



City of Westminster

**Budget & Performance Task Group
Budget Scrutiny Slides
Tuesday 9th February 2016**



City of Westminster

Budget & Performance Task Group Corporate Services

Nick Dawe

Executive Director

Executive Summary

In 2015/16 Corporate Services was allocated a gross controllable expenditure budget of £20.89m and a gross income budget of £6.28m (net £14.61m)

The projected outturn variance for 2015/16 is a surplus £0.10m.

The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £2.43m



2016/17 Key Issues

Stabilising and optimising the Managed Service Contract will eliminate waste and inefficiency and generate greater capacity towards achieving the Council's strategic objectives.

Developing a unified corporate service that is responsive and innovative will require both restructures as in HR and further development of skills and capabilities.

Broadening and deepening sharing and joint working within and outside the Authority is essential in delivering most of the efficiencies especially in terms of staff and IT savings. The estimated pressure if this does not occur is £1.40m.



Corporate Services Budget

The key controllable service area budgets for 2015/16 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Human Resources	(0.55)	3.99	3.44
Legal Services	(3.97)	2.25	(1.72)
Information Services	(0.86)	10.47	9.61
Strategic Procurement	(0.22)	2.11	1.89
Executive Director of Shared Corporate Services	(0.00)	0.08	0.08
Managed Services Framework ICF	(0.68)	1.99	1.31
TOTAL BUDGET 2015/16	(6.28)	20.89	14.61



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals

Service Area	<u>Key Initiatives</u>	Value £m
Human Resources	Restructure & Contract Reviews	(0.87)
Legal Services	Net increased income and headcount reduction	(0.26)
Strategic Procurement	Organisation Restructure (Shared Services) & headcount reduction	(0.43)
Strategic Procurement	Print and Document Management	(0.22)
Strategic Procurement	Commercial Operating Model income (Traded Services)	(0.05)
Managed Services Framework ICF	Contract reviews	(0.60)
TOTAL		(2.43)



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (1)

Additional information on the key initiatives is provided below:

Restructure and Contract Reviews (£0.87m) HR department will look to undertake a review of its structure to develop a more agile workforce in order to meet the strategic needs of the Council (£0.37m). The **contract reviews** (£0.50m) undertake a review of all HR contracts such as the Occupational Health, Comensura, and BT.

Net increased income and headcount reduction the increased income will be generated from insourcing of the Devonshire legal contract (£0.15m). As the increased income is a net saving, additional Legal FTEs will be required to deliver this efficiency. The (£0.05m) is WCC's share of the reduction of two Business Support FTEs.

Organisation Restructure and headcount reduction - establish a single Shared Services Strategic Procurement team to comprises of a bi-borough procurement service across Westminster City Council and Royal Borough of Kensington & Chelsea and a tri-borough capitalEsourcing platform on behalf of all three boroughs (£0.37m) and releasing one FTE (£0.06m)

Print and Document Management (£0.22m) Consolidation of a number of services relating to Print and Document Management, such as Parking, Planning, MFD's, Print Management and Reprographics under a single supplier framework agreement.



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (2)

Additional information on the key initiatives is provided below:

Contract Reviews (£0.60m) savings will be achieved through a new managed Service Contract that covers transactional Finance, HR and Payroll activities. The saving is made through the reduction in contract costs.



2016/17 Estimated Pressures

No recurrent pressures.



Corporate Services Budget

The key controllable service area budgets for 2016/17 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Human Resources	(0.55)	3.12	2.57
Legal Services	(4.17)	2.20	(1.97)
Information Services	(0.86)	10.47	9.61
Strategic Procurement	(0.27)	1.46	1.19
Executive Director of Shared Corporate Services	(0.00)	0.08	0.08
Managed Services Framework ICF	(0.68)	1.39	0.71
TOTAL BUDGET 2016/17	(6.53)	18.72	12.19



2016/17 Capital Expenditure

The capital expenditure forecast for 2015/16 is £0.69m.

The budget proposed for 2016/17 is £1.68m, including the following major projects:

Capital Projects	Gross Expenditure £m	Income £m	Net Budget £m
Datacentre Refresh	0.45	(0.00)	0.45
Corporate Software Licences	0.05	(0.00)	0.05
Parking and Integrated Street Management	0.23	(0.00)	0.23
End User Computing Refresh	0.70	(0.00)	0.70
Data Network Refresh	0.25	(0.00)	0.25
TOTAL BUDGET 2016/17	1.68	(0.00)	1.68





City of Westminster

Budget & Performance Task Group

Policy, Performance and Communications

Julia Corkey

Executive Director

Executive Summary

In 2015/16 Policy, Performance and Communications was allocated a gross controllable expenditure budget of £15.79m and a gross income budget of £(5.58m). Therefore the net budget is £10.21m.

The projected outturn variance for 2015/16 is a break even position.

The budget envelope for 2016/17 is £6.93m.

The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £3.28m.



2016/17 Key Issues

- Manage the anticipated income from Community Infrastructure Levy. This is a demand led income and non recurrent savings will need to be found if anticipated income does not materialise.
- Stabilisation of the Managed Service Programme to allow enhanced financial management by budget managers.
- Outdoor Media income is both market dependent and dependent on the capital project relating to Piccadilly underpass being completed so any delays in the project may impact on anticipated returns.
- An increase in work activity due to legislation changes or policy development may have resource implication.



Policy, Performance and Communications Budget 2015/16

The key controllable service area budgets for 2015/16 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
PPC Management and Directorate Support	(0.21)	0.39	0.18
Cabinet Secretariat and Member Services including ward budgets	(0.00)	1.48	1.48
Communication and Campaigns	(1.94)	1.94	0.00
Digital and Customer services	(0.00)	2.10	2.10
Change and Programme Management Unit	(0.01)	1.28	1.27
City Promotions, Events and Filming	(1.03)	1.12	0.09
Evaluation and Performance	(0.00)	1.28	1.28
Policy and Strategy	(0.60)	2.44	1.84
Cross River Partnership hosted by WCC	(1.74)	1.79	0.05
Voluntary Sector Support	(0.05)	1.97	1.92
TOTAL BUDGET 2015/16	(5.58)	15.79	10.21



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (1)

<u>Key Initiatives</u>	<u>£m</u>
Outdoor Media – Phase 1 + 2	(1.56)
Digital Programme	(0.30)
Business Intelligence	(0.20)
Additional Events and Filming income	(0.15)
Community Infrastructure Levy	(1.00)
Voluntary and Community Based Services	(0.07)
TOTAL	(3.28)



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals

Additional information on the key initiatives is provided below:

Outdoor Media Phase 1 + 2 (£1.56m) *The Council has identified potential sites to take to the market. Two key sites already identified are the underpass at Piccadilly and Bishops Bridge roundabout.*

Community Infrastructure Levy (£1.0m) *this additional income will be generated from the introduction of the levy on developments that obtain planning permission from the 1st May 2016. The income will be used to offset existing administration costs.*

Digital Programme (£0.3m) – *this saving is a proportion of the wider Digital Programme saving of £3.4m that is expected to be realised from other directorates. £0.3m savings will be achieved through the reduction in the contract price for the contact centre that is managed by Agilisys.*



2016/17 Estimated Pressures

No pressures to report for 2016/17.



Policy, Performance and Communications Budget 2016/17

The key controllable service area budgets for 2016/17 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
PPC Management and Development Support	(0.21)	0.39	0.18
Cabinet Secretariat and Member Services including ward budgets	(0.00)	1.48	1.48
Communication and Campaigns	(1.94)	1.94	0.00
Digital and Customer services	(0.00)	1.80	1.80
Change and Programme Management Unit	(0.01)	1.28	1.27
City Promotions, Events and Filming	(2.74)	1.12	(1.62)
Evaluation and Performance	(0.00)	1.08	1.08
Policy and Strategy	(1.60)	2.44	0.84
Cross River Partnership hosted by WCC	(1.74)	1.79	0.05
Voluntary Sector Support	(0.05)	1.90	1.85
TOTAL BUDGET 2016/17	(8.29)	15.22	6.93



2016/17 Capital Expenditure

The budget proposed for 2016/17 is £7.83m, including the following major projects:

Capital Projects	Gross Expenditure £m	Income £m	Net Budget £m
Digital Transformation	2.98	(0.00)	2.98
Piccadilly Underpass Redevelopment	5.35	(1.50)	3.85
The Flame Advertising structure	0.90	(0.00)	0.90
Events and Filming	0.05	(0.00)	0.05
Business Intelligence	0.05	(0.00)	0.05
TOTAL BUDGET 2016/17	9.33	(1.50)	7.83





City of Westminster

Budget & Performance Task Group Adult Social Care

Rachel Wigley

Deputy Executive Director, Director of Finance and
Resources

Executive Summary

- In 2015/16 Adults Social Care was allocated a gross controllable expenditure budget of £99.1m and a gross income budget of £35.6m (net £63.5m)
- The projected outturn variance for 2015/16 is nil
- The budget envelope for 2016/17 includes transformation, efficiencies, financing and commercial proposals amounting to £6.0m and budget pressures of £3.4m



2016/17 Key Issues

- Demographic growth due to ageing population
- Cost of high needs packages
- Increasing service costs due to the introduction of the living wage
- Customer journey and service re-design
- Reduced opportunities for commissioning and contract efficiencies
- State of the care market
- Working more closely with Health partners on integration and service transformation
- Focusing on preventative activities including cross-council focus



Adult Social Care Budget

The key controllable service area budgets for 2015/16 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.2)	2.2	1.0
Commissioning and Service Delivery	(1.4)	7.2	5.8
Information and Early Intervention	(0.7)	1.1	0.4
Expenditure on Social Care Activities	(4.5)	12.5	8.0
Learning Disability Support	(5.6)	23.4	17.8
Mental Health Support	(4.4)	10.8	6.4
Physical Support	(16.6)	38.0	21.4
Social Support	(1.1)	1.5	0.4
Support with Memory and Cognition	(0.1)	2.4	2.3
TOTAL BUDGET 2015/16	(35.6)	99.1	63.5



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (1)

Key Initiatives	£m
A – Assistive technology	0.5
B – Commissioning and Contract efficiencies	1.2
C – Customer Journey	1.3
D – BCF : Health Integration Benefit Share	0.5
E – High Costs High Needs packages review and LD placements review	0.8
F – Increase to Social Care to Benefit Health	0.2
G – Public Health investment in reduction in social isolation	0.2
H – Line by line review of supplies and services	0.3
I – Mental Health : Supported Housing and Placements review	0.3
J – Managing growth from within existing budget	0.7
TOTAL	6.0



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (2)

Additional information on the key initiatives is provided below

Commissioning and Contract efficiencies (£1.2m) consists of a programme of 46 work-streams, resulting in a combination of maximising value out of existing contract, re-procurement, contract reductions, renegotiation with existing providers and harmonising contracts where beneficial. This saving will not result in service reduction as ASC customers will still have their assessed needs met as per the Council's statutory duties.

Customer Journey (£1.3m) consists of work to redesign the entire process for ASC customer and case management through a full managed and resourced programme of work. This covers all key customer pathways including front door information, advice and initial screening, hospital discharge, community independence (reablement and recovery) services and complex care management. The approach is 'one department' working, improve the customer experience and outcomes, achieve substantial efficiency and demand management savings and to deliver a step change toward a fully integrated and whole systems service model for health and social care services.



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals (3)

Additional information on the key initiatives is provided below

High Costs High Needs packages review and LD placements review (£0.8m).

This proposal is focused on the systematic review of all high cost/high needs homecare packages that have a net cost of £500/week or greater or include the use of two care workers for double up care. It also focuses on Learning disability customers who are eligible for NHS Continuing Healthcare. This proposal is delivering savings through the implementation of a more targeted review process and enhancements to current care practice. The current review process also considers whether the persons support plan goals could be achieved at lower cost through the greater use of assistive technology, use of equipment and adaptations or a more personalised care package provided through a direct payment.



2016/17 Budget Pressures

Estimated pressures affecting 2016/17 that are built into the proposed budget are as follows:

Estimated Pressures	£m
New Homecare contract	0.7
Demographic pressures	0.4
Independent Living Fund	0.4
TUPE pension costs	0.3
Care Home Lease Rental*	0.6
Care Act Grant (rolled into RSG therefore funded as part of base budget)	1.0
TOTAL	3.4

* This is a payment to GPH directorate and hence will be a net nil impact to the Council overall



Adult Social Care Budget 2016/17

The key controllable service area budgets for 2016/17 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Assistive Equipment and Technology	(1.2)	2.2	1.0
Commissioning and Service Delivery	(1.4)	7.3	5.9
Information and Early Intervention	(0.8)	1.0	0.2
Expenditure on Social Care Activities	(4.5)	11.1	6.6
Learning Disability Support	(5.8)	23.2	17.4
Mental Health Support	(4.4)	10.6	6.2
Physical Support	(16.3)	37.2	20.9
Social Support	(1.1)	1.5	0.4
Support with Memory and Cognition	(0.1)	2.4	2.3
TOTAL BUDGET 2016/17	(35.6)	96.5	60.9



2016/17 Capital Expenditure

The capital expenditure forecast for 2015/16 is £0.3m.

The budget proposed for 2016/17 is £0.8m, including the following major projects:

Capital Projects	Gross Expenditure £m	Income £m	Net Budget £m
Carlton Dene	0.5	(0.0)	0.5
Westmead	0.3	(0.0)	0.3
Framework-I upgrade to Mosaic	0.2	(0.2)	0.0
Barnard Lodge and Florey Reconfiguration	0.2	(0.2)	0.0
Residential Asset replacement (Fixtures & Fittings at Westmead)	0.4	(0.4)	0.0
TOTAL BUDGET 2016/17	1.6	(0.8)	0.8





City of Westminster

Budget & Performance Task Group Public Health

Eve Hrobonova
Deputy Director of Public Health

Executive Summary

- In 2015/16 Public Health was allocated an approved grant income budget of £33.6m
- An in-year grant reduction of £2.1m and lower than expected 0-5 years Health Visitors Programme (funding and contract costs) of £0.1m brought the budget down to £31.4m
- The projected outturn for 2015/16 is a balanced budget, i.e. the grant will be allocated/spent in full.
- The draft budget envelope for 2016/17 reflects a ring-fenced Department of Health grant of £32.3m which is expected to be fully spent/allocated. This includes both additional funds of £2.2m for a full year of the 0-5 Health Visitors Programme and expected further grant reductions of £1.3m.
- In addition to the Public Health Grant, we intend to drawdown £4.3m of Public Health Reserves to cover the in year grant reduction and the additional investment in public health outcomes.



2016/17 Key Issues

- Further reductions in the Public Health Grant.
- 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.
- It remains essential that funds are only spent on activities whose main or primary purpose is to improve the public health of local populations.
- Significant re-procuring and redesigning services in light of reducing resources.



Public Health Budget 2015/16

The key controllable service area budgets for 2015/16 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Department of Health Grant	(33.6)		(33.6)
Dietetics funding return	0.9		0.9
Sexual Health		8.1	8.1
Behaviour Change		3.8	3.8
Family and Children		7.5	7.5
Intel and Social Determinants		0.2	0.2
Substance Misuse		9.3	9.3
Overheads		2.2	2.2
Ambition Projects/PHIF		3.2	3.2
Transfer from PH Reserves	(1.6)		(1.6)
TOTAL BUDGET 2015/16	(34.3)	34.3	0.0



2016/17 Transformation, Efficiencies, Financing and Commercial Proposals

- Public Health has identified £3.6m of transformation, efficiencies, financing and commercial proposals. These are reflected in the commissioned services budgets below.

Commissioned Services	2015/16 Budget £m	Savings £m	Additional Funds £m	2016/17 Budget £m
Sexual Health	8.1	(0.7)		7.4
Behaviour Change	3.8	(1.1)		2.7
Family and Children	7.5	(0.3)	2.2	9.4
Intel and Social Determinants	0.2	(0.1)		0.1
Substance Misuse	9.3	(1.4)		7.9
Total	28.9	(3.6)	2.2	27.5

- Public Health 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.



2016/17 Estimated Pressures

- Significant reductions to other Council departments who are performing public health work, may result in Public Health needing to fund these activities.
- 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.



Public Health Budget 2016/17

The budget for 2016/17 is broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Department of Health Grant	(32.3)		(32.3)
Dietetics Funding Return	0.9		0.9
Commissioned Services		27.5	27.5
Overheads		2.0	2.0
Ambition Projects/PHIF		2.6	2.6
New Substitution Funding		3.6	3.6
Transfer from PH Reserves	(4.3)		(4.3)
TOTAL BUDGET 2016/17	(35.7)	35.7	0.0



2016/17 Capital Expenditure

- There are no capital projects planned by the Public Health Directorate either for the current year or 2016/17

