

Budget Task Group

Innovation & Change |

Pedro Wrobel, Executive Director

Executive Summary

Innovation & Change

- In 2023/24 Innovation & Change had a gross controllable expenditure budget of £21.360m and a gross income budget of £6.854m (net controllable budget £14.506m)
- The projected outturn variance for 2022/23 as at P6 is an underspend of £0.474m
- The overall proposed savings up to 2026/27 are £0.958m with growth required of £0.070m, and Fairer Westminster Investment of £0.451m

The directorate has the following changes to its budget for 2024/25:

Savings

- £0.369m of new savings
- £0.567m of existing savings (approved in 2022/23)

Pressures

- £0.070m of pressures
- £1.551m of Fairer Westminster Investment (of which £0.100m approved in 2022/23)

2024/25 Key budget issues

Innovation & Change

- **Economic conditions:** The current economic downturn may have negative impacts on leisure, advertising and commercial revenues.
- **Government funding and policy risks:** Further policy and funding risks may arise as Government develops its agenda.
- **Pressure on communities resource** – The current investment was calculated as at September 2022, and there has been further demand on the service area since, to meet the administrations Fairer Westminster ambitions.

2023/24 Budget

Innovation & Change

Service Area & Portfolio	Expenditure £m	Income £m	Net Budget £m
City Promotions, Events and Filming	1.481	-2.269	-0.788
Communications	2.602	-0.191	2.411
Cross River Partnership	1.235	-1.213	0.022
Operations & Executive Director	0.270	-	0.270
Policy and Projects	1.331	- 0.221	1.110
Strategy and Intelligence	2.618	-	2.618
Lord Mayor's Office	0.430	-	0.430
Communities (including Sports Leisure & Active Communities)	11.393	-2.960	8.434
TOTAL INNOVATION & CHANGE	21.360	- 6.854	14.506

Savings Proposals

2024/25 to 2026/27 (1 of 2)

Strategy & Intelligence - Insourcing - £0.090m: Insourcing - Business cases £0.075m; research £0.015m

- Westminster currently outsources work in two key areas, which S&I could partially take over: drafting the economic case for business cases for large capital projects (where we typically hire economic consultants), and; delivering primary research, including: research design, sampling, survey drafting, running focus groups and other forms of fieldwork, insights analysis and reporting
- Looking at the historic spend across these areas, and S&I capacity, we estimate that we can deliver work to the value of £75k on business cases, and £15k on primary research per year. We will work with finance colleagues to capture these savings accordingly.

Strategy & Intelligence – review of staffing funding - £0.089m: Review staff budgets, including funding available (substitute funding from CIL admin fee)

- We will deliver a total of £0.089m savings from staffing costs.

City Promotions, Events & Filming – Income - £0.135m: Additional income from events & filming; advertising opportunities

- The service considers that there are opportunities to generate additional income from existing revenue streams that include third party commercial events, filming, advertising and promotional activities that take place throughout the borough. This includes investing in the service to enable it to be able to maximise the current levels of demand from third party organisers seeking to host activities in Westminster.

Savings Proposals

2023/24 to 2026/27 (2 of 2)

Communications – Service Review - £0.245m: Review of Creative Services, publications & strategic communications

Communities – leisure centre income opportunities - £0.170m: Sports Leisure and Active Communities (SLAC) - leisure centre income. This is indicative income to be generated via our Leisure contract. The calculation has been based on prudent and conservative figures incorporating seasonal trends.

Communities – review of funding of staff - £0.109m – staff savings.

Policy – service efficiencies - £0.120m: service efficiencies.

Savings Proposals

2024/25 to 2026/27 Summary

Saving Title	2024/25 over 2023/24 £m	2025/26 over 2024/25 £m	2026/27 over 2025/26 £m	TOTAL £m
Strategy & Intelligence - insourcing	0.090	-	-	0.090
Strategy & Intelligence - review of staff funding	0.069	-	0.020	0.089
City Promotions, Events & Filming (CPEF) - Income	0.045	0.045	0.045	0.135
Communications - service review	0.045	0.065	0.135	0.245
Communities - leisure centre income opportunities	-	-	0.170	0.170
Communities - review of staff funding	-	0.109	-	0.109
Policy – service efficiencies	0.120	-	-	0.120
TOTAL	0.369	0.219	0.370	0.958

Fairer Westminster Investments

2024/25 to 2026/27

Communities: £0.183m (ongoing)

Two additional posts required for Project/Programme support within leisure with a focus on upcoming large contracts coming to an end, and a review of Sayers Croft, as well as to support major programmes across the Council.

Communities – additional resource requirement: £0.268m (ongoing)

When the Communities team was set up, some posts were funded from reserves, as we did not know what the appropriate resource was. Given growing demands of the team, this investment flags the need to baseline that reserve funding.

Cost of Living Support -£1m in 24/25 (one off)

The Cost of Living programme represents the Council's continued response to the additional pressures facing households most directly affected by the Cost of Living crisis. It continues to be used to increase capacity in food and advice services, as well as support for families and older people.

Pressures

2024/25 to 2026/27

Sports Leisure & Active Communities – Contract saving risk - £0.070m

Combining Continental contracts with Housing no longer achievable as on further investigation this would have been a risk to the HRA and Service Charge Statement requirements

Pressures and Investments

2024/25 to 2026/27 Summary

PRESSURES Service Area	2024/25 over 2023/24	2025/26 over 2024/25	2026/27 over 2025/26	Total
	£m	£m	£m	£m
Sports, Leisure & Active Communities (SLAC) - contract saving risk	0.070	-	-	0.070
Total	0.070	-	-	0.070

INVESTMENTS Service Area	2024/25 over 2023/24	2025/26 over 2024/25	2026/27 over 2025/26	Total
	£m	£m	£m	£m
Leisure (inc key contracts and capital support) and programme support for wider Communities dept	0.183	-	-	0.183
Review of posts funded by Reserves and need for continuing long term	0.268	-	-	0.268
Cost of Living Support	1.000	(1.000)		0.000
Total	1.451	(1.000)	0	0.451

2024/25 Budget

Innovation & Change

Service Area	Expenditure £m	Income £m	Net £m
City Promotions, Events and Filming	1.481	-2.539	-1.058
Communications	2.532	-0.191	2.341
Cross River Partnership	1.235	-1.213	0.022
Operations & Executive Director	0.270	-	0.270
Policy and Projects	1.261	-0.221	1.040
Strategy and Intelligence	2.359	-	2.359
Lord Mayor's Office	0.430	-	0.430
Communities (including Sports Leisure & Active Communities)	12.914	-3.127	9.787
TOTAL INNOVATION & CHANGE	22.482	-7.291	15.191

Consultations

2024/25 Proposals

- Reg 19 consultation for City Plan

Capital

Key Projects over the Next 5 years

New Schemes

New projects for Innovation and Change from 2024/25 have a gross budget of £6.022m (£5.128m net). Some of the key projects over this period are highlighted below:

Outdoor Media Phase 2 - £1.300m

The design, build and installation of up to five mid-size digital advertising structures that would, subject to planning permission and other statutory consents, be installed on several vehicular routes throughout the city - primarily within St James's Ward. The structures would measure approximately 5.5m in height and 1.8m in width, with the screens measuring 3m in height and 1.5m in width. The structures would be licensed to media owners for a commercial fee.

Paddington Recreation Ground Schemes - £0.759m

Various projects across Paddington Recreation Ground to include: Padel Courts; allotments/urban farming project; Village Green Health and Safety renewal; update of toilet and changing rooms; crickets nets

Golden Square playground and greening project - £0.400m (Parks & Greening)

A new play area designed by for and by the community. Greening of Golden Square to remove, soften the current hard surface and assist to reduce the heat basin effect of the concrete surface. There is currently a lack of play facilities for families living in the Soho/West End area. The nearest play areas are at Victoria Embankment Gardens (20 min walk) and Drury Lane (21 min walk).

Soho Square replacement paths - £0.400m (Parks & Greening)

Replacement of Paths in Soho Square. The paths are deemed to be beyond economical repair, they are requiring constant revenue funding to maintain them to a basic Health and Safety standards. The existing path network requires removal and replacement with an agreed and suitable durable material.

Paddington Street Playground - £0.360m (Parks & Greening)

Refurbishment of the current playground in Paddington Street Gardens. To install inclusive and accessible play equipment for all children to play and enjoy. The project meets the ambitions within the Fairer Communities strand within the Fairer Westminster strategy by ensuring that all children and families within the local area will have the use of a much more accessible and inclusive playground than is currently available. The project is supported by the local Ward Councillors, the local church and the Harley Street BID

Capital Programme – 2024/25 – 2028/29

New Schemes

5 year Programme 2024/25 –
2028/29 (External funding - £nil)

Project grouping	TOTAL EXPENDITURE £m
Active Westminster	0.408
Parks and Greening	2.040
Cemeteries	0.200
Paddington Recreation Ground	0.759
Outdoor Media Phase 2	1.300
TOTAL	4.707

2024/25 Capital Programme –
New Schemes (external funding -
£nil)

Project grouping	2024/25 £m
Active Westminster	0.409
Parks and Greening	0.775
Cemeteries	0.100
Paddington Recreation Ground	0.545
Outdoor Media Phase 2	1.300
TOTAL	3.128