

# Housing, Finance & Corporate Services Policy and Scrutiny Committee Briefing

**Date:** 9<sup>th</sup> March 2015

**Briefing of:** Cabinet Member for Finance & Corporate Services

**Briefing Author and Contact Details:** Jeremy Day x5772  
[iday@westminster.gov.uk](mailto:iday@westminster.gov.uk)

## 1. Finance

### Monthly Monitoring

The latest estimate from the monthly monitoring report is that the revenue budget will by the year end be underspent and that this underspend will be put into the Council's general reserves. Elements of the capital programme have been re-profiled into 2016/17 reflecting the current position on planned schemes

### Medium Term Planning and Budget Process

The final local government finance settlement for 2016/17 was received in February. The Council's financial planning had anticipated the scale of the impact and thus the budget estimates for 2016/17 were unaffected.

Following scrutiny of the budget proposals, Council approved the budget on the 2<sup>nd</sup> March encompassing reports covering revenue, capital and treasury management.

In respect of the revenue budget, Central Government has for the first time set out a four-year offer for future finance settlements. The Council will prepare a forward looking Efficiency Plan over the coming in order to be granted this four year Settlement opportunity. Westminster continues to be negatively impacted by business rate appeals and it is expected that 2016/17 will be the fourth year running where its effect will be to reduce the Council's Baseline Funding by £6m below Government's assumed funding allocations. Full Council agreed increasing Council Tax by the 2% for Adults Social Care along with a 1.99% general increase.

The ambitious strategic aims of the Council are supported by an equally ambitious fully funded capital programme of £1.720bn over five years (2016/17 to 2020/21).

This excludes the HRA capital programme at a value of £360m, giving a total 5 year capital programme of £2.080bn. The proposed capital programme reflects the on-going schemes from previous programmes, a number of new schemes aimed at meeting City for All and addressing the priority areas within the Council's Medium Term Plan and investment to ensure the future financial sustainability of the Council. The main schemes in the capital programme include: City Hall Refurbishment, Huguenot House, Leisure Estate Review, Dudley House, Cavendish Square Car Park and Circus Road.

The capital strategy sets out the processes by which the programme will be managed. These processes are being continually reviewed and improved and will continue to be further developed during 2016/17 as part of the planned programme of financial management enhancements. This includes a business case process which will support the successful delivery of projects, in terms of time, cost and quality, as well as achieving the objectives of City for All.

Supporting both of these reports, the Treasury Management Strategy was also approved. The Strategy sets out the Council's strategy for investing its cash balances, and borrowing within appropriate risk parameters. The Council's investment priorities are to ensure the security of capital, the liquidity of its investments and an optimum return on its investments commensurate with proper levels of security and liquidity, while financing the Council's capital programme and ensuring that cash flow is properly planned.

Having approved the 2016/17 budget work will soon start on the 2017/18 budget and also on monitoring performance in 2016/17.

### **Final Accounts 2015/16**

The final year end preparation has now begun in earnest incorporating the Council's quality assurance processes. In preparing the accounts, a range of extensive testing has been taking place and Grant Thornton, WCC's external auditors, are in the process of completing their interim audit and have been performing a number of assurance tests. Feedback has so far been positive. There remains a great deal of work to be undertaken in the coming weeks.

## **2. Revenue and Benefits**

The Council's Discretionary Housing Payment allocation went to Full Council on 2 March. It explained that the Council agreed to carry forward an unspent contribution from reserves balance originally agreed as £1.1m for 2015-2016 to 2016-2017 to support a forecast increased number of Discretionary Housing Benefit claims.

Following the Chancellor's announcement of Business Rates "localisation" we have indicated to the Treasury that we keen to participate in any pilots prior to the introduction of the new arrangements in 2020.

## **3. ICT**

The Office 365 rollout is proceeding at pace and the intranet had its soft launch on 25 February. Subject to testing, live launch will occur in mid-March. Work is on-going

around the other aspects of Office 365, including email and other collaboration tools – these will be rolled out over the coming months.

*Phase 1 of the ICT staff consultation took place last year which led to the establishment of the Triborough ICT services. The next step is Phase 2 which will begin consultation this spring. Phase 2 will bring staff from the shared services into one coherent team.*

We are assessing options around the renewal and implementation of a new network and telephone solution for WCC.

We interviewed for an IT Project Manager last month for the City Hall refurbishment. As part of the preparation for the decant and as part of our Triborough ICT plan, the migration of legacy datacentre services from CapGemini to BT Lot 3 contract (“SIP”) by end June is ongoing.

#### **4. Corporate Property**

The property consultants BNP Paribas Real Estate have been appointed to assist the Council with its root and branch review of the Corporate Property portfolio. This will involve analysis of the occupancy and use of each property that the Council occupies to deliver its services, with a target of substantially reducing the Council’s property footprint to reduce running costs and to allocate surplus property for re-use or development. The study and strategy will be a two phase process. The first phase report is due at the end of April and the occupational strategy is due at the end of July.

Special Projects are now briefing me and Planning colleagues on major development projects including redevelopment of Seymour Place Leisure Centre, Huguenot House and Queen Mother Leisure Centre. The outcome of feasibility studies and next steps will be sent to Councillors in due course.

More detailed market analysis and discussion at the Property Investment Board has been taking place to formulate a strategy for stock selection pertinent to the Investment Programme.

#### **5. Human Resources**

##### **The Westminster Way Staff Awards**

The Westminster Way Awards ceremony will take place on 13th April at Porchester Hall. This will be a black tie event with dinner and entertainment for approximately 300 people. The ceremony will recognise and celebrate all of the good work that takes place at Westminster City Council. Six sponsors are meeting the majority of the cost.

##### **Westminster’s Apprenticeship scheme and Supported Employment**

The Council’s aspiration is to increase the number of apprenticeship opportunities to 100 by the end of March 2016. By the end of March, we anticipate that we will have

reached 103 apprenticeship opportunities which will have been created since April 2015 from both within WCC services and in our supply chain / and partners. This comprises of 46 WCC starts, 12 apprenticeships created with contractors and 45 created with partners.

With better matching of manager's expectations as well as using appropriate apprenticeship levels, retention has increased and only 4 apprentices have left the programme early since April 2015.

The council's aspiration is to also support 30 residents with supported employment needs into work opportunities including apprenticeships, internships, direct employment and work experience, by March 2016. As of the end of January 2016, the programme has supported 26 individuals with 30 work opportunities. The council has placed 13 individuals, in 16 work opportunities within the key business units and operational partners. The council-funded Specialist Workplace Coordinator operating within the Cross River Partnership team has supported an additional 13 residents into 14 employment opportunities (external work placements and paid jobs).

### **Leadership Academy – Phase 3**

The plans for the next phase of the Leadership Academy are currently underway for band 3 colleagues and below. Subject to approval by EMT we plan to deliver a 2 day development programme which will enable those colleagues to be clear on the expectations of working at Westminster Council as well as a further way to embed our Productive, Ambitious, Collaborative and Enterprise (PACE) values. The programme will also enable the council to begin to develop our own in house capability over the coming months.