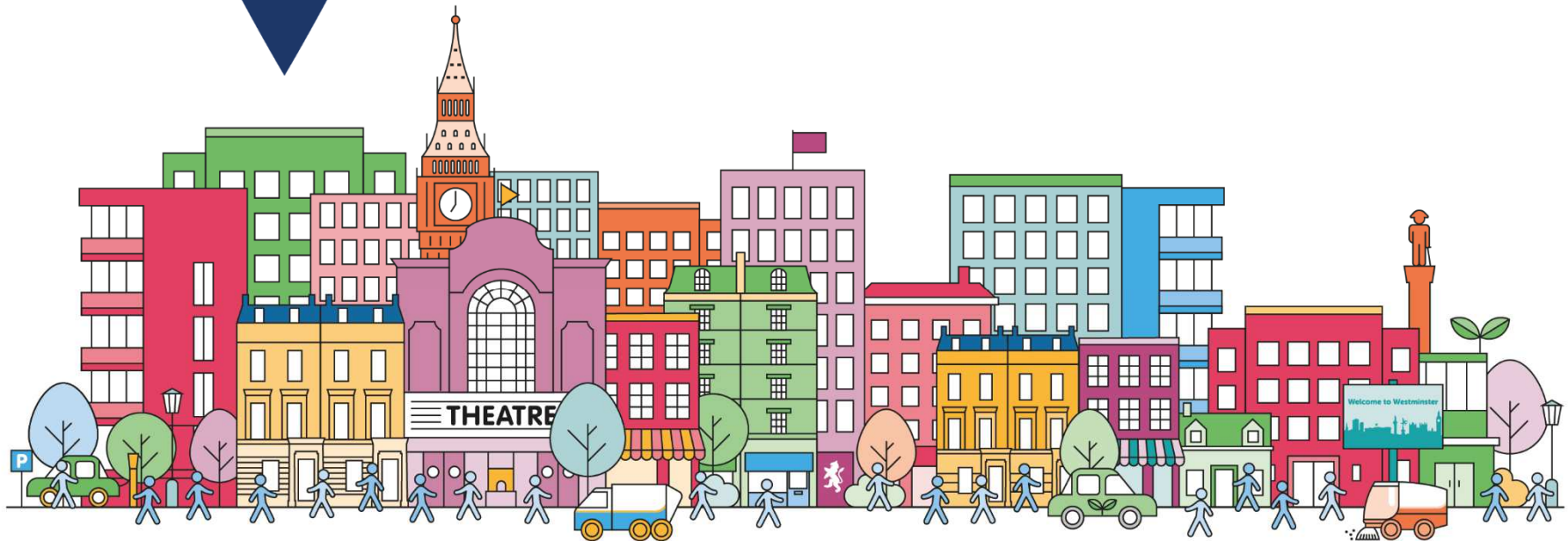




Budget Task Group

First Revenue Session

26th January 2021



Agenda – First Revenue Session

- **Medium Term Financial Plan:**

- Overview
- Background to 2021/22
- Beyond 2021/22
- 2021/22 to 2023/24 Budget Gap
- Summary of Efficiencies and Savings Proposals

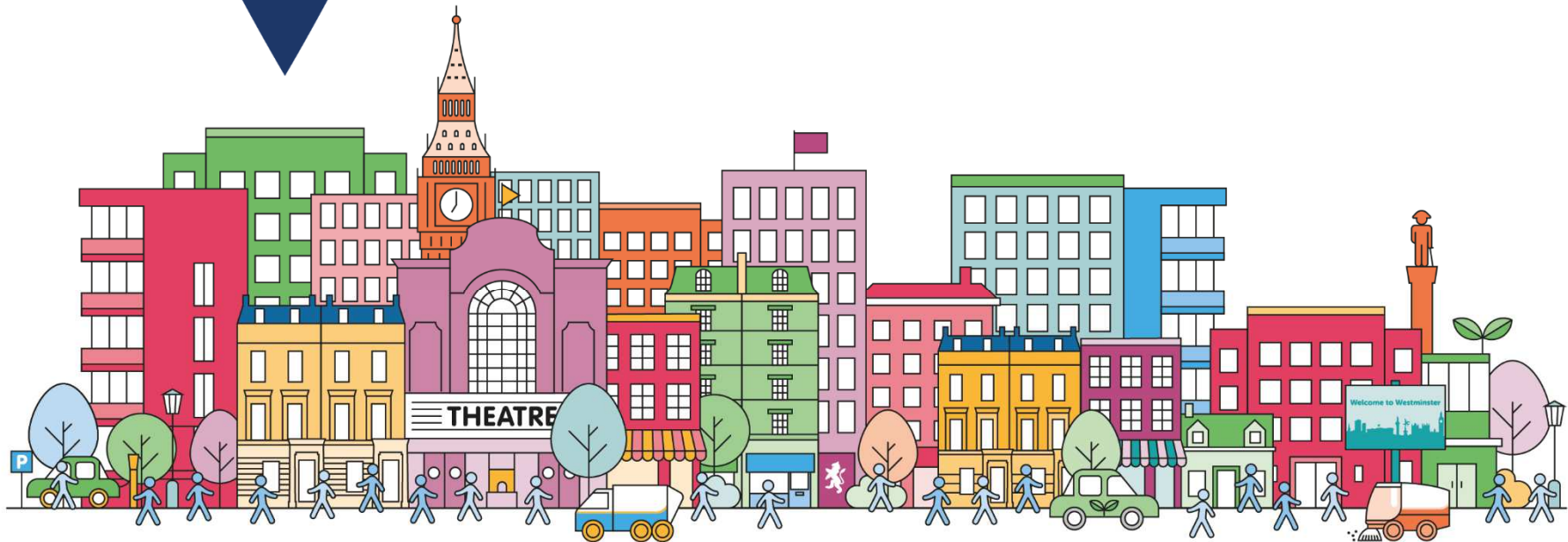
- **Budget, Covid-19 impact, key issues, proposed initiatives and pressures for:**

- Adult Social Care
- Public Health
- Children's Services
- Growth, Planning and Housing (General Fund)
- Growth, Planning and Housing (Housing Revenue Account)





Medium-Term Financial Planning Overview



Overview of 2020/21

- The 2020/21 financial year has been extremely challenging for the Council, both operationally and financially.
- The Covid-19 pandemic has put considerable strain on the Council's finances and it is forecast that there will be a gross budget variance of between £55-65m for 2020/21.
- The primary reason for this large variance is due to reduced income from sales, fees and charges following various government restrictions which has led to a significant drop of activity in the City.
- However, the Council has been compensated for a large proportion of income losses through the Government's income reimbursement scheme and has also received nearly £30m in general Covid-19 grant funding.
- These factors combined mean the net impact on the Council's General Fund will be approximately £5-10m in 2020/21
- This balance will have to be covered via a drawdown from the Council's general reserve.



Background to 2021/22 (1)

- The 2021/22 position is inextricably linked to 2020/21 and the impact of the pandemic.
- Prior to the onset of the pandemic the government had announced that local government would receive a multi year settlement from 2021/22 onwards and that the Fair Funding Review and the Business Rates Retention Scheme would be progressed and implemented by April 2021.
- However, due to the events that unfolded, councils have (again) only received a one year settlement and the FFR and BRRS have been postponed.
- During the course of 2020/21 the Government has provided councils with a number of grants, both generic and specific, in order to mitigate the financial impact of the pandemic on council finances.
- The two most significant funds from a Westminster perspective have been the general Covid-19 grant and the income reimbursement scheme.



Background to 2021/22 (2)

As part of the Spending Review 2020 the government made the following announcements in relation to local government:

- An increase in Core Spending Power (CSP) of 4.5%, equivalent to £2.2bn. This was primarily based on the ability of councils to raise Council Tax by up to 5% - 3% for the social care precept and 2% general council tax increase.
- An inflationary increase in Revenue Support Grant of 0.55%
- An additional £300m in social care grant funding taking the total to £1.3bn
- A £1.55bn allocation for the general Covid-19 grant in 2021/22 to help mitigate against the continued cost of the pandemic in the early part of next year
- The continuation of the income reimbursement scheme for the first three months of 2021/22



Background to 2021/22 (3)

- As part of the spending review the Government also confirmed the delay to the Fair Funding Review and the Business Rates Retention Scheme.
- It was also announced that the existing business rates pilots can continue for a further year.
- The London Business Rates pool is being considered for 2021/22. However due to impact of the pandemic the Council will go into safety net. This will mean of loss of £6.8m which will be smoothed via the business rates equalisation reserve.



Beyond 2021/22

- There is still great uncertainty beyond 2021/22, which makes medium term budget planning very difficult.
- The economic and fiscal consequences of the Government's support measures during the pandemic will leave a long term impact on the public finances.
- The OBR's Economic and Fiscal Outlook for November 2020 which aligned to SR20 estimates that GDP will drop by 11%, the budget deficit will increase to £394bn (19% of GDP) and debt increases to 105% of GDP.
- This is the largest drop in economic output for 300 years and the largest percentage of deficit and debt in proportion to GDP since the 1940s and 1950s.
- Furthermore, SR20 did make a number of multi settlement commitments in particularly for the NHS, schools and defence. As a result, approximately 60% of spending commitments have already been made for 2022/23.
- Consequently the availability of funding for local government is likely to be limited in 2022/23 and beyond and a greater burden placed on councils to raise income via council tax.



2021/22 to 2023/24 Budget Gap (1)

Based on the provisional local government finance settlement and other estimates the latest three-year medium term financial position is as follows:

Change Since July 2020	2021/22 £'m	2022/23 £'m	2023/24 £'m	Total £'m
Gap July 2020	29.242	31.010	31.151	91.403
Service Specific Items:				
Savings agreed by Cabinet in October	(4.696)	(0.465)	(0.470)	(5.631)
New savings	(12.210)	(10.412)	(3.580)	(26.202)
Sub Total: Service Savings	(16.906)	(10.877)	(4.050)	(31.833)
Changes to previously agreed savings (savings agreed by Council in March 2020)	9.635	(2.028)	(1.895)	5.712
Service Pressures (Covid and Non-Covid) - compared to original provision of £26.9m	1.870	(8.500)	0.000	(6.630)
Sub Total: Service Pressures	11.505	(10.528)	(1.895)	(0.918)
Funding:				
Government Funding - changes since July	(18.429)	17.769	0.000	(0.660)
Changes in funding from Council Tax and Business Rates - prior to any increase in council tax	(0.565)	0.000	0.500	(0.065)
Corporate Items:				
Changes in Corporate Items	(2.334)	(5.000)	(5.000)	(12.334)
Budget Gap	2.514	22.374	20.706	45.593

Prior to any decision on council tax, there is a budget gap of £2.5m in 2021/22 and c£45.6m over the medium term.



2021/22 to 2023/24 Budget Gap (2)

The key elements of the budget gap can be categorised as follows:

- **Service specific items:** Savings and pressures related to the Council's services
- **Government Funding:** Known information and estimates on the level of funding the Council will receive from the Government. This includes core funding (via RSG and business rates retention and New Homes Bonus) as well as specific grants for areas such as social care and general Covid-19 funding (2021/22 only).
- **Council Taxation:** Income from Council Tax
- **Corporate Items:** This includes inflation, capital financing and corporate pressures for items such as economic risks, London Living Wage and other strategic priorities.



Efficiencies and Saving Proposals

The Council has identified savings of £31.8m to date. This is summarised by directorate below:

Savings by ELT	21/22 £m	22/23 £m	23/24 £m	Total £m
Adult Social Care	2.338	0.410	0.655	3.403
Children's	1.463	0.050	0.050	1.563
Environment & City Management	2.095	2.570	1.900	6.565
Growth, Planning & Housing	1.486	1.029	-	2.515
Innovation & Change	0.800	0.075	-	0.875
Finance & Resources	1.400	0.990	0.470	2.860
Collaborative Savings	7.324	5.753	0.975	14.052
Total	16.906	10.877	4.050	31.833
HRA Savings	0.558	-	-	0.558
Public Health Savings	1.105	-	-	1.105

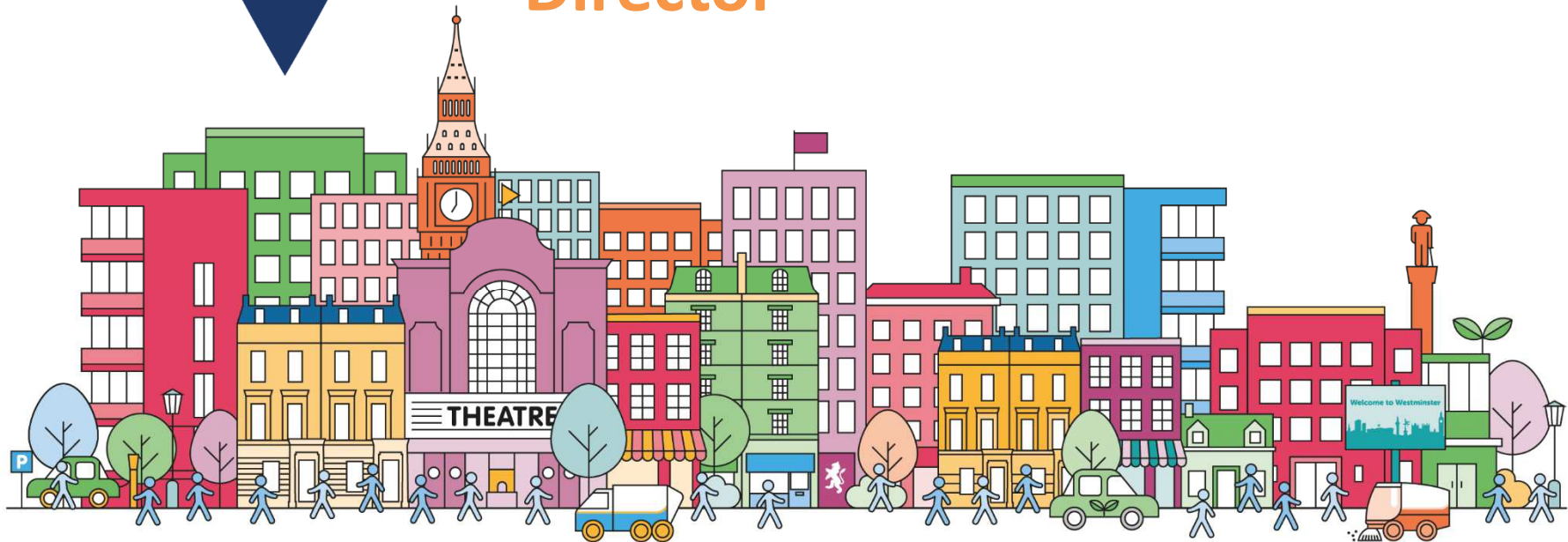




Budget Task Group

Adult Social Care

BERNIE FLAHERTY, Executive Director



Executive Summary

- In 2020/21 Adult Social Care was allocated a gross controllable expenditure budget of £107.337m and a gross income budget of £52.632m (net controllable budget £54.705m)
- The projected outturn variance for 2020/21 as at P8 is an underspend of £0.300m from BAU activities. However, as a result of Covid-19, additional spend of c£1.9m is expected to be incurred of which circa £1.175m is to respond to Covid and £0.725m of financial savings which are deferred until 2021/22
- Budget pressures of £2.407m are identified for 2021/22 which are to be held centrally by Finance and released as required.
- The directorate has identified new saving proposals totalling £3.653m, commencing in 2021/22. These are in addition to £1.375m of reprofiled savings from the list of proposals approved by Council in March 2020.



Covid-19 Impact

Whilst we are still in the midst of the pandemic and the extent of the full impact is yet to be known there are three principal ways in which we might expect increased costs in the delivery of Adult Social Care.

1. Suppressed Demand

Whilst currently there has been an overall reduction in support it is believed that this short is term and due to:

- Family members being available to support
- Aversion to Residential Care admissions due to the perceived risk
- Concerns at having people enter the home environment

The concern is that when the pandemic comes to an end, or the prevalence eases, demand for support will exceed previous levels.

2. Health System Pressures

In the short term NHS are funding placements and initial care costs (6 weeks); when this ends, the additional cost pressure is likely to fall to Adult Social Care.

NHS placement transfers to the Local Authority from April 2021

3. Market Fragility

With increased cost and unpredictable demand, many providers are at risk of failure and requiring ¹⁴ flexibility/support.



2020/21 Key Issues

National Pressures for Social Care

1. Increased costs

Local Government Association: social care providers face more than £6bn in extra COVID-19 costs – Providers of adult social care services may face more than £6bn in extra costs due to the coronavirus crisis by the end of September this year stark new analysis commissioned by councils and social care directors reveals.

2. Issues identified by Directors of Adult Social Care (ADASS Annual Budget Survey June 2020)

- 96% - Need for Additional funding
- 90% greater and more efficient access to PPE
- 87% Greater influence over NHS decision making
- 85% Greater evidence on national prerogatives being balanced with local systems that work

3. Other issues

Focusing on preventative activities including cross-council focus

NHS pressures including an increase in rapid discharges from hospital placing additional pressures on homecare



Adult Social Care Budget 2020/21

The key controllable service area budgets for 2020/21 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.925)	2.365	0.440
Commissioning and Service Delivery	(5.597)	10.016	4.419
Information and Early Intervention	(1.792)	1.989	0.197
Costs of assessment and care management process	(4.694)	13.055	8.361
Learning Disability Support	(7.286)	25.058	17.772
Mental Health Support	(6.461)	10.208	3.747
Physical Support	(20.323)	35.020	14.697
Sensory Support	(0.013)	0.045	0.032
Social Support	(2.072)	2.316	0.244
Support with Memory and Cognition	(2.469)	7.265	4.796
TOTAL BUDGET 2020/21	(52.632)	107.337	54.705



2021/22 – 2023/24 Efficiencies and Financing Proposals (1)

Information on the key savings initiatives is provided below:

Transition and Procurement of Beachcroft (£0.618m): A reduction in the contract price of £0.318m per annum on the basis of an extension with the incumbent award for two Care Homes closing and moving into Beachcroft. The remaining amount will be achieved from the procurement of a long-term service provider for Beachcroft which is anticipated to be in place by mid-June next year.

LD Housing Care and Support (£0.300m): LD clients maximising their housing benefit claim to meet the additional costs of providing supported accommodation, which in turn means that the council can spend less on those services directly. This will be combined with a new Housing Care and Support Framework Contract, through which we will work with providers to help residents access full welfare support.

Staffing review (restructure, agency spend and vacancy factor) (£0.885m): Removal of posts following consultation into the restructure of Commissioning, 10% reduction and reshaping roles, further saving of £0.255m is expected to be achieved in 2024/25. In addition, general staff saving based on staff turnover.



2021/22 – 2023/24 Efficiencies and Financing Proposals (2)

Review of bed capacity (£0.600m): Block contracts for residential and nursing care beds are managed efficiently, but there are opportunities to tighten these arrangements, particularly as the number of vacancies has been exacerbated by the effect of COVID-19 on admissions to care homes. The full year savings would equate to circa 15 beds.

Increased focus on prevention and greater utilisation of community strength and assets (£1.000m): Increased focus on prevention and greater utilisation of community strength and assets. This will be achieved by increase in prevention to reduce support costs, reduction in small packages of support and further contract savings. In addition, the directorate will look to increase the use of extra care/prevention to reduce residential care. This expected to achieve a further £0.500m in 2024/25.

Community Commissioning (£0.150m): The approach to commissioning will develop to become more collaborative with local providers. Working alongside changes to commissioning in the NHS, we will devolve some commissioning responsibility to the community, reducing the costs associated with its administration.

Brokerage (£0.100m): Review and improvement of brokerage functions across the Council to ensure best value for money through commissioned provision or negotiated procedures. This includes short-term renegotiation of high cost and high volume care, whilst also developing skills and tools to undertake negotiations on the cost basis of existing commitments in a sustainable way.



2021/22 – 2023/24 Efficiencies and Financing Proposals (3)

The directorate is proposing a series of initiatives to support the Council's MTFP. These total £3.653m.

Reference	Key Initiatives (section 1 of 1)	21/22 £m	22/23 £m	23/24 £m	Total £m
1.9	Contract saving - Transition and Procurement of Beachcroft	0.543	0.075	-	0.618
1.10	Contract saving - LD Housing Care and Support	0.300	-	-	0.300
1.11	Staffing review (restructure, agency spend and vacancy factor)	0.595	0.035	0.255	0.885
1.12	Review of bed capacity	0.600	-	-	0.600
1.13	Increased focus on prevention and greater utilisation of community strength and assets	0.300	0.300	0.400	1.000
Sub-total: Adult Savings		2.338	0.410	0.655	3.403
7.2	Community Commissioning	0.090	0.035	0.025	0.150
7.3	Brokerage	-	0.100	-	0.100
Sub-total: Collaborative Savings (led by Adults)		0.090	0.135	0.025	0.250
Grand Total		2.428	0.545	0.680	3.653



2021/22 Budget Growth Pressures (1)

Demographic & Complexity / Acuity Pressures (£1.869m): Complexity/Acuity - People are living longer and their care needs in old age are becoming more complex. This pressure will be held corporately, to be released once evidenced by the service.

Children with learning disabilities transitioning into adults services (£0.338m): First year costs of children with disabilities becoming Adult Social Care customers partway through the year and the full year impact of second year transition.

Supply pressures as a consequence of Covid-19 (£0.200m):

It is anticipated that there may be further pressure on care providers as an impact of the virus continuing into 2021/22 and that some of this cost may fall to the council.



2021/22 Budget Growth Pressures (2)

Estimated Pressures	21/22 £m
Demographic & Complexity / Acuity Pressures *	1.869
Children with learning disabilities transitioning into adults services *	0.338
Supply pressures as a consequence of Covid-19 *	0.200
TOTAL	2.407

*The growth for this pressure will be held centrally



Adult Social Care Budget 2021/22

The key controllable service area budgets for 2021/22 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.925)	2.365	0.440
Commissioning and Service Delivery	(5.597)	9.313	3.716
Information and Early Intervention	(1.792)	1.989	0.197
Costs of assessment and care management process	(4.694)	12.675	7.981
Learning Disability Support	(7.286)	24.709	17.423
Mental Health Support	(6.461)	10.208	3.747
Physical Support	(20.323)	34.188	13.865
Sensory Support	(0.013)	0.045	0.032
Social Support	(2.072)	2.316	0.244
Support with Memory and Cognition	(2.469)	7.102	4.633
TOTAL BUDGET 2021/22	(52.632)	104.909	52.277

Budgets do not include corporate costs and recharges



Consultations on 2021/22 proposals

There are no public consultations planned on any 2021/22 to 2023/24 proposals

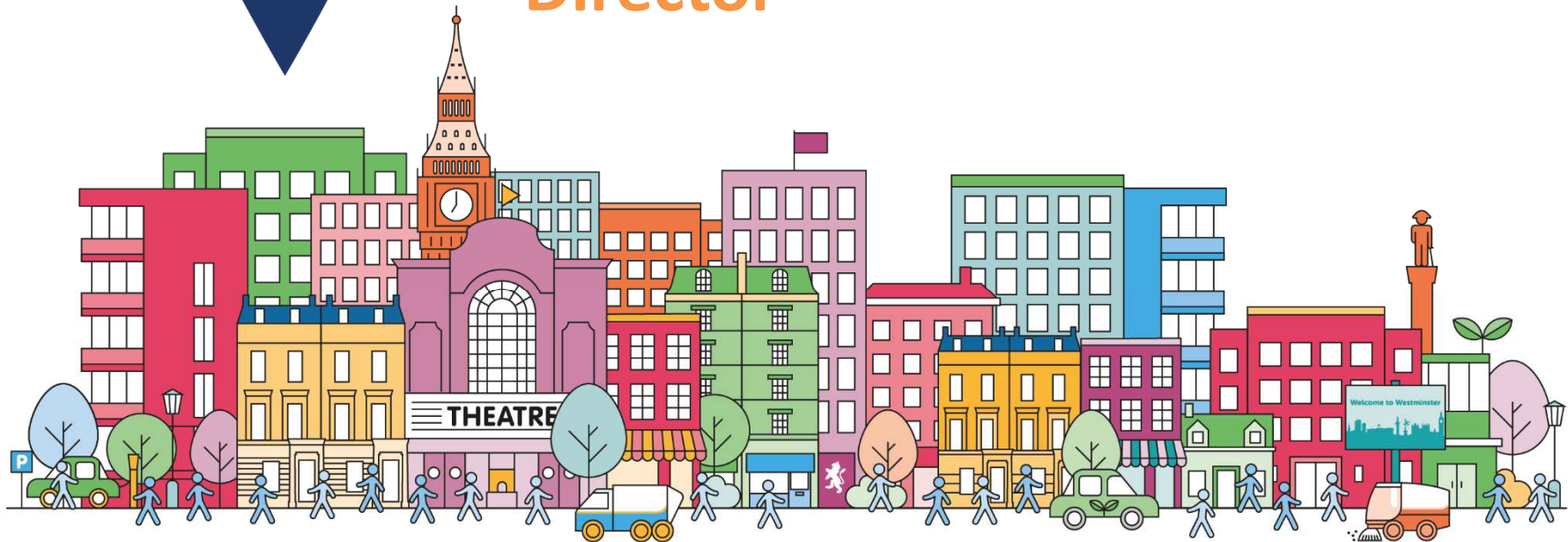




Budget Task Group

Public Health

BERNIE FLAHERTY, Executive Director



Executive Summary

- In 2020/21 Public Health received a grant income of £31.593m out of which we are required to transfer £0.789m to the CCG for the dietetics services retained by the NHS. The grant received was an increase of 3.5% on the previous year, the first such increase since 2014/15.
- The 2020/21 budget was fully balanced by with expenditure equal to the grant. Prior years' unspent grant is held in reserve, with a balance of £5.285m. Currently, Public Health is projecting a transfer to reserves of £0.979m.
- The 2021/22 budget assumes use of £31.288m of the ring-fenced grant. The level of grant is estimated to remain at the same level as in prior year. Within the budget, the remaining £0.305m will be transferred to the Public Health reserve.
- The total savings identified for 2021/22 are £1.105m. This is due to efficiencies identified within the commissioned services and additional income. The total pressures which offset this amount is £0.800m.



Covid-19 Impact

- The Public Health team has been leading in the Council's response to the Covid-19 pandemic, supporting vulnerable residents, contact tracing, and vaccination roll-out.
- As a result of Covid-19, many commissioned Public Health services have seen a reduction in demand due to clinics and providers focusing on their response to the pandemic.
- The underspend in commissioned services has been partly offset with increased spending on salaries due to resourcing the Council's response to the pandemic.
- As the Public Health implications of the pandemic are more fully understood, additional services may be commissioned during the 2021/22 budget cycle.



2020/21 Key Issues

- There is uncertainty around the final grant allocation which will only be known in February or March 2021.
- The net underspend in 2020/21 is forecast to be £0.979m, which is mostly attributable to the reduction in demand for activity based services due to the periods of national lockdown, in addition to the increase in grant income.
- An additional, part-year grant of £0.300m was received for the routine commissioning of PrEP in the Sexual Health service. This is expected to continue in 2021/22 at £0.400m.



Public Health Budget 2020/21

The key controllable service area budgets for 2020/21 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Department of Health Grant	(31.213)	-	(31.213)
Dietetics funding return to NHS	-	0.789	0.789
Commissioned services	-	17.913	17.913
PH Internal Health Outcomes	-	10.255	10.255
Salaries and Overheads	-	2.256	2.256
Total Service Budget 2020/21	(31.213)	31.213	-



2021/22 Efficiencies, Financing and Commercial Proposals

Reference	Detail of Proposal	£m
PH1	Increased Public Health Grant Income	0.380
PH2	Reduction in Commissioned Service Expenditure	0.325
PH3	New grant for PrEP Commissioning	0.400
	Total	1.105

Public Health Grant Income (£0.380m): Although the budget is for a standstill grant position, the 2020/21 grant was in excess of budget, therefore the increase is to reflect this.

Procurement and commissioning savings (£0.325m): The re-tender of the core substance misuse contracts will save £0.075m and negotiations for the Health Visiting contract will save £0.250m.

New commissioning from NHS England (£0.400m): Local authorities are now required to commission PrEP as part of mandated Sexual Health Services, therefore a new grant is to be received.



2021/22 Budget Growth Pressures

Growth and Cost Pressures	£m
Increased investment in Children's Services	0.250
Increased staffing cost for Covid-19 response	0.150
Routine commissioning of PrEP in Sexual Health	0.400
Total	0.800

Pressures 1 (£0.250m): Savings from joint commissioning with Children's Services that will result in savings to Public Health expenditure, which will be reinvested into Children's Services.

Pressures 2 (£0.150m): Increase in the salaries budget to reflect additional resource employed within the Public Health structure to increase capacity to manage the overall Council's response to the Covid-19 pandemic.

Pressures 3 (£0.400m): Additional costs for routine commissioning of the Sexual Health PrEP service which has transferred to local authorities.



Public Health Budget 2021/22

The key controllable service area budgets for 2021/22 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
DHSC Public Health Grant	(31.593)	-	(31.593)
DHSC PrEP Commissioning Grant	(0.400)	0.400	-
Dietetics funding return to NHS	-	0.789	0.789
Commissioned services	-	17.588	17.588
PH Internal Health Outcomes	-	10.505	10.505
Salaries and Overheads	-	2.406	2.406
Transfers to/(from) reserves	-	0.305	0.305
TOTAL Service Budget 2019/20	(31.993)	31.993	-



Consultations on 2021/22 proposals

There are no public consultations planned on any 2021/22 to 2023/24 proposals



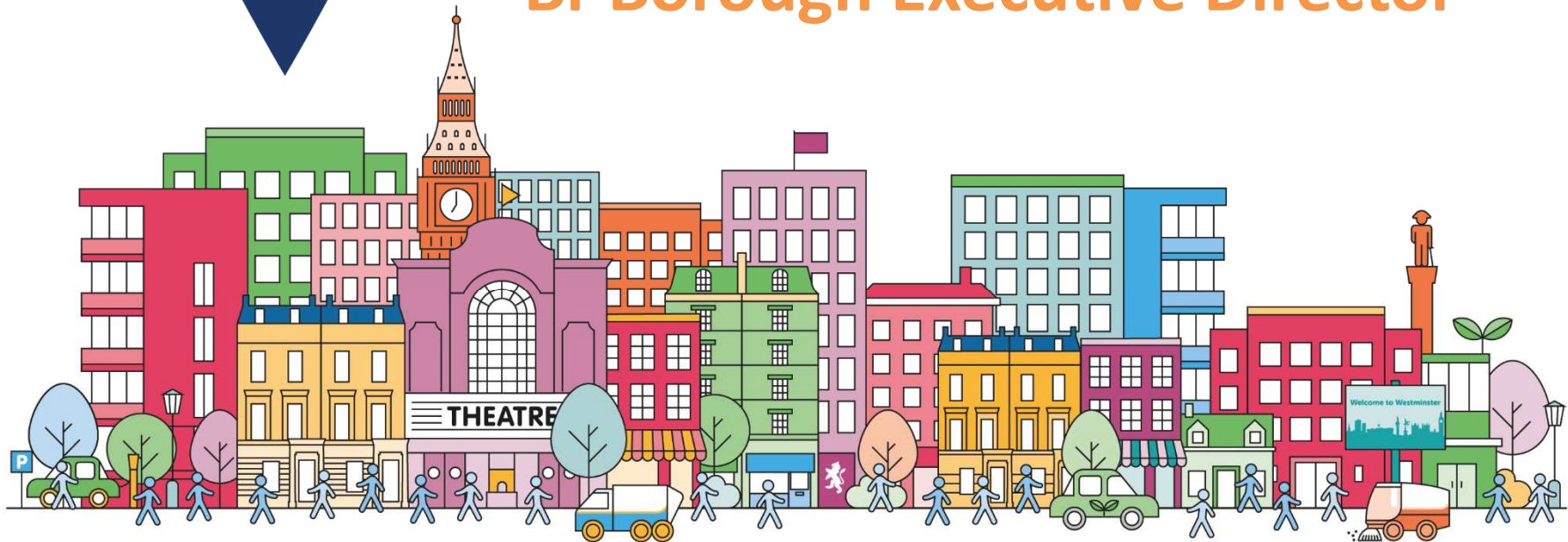


Budget Task Group

Children and Family Services

Sarah Newman

Bi-Borough Executive Director



Executive Summary

- In 2020/21 Children's Services were allocated a gross controllable expenditure budget of £144.734m and a gross income budget of £104.578m (net controllable budget £40.154m).
- The projected outturn variance for 2020/21 as at P8 is an overspend of £3.773m to a net controllable budget of £40.154m.
- The budget envelope for 2021/22 contains pressures of £1.599m
- The directorate has identified new saving proposals totalling £1.563m commencing in 2021/22. These are in addition to £2.460m of reprofiled savings from the list of proposals approved by Council in March 2020.
- The total value of savings (existing - £1.105m and new - £1.463m) impacting 2021/22 budgets is £2.568m



Covid-19 Impact – Children’s Social Care and Education

- Development of blended model for service provision using both digital and face-to face contact with children and families
- Ensuring early help systems are flexible enough to provide initial contact support
- Ensuring the visibility of vulnerable children
- Placement stability – maintenance of provision
- Shaping future provision for SEND transport. This includes our shaping our local offer
- Blended model of service provision. Using buildings more creatively to deliver services.
- Impact of potential declines in pupil numbers, should there be migration from cities



Covid-19 Impact – Libraries, Archives and Registration Service

Libraries

- Restrictions on physical services allowed to operate resulting in limits on visitor numbers, reduced study spaces and physical events
- Impact on in-person support especially in key areas such as supporting early years development (e.g. baby rhyme times) and those who are socially isolated
- Income streams significantly reduced since due to reduced visitors and decrease use of room/space hire
- Libraries supporting communities in new ways, including Home Library extended offer to children and families; PCs offer to those without computers; transformation to online virtual offer of events, enquires and phone support

Registrars

- Impact of restrictions on permitted numbers at ceremonies and the ability to hold receptions
- High numbers of cancellations and rescheduling, dramatically increasing contact with couples and necessitating requirement for additional staff to manage surges in demand
- Birth registrations severely restricted during Lockdown 1.0, creating backlog that required increasing capacity once normal services resumed - again necessitating longer opening hours and requirement for additional staff
- Death registrations increased fourfold during first wave, which necessitated longer opening hours at weekends to ensure higher volumes did not impact end-to-end death management process.



2020/21 BAU Key Issues – Children’s Social Care and Education

- Potential increased demand for services – referral rates, rise in domestic violence, economic and mental health impact.
- A rise in demand-led services will have a significant impact on budgets, which high-quality preventative services have previously mitigated.
- Impact on pupil performance due to ongoing disruption to education provision
- How to shape service provision going forward, learning the lessons from Covid
- Retaining critical interaction with families



2020/21 BAU Key Issues – Libraries, Archives and Registration Service

- Improving libraries virtual services to develop a more interactive and experiential web presence that replicates some of the value given by in person services as well as streamline transactional services
- Enabling online donations/payment features to launch new initiatives that will diversify income streams and ensure less reliance on physical libraries
- Continue to progress work on the interim room booking and ticket system with awaiting agreement on the Corporate booking system
- Registration Service still struggling with inadequate booking system. Issues include pushing payment data to bookings, impacting on timely reporting of RIA, as well as other points of failure. Corporate booking system replacement project slow to progress.



Children's Services Budget 2020/21

The key controllable service area budgets for 2020/21 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Education	(25.172)	31.703	6.531
Family Services	(7.116)	31.152	24.036
Registrars	(2.302)	1.925	(0.377)
Operations & Programmes	(14.607)	17.944	3.337
Libraries and Archives	(1.560)	8.184	6.624
School Funding	(53.821)	53.826	0.005
Total Budget 2020/21	(104.578)	144.734	40.156



2021/22 – 2023/24 Efficiencies and Financing Proposals (1)

Key information on savings initiatives are provided below:

Joint Funding – Clinical Commissioning Group (£0.350m):

Funding contribution from Clinical Commissioning Group (CCG) towards the cost of care packages and placements for children with complex health needs in Family Services and Education.

Traded Services Review (£0.100m):

Increased buy-in from schools resulting from further review of traded services offer.
(Saving proposed in addition to existing traded services targets.)

Agency Spend Reduction (£0.300m):

Review of agency spend across Children's Services

Staffing Review (£0.625m):

Review of staffing across Children's Services

IT Case Management System – (£0.188m)

Estimate of savings to be achieved across 3-year period on implementation of new Bi-Borough IT Case Management System. *(Savings to be met in part from IT budgets sitting outside of Children's Services.)*



2021/22 – 2023/24 Efficiencies and Financing Proposals (2)

The directorate is proposing a series of initiatives to support the Council's MTFP - these total £1.563m.

Ref	Key Initiatives (section 1 of 1)	21/22 £m	22/23 £m	23/24 £m	Total £m
2.8	Joint Funding – Clinical Commissioning Group	0.350	-	-	0.350
2.9	Traded Services Review	0.100	-	-	0.100
2.10	Agency Spend Reduction	0.300	-	-	0.300
2.11	Staffing Review	0.625	-	-	0.625
2.14	IT Case Management System	0.088	0.050	0.050	0.188
Total		1.463	0.050	0.050	1.563



2021/22 Budget Growth Pressures (1)

Budget growth pressures impacting 2021/22 totalling £1.599m, as follows:

Passenger Transport - Demand (£0.432m):

Growth in demand for SEN Transport

Short Breaks - Demand (£0.487m):

Growth in demand for Short Breaks placements for children with disabilities

Short Breaks - Staffing (£0.127m):

Additional staffing requirement to manage demand for Short Breaks placements

Joint Funding for Placements (£0.044m):

Growth in demand for placements with complex health needs in Family Services and Education

Looked After Children and Leaving Care Placements (£0.423m)

Growth in demand for placements and increasing complexity of needs

Domestic Abuse Support (£0.086m)

Provision of grants to voluntary sector organisations



2021/22 Budget Growth Pressures (2)

Estimated Pressures	21/22 £m
Passenger Transport - Demand	0.432
Short Breaks - Demand	0.487
Short Breaks - Staffing	0.127
Joint Funding for Placements	0.044
Looked After Children and Leaving Care Placements	0.423
Domestic Abuse Support	0.086
Total	1.599



Children's Services Budget 2021/22

The key controllable service area budgets for 2021/22 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Education	(25.422)	32.380	6.958
Family Services	(7.516)	31.088	23.572
Registrars	(2.252)	1.925	(0.327)
Operations & Programmes	(14.687)	17.722	3.035
Libraries and Archives	(1.560)	7.884	6.324
School Funding	(53.821)	53.826	0.005
Total Budget 2021/22	(105.258)	144.825	39.567



Consultations on 2020/21 proposals

There are no public consultations planned on any 2020/21 to 2022/23 proposals

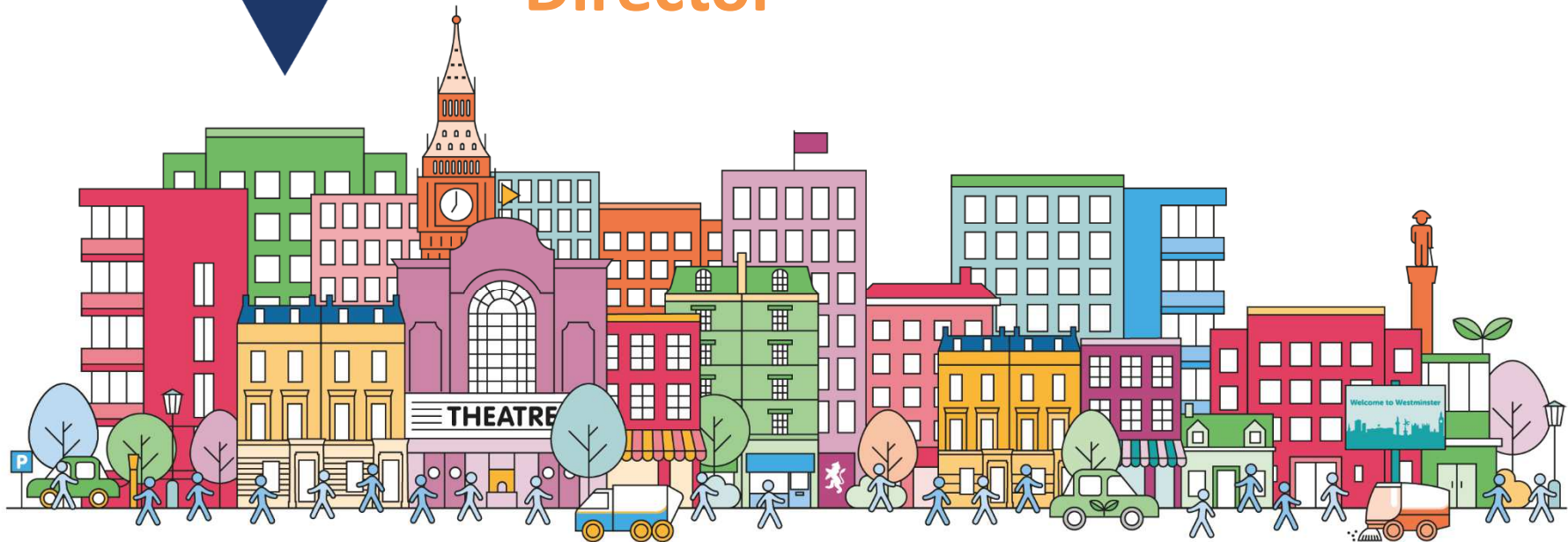




Budget Task Group

Growth, Planning and Housing

Debbie Jackson, Executive Director



Executive Summary

- In 2020/21 Growth Planning and Housing was allocated a gross controllable expenditure budget of £303.702m and a gross income budget of £279.318m (net controllable budget £24.384m)
- The projected outturn variance for 2020/21 as at P8 is an under/overspend of £8.110m to a budget of £25.877m.
- The budget envelope for 2021/22 contains pressures of £0.280m
- The directorate has identified new saving proposals totalling £2.515m, commencing in 2021/22. These are in addition to £2.939m of reprofiled savings from the list of proposals approved by Council in March 2020.



Covid-19 Impact

- Rough Sleeping: cost of placing rough sleepers in hotels during the first lockdown was £1.5m
- Temporary Accommodation: anticipated increase in numbers in Q4 may result in an increase in costs of £0.5m
- Planning income: loss of fee income forecast to be £2.6m
- WAES: Loss of fee income of £0.7m largely due to few learners opting for student loans, reduction in part funded fees and full-fee course income; Social distancing costs to reconfigure classrooms and delivering blended learning - £0.2m



2020/21 Key Issues

- Reorganisation of Housing Operations may result in one-off restructuring costs although most likely to be incurred in 21/22
- TA Reduction Strategy aims to reduce numbers in PSR by 350 and B&B by 150
- Publication of the Planning White Paper 'Planning for the Future' which potentially has wide ranging implications on the planning service.
- Introduction of the new Building Safety Bill which will have a fundamental impact on the activities and workload of the Building Control team.
- Supporting Westminster's residents and business communities in generating opportunities for growth and employment.



Growth, Planning & Housing Budget 2020/21

The key controllable service area budgets for 2020/21 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Place Shaping and Town Planning	(8.519)	9.141	0.622
Economy and Regeneration	-	2.081	2.081
Growth, Planning and Housing	(0.047)	1.625	1.578
Housing Operations*	(261.874)	281.977	20.103
WAES	(8.878)	8.878	-
TOTAL BUDGET 2020/21	(279.318)	303.702	24.384

*Includes Housing Benefits



2021/22 – 2023/24 Efficiencies and Financing Proposals (1)

Information on the key savings initiatives is provided below:

4.29 TA Reduction Strategy (£1.264m) A series of initiatives to reduce the number of households in temporary accommodation by 500 by October 2021.

4.21 Registered Providers Grant Funding Review (£0.500m) Review grant funding paid to 21 Registered Provider community supporting housing schemes originally provided as part of Supporting People funding.

4.19 Review of legal costs (£0.050m) Review of approach to decision making to reduce the likelihood of legal challenge.



2021/22 – 2023/24 Efficiencies and Financing Proposals (2)

4.20 Review of Transport and Storage costs (£0.050m) Applying the current legislation more rigorously and only providing storage where there is a danger of loss of damage to personal property to Homelessness applicant and making reasonable charges for storage and additional or failed delivery of goods.

4.27 Reduction in office space (£0.035m) Introduction of more smart working practices by Homelessness Support Service

4.17 Review of communication activity in Church St (21/22: £0.100m): This proposal deletes two posts from the Church St structure. The reduction can be absorbed within the existing structure without incurring any significant impact on service delivery.

4.22 Planning Application Process Review (£0.130m): This proposal seeks to improve the handling and determination of applications to simplify and improve the overall customer experience for the applicant.



2021/22 Efficiencies and Financing Proposals (3)

The directorate is proposing a series of initiatives to support the Council's MTFP. These total £3.462 million.

Ref	Key Initiatives (section 1 of 2)	21/22 £m	22/23 £m	23/24 £m	Total £m
4.21	Registered Providers Grant Funding review	0.500	-	-	0.500
4.29	TA reduction strategy	0.600	0.664	-	1.264
4.19	Review of legal costs	0.050	-	-	0.050
4.20	Review of Transport and Storage costs	0.050	-	-	0.050
4.27	Reduction in office space	-	0.035	-	0.035
4.17	Review of communication expenditure at Church St regeneration scheme	0.100	-	-	0.100



2021/22 Efficiencies and Financing Proposals (4)

The directorate is proposing a series of initiatives to support the Council's MTFP - these total £2.515 million.

Ref	Key Initiatives (section 2 of 2)	21/22 £m	22/23 £m	23/24 £m	Total £m
4.15	Reduce Planning Overtime to Support Committee Meetings and Appeals	0.026	-	-	0.026
4.16	Delete Head of Town Planning Post	0.110	-	-	0.110
4.22	Planning Application Process Review	-	0.130	-	0.130
4.23	Place Shaping Review	-	0.050	-	0.050
4.24	Cost Recovery of Drafting S106 Agreements	0.020	-	-	0.020
4.25	Stop Press Notices for Planning Applications	0.030	-	-	0.030
4.26	Capitalisation of Development Team	-	0.150	-	0.150
Total		1.486	1.029	-	2.515



2021/22 Budget Growth Pressures (1)

Westminster Connects (£0.250m): Growth related to the on-going response to the pandemic.

Letting of Intermediate Housing (£0.030m): Delayed due to the pandemic



2021/22 Budget Growth Pressures (2)

Estimated Pressures	21/22 £m
Westminster Connects	0.250
Intermediate Housing	0.030
TOTAL	0.280



Growth, Planning & Housing Budget 2021/22

The key controllable service area budgets for 2021/22 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Place Shaping and Town Planning	(8.269)	9.055	0.786
Economy and Regeneration	-	1.981	1.981
Growth, Planning and Housing	(0.047)	1.625	1.578
Housing Operations*	(261.840)	281.107	19.267
WAES	(8.878)	8.878	-
Total	(279.034)	302.646	23.612

*Includes Housing Benefits



Consultations on 2021/22 proposals

There are no public consultations planned on any 2021/22 to 2023/24 proposals

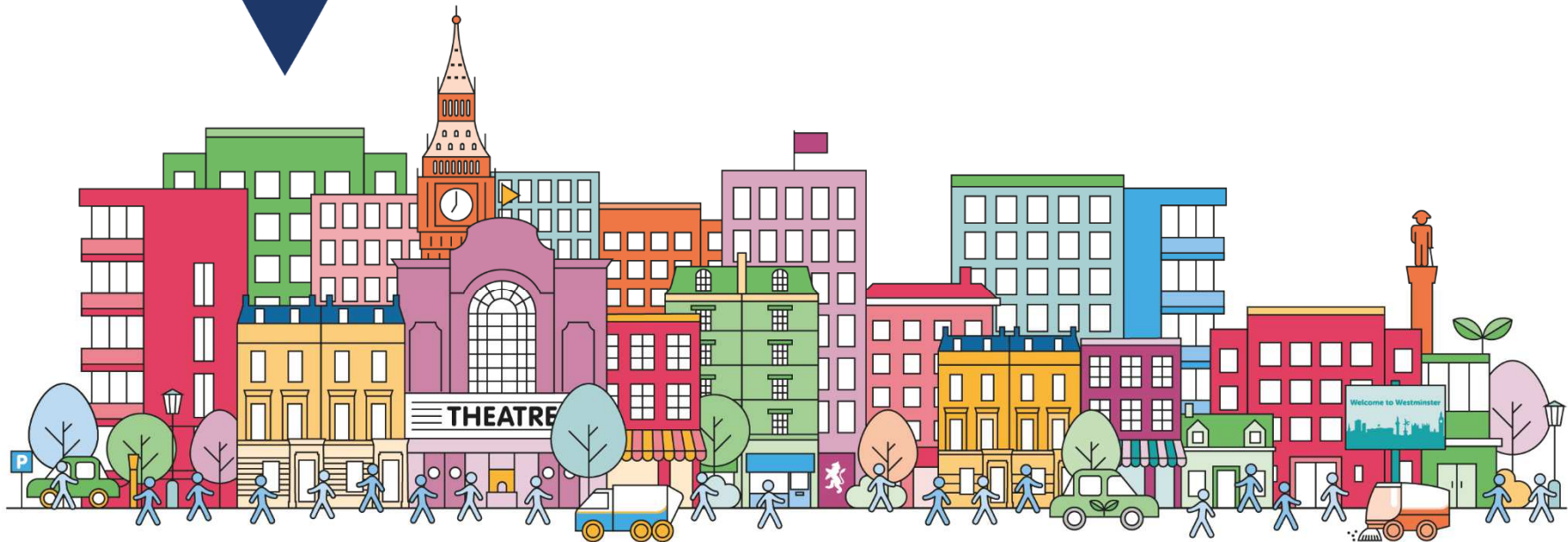




Budget Task Group

Growth, Planning & Housing: HRA Revenue

Debbie Jackson, Executive Director



Executive Summary

- In 2020/21 HRA was allocated a gross controllable expenditure budget of £108.202m and a gross income budget of £110.28m (net contribution from HRA balances of £2.076m)
- The projected outturn variance for 2020/21 as at P8 is an overspend of £6.221m.
- The 2021/22 HRA budget provision is a gross controllable expenditure budget of £110.678m and a gross income budget of £111.533m (net controllable budget £0.855m)



Covid-19 Impact on 2020/21 Outturn

- Reduced Income (Commercial, Rents, Estate halls).
- Rent collection pressures, which will be managed over the coming years.
- Additional Estate cleaning and Out-of-hours provision.
- Estimated reduction in routine repairs circa £2.13m



Key Issues

- Increased pressures around repairs and maintenance costs due to skills and staff shortage within the sector along with an ageing housing stock.
- A complex and close relationship between Capital and Revenue.
- Building costs are increasing - pressure on the pricing of material could result in a pressure on the Repairs budget.
- Continuing pressure from Health and Safety, in light of the outcomes from the Hackitt review.



HRA Revenue Budget 2020/21

The key service area budgets for 2020/21 are broken down as follows:

2020.21	
£'m	
Dwelling Rents	(76.243)
Commercial Rent	(8.249)
Garages, Sheds & Car Parks Income	(1.312)
Service Charges	(14.180)
Heating and Water (Including PDHU)	(6.394)
HRA investment income & Other Income	(1.823)
TOTAL INCOME	(108.202)
Repairs & Maintenance	18.001
Supervision & Management	28.226
Estate Services	7.493
Heating and Water (Including PDHU)	6.394
Rent, Rates and Commercial Charges	0.507
TMO Allowances	1.484
Support Costs	12.374
Movement on BDP	0.500
Depreciation	24.608
Capital financing costs	10.432
Regeneration Feasibility	0.260
TOTAL EXPENDITURE	110.278
HRA Net(Surplus)/Deficit position	2.076
Contribution to /(from) HRA Balances	(2.076)
HRA	0.000



Efficiencies and Saving Proposals

- Savings in Repairs post-inspection costs £0.380m
- Savings in Housing Communications service delivery costs £0.178m
- Inflation-linked increases to Income streams £2.5m
- Reduction in depreciation and financing costs £2.0m
- Housing restructure realising net reduction in posts
- A more detailed assessment of savings and efficiencies is taking place over the coming months and it is envisaged that in 2022/23 and beyond further savings will be generated to support the Housing Revenue Account



Budget Growth Pressures

- £0.5m towards expenditure on regeneration feasibility reviews which may not relate directly to bringing a property into its final use and so cannot be capitalised.
- Increases in Repairs budget £1.1m
- Increases for Estate services contracts £0.7m
- Inflation-linked increases to Expenditure streams (including Staff costs) £1.6m



HRA Revenue Budget 2021/22

The key service area budgets for 2021/22 are broken down as follows:

2021.22	
£'m	
Dwelling Rents	(76.596)
Commercial Rent	(8.200)
Garages, Sheds & Car Parks Income	(0.904)
Service Charges	(16.367)
Heating and Water (Including PDHU)	(6.394)
HRA investment income & Other Income	(2.217)
TOTAL INCOME	(110.678)
Repairs & Maintenance	19.087
Supervision & Management	29.033
Estate Services	8.150
Heating and Water (Including PDHU)	6.394
Rent, Rates and Commercial Charges	0.512
TMO Allowances	1.505
Support Costs	12.857
Movement on BDP	0.505
Depreciation	23.754
Capital financing costs	9.237
Regeneration Feasibility	0.500
TOTAL EXPENDITURE	111.533
HRA Net(Surplus)/Deficit position	0.855
Contribution to /(from) HRA Balances	(0.855)
HRA	0.000



HRA Revenue Reserves

The HRA reserves position is as follows:

2021.22	
£'m	
Opening Balance	11.146
Contribution to /(from) HRA Balances	(0.855)
Closing Balance	10.291



Consultations on 2021/22 proposals

There are no consultations planned on any of the 2021/22 proposals.

