



CITY OF WESTMINSTER

MINUTES

Budget Scrutiny Task Group

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Budget Scrutiny Task Group** held on **Thursday 19th January, 2023**, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Paul Fisher (Chair), David Harvey, Tim Mitchell, Angela Piddock, Ian Rowley, Aziz Toki and Jason Williams.

Also Present: Gerald Almeroth (Executive Director of Finance and Resources), Jake Bacchus (Director of Finance), Luke Chiverton (Financial Consultant – HRA), Adam Coates (SFM Growth Planning and Housing), Bernie Flaherty (Deputy Chief Executive and Executive Director of Adult Social Care and Public Health), Lindsey Gamble (SFM Strategic Projects + Commercial Lead), Stuart Love (Chief Executive), Debbie Jackson (Executive Director of Growth, Planning and Housing), Amit Mehta (Strategic Finance Manager), Sarah Newman (Executive Director of Children’s Services), Zohaib Nizami (SFM Adults and Public Health), Anna Raleigh (Director of Public Health), Anita Stokes (Lead SFM Children’s), Rikin Tailor (SFM Head of Corporate Finance), Neil Wightman (Director of Housing), and Clare O’Keefe (Lead Policy and Scrutiny Advisor).

1 WELCOME

- 1.1 The Chair welcomed those present to the Budget Scrutiny Task Group (BSTG).
- 1.2 The Chair noted that there had been no apologies given.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3 MEDIUM TERM FINANCIAL PLAN 2023/2024

- 3.1. Items 3.1 to 3.5 were taken together under Item 3.1.
 - 3.1.1 Gerald Almeroth (Executive Director Finance and Resources) introduced the report to the BSTG. Jake Bacchus (Director of Finance) presented an overview of the 2023/24 Budget, including background and context for setting the Budget.
 - 3.1.2 Gerald Almeroth informed the BSTG on Fairer Westminster, the 2022/23 Budget and the Medium Term Financial Plan (MTFP) Budget Gap to 2026/27.

3.1.3 Members queried:

- Assumptions about Council Tax policy going forward, how Council Tax maintains real value and ensure other services do not suffer.
- The reasons for drawdown and then payback into the reserves.
- Even though the Future of Westminster Commission cannot commit the Council to any spending, there is no provision in the Budget further than 2023/24 on what the spending implications of the Commission is, including potential trade-offs.
- The implications of inflation falling back and the effect of this on the Budgets; what forecasting is undertaken and what impact is anticipated from volatile external factors.
- The savings made from inflation falling but the loss on interest rates.
- The risks in the risk register; what are the things most concerning, what could stay a risk and what could go well despite the risk.
- Social care related grants, including ringfenced funding and the revenue implications of this, especially considering repurposed funding earmarked towards the 2023 Adult Social Care reform.
- The corporate provision in the Budget to absorb external shocks, especially when considering the projected savings such as reducing the valuation of new pressures in 2023-25 and moving them to nil in 2025-27.
- The benchmarks used by the Office of Budget Responsibility to make and test inflation projections.
- The decision to implement needs assessments and business rates reset reforms after 2025/26 due to the Department for Levelling Up, Housing and Communities.
- The degree of movement allowed within the Designated Schools Grant and Budget and Supplementary Schools Funding.
- The drop in Major Applications which the Council income relies heavily on and whether this is comparative across other local authorities, including neighbouring boroughs.

3.2 EXECUTIVE LEADERSHIP TEAM SUMMARIES

3.2.A Children's Services 2023/24 Budget

Sarah Newman (Executive Director of Children's Services) presented the Children's Services 2023/24 Budget.

Members queried:

- The Council's MTFP when anticipating inflationary pressures on budgets and the amount of government funding not increasing in line with inflation.
- The Council pursuing funding for Special Educational Needs (SEN) and disabled children, as well as children leaving care.
- The gross and net controllable expenditure budgets for years 2021 to 2023 and the difference in budget during these years.
- The income from service areas and where this is derived.
- The staff savings in Children's revenue and the Directorate's role to ensure that these relatively small savings will not impact on the service.

- Whether the Budget allows for increased numbers of children coming into the borough, especially unaccompanied asylum-seeking children from Ukraine for instance and the flexibility of the Budget to manage this.
- The increasing cost of early intervention for children with SEN who do not have a statutory educational health and care plan and whether the Council's significant investment is saving costs for the future.
- The savings made on staffing: whether this refers to frontline or back-office staff, whether wider staffing savings is projected over a number of years and whether the Equality Impact Assessments have been used as a guiding principle for the changes.
- The outstanding service provided by the Children's directorate was noted.
- The Short Breaks Programme, especially the pressure on the Tresham Centre, and detail on the exploration into services being delivered from a single location.

ACTIONS

1. The BSTG will be provided with the percentage of school population of children with educational, health and care plans.

3.2.B Growth, Planning and Housing HRA 2023/24 Budget

Debbie Jackson (Executive Director of Growth, Planning and Housing) presented the Growth, Planning and Housing 2023/24 Budget for the Housing Revenue Account (HRA).

Members queried:

- The £3.930m of pressures and investments within the HRA Budget and where they are accounted for.
- The drawing down from reserves to undertake targeted stock condition surveys.
- Measuring the impact of the 7% rent uplift and ensuring that those in Westminster who need particular help know how they can access this.
- The sensitivity estimates and reliability of the rent collection predictions; how residents will cope with the uplift in rent and how this information is collected.
- The risk inflation poses in relation to repairs and how this has been factored in costings.
- The number of additional stock condition surveys that the increased funding will provide.
- The evidence behind the decision to bring paralegal services in-house.
- The savings benefits of undertaking repairs in a more efficient way and the engagement undertaken with residents.
- The funding allocated to new estate offices and contact points, the breakdown of this and the identification of voids that could be converted into estate offices.
- The benefits to expanding the number of local housing officers, and the reasons behind it being only a pilot for 18-months rather than permanent.

ACTIONS

1. The BSTG will receive explicit information on the pressures and investments within the HRA Budget and where these are accounted.
2. The BSTG will be provided with figures relating to repairs engagement with residents.
3. The Director of Housing will liaise with Councillor Toki regarding a specific Estate Manager vacancy.

3.2.C Growth, Planning and Housing GF 2023/24 Budget

Debbie Jackson (Executive Director of Growth, Planning and Housing) presented the Growth, Planning and Housing General Fund Budget.

Members queried:

- Whether the Council is thinking ahead beyond the Homelessness Prevention Grant and becoming more self-sufficient, or whether there is confidence on relying on Government grants in the future.
- The impact on families, particularly large families, who need help regarding Temporary Accommodation and the extra funding in the Capital Budget and Revenue Budget for this.
- The predicted fall and then increase in planning fee income: how sustainable this is, does this focus on commercial or private and what industry consultation has been undertaken to predict this.
- The behavioural impact for planning applications, especially on smaller developers.
- The review of the Planning Service and what this will entail.
- The impact on services by merging the Regeneration and Development departments and detail on the savings.
- Financing proposals and the pressures and investments which accompany this.
- The planned cuts to the Westminster Adult Education Service and whether this will impact on services currently being provided.

3.2.D Adult Social Care and Public Health 2023/24 Budget

Bernie Flaherty (Deputy Chief Executive and Executive Director of Adult Social Care and Public Health) presented the Adult Social Care 2023/24 Budget.

Members queried:

- The £200k allocated to mental health complexity and whether this is optimistic considering the percentage of residents that are assessed end up in secured psychiatry hospitals and the risk of this figure increasing.
- The increased pressure on primary care mental health services and whether this has not only come from residents but also is a reflection on the variable service levels provided by mental health colleagues.
- Direct Council representation on the Integrated Care Board, local authority partners and changes in North West London.

- Mental health coverage in the South of the borough, especially considering the future of the Gordon Hospital. This ties in with the South not getting enough support in general as the North.
- Brokerage and voids; what support is available to residents who need a service.
- The methods of forecasting learning and disability needs and whether resident's lives have become more difficult, or we simply now know more about resident's lives.
- The major underlying risks to accessing funding.

3.2.E Public Health 2023/24 Budget

Anna Raleigh (Director of Public Health) presented the Public Health 2023/24 Budget.

Members queried:

- Risk levels in the Public Health Budget if Government grant levels change and the length of time that reserves will be able to cope with a sustained fall in Government grants.
- Reserves for Public Health that are held separately in the Public Health Budget rather than in the General Fund.

The meeting ended at 20:25.