



City of Westminster

Budget and Performance Task Group

Members Present: Councillor Tim Mitchell (Chairman); and Councillors Antonia Cox, Paul Dimoldenberg, Peter Freeman and Adnan Mohammed.

Officers Present: Ben Denton (Executive Director for Growth, Planning and Housing), Eva Hrobonova (Acting Director of Public Health), Jon Laker (Finance Business Partner – Public Health), Steve Mair (City Treasurer), Dave McNamara (Tri Borough Director of Finance and Resources, Children’s Services), Stephen Muldoon (Lead Business Partner, Finance Team), Stuart Reilly (Head of Strategic Projects), Rebecka Steven (Policy and Scrutiny Officer), Rachel Wigley (Tri Borough Director of Finance and Resources, Adult Social Care and Health) and Rachel Wright-Turner (Tri Borough Director for Commissioning).

Apologies: Andrew Christie (Strategic Director of Children’s Services) and Liz Bruce (Tri Borough Executive Director of Adult Social Care).

Date/Time: Thursday 5 February 2015, 7 – 9pm

Location: Committee Room 1A, 17th Floor, City Hall

1. Welcome, Terms of Reference and Minute of Previous Meeting

The Chairman welcomed all those in attendance.

Members noted the Terms of Reference of the Task Group, as agreed at the previous meeting of 2 February 2015.

“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 noted that the 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.

Members had circulated before them the minute of the meeting of the Task Group of 2 February 2015.

The Task Group agreed:

1. to note the Terms of Reference.
2. to note the minute of meeting of 2 February and to request that it be circulated to members of this Task Group by email when finalised.

2. Adult Social Care - Rachel Wigley

The Tri Borough Director of Finance and Resources, Adult Social Care and Health provided a synopsis of the challenges facing the Directorate, and advised that officers were looking to continually improve services with less funding. She outlined the approach the Directorate was taking going forward as alignment, “upstream” prevention, integration and personalisation of services, with a priority being to do as much as possible to streamline and use technology whilst protecting vulnerable citizens. She noted that although there was a reduction in the budget of £20m, around £15m of it was attributed to the Freedom Pass being transferred to another budget.

The Director expanded on some of the proposed savings as follows:

Assistive Technology – this related to providing things such as gas alarms for those who could not smell, officers believed that this type of investment in assistive care technology would produce a saving through a reduction in nursing time.

Contract Efficiencies – this would not affect service users, it was about driving down price throughout the retendering process. It was clarified that this proposal did not relate to Home Care – officers stated that investment in Home Care may be required in order to achieve an improved service. It was noted that contracts were set at a 60% price 40% quality threshold and that there was a very rigorous process for awarding contracts, including presenting to members for approval.

Operations Integration/ Customer Journey – customers did not want to have to explain their situation over and over to different staff and agencies/ partners – officers were therefore working with the NHS to make a wrap-around service possible for when patients are still at home, and trying to achieve a seamless service between the local authority and NHS. There was currently the same information systems in use across the three boroughs and officers were also looking to share information with the NHS, where possible. The Director advised that the Service was launching a mobile app for staff which they believed could save £0.5m this year. It was noted that this was at design stage and new ways of working may result in changes to the way staff work. There were also legislative changes to consider (i.e. phase 1 of The Care Act), which would result in the Council having to manage the increase in what it is required to do at the same time as implementing the customer journey project; it would be very important to maintain then redesign staffing.

Tri Borough Client Affairs Service Review – this had been delivered and was in place.

Review of High Cost and High Needs Packages – officers believed that if they commenced forensic and tight reviews on a six monthly basis, savings of £0.6m could be delivered.

Health Integration Benefit Share – this was a huge ongoing project; the programme office was funded through government funding.

Hospital Discharge and CIS – officers were commencing a pilot where a team was based in a hospital setting working on wards, working with customers and families so patients can go home with a package - working in a joined up way with the NHS.

Increased Grant – this has been delivered.

Questions

AM – in relation to the Operations Integration/ Customer Journey, is this really a net saving or will there be more costs involved? RW – will need some one-off resources for some change programmes. AM – can you provide an approximate cost? RW – not able to say yet – officers are working on this and the cost will be shared across the three boroughs.

TM – in general terms what funds are councils getting back from the NHS when we are mitigating demand through

preventative care? RW – the £2.2m Better Care Fund.

AC – what are officers' thoughts on the success of the Better Care Fund? RW – officers have done the very best they could with tri borough and NHS colleagues to get the best possible deal for the Council, and have achieved significant investment, gained extra funds through the Care Act, and secured disabled facilities grant – all of which would enable the Council to protect frontline services. The deal was as good as could have been negotiated at the time, but officers would have to continue to work with NHS colleagues and be pro-active and strongly outline where the Council was keeping people out of hospital etc. TM – if targets are not achieved is there a penalty? RW – there is no penalty other than not achieving the projected savings.

PD – Are there plans to change the time allocated to patients (i.e. 15 minutes) in Home Care? RW – the existing contract was still running, the tender has closed now and the process of awarding and commencing the new contract would take a number of months, but officers are working on an outcomes basis with the new contract, not time.

PD – there were often criticisms of bureaucracy in the NHS – for example, more time filling in forms than helping people etc – do officers have any reflection of that in their ability to make savings – if there was less focus on form filling could you save more? RW – looking to work much more smoothly with NHS colleagues – data sharing is very important. Both sets of staff must have same information and data.

The Task Group agreed:

1. to thank the Director for her presentation.

3. Public Health – Rachel Wigley

The Tri Borough Director of Finance, Adults Social Care advised that the Directorate was projecting a balanced budget for 2014/15, and that the draft budget for 2015/16 comprised a ring fenced Department of Health grant of £31.2 million which was expected to be fully allocated; and additional funds of £2.1m were expected from October 2015 to cover additional services for 0-5 year olds healthy child programme. It was noted that £1.2m would be returned as dietetics services was not provided by the local authority.

The Director advised that the team was undertaking a rolling programme of contract reviews for the services it provided, with the aim of delivering efficiencies, improving health and delivering value for money and improving inequalities.

Questions

TM – if we make savings on the contracts where does the money go? JL – back into investment in Public Health projects. TM – there are budget pressures and risks, and some because they are based on demand, are we able to put this into our own reserve fund? RW – can go to other council services who are delivering Public Health outcomes.

PD – is the entire Public Health budget government funded? RW – yes it is Department of Health funding. PD – would this continue? JL – officers expect the ring fence to come off at some point and would also expect the funding formula to be looked at again but there is no indication as to when this may happen. The Council is in a good position, but in terms of funding, officers were working year to year just now. PD – important to collect hard data to build a robust case to government moving forward. RW – yes.

The Task Group agreed:

1. to thank the Director for her presentation.

4. Children's Services - Rachel Wright-Turner and Dave McNamara

The Director of Finance and Resources, Children's Services explained that the vision of the Directorate was to keep children safe, keep them from harm, improve their life opportunities and deliver a high quality education. He advised that the flagship project was "Focus and Practice", where the focus would be on longer more intensive time with families in trouble to prevent expensive ongoing costs over future years, or to take early action to keep children safe from harm.

He continued that the net budget excluding schools is £40m and of this £25m was allocated to family services (including, for example, child protection services, social work, looked after children).

The Director highlighted that there may be opportunities to substitute funds, for example, to use Public Health where officers can demonstrate improving outcomes for children, particularly for those under the age of five.

Questions

PD – want to be assured there is no double counting with Public Health savings? DM – can provide this assurance.

PD – the report is not explicit about children's centres, play services and youth services cuts – it would have helped if officers had been explicit. DM – The Cabinet papers and consultations had been explicit and have been completely transparent. PD – yes but this should have been reflected in budget papers as well. RWT – we are looking for universal provision but recognise some families need additional support and officers are working with partners to integrate the service offer to get families better support at an earlier point in time. The team was also looking to expand the childcare offer. PD – the consultation responses have not been positive, how will the rejection of the proposals be reflected in the Cabinet report? RWT – people have different needs and desires, there was a move from universal services to targeted support but the Council would maintain a level of universal provision.

TM – will there be a shift towards a rise in charges for those who can pay? RWT – depends on service setting and management costs – the Council would continue to commission targeted play places, schools would continue to provide a universal play offer. There was a potential for an increase in fees but this was not inevitable.

PD – youth service had been reduced considerably over the years, what are we losing with this proposed cut? RWT – city youth service was one element of a broader youth market, officers were looking to move to a more holistic service offer with hub and spoke services and a targeted outreach programmes. The team would be commissioning for a different type of service. Also, through bringing contracts together the Council could make efficiencies through management savings. PD - what is budget just now? RWT – can circulate.

PD – there is a high cost of placing children outwith Westminster, will there be a move away from this? DM – Social Workers must make the right decision for each child and this is based on a rigorous process which includes cognisance of the finance implications; officers must have regard to cost but this only part of a very complex process.

AC – in relation to the demand management of taking children into care – how will this happen? DM – it is about how much time you spend with the families, officers are working with families at earlier point to ensure parents have skills and support to look after children without having to present them to the Council. AC – what protects us from another post Baby P scenario when more children may be taken into care? DM – the Council is still working through this, there has been a decline again over time; it is a risk judgement and people take decisions on a balance. RWT – it is a priority to reduce repeat referrals, to work with family to reduce problems over time. Officers want to resolve issues at first point of contact which is why there is a move to work with families in a difference way to prevent repeat referrals.

The Task Group agreed:

1. to thank the Directors for their presentation.
2. to note that officers undertook to circulate the current youth services budget to members for information.

5. Growth, Planning and Housing – Ben Denton, Greg Roberts (Housing) and Stuart Reilly (Development Planning)

Housing

The Supporting People and Homelessness Strategy Manager advised that the Council was still experiencing high numbers presenting as homeless – around 600 this year – and the Council was required to meet its statutory obligation to provide suitable housing. Challenge to find housing to meet needs in terms of cost and size. The Council had maintained the number of properties in Westminster but also increasing those outwith the Borough.

Mr Roberts highlighted a number of risks to the Council –

- high private sector rental costs continue, leading to continuing high levels of homelessness and loss temporary accommodation properties leased from the private sector.
- the loss of Discretionary Housing Payment funding reduces capacity to prevent homelessness.
- the impact of benefits 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.

Questions

PF – is there a problem with private sector not wanting to provide properties? GR – the gap between the welfare market and private market has grown but the Council has managed to maintain households in the Borough, although some landlords state we cannot rent to those on benefits.

PD – rents have not come down? GR – Housing Benefit cap level has impacted and London prices also.

PD – in relation to the direct purchase scheme, how many properties have we purchased? GR – between 34 and 38. Officers are looking at properties across London (mostly two and three bed) but they have to be affordable to people on benefit caps.

PD – there are properties lying empty in Tollgate. JL – yes, 37 properties but there was not a demand for studio properties at the time.

Development Planning

The Head of Strategic Projects advised that he expected planning applications to fall but this has not been the case, it continues to be 12500 – 13000 per annum.

In relation to the proposal on Development Planning Transformation (£0.3m), the Head of Strategic Projects explained that the team was moving from paper to an electronic process; e-forms for online reporting etc. and staff would be able to interact faster and quicker.

Regarding the proposed saving against Built Environment Transformation, it was noted that this was a change relating to the trees budget; currently the Council spent £160k per annum on tree planting and maintenance and the proposal was to capitalise an element of this.

Questions

PD – fee for applicants, particularly WPA which is understood to be around £26k, have you looked at increasing this? BD – yes looking at this.

Growth

The Executive Director for Growth, Planning and Housing advised that the Council now had a medium term plan for its investment portfolio. Whilst rents and rates were both increasing, officers were mitigating this through an increase in rents. The Executive Director continued that the Council was reducing its property footprint and growing income by using property efficiently and effectively. As an example, City Hall would contribute £3m per annum going forward. It was noted that in redeveloping properties, there would be a loss of rent in the short term and that officers were working to mitigate against this.

The FM contract (which was let on a tri borough basis) would see cost reductions on the tender price year on year.

The Executive Director concluded that the five key development projects in 2014/15 would contribute an additional £8m in revenue on delivery of pre financing.

Questions

PF – what is the timescale for the redevelopment of City Hall? BD – the project would commence in around 1 year and would take 1 year to complete the programme.

TM – Are the cost pressures relating to Dudley House and Moxton Street relating to getting scheme off ground? BD – yes, cost of loss of rent, but there was mitigation for both of these projects.

PD – are we projected to spend £3m more on temp accommodation? GR – no, the overspend would reduce. PD – what is in budget to spend? GR – The Council will receive around £35m but spend around £38m. PD – so will other departments have to pay for this? GR – no it will be funded from within housing.

The Task Group agreed:

1. to thank the Executive Director and his team for their presentation.

6. General Remarks

PD – Asked that it be reflected in the record that he did not support the children's centre, youth services and play services proposals and could see no merit in this proposal being pursued.

PD – Would have liked to have the opportunity to scrutinise the capital programme papers. SM – consideration will be given to considering the revenue and capital budgets together in future years.

7. Recommendations

1. that this Task Group be provided with the Capital Programme papers in future years, to enable scrutiny to take place on this budget in a meaningful and timely manner.
2. to note that there may be one off costs associated with the proposal "Operations Integration/ Customer Journey" (Adult Social Care Services) and to request that officers scope these costs at the earliest opportunity to enable members to understand the financial implications.
3. In relation to Public Health, to note that there was a risk that the funding formula may be reconsidered at a future date, and to therefore recommend that officers be instructed to collate robust data to enable the strongest possible case to be made for funding, should this situation arise.
4. In relation to the proposal discussed on 2 February on Freedom Passes (City Management and Communities), to note officers' proposals in regards to implementing an independent assessment, and to request that should this be implemented, that it be done so with the upmost sensitivity and concern for those in particular who may have mental health conditions.

Closing remarks

The Chairman thanked officers and members for attending this evening's meeting and for their thorough preparation and input.

END OF MEETING