



City of Westminster

Task Group Agenda

Title: **Budget and Performance Task Group**

Meeting Date: **Thursday 5th February 2015**

Time: **7pm**

Venue: **Rooms 1A & 1B - 17th Floor, City Hall**

Members: **Councillors:**

Tim Mitchell
Antonia Cox
Peter Freeman

Adnan Mohammed
Paul Dimoldenberg

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Policy and Scrutiny Officer, Rebecka Steven.

**Tel: 7641 3095; Email: rsteven@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. Guidance on declarations of interests is included in the Code of Governance; if Members and officers have any particular questions they should contact the Head of Legal & Democratic Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

- | | |
|---|------------------------|
| 1. Terms of Reference - agreed on 2 February 2015 - for noting | (Pages 1 - 2) |
| 2. Adult Services (7pm - 7.30pm) | |
| a) Adult Social Care - Rachel Wigley | (Pages 3 - 10) |
| b) Public Health - Jon Laker and Eva Hrobonova | (Pages 11 - 18) |
| 3. Children's Services - Rachel Wright-Turner and Dave McNamara (7.30pm - 8pm) | (Pages 19 - 26) |
| 4. Growth, Planning and Housing - Ben Denton and Stuart Reilly (8pm - 8.30pm) | (Pages 27 - 36) |

Peter Large
Head of Legal & Democratic Services
30 January 2015

Terms of Reference of the Budget and Performance Task Group

The Westminster Scrutiny Commission agreed in July 2007 to set up a Budget and Performance Task Group as a standing group, with the following terms of reference:

“To consider, on behalf of the Policy and Scrutiny Committees, budget options and draft business plans and estimates at the appropriate stages in the business planning cycle and to submit recommendations / comments to the cabinet and/or Cabinet Members.”

Members are asked to agree these Terms of Reference for 2015/16 as the first item of business.

Cabinet *must take into account* and *give due regard* of any views and recommendations from the Budget and Performance Task Group in drawing up firm budget proposals for submission to the Council, and the report to Council must reflect those comments (and those of other Task Groups and Committees, if any) and the Cabinet’s response.

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Budget & Performance Task Group Adult Social Care

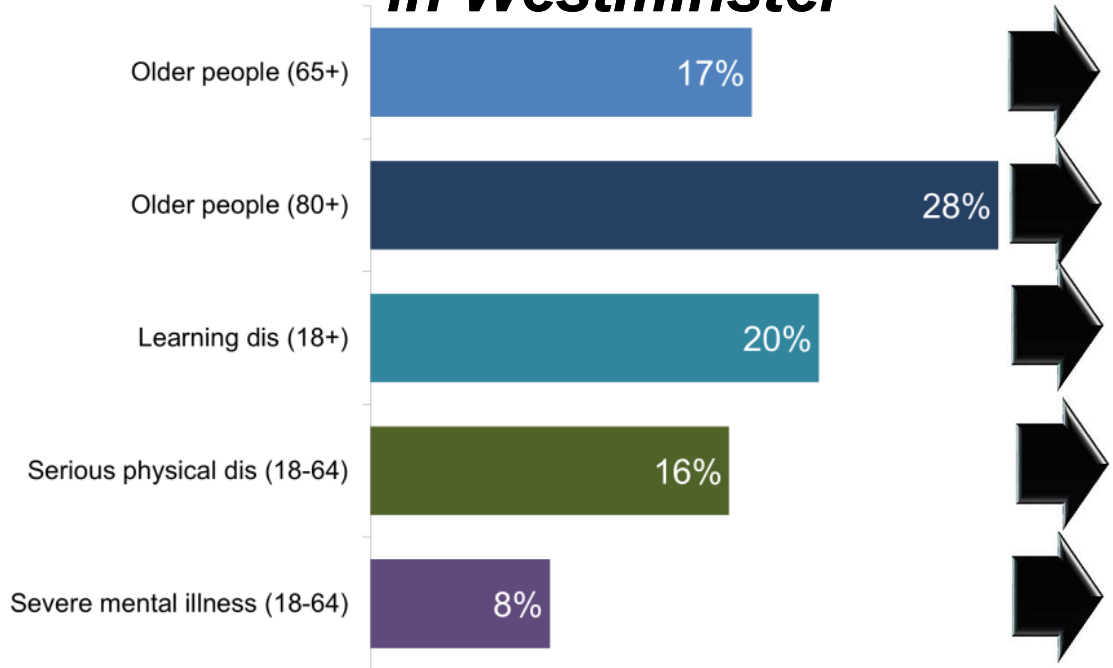
Rachel Wigley

Director of Finance and Resources, Adult Social Care
and Health

Agenda Item 2.1

Demographic pressures in Westminster

Expected growth of care groups in next ten years in Westminster



Increasing demand, particularly among older people

Demographic 'timebomb', with people living longer in poor health

Not matched by levels of funding

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Our goals and approach

OUR GOALS

1	Putting the customer first
2	Protecting our most vulnerable customers
3	Self reliance and personal responsibility
4	Better experience and outcomes
5	Balance between empowerment and safeguarding
6	Strong relationships with partners
7	Greater productivity and value for money

OUR APPROACH

Integration of services	Focus on 'upstream' prevention
Alignment of services	Personalised services

Better
for
Less

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Better for less – Our financial strategy

We aim to provide ‘Better for Less’ through:

Managing a portfolio of projects

Integrating where it makes sense

Restructuring for efficiencies

Shifting responsibilities from councils

Encouraging partnership investment

Joint procurement across boroughs

Improving demand management

Reviewing underspends and unit costs

Remodelling in-house services

Promoting prevention and independence

Streamlining processes

Transactions using technology

Protecting our most vulnerable citizens

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Adult Social Care	2014/15 forecast outturn as at Dec 2014	2015/16 Budget
Service Division	£'000	£'000
Other Adult Services	2,716	2,564
Learning Disabilities	19,903	19,781
Mental Health	8,665	9,346
Older Peoples Service	40,595	24,034
Physical Disability Service	8,626	5,421
Care & Health Commissioning	1,292	1,304
Substance Misuse	0	0
Total Outturn	81,797	
Budget	81,879	62,450
Variance	(82)	



Adult Social Care Budget

- Adult Social Care was allocated an approved budget of **£81.9m** in 2014/15
- The projected controllable outturn for 2014/15 is £81.8m
- The draft budget envelope for 2015/16 is £62.5m
- The budget envelope for 2015/16 includes savings proposals amounting to £5.8m.



2015/16 Savings

<i>Key Initiatives</i>	£M
Assistive Technology and Preventative Services	0.5
Contract Efficiencies	0.8
Operations integration / Customer Journey	0.5
Mental Health placements and closer working with housing	0.2
Tri-borough Client Affairs service review	0.1
Investment in Public Health Outcomes	0.5
High Cost High Needs Packages review	0.6
Health Integration Benefit Share	2.2
Savings from hospital discharge and CIS (Better Care Fund Programme)	0.2
Increased Grant - NHS Payment to Social Care to benefit Health (protecting the front line services)	0.2
TOTAL	5.8



2015/16 Estimated Pressures and Mitigation

<u>Estimated Pressures</u>	£M
Children transiting to Adults	0.2
Total	0.2

Mitigations:

Care Act Grant and funding in BCF – future funding from Govt awaited

Transitions – close working with Children’s services. Review of Continuing Care

Demographic changes – prevention and BCF initiatives





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Budget & Performance Task Group Public Health

Eva Hrobonova
Acting Director, Public Health

Agenda Item 2.2

Executive Summary

- Public Health Transferred to local government in April 2013 under the Health and Social Care Act 2012
- This is a Tri-borough service (WCC, RBKC & LBHF), hosted by Westminster City Council
- Charged with improving the health and wellbeing of the whole population, health protection, reducing inequalities, provision of population healthcare advice
- Categories for financial reporting mirror these.
- LA PH performance and reporting done against the Public Health Outcomes Framework and local priorities as set in the joint Health and Wellbeing Board Strategy underpinned by the mandatory Joint Strategic Needs Assessment.



Public Health Budget

- Public Health was allocated a Department of Health grant of £31.2M in 2014/15.
- The projected outturn for 2014/15 is a balanced budget, i.e. the grant will be allocated/spent in full.
- The draft budget envelope for 2015/16 reflects a ring-fenced Department of Health grant of £31.2M which is expected to be fully spent/allocated. Additional funds of approx £2.1M are expected from October 2015 to cover additional services for 0-5 years old healthy child programme. Total grant expected £33.3M.



2015 /16 Key Issues/Projects

- Integration into Managed Service programme.
- Identifying ways to achieve and fund Public Health outcomes in other Council departments to improve health and wellbeing and reduce health inequalities across the life course.
- Transfer of 0-5 Public Health preventative services.
- It remains essential that funds are only spent on activities whose main or primary purpose is to improve the public health of local populations.
- Resource issue regarding contract re-procurement and service redesign to support effective interdepartmental working.



2014/15 Public Health Budget Composition

Service Area	Income £M	Expenditure £M	Net Budget £M
Department of Health Grant	(31.2)		(31.2)
Dietetics funding return	1.2		1.2
Sexual Health		8.2	8.2
Behaviour Change		3.4	3.4
Family and Children		3.8	3.8
Intel and Social Determinants		0.2	0.2
Substance Misuse		9.3	9.3
Overheads		2.2	2.2
Ambition Projects/PHIF		2.9	2.9
TOTAL BUDGET 2014/15	(30.0)	30.0	0.0



2015/16 Savings Proposals

- Public Health funds are currently ring-fenced
- Tri-borough has a rolling programme of contract review for the services provided with the aim of delivering efficiencies, improving health and value for money while reducing inequalities e.g.:
 - Childhood Obesity
 - Sexual Health
 - Genito-Urinary Medicine
 - Core Drugs Programme
 - School Nursery



2015/16 Budget Pressures & Risks

- From October 2015 Health Visiting and Family Nurse Partnership services will be transferred to LA Public Health, limited additional commissioning and contract management resource to manage this £4M service.
- Unknown impact of Housing Benefit reforms, including:
 - Effects on mental health
 - Fuel poverty
 - Child poverty
- Growing demand on School Nursing from:
 - Free schools
 - Changes to Children and Family Bill
 - Increased numbers of children with complex needs
- Access to dual diagnosis, substance misuse.



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Budget & Performance Task Group Children's Services

Andrew Christie

Strategic Director, Children's Services

Agenda Item 3.

Executive Summary

The department's approach to identifying potential savings has been consistent with the vision for Children's Services which is :

'To improve the lives and life chances of our children and young people; intervene early to give the best start in life and promote wellbeing; ensure children and young people are protected from harm; and that all children have access to an excellent education and achieve their potential. All of this will be done whilst reducing costs and improving service effectiveness.'

This has been key to developing a number of lines of enquiry that seeks to protect services to the most vulnerable members of the community within the statutory provisions required of the department.



Executive Summary

- Lower central government revenue grant funding
- Focusing on outcomes for children and young people and better understanding of children's journeys.
- Redefining the relationship between the citizen and the state.
- Whole families intervention. Co-design and co-production.
- Focus on Practice
- Choice, competition and opening up markets.
- Transparency and accountability.



2015/16 Key Issues

- Safeguarding e.g. missing children, child sexual exploitation, vulnerability of mobile families.
- Focus on Practice Implementation
- Focus on prevention and effective early intervention (Best start in life, Play and Youth)
- Child poverty – work programmes, child care, welfare reform
- Increasing regulatory requirements e.g. Single OFSTED Inspection Framework
- Embedding legislative changes – Children and Families Act
- School Meals - Procurement
- Joining up information management systems



Children's Services Budget

- The key service area budgets for 2014/15 are broken down as follows:

Service Area	Income £M	Expenditure £M	Net Budget £M
Family Services	(4.2)	29.8	25.6
Education	(11.5)	15.5	4.0
Safeguarding LSCB	(0)	0.5	0.5
Commissioning	(5.3)	13.2	7.9
Finance and Resources	(0.1)	2.5	2.4
Schools Funding	(81.1)	81.1	0
TOTAL BUDGET 2014/15	(102.2)	142.6	40.4



2015/16 Savings

Key Initiatives	£000s
Back office and Other family services savings	304
Opportunities to substitute funding	620
Education	70
Focus on Practice	80
Early Help savings	871
Demand Management (Focus on Practice/Early Help)	550
Commissioning contracts (specialist services e.g. Westminster Society)	403
Total	2,898



2015/16 Estimated Pressures and Mitigation

Estimated Pressure	2015/16 £000s
Looked After Children (LAC) and Leaving Care Placements – demand led pressures of FTE coming into care, legislative changes resulting in post 18 LAC provision and more complex high cost needs.	600
Special Educational Needs (SEN) Transport, Increased demand and a greater age range as a result of legislative change, and more complex needs	350
TOTAL	950

Mitigation

The above pressures to be mitigated through management action to manage demand and unit costs. (950)



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Budget & Performance Task Group Growth, Planning and Housing

Ben Denton
Executive Director

Agenda Item 4.

Executive Summary –

Housing General Fund 2014-15 net budget £27m 2015-16 net budget £24.9m

High private sector housing costs and levels of homelessness, flowing from welfare reform, lead to £3m cost pressure in Temporary Accommodation; mitigation includes £1.9m savings from Rough Sleeping and Supported Housing and £1.4m Major Projects net fee income.

Development Planning 2014-15 net budget £2.1m 2015-16 net budget £1.4m

Continuing high workload and an ever changing legislative background, the main focus for 2015/16 will be the delivery of the services transformation project aimed at moving the service from a paper to an electronic operating model.

Property 2015/16 2014-15 net budget (£1.0m) 2015-16 net budget (£2.2)m

Long term focus on increasing net revenue from the investment portfolio and reducing the cost of the operational portfolio 2015/16 pressures of £2.5m; mitigation through £2.8m of additional income and savings of £0.6m generated largely from the TFM contract.

Economy & Infrastructure 2014-15 net budget £1.1m 2015-16 net budget £0.9m

Aligning the City Enterprise Fund with new strategic aims for enterprise, growth (e.g. West End Partnership). Achieving new funding from the LEP, TFL and Government to support new employment and enterprise activities: Delivery of the West End Partnership Business Plan.



2015/16 Key Issues - Housing

Temporary Accommodation (TA) Strategy Delivery 2014-15 Net Budget £9.9m

- High numbers of households presenting as homeless continue (c.600 2014/15) whilst we are required to meet our statutory obligations to provide 'suitable' accommodation. TA portfolio now at c. 2400 properties
- Direct purchase scheme (150 units by August '15), reducing lease costs and moving to longer term deals and increasing numbers of properties outside Westminster and London, will reduce **TA pressure to £3m, in 2015/16** (£4.4m 2014/15, £5.6m 2013/14.)

Service Area Savings

- Decommissioning supported housing services where the service is being provided from premises no longer fit for purpose, competitive procurement and negotiating savings against contracts where services can be provided more efficiently: **£1.9m saving in 2015/16**
- Deliver additional major projects income of **£1.4m** and City West Homes commercial activity **£0.2m**.

Risks

- High private sector rental costs continue, leading to continuing high levels of homelessness and loss of TA properties leased from the private sector
- Loss of Discretionary Housing Payment funding reduces capacity to prevent homelessness.
- Impact of Benefit Caps on 3000+ private sector tenants claiming Local Housing Allowance limits their ability to keep tenancies, leading to increased homelessness approaches to the Council with fewer alternative affordable properties available across London.



2015/16 Key Issues – Development Planning

General Election and further Planning Reform

- Planning reform is inevitable, regardless of the outcome of the general election. This will take time and resource to supplement and we must continue to respond positively to the changing environment.

Continuing High Pressure of Planning Workload

- The number of planning applications received continues to be in excess of 12,500 / annum, the revised City Plan will start to appear from 2015 onwards and the new Community Infrastructure Levy (CIL) will be due for adoption September 2015.

Affordable Housing Credits

- Recent changes to current planning legislation will mean a rapid decline in the amount of affordable housing credits being generated by the Planning system. Impact on affordable housing delivery.



2015/16 Key Issues – Property

Overview

- Significant pressures and risks underline marginal net revenue improvement to £1.2m net income target for 2015/16.
- In the medium term CP have identified 5 new key development projects in 14/15 which could generate an additional c£8m of new revenue on delivery. Resourcing delivery of these projects will be key to ensuring that revenue is realised as early as possible.
- Reducing the cost of the operational portfolio aims to achieve savings of c. £5m. It is anticipated that £3m could be earned from the refurbishment of City Hall. CP have commissioned a Corporate Real Estate study aimed at formulating a CRE strategy and identifying the additional savings.

Service Area Pressures, Savings & Mitigation

- Pressures of £2.5m in year. The key items are increase in staff costs, loss in rents from disposals. Financing changes; increasing repair and maintenance spend.
- Net savings of £0.6m are supported by MRP repayments for Cavendish Square and 291 Harrow Road but countered by loss of revenue following the proposed sale of 196a Piccadilly (£0.4m) and reduced revenue at Leicester Square car park (£0.2m) pending redevelopment.
- Mitigation of £2.8m is supported largely from the TFM contract which delivers a saving of £1.7m from framework discounts and the Fixed Price Contract.

Strategy

- 5 new key development projects in 14/15 which could generate an additional c£8m of new revenue on delivery pre-financing. Resourcing delivery of these projects will be key to ensuring that revenue is realised as early as possible.
- Reducing the cost of the operational portfolio aims to achieve savings of c £5m pa in the long term. It is anticipated that £3m could be earned from the refurbishment of City Hall. CP have commissioned a Corporate Real Estate study aimed at formulating a CRE strategy and identifying the additional savings.



2015/16 Key Issues – Economy & Infrastructure

Funding

- From the new economic development and growth strategy prioritising key projects for delivery, securing external funding commitments (LEP), GLA, TFL and DWP) and aligning this with existing funding such as Civic Enterprise Fund and S106 Funds.

Delivery

- Securing a delivery plan and programme for the West End Partnership with the support of key funders (TFL) and private sector.

Collaborative

- Achieving greater link between employment, business and infrastructure and other service delivery; Health, Children's, Housing etc.



Growth Planning and Housing Budget

- The key controllable service area budgets for 2014/15 are broken down as follows:

Service Area	Expenditure £M	Income £M	Net Budget £M
Development Planning	9.6	(7.5)	2.1
Property and Estates	26.8	(27.7)	(1.0)
Economic development	0.4	(0.2)	0.2
Strategic Transport and Infrastructure	1.0	(0.1)	0.9
Housing Benefit*	238.8	(237.6)	1.2
Operational Housing	60.3	(34.5)	25.8
TOTAL BUDGET 2014/15			29.3

* Note the housing Benefit Budget is mandatory and non-controllable



2015/16 Savings

<i>Key Initiatives</i>	£M
Major Projects Income Generation	(1.4)
Revised Organisational Design	(1.1)
Built Environment Transformation	(0.4)
Development Planning Transformation	(0.3)
Increase In CWH Commercial Activity	(0.2)
Corporate Property Investment Strategy	(0.6)
Total	(4.0)



2015/16 Estimated Pressures and Mitigation

<i>Estimated Pressures</i>	£M
Temporary Accommodation Pressures	3.0
Impact Dudley House	0.6
Moxon Street Disposal	0.6
Reduction In Alternative Sources Of Funding	0.3
Other	1.0
Total	5.5

Mitigations

Corporate Property	(2.8)
Housing	(3.0)
Total	(5.8)



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