



CITY OF WESTMINSTER

MINUTES

Budget Scrutiny Task Group

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Budget Scrutiny Task Group** held on **Thursday 23 November, 2023**, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Paul Fisher (Chair), Hassan, Mitchell, Pitt Ford, Piddock and Williams.

Also Present: Gerald Almeroth (Executive Director of Finance and Resources), Jake Bacchus (Director of Finance), Jessica Barnett (Councillor and Governance Support Officer), Councillor Liza Begum (Cabinet Member for Housing Services), Councillor David Boothroyd (Cabinet Member for Finance and Council Reform), Joginder Chana (SFM City Management and Communities), Luke Chiverton (Financial Consultant – HRA), Heather Clarke (Director of Housing Needs), Councillor Paul Dimoldenberg (Cabinet Member for City Management and Air Quality), Lyndsey Gamble (Head of Strategic Finance), Councillor Aicha Less (Deputy Leader and Cabinet Member for Communities and Public Protection), Frances Martin (Executive Director of Environment, Climate and Public Protection), Councillor Matt Noble (Cabinet Member for Climate Action, Regeneration and Renters), Clare O’Keefe (Lead Policy and Scrutiny Advisor) and Sarah Warman (Strategic Director for Housing and Commercial Partnerships).

1 WELCOME

- 1.1 The Chair welcomed those present to the Budget Scrutiny Task Group (BSTG) meeting.
- 1.2 The Chair gave an overview of the changes made to the BSTG process including the attendance of Cabinet Members for which the Chair gave thanks for their engagement with the new process as their attendance had not been standard practice in the past.
- 1.3 The BSTG noted that Councillor Harvey had sent apologies.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3 MEDIUM-TERM FINANCIAL PLAN

- 3.1 Gerald Almeroth (Executive Director of Finance and Resources) introduced the Medium-Term Financial Plan (MTFP) report to the BSTG and provided an overview of the 2024/25 draft Budget, including the current Revenue Budget position and the Capital Programme.
- 3.2 The BSTG was informed that the two most significant pressures facing the Council were the increasing cost of temporary accommodation (TA) and additional interest rates. The BSTG also noted that the current increase in interest rates would help to partially offset the TA pressure in the short term but not over the longer term given that interest rates were expected to reduce.
- 3.3 The BSTG understood that the current draft Budget position did not include outcomes from the Autumn Statement or the Local Government Finance Settlement due to be announced in December.

4. Environment, Climate and Public Protection 2024/25 draft Budget

- 4.1 Frances Martin (Executive Director of Environment, Climate and Public Protection) presented the Environment, Climate and Public Protection 2024/25 draft Budget alongside Councillor Paul Dimoldenberg (Cabinet Member for City Management and Air Quality).
- 4.2 The BSTG was informed that Environment, Climate and Public Protection had a gross controllable expenditure of £132.69m and a gross income budget of £135.988m with a net budgeted contribution to the General Fund of £3.295m. The BSTG noted that there was a projected underspend of £0.160m against the budget and that the directorate had identified new savings proposals totalling £7.755m. The BSTG was informed that much of the cost across the directorate was around staffing and contracts in Highways and Waste with these being two of the biggest contracts held in the authority. The BSTG noted that some of the key issues facing the directorate were economic uncertainty, the demand on services and the extension of major contracts in the current climate.
- 4.3 Members queried:
 - Mitigating the loss in income from parking fees falling and whether the directorate had third party consultants investigating this as well as emissions-based charging, managing congestion, the modelling of this, compensating for loss and the policy review.
 - The significance of inflation and procurement as a risk for the authority and ways to minimise the long-term impact.
 - What was included in the £1.9m that will be drawn from the Climate Emergency Reserve.
 - Trajectories on income from parking suspensions, whether income is tracked and whether forecasting is done on trends.
 - The current position on footway carriageway contracts efficiencies.

- Whether residents and key stakeholders have been consulted on the energy efficiency adaptive lighting proposal where there is reduced lighting levels, with regards to public protection.
- Whether the street cleaning efficiency options were both proposals, and whether a reduction in staff was proposed or change in frequency of sweeping.
- Whether the trees contract proposals represented a similar contract efficiency to the FM Conway contracts or a different means of financing.
- If residents and other key stakeholders will be engaged with proposals on third party lamp column attachment licence income, or if it is a purely finance-related proposal.
- Whether the Climate emergency considers flood risks, financial contingencies for this and the inclusion of suggestions made by the Climate Assembly.
- Whether there were particular areas where projects had exceeded the projections and whether there were any risk areas within the Capital programme.
- The cost saving predictions and integration measures being planned to bring the Housing Service within the directorate.
- Impact on the budget from the administration's policies on ethical procurement.
- Measures undertaken to increase the Council's share of commercial waste income, whether increased income would be offset by increases when renewing current contracts or if there was an opportunity to save money.
- The fees and charges income review.
- The policy choices which have been made when protecting certain services such as public protection.

5. Housing Services 2024/25 draft Budget

- 5.1 Councillor Liza Begum (Cabinet Member for Housing Services) presented the Housing Services 2024/25 draft Budget, alongside Councillor David Boothroyd (Cabinet Member for Finance and Council Reform) and Sarah Warman (Strategic Director for Housing and Commercial Partnerships).
- 5.2 The BSTG noted that this session will not cover the Housing Revenue Account which would be discussed at the meeting on the 25 January 2024. The BSTG was informed that the majority of funds for the directorate were allocated to temporary accommodation (TA) and commissioned contracts such as rough sleeping and the Housing Solutions Service contract and staffing. The BSTG also noted that no savings were proposed at the current time as the budget is under immense pressure due to the impact of TA supply and demand, and that all investment proposals to mitigate the impact of TA will either be funded from reserves or are one off investments.
- 5.3 Members queried:
- The main drivers of the increase in homelessness that Westminster is seeing.
 - Whether inflationary pressure is compounding the increases in demand of TA on the service, and other factors contributing to the increased demand.

- The short-term investments on the Housing Solutions Service contract, if they are sufficient and whether there is a possibility of an investment in increased allowances.
- Acquisition of additional capacity for TA to reflect the significant demand and ensuring the Council is getting value for money whilst also reflecting complexities of need, the Cost-of-Living Crisis, making processes easier and updating residents.
- Whether there is a dedicated team responsible for acquisitions who have the capacity to undertake the volume of acquisitions needed to tackle this issue and improving quality of advance.
- The re-establishment of estate offices and general home improvements, which has had a positive impact on residents.
- If the Council had considered giving those that present as homeless cash instead of accommodation, which had been done in a trial in Vancouver.
- The commercial return the Council needed to reach from the purchase of properties.
- Whether it would be more cost effective for the Council to purchase hotels as opposed to renting rooms to house residents in TA.
- The increased pressure on demand for TA now being one of the major priorities of risk management for the Council, and whether it had seen this kind of need before, or if it is unprecedented.
- The key take-away points for safeguarding the Council against the increasing rise in cost of TA and managing supply.

The meeting ended at 20:11

CHAIR: _____

DATE _____