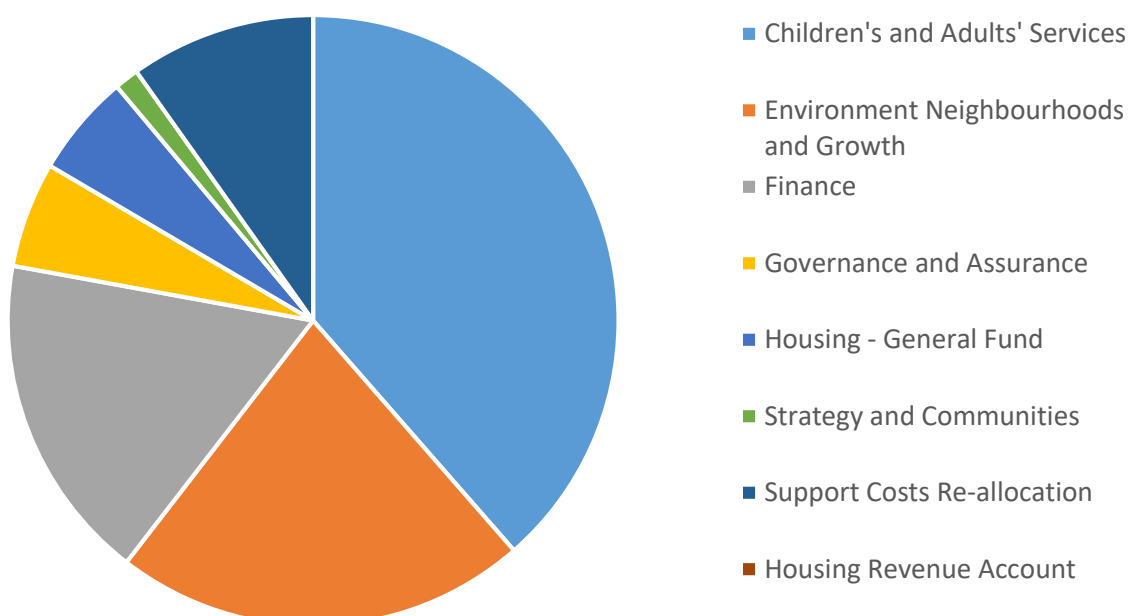
	2023-24	Council Tax per Band D Dwelling	Percentage increase in Council Tax	Increase in Band D Council Tax
	£000	£	%	£
Southwark's net budget requirement	347,162			
Less business rates and grants	(209,736)			
Southwark's Council Tax and Adult Social Care Precept Requirement	137,426			
Southwark's share of Council Tax	119,341	1093.13	2.99	35.85
Southwark's Adult Social Care precept	18,085	165.65	2	23.98
Southwark's Council Tax incl. Adult Social Care Precept	137,426	1258.78	4.99	59.83
Mayor of London's Greater London Authority Precept	47,397	434.14	9.74	38.55
Total Council Tax to be Collected	184,823	1692.92	6.17	98.38

Budget 2023-24

Net Budget by Department

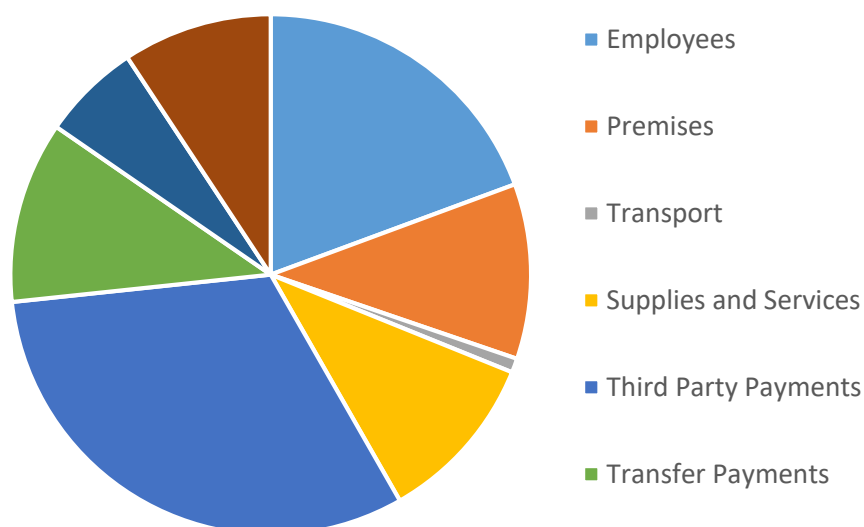
Department	2023-24 Budget 000
Children's and Adults' Services	166,618
Environment Neighbourhoods and Growth	94,595
Finance	75,210
Governance and Assurance	24,153
Housing - General Fund	23,447
Strategy and Communities	5,560
<i>Support Costs Reallocation</i>	(42,423)
Housing Revenue Account	-
Net Revenue Budget	347,162

Financed by:	
General government grants	(106,378)
Business rates	(103,073)
Council Tax	(137,426)
Council Tax Collection Surplus from 2022-23	(285)
Total Funding	(347,162)



Gross Budget by Expenditure Type

Expenditure Type	General Fund 2023-24 Budget £000	HRA 2023-24 Budget £000
Employees	208,810	50,648
Premises	27,474	118,631
Transport	10,552	2,246
Supplies and Services	137,291	11,889
Third Party Payments	429,229	10,696
Transfer Payments	154,734	83
Support Services	66,186	15,316
Capital Financing Costs	25,075	103,805
Total Expenditure	1,059,352	313,315
Government Grants	(565,841)	-
Other Grants	(34,762)	-
Fees and Charges	(104,525)	(306,315)
Customer Receipts	(593)	-
Income from Third Parties	(1,160)	(775)
Deductions and Reimbursements	(26)	(5)
Recharges	(108,344)	(5,745)
Business Rates	(103,073)	-
Use of Reserves	(3,317)	-
Council Tax	(137,711)	-
Total Income (including Council Tax)	(1,059,352)	(313,315)



Detailed Gross Budget by Department

	2023-24 Budget	General Fund								HRA
		Children's and Adults' Services	Environment Neighbourhoods and Growth	Finance	Housing - General Fund	Governance and Assurance	Strategy and Communities	Support Costs Reallocation	Council Wide Funding	Housing Revenue Account
Expenditure Type		000	000	000	000	000	000	000	000	000
Employees	259,458	78,635	69,111	33,760	8,594	15,767	2,944	-	-	50,648
Premises	146,106	1,305	10,016	3,114	1,185	11,852	2	-	-	118,631
Transport	12,798	4,475	5,749	170	45	98	14	-	-	2,246
Supplies and Services	149,180	25,561	41,715	60,961	3,951	3,391	1,712	-	-	11,889
Third Party Payments	439,926	356,360	26,878	2,484	42,559	29	920	-	-	10,696
Transfer Payments	154,817	11,873	847	142,015	-	-	-	-	-	83
Support Services	81,502	31,499	22,700	6,391	3,362	2,233	-	-	-	15,316
Capital Financing Costs	128,880	7,229	24,963	(10,336)	136	3,082	-	-	-	103,805
<i>Total Expenditure</i>	1,372,667	516,937	201,979	238,559	59,832	36,452	5,592	-	-	313,315
Income Type										
Government Grants	(565,841)	(298,796)	(7,400)	(146,524)	(6,743)	-	-	-	(106,378)	-
Other Grants	(34,762)	(31,618)	(1,701)	(1,411)	-	-	(32)	-	-	-
Fees and Charges	(411,315)	(13,609)	(57,014)	(6,163)	(26,343)	(1,397)	-	-	-	(306,790)
Customer Receipts	(593)	(5)	(561)	-	(25)	(2)	-	-	-	-
Income from Third Parties	(1,935)	(93)	-	(1,067)	-	-	-	-	-	(775)
Deductions and Reimbursements	(31)	-	(8)	-	-	(18)	-	-	-	(5)
Recharges	(114,089)	(5,382)	(40,699)	(5,683)	(3,274)	(10,882)	-	(42,423)	-	(5,745)
Business Rates	(103,073)	-	-	-	-	-	-	-	(103,073)	-
Use of Reserves	(3,317)	(817)	-	(2,500)	-	-	-	-	-	-
Council Tax	(137,711)	-	-	-	-	-	-	-	(137,711)	-
<i>Total Income (including Council Tax)</i>	(1,372,667)	(350,320)	(107,383)	(163,349)	(36,384)	(12,299)	(32)	(42,423)	(347,162)	(313,315)
Total Net Expenditure	-	166,617	94,595	75,210	23,447	24,153	5,560	(42,423)	(347,162)	-
Support Costs Re- allocation	-	(12,499)	(14,617)	(2,831)	(921)	(2,576)	-	33,445	-	-
Net Expenditure Excluding SCRs	-	154,118	79,979	72,380	23,232	20,871	5,560	(8,979)	(347,162)	-

Departmental Budget Books

Children's and Adults' Services

Children's and Adults' Services provides a wide range of services, including social care, education and public health, to all sections of the population in Southwark.

Our vision for Adult Social Care is to enable people with care and support needs and their carers to live healthy, independent and fulfilling lives in their community.

The Children and Families division integrated with Education is committed to ensure the most vulnerable children, young people and families thrive, and are empowered to lead safe and healthy lives benefiting from our wide partnership of local services, with almost every school considered Good or Outstanding.

The Public Health division works to improve and protect the health and wellbeing of people living and working in Southwark, focussing on reducing health inequalities and supporting our most vulnerable residents by collaborating with our communities and partners.

The Commissioning division has a partnership arrangement with the local Integrated Care Board so that it designs, secures and monitors health and care pathways and services by working with residents to meet their needs, reduce inequalities and improve outcomes.

Budget Book 2023-24

Division	Adult Social Care	Children and Families	Commissioning & Central	Education	Public Health	Total
	000s	000s	000s	000s	000s	000s
Gross Expenditure						
Employees	23,181	35,017	3,733	13,949	2,755	78,635
Premises	625	488	3	182	7	1,305
Transport	308	375	2	3,789	-	4,475
Supplies and Services	5,175	3,327	1,915	14,208	936	25,561
Third Party Payments	100,025	45,994	2,404	190,699	17,237	356,360
Transfer Payments	9,666	2,207	-	-	-	11,873
Support Services	7,644	6,118	690	7,470	9,577	31,499
Capital Financing Costs	940	268	-	6,022	-	7,229
Total	147,564	93,795	8,747	236,321	30,511	516,937
Gross Income						
Government Grants	(31,232)	(24,698)	(3,000)	(209,399)	(30,466)	(298,796)
Other Grants	(25,643)	(4,779)	(722)	(429)	(45)	(31,618)
Fees and Charges	(11,871)	(1,029)	-	(709)	-	(13,609)
Customer Receipts	-	-	-	(5)	-	(5)
Income from Third Parties	(93)	-	-	-	-	(93)
Deductions and Reimbursements	-	-	-	-	-	-
Recharges	(337)	(677)	(85)	(4,283)	-	(5,382)
Use of Reserves	-	-	-	(817)	-	(817)
Total	(69,175)	(31,183)	(3,807)	(215,642)	(30,511)	(350,319)
Net Expenditure	78,389	62,612	4,940	20,678	(1)	166,618

Finance

The Finance department is led by the Strategic Director of Finance, who as Section 151 officer is responsible for the administration of the council's financial affairs. Processes for discharging these responsibilities are defined in the council's constitution and scheme of management. Operational decision-making is delegated to the council's budget holders and the finance team provide support, challenge and scrutiny to ensure spend is appropriate and provides good value for money. The Finance department is made up of four divisions, each providing corporate support for the day-to-day running of council services.

Customer and Exchequer Services

Customer and Exchequer services has a wide remit with three main strands. The department is responsible for council-wide income collection including council tax, business rates, housing rents and service charges. They are also responsible for implementing a number of government initiatives and local schemes, such as housing benefits, council tax reductions and those that provide support to residents in the cost of living crisis. In addition, the department manages the council's customer services, including corporate complaints, and the corporate contact centre

Technology and Digital Services (TDS)

The Technology and Digital Services team are responsible for the council's IT infrastructure, keeping the council safe from cyber-attacks, providing project support for the main applications used by service departments and supporting the council's digital inclusion agenda. Much of the council's IT support is provided by the Shared Technology Service (a shared service between Brent, Lewisham and Southwark).

Professional Finance Services (PFS)

The service provides corporate leadership on financial planning and financial reporting as well as providing financial support to service departments to ensure effective budgetary control. PFS has responsibility for the annual setting of the council's budget and the publishing of the statutory accounts and the internal audit and anti-fraud function. Within this division is treasury management, the Pension Fund investment team and the Pension Fund administration team.

Strategic Finance

Strategic finance has control of a number of mainly technical accounting budgets, which are not allocated directly to departments, which need to be managed centrally. These include levies and precepts, contingencies, technical accounting budgets and budgets for depreciation and financing costs. One of the main corporate budgets is the council's insurance budget, which protects council assets and people against key insurable risks.

Budget Book 2023-24

Division	Customer and Exchequer	Digital and Technology	Professional Finance Services	Strategic Finance	Total
	000s	000s	000s	000s	000s
Gross Expenditure					
Employees	13,911	2,715	6,795	10,339	33,760
Premises	260	-	-	2,854	3,114
Transport	77	3	1	88	170
Supplies and Services	3,146	10,776	1,696	45,343	60,961
Third Party Payments	415	-	-	2,069	2,484
Transfer Payments	130,761	-	750	10,504	142,015
Support Services	5,724	-	-	667	6,391
Capital Financing Costs	55	5,795	-	(16,187)	(10,336)
Total	154,350	19,288	9,242	55,678	238,559
Gross Income					
Government Grants	(130,310)	-	-	(16,214)	(146,525)
Other Grants	(1,411)	-	-	-	(1,411)
Fees and Charges	(6,090)	-	-	(73)	(6,163)
Income from Third Parties	(367)	-	-	(700)	(1,067)
Recharges	(2,102)	(1,882)	(133)	(1,566)	(5,683)
Use of Reserves	-	-	-	(2,500)	(2,500)
Total	(140,280)	(1,882)	(133)	(21,053)	(163,348)
Net Expenditure	14,069	17,407	9,110	34,625	75,211

Environment, Neighbourhoods and Growth

The Environment Neighbourhoods and Leisure Department delivers a wide range of services that make a real difference to the everyday lives of all residents, businesses, visitors and staff. 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.

Many of the operational activities of the Department are frontline services for the benefit of all residents and other stakeholders: they physically improve the environment; they provide opportunities for health and enjoyment, support knowledge and learning or help improve safety and confidence. The Department has six directorates, Environment, Leisure, Planning and Growth, Local Economy Team, Climate Change, Stronger neighbourhoods.

All of the department's services firmly support the Cabinet's vision of a fairer future for all: its services enhance the everyday lives of all residents, providing opportunities to be involved, to learn, to help and enjoy. Its aim is to make Southwark's environment clean, safe, sustainable, happy, healthy and uplifting, and help all residents to enjoy the borough and live active and healthy lives.

Budget Book 2023-24

Division	Climate Change	Communities	Environment	Leisure	Planning & Growth	Sustainability & Business Development	Total
	000s	000s	000s	000s	000s	000s	000s
Gross Expenditure							
Employees	328	2,767	45,369	7,882	9,684	3,080	69,110
Premises	-	122	3,515	5,189	1,182	8	10,016
Transport	-	35	5,472	215	28	0	5,750
Supplies and Services	172	2,258	31,006	2,440	2,221	3,618	41,715
Third Party Payments	-	8,449	9,507	8,741	161	20	26,878
Transfer Payments	-	841	-	6	-	-	847
Support Services	-	3,564	14,238	3,675	1,223	-	22,700
Capital Financing Costs	-	-	16,553	8,188	222	-	24,963
Total	500	18,036	125,660	36,336	14,721	6,726	201,979
Gross Income							
Government Grants	-	(4,624)	(2,776)	-	-	-	(7,400)
Other Grants	-	(571)	(57)	-	(1,073)	-	(1,701)
Fees and Charges	-	-	(34,067)	(6,386)	(16,476)	(85)	(57,014)
Customer Receipts	-	-	(3)	(414)	(144)	-	(561)
Deductions and Reimbursements	-	-	(8)	-	-	-	(8)
Recharges	-	-	(35,989)	(384)	(3,238)	(1,088)	(40,699)
Total	-	(5,195)	(72,900)	(7,184)	(20,931)	(1,173)	(107,383)
Net Expenditure	500	12,841	52,760	29,152	(6,210)	5,553	94,596

Housing

General Fund

The Housing department covers a range of functions funded from both the general fund and the ring-fenced housing revenue account (HRA) for landlord services. The general fund comprises the following: Asset Management includes aids and adaptations, handypersons, empty homes and private sector housing renewal and building safety. Central Services budgets are of a department-wide nature including corporate recharges and costs that are not attributable to a specific operational service.

Resident services include travellers' sites and temporary accommodation/ housing solutions, which involves homeless prevention and provision of accommodation for those in severe housing need. The demand and cost of provision is unremitting, driven by the growing national homelessness crisis, unaffordable private sector rented accommodation and government restrictions on Local Housing Allowance (LHA) rates, which mean that welfare benefits do not cover rental rates in the private sector.

Budget Book 2023-24

Division	Asset Management	Central Functions	Resident Services	Total
	000s	000s	000s	000s
Gross Expenditure				
Employees	1,677	829	6,088	8,594
Premises	-	562	623	1,185
Transport	42	-	3	45
Supplies and Services	43	15	3,893	3,951
Third Party Payments	-	2,038	40,521	42,559
Support Services	-	3,172	190	3,362
Capital Financing Costs	-	33	103	136
Total	1,762	6,649	51,421	59,832
Gross Income				
Government Grants	-	-	(6,743)	(6,743)
Fees and Charges	(201)	-	(26,142)	(26,343)
Customer Receipts	(25)	-	-	(25)
Recharges	(660)	(620)	(1,994)	(3,274)
Total	(886)	(620)	(34,879)	(36,385)
Net Expenditure	876	6,029	16,542	23,447

Housing Revenue Account

The HRA reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, homeowner service charges and other income.

The over-arching principle underlying the introduction of self-financing for the HRA in 2012 was the generation of revenue resources sufficient to meet the investment needs of the housing stock and repay debt over a thirty-year planning horizon, without on-going government support. However, subsequent changes in government policy and rent interventions have served to restrict resources and fundamentally undermine the financial sustainability of the HRA business plan.

Notwithstanding, the council has successfully managed to maintain and improve the quality of housing services to residents, committed unprecedented levels of investment in the existing housing stock and largescale delivery of new council homes at council rent. However, for 2023-24 and beyond, the council faces the unparalleled challenge of managing the competing needs and priorities of the existing stock, particularly the new building and fire safety legislative requirements and an onerous inspection regime by the Regulator for Social Housing, against the ambition to continue to build more new homes and undertake significant long-term estate regeneration.

High inflation, particularly in the construction industry and rising interest rates at a time when the new build programme is reaching its peak have contrived to add considerable budgetary pressure on the HRA. Whilst the removal of the HRA borrowing cap has alleviated the arbitrary financial constraints that previously existed, it is not a panacea for unfettered borrowing as the revenue financing costs needs to be sustainable over the long-term. Looking ahead, the HRA can no longer rely solely on its rental and other income streams to fund its capital programme commitments without borrowing and/or leveraging in additional resources through asset disposals, S106 and CIL contributions and joint ventures with developers and external funders.

Budget Book 2023-24

Division	Asset Management 000s	Central Functions 000s	Customer Experience 000s	Directorate 000s	HRA Rent Income 000s	New Build 000s	Resident Services 000s	Total 000s
Gross Expenditure								
Employees	14,480	13,708	6,887	1,823	-	491	13,259	50,648
Premises	50,193	36,874	27	-	-	-	32,537	118,631
Transport	175	2,015	2	-	-	2	52	2,246
Supplies and Services	4,785	3,848	385	78	-	177	2,615	11,889
Third Party Payments	2	274	272	-	-	-	10,149	10,696
Transfer Payments	-	-	-	-	-	-	83	83
Support Services	15	12,007	52	-	-	-	3,242	15,316
Capital Financing Costs	-	103,805	-	-	-	-	-	103,805
<i>Total</i>	69,650	172,532	7,625	1,902	-	670	60,937	313,315
Gross Income								
Fees and Charges	(16)	(41,655)	(25)	-	(263,722)	-	(1,372)	(306,790)
Customer Receipts	-	-	-	-	-	-	-	-
Income from Third Parties	-	(700)	(75)	-	-	-	-	(775)
Deductions and Reimbursements	(5)	-	-	-	-	-	-	(5)
Recharges	-	(2,963)	(2,253)	-	-	-	(529)	(5,745)
<i>Total</i>	(21)	(45,318)	(2,353)	-	(263,722)	-	(1,901)	(313,315)
Net Expenditure	69,629	127,213	5,272	1,902	(263,722)	670	59,036	-

Deputy Chief Executive – Governance and Assurance

Legal Services

Legal Services is a trading service offering legal support to all parts of the council and covers the whole range of local authority legal work.

Constitutional and Member Services

Constitutional and Member Services supports member-level decision making at council meetings and in individual decision-making. The team provides constitutional advice and support to the Mayor/Civic Office, councillors, officers and the public. The constitution is maintained by the team and this provides the framework for the council's decision-making processes.

Scrutiny

The scrutiny team provides advice, research and meeting support to the members of the overview and scrutiny committee and its commissions to enable the effective undertaking of the council's scrutiny function, working towards driving improvement in public services.

Information Governance

Information governance is responsible for advising and supporting all staff on data protection, data breaches, data sharing, data rights, information requests and records management matters.

Electoral Services

The electoral services team is responsible for electoral registration, all electoral events and polling district boundary reviews. The team provide support to the Electoral Registration Officer and to the Returning Officer.

Corporate Facilities Management (CFM)

CFM oversees the management, repair, maintenance, compliance and provision of facilities management and workplace-related services to the council's operational and non-housing estate. CFM manages a broad range of essential corporate support contracts and provides the Corporate Health and Safety function.

Human Resources (HR) and Organisational Development

HR provides a comprehensive HR service for managers and staff across the council. Working alongside Organisational Transformation, we deliver the workforce strategy. HR also manages the council's agency worker and occupational health contracts

Learning and Organisational Development is responsible for corporate wide learning and development, organisation development, including our apprentice and intern schemes.

Budget Book 2023-24

Division	Corporate Facilities Management	HR & OT	Law and Governance	Total
	000s	000s	000s	000s
Gross Expenditure				
Employees	4,062	4,164	7,541	15,767
Premises	11,831	3	18	11,852
Transport	54	3	41	98
Supplies and Services	422	509	2,460	3,391
Third Party Payments	28	1	-	29
Support Services	-	-	2,233	2,233
Capital Financing Costs	3,082	-	-	3,082
Total	19,479	4,680	12,293	36,452
Gross Income				
Fees and Charges	(963)	(56)	(378)	(1,397)
Customer Receipts	-	-	(2)	(2)
Deductions and Reimbursements	(18)	-	-	(18)
Recharges	(2,887)	(222)	(7,773)	(10,882)
Total	(3,868)	(278)	(8,153)	(12,299)
Net Expenditure	15,611	4,402	4,140	24,153

Deputy Chief Executive – Strategy and Communities

The department leads on the council's aim of building a strong local economy, 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 leads on the council's delivery of regeneration, accelerate the council's work on social 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.

We work with a diverse range of partners and promote opportunities for new partnerships between the council, developers and digital and technical companies. Together we will champion new ways of shaping place to address long-standing challenges in the borough.

The Consultation and Involvement Team works with CVS organisations and communities of interest especially the seldom heard e.g. work with older people, faith communities, the Latin American community to improve the quality of consultation and engagement across the council, supporting greater participation.

The work of the Equalities Officer is to organise the delivery of our equalities approach, work across the council to ensure we meet our Public Sector Equality Duty by making equality part of our day -to-day business and supporting the division's inclusion work.

The Mayor represents the borough and its communities as a whole, and acts as a tangible symbol of an open inclusive society, promoting a sense of belonging and civic pride this is expressed through a range of social and civic engagements, which act as a means of promoting community cohesion in the borough.

Budget Book 2023-24

Division	Chief Executive 000s	Chief Executive's Office 000s	External Affairs 000s	Total 000s
Gross Expenditure				
Employees	289	1,568	1,087	2,944
Premises	-	2	-	2
Transport	5	8	1	14
Supplies and Services	1,479	72	161	1,712
Third Party Payments	-	920	-	920
Total	1,773	2,570	1,249	5,592
Gross Income				
Other Grants	-	(32)	-	(32)
Total	-	(32)	-	(32)
Net Expenditure	1,773	2,538	1,249	5,560