

Southwark Council

Housing and Modernisation

Budget Book 2018-19

Contents

Overview.....	3
General Fund Summary Budget Analysis.....	5
Asset Management	6
Communities.....	7
Resident Services	9
Modernise	10
Customer Experience.....	12
Central Services.....	14
Housing Revenue Account (HRA) Summary Budget Analysis.....	15

Overview

The Housing and Modernisation (H&M) 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. It comprises five divisions: Asset Management, Communities, Resident Services, Modernise and Customer Experience. There are also a number of business and overhead functions that are not service specific which fall under the heading of Central Services. The delivery of certain services such as income management (rents and service charges) and the in-house repairs contractor – Southwark Building Services (SBS), fall within the remit of the Finance and Governance and Environment and Social Regeneration departments respectively.

In delivering the council's vision, as defined in the Fairer Future Promises, the department aims to maximise investment in the housing stock, build new council homes at council rents and improve performance in all core service areas. There is an aspiration 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. Activities are primarily 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.
- Delivering an enhanced homeowner service and ensuring that charges are accurate and 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.

In developing budget proposals, the department is committed to protecting frontline service provision as far as possible, but the scale of reductions in central government funding makes this increasingly difficult to achieve. Savings have been predominantly delivered through greater operational efficiency and service rationalisation/integration and a drive towards greater digital provision, which is more cost effective and critical to ensure services are sustainable going forward.

The total General Fund budget for 2018-19 is £67.462m, comprising savings of £361k, inflationary pressure of £559k and service commitments of £3.8m, which are detailed below. The budget also incorporates a net nil budget movement to reflect the change in accounting practice for the customer contact centre which switches from the general fund to the HRA as the primary consumer of services.

The budget movements from 2017-18 to 2018-19 are summarised below:

Commitments	2017-18 £'000	2018-19 £'000	Total £'000
Communities	2,000	215	2,215
Modernise	1,343	2,719	3,062
Customer Experience	0	750	750
Resident Services	0	116	116
Total	3,343	3,800	7,143

Savings	2017-18 £'000	2018-19 £'000	Total £'000
Asset Management	-36	-30	-66
Communities	-784	-151	-935
Resident Services	-55	-24	-79
Modernise	-1,910	-156	-2066
Customer Experience	-1,000	0	-1000
Central Services	-372	0	-372
Total	-4,157	-361	-4,518

General Fund Summary Budget Analysis

Divisional analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Management	885	432	0	23	0	-30	426
Communities	18,583	16,682	-5,132	40	215	-151	11,654
Resident Services	841	704	-33	14	116	-24	777
Modernise	27,656	24,603	2,508	405	2,719	-156	30,079
Customer Experience	27,320	26,164	-5,013	76	750	0	21,978
Central Services	3,797	3,274	-727	1	0	0	2,548
Net Budget	79,083	71,860	-8,396	559	3,800	-361	67,462

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	25,334	22,880	-7,559	330	220	-71	15,800
Premises	18,368	16,333	-4,757	229	523	-70	12,259
Transport	259	243	-35	0	0	0	208
Supplies and Services	13,718	9,782	484	0	2,022	-90	12,198
Third Party Payments	29,715	24,303	-5,535	0	965	-30	19,703
Transfer Payments	13,102	13,153	1,150	0	0	0	14,303
Support Services	4,950	4,093	5,873	0	0	0	9,966
Capital Charges	6,922	6,922	993	0	0	0	7,915
Total Expenditure	112,369	97,711	-9,386	559	3,730	-261	92,353
Government Grants	-1,100	-37	37	0	0	0	0
Other Grants	-2,817	-1,196	-406	0	0	0	-1,602
Fees and Charges	-13,415	-10,456	136	0	70	0	-10,251
Miscellaneous Income	-4	-70	52	0	0	0	-18
Total Income	-17,337	-11,759	-181	0	70	0	-11,870
Net expenditure before Recharges	95,032	85,951	-9,567	559	3,800	-261	80,482
Recharges to the HRA	-2,687	-2,994	74	0	0	0	-2,920
Recharges - Other	-13,262	-11,098	1,097	0	0	-100	-10,101
Net Recharges	-15,949	-14,092	1,171	0	0	-100	-13,021
Net Budget	79,083	71,860	-8,396	559	3,800	-361	67,462

Employees	FTE
Asset Management	24
Communities	42
Resident Services	15
Modernise	165
Customer Experience	92
Central Services	0
Total	338

Asset Management

The division is predominantly responsible for HRA funded services such as major works and new homes delivery, voids management, repairs and maintenance, compliance and health and safety and other technical works contracts. General Fund services comprise: aids and adaptations, handypersons and private sector housing renewal and empty homes. Rationalisation of management structures will deliver a saving of £30k without affecting service provision.

Activity analysis	2016-17 Outturn £'000	2017-18 Budget £'000	Budget Adjustments £'000	Inflation £'000	Commitments £'000	Savings £'000	2018-19 Budget £'000
Housing Renewal	793	309	0	19	0	-30	297
Regeneration	59	56	0	1	0	0	57
Aids and Adaptations	33	68	0	4	0	0	72
Net Budget	885	432	0	23	0	-30	426

Subjective analysis	2016-17 Outturn £'000	2017-18 Budget £'000	Budget Adjustments £'000	Inflation £'000	Commitment £'000	Savings £'000	2018-19 Budget £'000
Employees	1,332	1,190	0	23	0	-10	1,203
Premises	14	33	0	0	0	-11	22
Transport	39	40	0	0	0	0	40
Supplies and Services	30	65	0	0	0	-9	56
Support Services	4	0	0	0	0	0	0
Total Expenditure	1,419	1,328	0	23	0	-30	1,321
Fees and Charges	-135	-200	0	0	0	0	-200
Deductions and Reimbursements	-1	0	0	0	0	0	0
Total Income	-136	-200	0	0	0	0	-200
Net Expenditure before Recharges	1,283	1,128	0	23	0	-30	1,121
Recharges to the HRA	-108	-150	0	0	0	0	-150
Recharges - Other	-290	-546	0	0	0	0	-546
Net Recharges	-398	-696	0	0	0	0	-696
Net Budget	885	432	0	23	0	-30	426

Communities

The division is responsible for consultation and community engagement with council tenants, homeowners and residents, the civic office, the voluntary and community sector (VCS), community safety, Prevent and child sexual exploitation and No Recourse to Public Funds (NRPF).

NRPF represents a significant and persistent pressure on council resources. Substantial progress has been made in stabilising new acceptance rates and reducing long term caseload and consequently costs compared to previous years but not at a sufficient rate to remain within the approved budget. The ability to discharge the council's duty relies on the Home Office determining a client's status as to whether they have leave to remain, recourse to public funds or no barrier to return. Cases are proactively escalated for more rapid decision making, but the process is protracted and not directly within the council's control. Volatility of demand and cost/availability of temporary accommodation remains a risk and notwithstanding the improvements achieved to date, projections indicate a further commitment of £215k is required in 2018-19 to ensure the budget is at a more sustainable level going forward.

Voluntary sector budgets have to some extent been protected from the same level of funding reduction as council services. Savings have focussed on achieving efficiencies and better value for money from commissioning services and through the restructuring of the communities division and this will deliver further savings of £151k for 2018-19. Joint working continues across the council to consolidate the commissioning of services, including the Clinical Commissioning Group (CCG), which provides an opportunity to streamline service provision, ensure consistency across the piece and deliver economies going forward.

Activity analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Head of Community Engagement	219	155	-31	2	0	0	126
Community Councils	997	963	32	6	0	0	1,001
Community Support - Commissioning	2,965	2,939	-32	4	0	-151	2,760
Mayoral Support	110	111	0	0	0	0	111
Community Engagement	258	269	49	6	0	0	323
No Recourse to Public Funds	8,056	6,137	-52	8	215	0	6,309
Community Support - Safeguarding	2	0	62	1	0	0	63
Community Safety	5,976	6,108	-5,159	12	0	0	961
Net Budget	18,583	16,682	-5,132	40	215	-151	11,654

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	2,237	1,887	115	39	0	0	2,041
Premises	171	61	128	0	0	-59	130
Transport	62	70	3	0	0	0	74
Supplies and Services	2,475	1,987	38	0	0	-62	1,963
Third Party Payments	15,097	12,933	-5,527	0	215	-30	7,591
Transfer Payments	7	50	1,150	0	0	0	1,200
Support Services	48	2	4,356	0	0	0	4,358
Total Expenditure	20,097	16,990	264	40	215	-151	17,358
Government Grants	-183	0	0	0	0	0	0
Other Grants and Contributions	-1,246	-195	-406	0	0	0	-601
Fees and Charges	-20	0	0	0	0	0	0
Total Income	-1449	-195	-406	0	0	0	-601
Net Expenditure before Recharges	18,648	16,795	-142	40	215	-151	16,757
Recharges to the HRA	0	0	0	0	0	0	0
Recharges - Other	-65	-113	-4,989	0	0	0	-5,102
Net Recharges	-65	-113	-4,989	0	0	0	-5,102
Net Budget	18,583	16,682	-5,132	40	215	-151	11,654

Resident Services

The division is responsible for a range of services across both the HRA and general fund, some of which have shared funding arrangements. This includes estate/tenancy management, supported and sheltered housing, special investigations, housing strategy, policy and performance and travellers' sites.

A requirement to undertake essential site safety works at Ilderton Road and the provision of temporary facilities at Devonshire Grove in the interim requires a budget commitment of £116k (net of licence fee income). Realignment of the budgets across the division will deliver additional savings of £24k without impacting service provision.

Activity analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitments	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Supported Housing Services	615	375	0	11	0	-24	362
Housing Strategy and Partnerships	67	119	0	1	0	0	120
Travellers Sites	332	328	-33	2	116	0	413
Travellers Sites Income	-173	-117	0	0	0	0	-117
Net Budget	841	704	-33	14	116	-24	777

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	869	709	0	14	0	-24	700
Premises	155	153	0	0	116	0	269
Transport	2	1	0	0	0	0	1
Supplies and Services	87	89	0	0	0	0	89
Third Party Payments	0	0	0	0	0	0	0
Support Services	221	190	0	0	0	0	190
Capital Charges	134	134	-33	0	0	0	101
Total Expenditure	1,469	1,278	-33	14	116	-24	1,351
Fees and Charges	-173	-117	0	0	0	0	-117
Total Income	-173	-117	0	0	0	0	-117
Net Expenditure before Recharges	1,295	1,161	-33	14	116	-24	1,234
Recharges to the HRA	0	0	0	0	0	0	0
Recharges - Other	-454	-457	0	0	0	0	-457
Net Recharges	-454	-457	0	0	0	0	-457
Net Budget	841	704	-33	14	116	-24	777

Modernise

The Modernise division incorporates Information Technology and Digital Services (IT&DS), Human Resources (HR), Corporate Facilities Management (CFM) and Organisation Transformation (OT). These services are of a corporate nature and underpin the council's modernise agenda.

In November 2017 the council entered into a three-way shared IT service with the London Boroughs of Brent (host authority) and Lewisham. The provision of a modern, secure and resilient IT platform is critical to transforming where and how staff work in order to better serve customers through the implementation of the workforce, IT and workplace strategies agreed by cabinet in November 2016. However, in order to realise material service benefits and even greater efficiency savings over the medium term, sustained capital investment and a revenue commitment of £1.672m is required to align the base budget for 2018-19.

CFM is subject to a number of budget pressures particularly in relation to procurement, contract management and development of the council accommodation strategy, requiring external professional support. The rationalisation of multiple service providers to just two overarching contracts for the running of the council's key operational buildings has provided a more streamlined, efficient and critically compliant FM service, but at greater cost. Going forward, a strategic service review has identified proposals for a future operating model for 2020 and opportunities to address budget pressures, which is currently being pursued.

Aligned with this is the development of the corporate accommodation strategy, which seeks to rationalise the wider operational estate, maximise the utilisation of buildings in conjunction with targeted capital investment to reduce future running costs and identify surplus assets for disposal to support the capital programme. It is essential that the service is financially stable and the budget able to support the business plan, requiring a commitment of £565k in 2018-19. A further commitment of £297k was also approved to fund the cost of the rent review at Queens Road 1. However, an amendment to the budget report was approved by council in March 2018 to acquire the site and redirect the lease rental savings (£698k) into other service areas. This is reflected in the analysis shown below.

Reorganisation and rationalisation of the HR and OT services during 2018-19 will deliver savings of £156k without impacting on service delivery. Conversely, a commitment of £185k is necessary to align the base to reflect organisational changes affecting the transfer of Corporate Programme Unit staff moving to OT and CFM.

Activity analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Information Technology and Digital Services (IT&DS)	12,542	11,506	1,147	66	1,672	0	14,392
Corporate Facilities Management (CFM)	12,984	10,719	1,107	273	862	0	12,960
Human Resources (HR)	605	944	32	43	0	-19	1,000
Organisation Transformation (OT)	1,525	1,433	223	22	185	-137	1,726
Net Budget	27,656	24,603	2,508	405	2,719	-156	30,079

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	8,332	7,593	-112	176	220	-37	7,839
Premises	17,599	15,545	-4,652	229	407	0	11,529
Transport	119	68	0	0	0	0	68
Supplies and Services	8,249	5,924	848	0	2,022	-19	8,775
Third Party Payments	99	28	1	0	0	0	29
Support Services	460	0	0	0	0	0	0
Capital Charges	6,748	6,748	1,028	0	0	0	7,776
Total Expenditure	41,606	35,905	-2,887	405	2,649	-56	36,016
Government Grants	-27	0	0	0	0	0	0
Other Grants	-263	0	0	0	0	0	0
Fees and Charges	-819	-1,096	136	0	70	0	-890
External Contract Income	0	-52	52	0	0	0	0
Deductions and Reimbursements	-1	-18	0	0	0	0	-18
Total Income	-1,110	-1,166	188	0	70	0	-908
Net Expenditure before Recharges	40,497	34,740	-2,699	405	2,719	-56	35,109
Recharges to the HRA	-1,500	-1,500	-576	0	0	0	-2,076
Recharges - Other	-11,340	-8,637	5,783	0	0	-100	-2,954
Net Recharges	-12,840	-10,137	5,207	0	0	-100	-5,030
Net Budget	27,656	24,603	2,508	405	2,719	-156	30,079

Customer Experience

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.

Significant savings have been achieved since the customer service centre (CSC) was brought in-house in 2013 and the continued move away from face to face and telephone contact to digital provision is essential to mitigate the impact in more acute areas of the council's budget. Further savings are possible over the medium-term but require technical development to achieve. Following a detailed review, the level of HRA activity versus GF activity in the CSC and MSSP has reached a critical tipping point that warrants switching primary accountability to the HRA. This has no budgetary impact on either fund for 2018-19.

The consolidation of housing solutions and temporary accommodation services and move to a unified council-wide temporary accommodation procurement approach has delivered operational cost reductions, albeit not budget savings. Notwithstanding Southwark's progress in preventing homelessness, the council faces significant budgetary pressure through increasing demand, restricted housing supply, legislative obligations and new burdens arising from the Homelessness Reduction Act 2017, not to mention the impact of universal credit on income collection. Whilst grant funding is available in the short term, there is no certainty about resources beyond 2019-20 and a further commitment of £750k was approved to meet these challenges.

Activity analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Head of Customer Experience	195	256	-256	0	0	0	
Customer Services	3,886	3,588	-1,412	8	0	0	2,185
Service Development	346	492	-492	0	0	0	
Systems Improvement	537	504	-504	0	0	0	
Customer Resolution	14,619	14,632	-1,341	3	0	0	13,293
My Southwark Service Points	1,093	1,006	-1,006	0	0	0	
Registrars and Citizenship	13	27	0	13	0	0	40
Coroners and Mortuary	352	304	-2	6	0	0	308
Temporary Accommodation	3,672	2,906	0	0	750	0	3,656
Housing Solutions	2,608	2,450	0	46	0	0	2,496
Net Budget	27,320	26,164	-5,013	76	750	0	21,978

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	12,055	11,385	-7,517	76	0	0	3,944
Premises	404	540	-232	0	0	0	308
Transport	35	64	-38	0	0	0	25
Supplies and Services	2,773	1,572	-372	0	0	0	1,200
Third Party Payments	14,518	11,341	-8	0	750	0	12,083
Transfer Payments	13,096	13,103	0	0	0	0	13,103
Support Services	420	270	2,168	0	0	0	2,437
Capital Charges	40	40	-2	0	0	0	38
Total Expenditure	43,341	38,315	-6,002	76	750	0	33,139
Government Grants	-891	-37	37	0	0	0	0
Other Grants	-1,308	-1,001	0	0	0	0	-1,001
Fees and Charges	-12,267	-9,044	0	0	0	0	-9,044
Miscellaneous Income	-2	0	0	0	0	0	0
Total Income	-14,468	-10,081	37	0	0	0	-10,045
Net Expenditure before Recharges	28,873	28,233	-5,965	76	750	0	23,094
Recharges to the HRA	-459	-724	650	0	0	0	-74
Recharges - Other	-1,094	-1,345	303	0	0	0	-1,042
Net Recharges	-1,553	-2,069	953	0	0	0	-1,116
Net Budget	27,320	26,164	-5,013	76	750	0	21,978

Central Services

There are a number of budgets within H&M of a financing/overhead nature that underpin the provision of services without being directly attributable to a particular service area. These are predominantly corporate support costs recharged to departments and are uncontrollable at a local level.

Activity analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitments	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Services	3,797	3,274	-727	1	0	0	2,548
Net Budget	3,797	3,274	-727	1	0	0	2,548

Subjective analysis	2016-17 Outturn	2017-18 Budget	Budget Adjustments	Inflation	Commitment	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	510	117	-45	1	0	0	74
Premises	25	1	-1	0	0	0	0
Transport	2	0	0	0	0	0	0
Supplies and Services	103	144	-30	0	0	0	114
Third Party Payments	0	1	-1	0	0	0	0
Support Services	3,796	3,631	-651	0	0	0	2,981
Total Expenditure	4,436	3,894	-728	1	0	0	3,168
Fees and Charges	-1	0	0	0	0	0	0
Total Income	-1	0	0	0	0	0	0
Net Expenditure before Recharges	4,435	3,894	-728	1	0	0	3,168
Recharges to the HRA	-620	-620	0	0	0	0	-620
Recharges - Other	-19	0	0	0	0	0	0
Net Recharges	-639	-620	0	0	0	0	-620
Net Budget	3,797	3,274	-727	1	0	0	2,548

Housing Revenue Account (HRA)

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 council is obliged by statute to set a balanced budget.

Whilst the funding regimes for the HRA and the general fund are different, the budget principles and requirement for continuous improvement and delivery of savings hold true for both. Savings of £40.8m have been delivered since 2012, with the focus being on the back-office, departmental and corporate overheads and rationalising and modernising the way the council works to drive out efficiencies. Budget re-profiling and re-direction also provide flexibility to target resources to areas of highest priority, particularly revenue support for the investment programme.

For 2018-19, the loss of rental income, inflation and service driven volume/activity demands give rise to a budget gap of £3.7m, which has been met through efficiency savings of £2.7m and £1m of additional income from commercial and garage rents, tenant and homeowner service charges and other fees and charges.

The over-arching principle underlying the introduction of HRA self-financing in 2012 was the generation and retention of revenue surpluses sufficient to meet the investment needs of the housing stock and repay debt over a thirty year planning horizon, without further government support. However, the key assumptions made by government in arriving at the settlement figure did not adequately reflect the financial reality of the council's position at that time and subsequent changes in government policy have served to undermine the financial sustainability of the HRA business plan and fundamentally shift the parameters for long-term investment planning.

Notwithstanding that, it has been possible to maintain and improve the quality of housing services to residents, support the council's extensive investment programme, including: Warm Dry Safe (WDS) and Quality Homes Investment Programme (QHIP), fire safety, kitchens and bathrooms and other landlord priorities. Furthermore, it has successfully delivered new council homes at council rents and repaid £58m of HRA debt to increase the council's borrowing headroom.

The provisions of the Welfare Reform and Work Act 2016 re-introduced social rent control by compelling authorities to reduce rents by a minimum of 1% each year between 2016-17 and 2019-20, resulting in further erosion in the rental base compared to the previous business plan assumptions. The Ministry for Housing, Communities and Local Government (MHCLG) has recently indicated that rent levels will revert to September CPI+1% increases for five years from 2020-21.

Other social housing proposals within the Housing and Planning Act 2016 are in various stages of abeyance, including the decision to abandon the mandatory aspect of the pay-to-stay policy (Southwark has adopted a policy of non-imposition); the suspension of implementation of the forced sale of higher value void properties, and the sector awaits draft regulations around the ending of "lifetime" tenancies. The council's investment programme assumes a base level of void receipts to fund new homes and implementation of this initiative would exacerbate the resource pressure that already exists.

Whilst there is no statutory requirement to consult, the council is committed to engaging with stakeholders, particularly under the terms of the Tenancy Agreement. This process commences with an indicative report to cabinet in early December setting out the proposed budget and changes to rents and charges. This is followed by stakeholder consultation and

then final approval by cabinet in late January, which enables statutory notification of rent variations to take place before the new rent year commences in April.

The budget movements from 2017-18 to 2018-19 are summarised below:

Housing Revenue Account Summary Budget Analysis

Divisional Analysis	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Management	53,508	49,031	923	0	0	0	0	49,954
Communities	8,090	8,733	75	0	0	0	0	8,808
Resident Services	37,607	37,282	358	0	0	0	-617	37,023
Customer Experience	3,177	3,313	5,108	0	0	0	0	8,421
Central Services	-102,382	-98,359	-4,804	5,266	-5,000	762	-2,071	-104,206
Total	0	0	1,660	5,266	-5,000	762	-2,688	0

Employees	FTE
Asset Management	246
Communities	25
Resident Services	215
Customer Experience	256
Central Services	0
Total	742

Subjective Analysis	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	34,380	31,614	6,927	0	0	0	0	38,541
Running Costs/Heating Account	39,000	32,238	674	266	0	0	-1,362	31,816
Thames Water Charges	13,284	0	0	0	0	0	0	0
Contingency/Contribution to Reserves	4,166	1,057	0	0	0	0	-1,057	0
Grounds Maint/Estate Cleaning	15,752	15,985	301	0	0	0	0	16,286
Responsive Repairs/Heating Repairs	49,209	41,232	698	0	0	0	-155	41,775
Contribution to Investment Programme	49,407	31,145	0	0	-5,000	0	0	26,145
Corporate Support Costs/SLAs	18,544	20,323	-4,845	600	0	0	-114	15,964
Depreciation	48,685	53,000	0	0	0	0	0	53,000
Financing Costs	23,261	33,555	0	0	0	0	0	33,555
Tenant Management Org's Allowances	5,933	6,506	82	0	0	0	0	6,588
Total Expenditure	301,621	266,655	3,837	866	-5,000	0	-2,688	263,670
Rents - Dwellings	-198,779	-190,763	0		0	1,275	0	-189,488
Rents - Non-Dwellings	-4,774	-5,019	0	0	0	-62	0	-5,081
Heating/Hot Water Charges	-9,030	-9,274	0	0	0	349	0	-8,925
Tenant Service Charges	-13,073	-14,373	0	0	0	-391	0	-14,764
Thames Water Charges	-13,478	0	0	0	0	0	0	0
Commission Receivable	-2,824	0	0	0	0	0	0	0
Leaseholders - Major Works	-26,486	-15,000	0	5,000	0	0	0	-10,000
Leaseholders - Service Charges	-17,945	-18,905	0	-600	0	-130	0	-19,635
Grants	0	0	0	0	0	0	0	0
Interest on Balances	-511	-486	0	0	0	0	0	-486
Commercial Property Rents	-7,422	-7,017	0	0	0	-260	0	-7,277
Fees and Charges	-5,333	-1,910	0	0	0	-19	0	-1,929
Capitalisation	0	0	0	0	0	0	0	0
Recharges	-1,966	-3,908	-2,177	0	0	0	0	-6,085
Total Income	-301,621	-266,655	-2,177	4,400	0	762	0	-263,670
Net Budget	0	0	1,660	5,266	-5,000	762	-2,688	0

Divisional Budget Analysis

Asset Management	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment and Asset Management	1,357	2,264	-139	0	0	0	0	2,125
Engineering Services	21,669	20,874	677	0	0	0	0	21,551
Reactive and Planned Maintenance	30,094	25,550	393	0	0	0	0	25,943
Housing Regeneration and Delivery	388	343	-8	0	0	0	0	335
Net Budget	53,508	49,031	923	0	0	0	0	49,954

Communities	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tenant Management Organisations	6,133	7,150	-1	0	0	0	0	7,149
Residents Involvement	1,957	1,583	76	0	0	0	0	1,659
Net Budget	8,090	8,733	75	0	0	0	0	8,808

Resident Services	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Supported and Sheltered Housing	6,477	5,196	-53	0	0	0	-327	4,816
Environmental Services	18,182	18,371	286	0	0	0	0	18,657
Estate Management	5,209	6,279	95	0	0	0	-140	6,214
Investigations and Support	6,573	6,038	0	0	0	0	-150	5,888
Strategy and Performance	1,166	1,398	30	0	0	0	0	1,428
Net Budget	37,607	37,282	358	0	0	0	-617	37,023

Customer Experience	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
My Southwark Homeowners	714	1,083	4	0	0	0	0	1,087
My Southwark Service Points	298	338	1,134	0	0	0	0	1,472
Housing Solutions and Temporary Accom	2,165	1,892	59	0	0	0	0	1,951
Head of Customer Experience	0	0	-1,906	0	0	0	0	-1,906
Customer Services	0	0	4,246	0	0	0	0	4,246
Customer Resolution	0	0	1,571	0	0	0	0	1,571
Net Budget	3,177	3,313	5,108	0	0	0	0	8,421

Central Services	2016-17 Outturn	2017-18 Budget	Inflation	Commitments	Financing	Rents and Income	Savings	2018-19 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Heating Account	7,700	9,347	0	0	0	0	0	9,347
Thames Water	13,573	442	0	0	0	0	0	442
Commercial Properties	-5,738	-5,629	0	0	0	-260	0	-5,889
Dwelling Rent Income	-240,248	-225,106	0	0	0	1,171	0	-223,935
Project Costs	7,458	7,400	0	0	0	0	0	7,400
General Holding Account	6,364	3,687	233	0	0	0	-850	3,070
Financing	75,867	86,319	0	0	0	0	0	86,319
Reserves and Provisions	4,702	7,723	-395	0	0	0	-1,057	6,271
Contribution to HIP	42,953	23,745	0	0	-5,000	0	0	18,745
Corporate Support Costs/SLAs	16,203	16,723	-4,845	0	0	0	-114	11,764
HRA Income Services	-31,216	-23,010	203	5,266	0	-149	-50	-17,740
Net Budget	-102,382	-98,359	-4,804	5,266	-5,000	762	-2,071	-104,206