

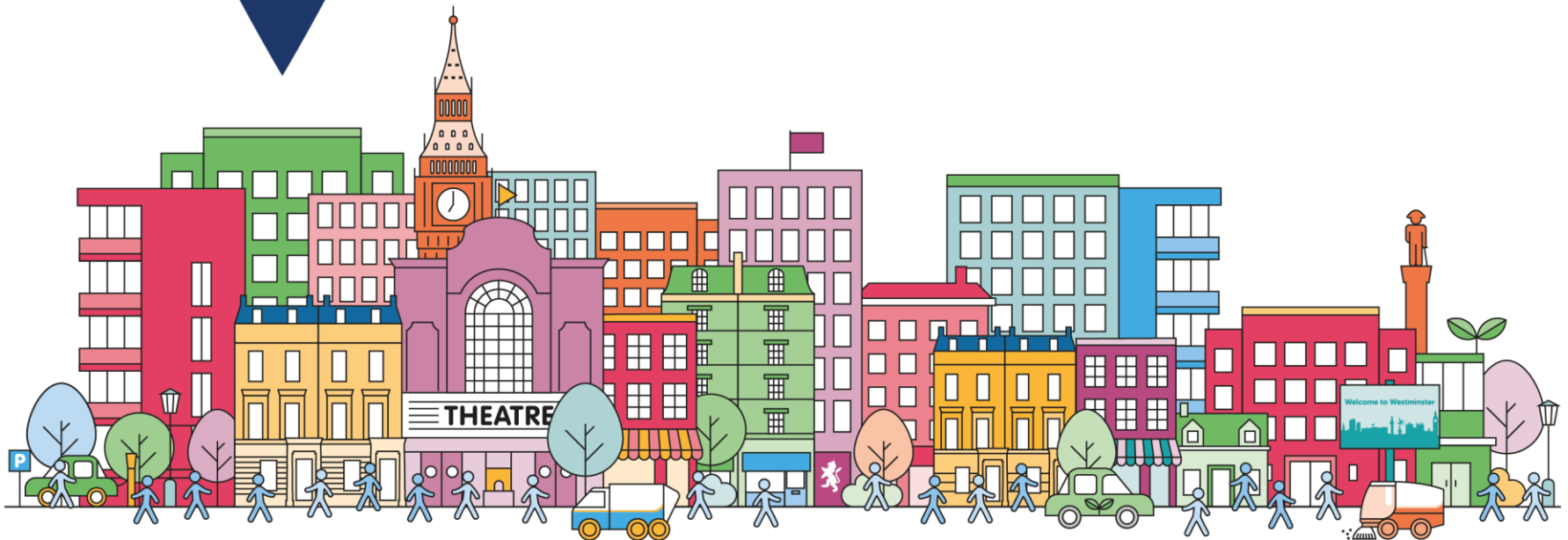


City of Westminster

City
for
All

Budget and Performance Task Group

4th October 2018

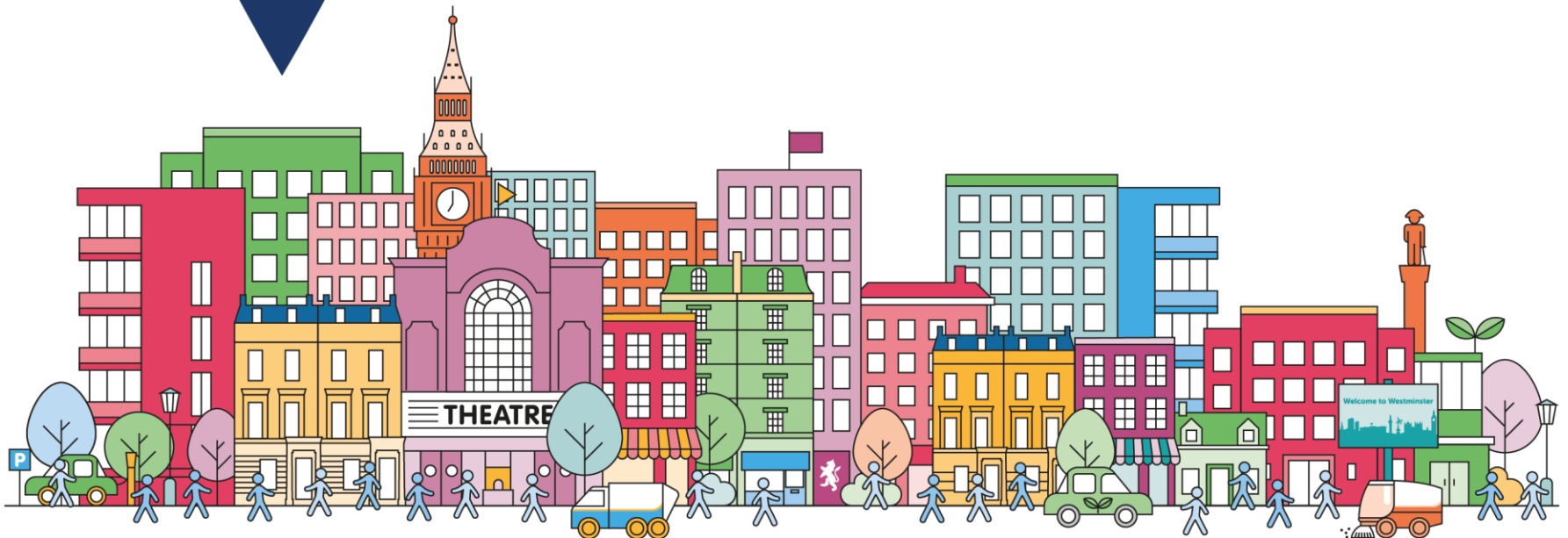




Budget and Performance Task Group

Policy, Performance and Communications

Julia Corkey, Executive Director



Executive Summary

- In 2018/19 Policy, Performance and Communications was allocated a gross controllable expenditure budget of £17.856m and a gross income budget of £7.879m (net controllable budget £9.977m)
- The projected outturn variance for 2018/19 is an underspend of £0.310m
- There are no budget pressures for 2019/20
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £0.222m



2019/20 Key Issues

- The advertising and events market may become a more challenging environment and therefore external factors may have an impact on the level of income that can be achieved



Policy, Performance and Communications Budget 2018/19

The key controllable service area budgets for 2018/19 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Cabinet Secretariat and Member Services including ward budgets	-	1.635	1.635
Communication and Campaigns	(2.553)	2.553	-
Corporate Strategy and Transformation	-	0.976	0.976
City Promotions, Events and Filming	(2.976)	1.333	(1.643)
Digital and Customer Services	-	1.862	1.862
Evaluation and Performance	-	1.449	1.449
Policy and Strategy	(0.622)	2.340	1.718
Cross River Partnership hosted by WCC	(1.708)	1.708	-
Voluntary Sector Support	-	1.652	1.652
Lord Mayor's Secretariat	-	0.527	0.527
Members and Committee and Governance Services	(0.020)	1.821	1.801
TOTAL Controllable Budget 2018/19	(7.879)	17.856	9.977



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals

The directorate is to support balancing the 2019/20 budget by delivering the following initiative.

Review of Staffing within PPC directorate (£0.222m): Undertake a review of pay spend within the PPC directorate in particular where vacancies arise to assess if any vacant posts can be closed to realise cashable savings



Policy, Performance and Communications Budget 2019/20

The key controllable service area budgets for 2019/20 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Cabinet Secretariat and Member Services including ward budgets	-	1.595	1.595
Communication and Campaigns	(2.553)	2.553	-
Corporate Strategy and Transformation	-	0.953	0.953
City Promotions, Events and Filming	(2.976)	1.309	(1.667)
Digital and Customer Services	-	1.818	1.818
Evaluation and Performance	-	1.415	1.415
Policy and Strategy	(0.622)	2.283	1.661
Cross River Partnership hosted by WCC	(1.708)	1.708	-
Voluntary Sector Support	-	1.652	1.652
Lord Mayor's Secretariat	-	0.527	0.527
Members and Committee and Governance Services	(0.020)	1.821	1.801
TOTAL Budget 2019/20	(7.879)	17.634	9.755



Consultations on 2019/20 proposals

There are no public consultations planned on any 2019/20 proposals.

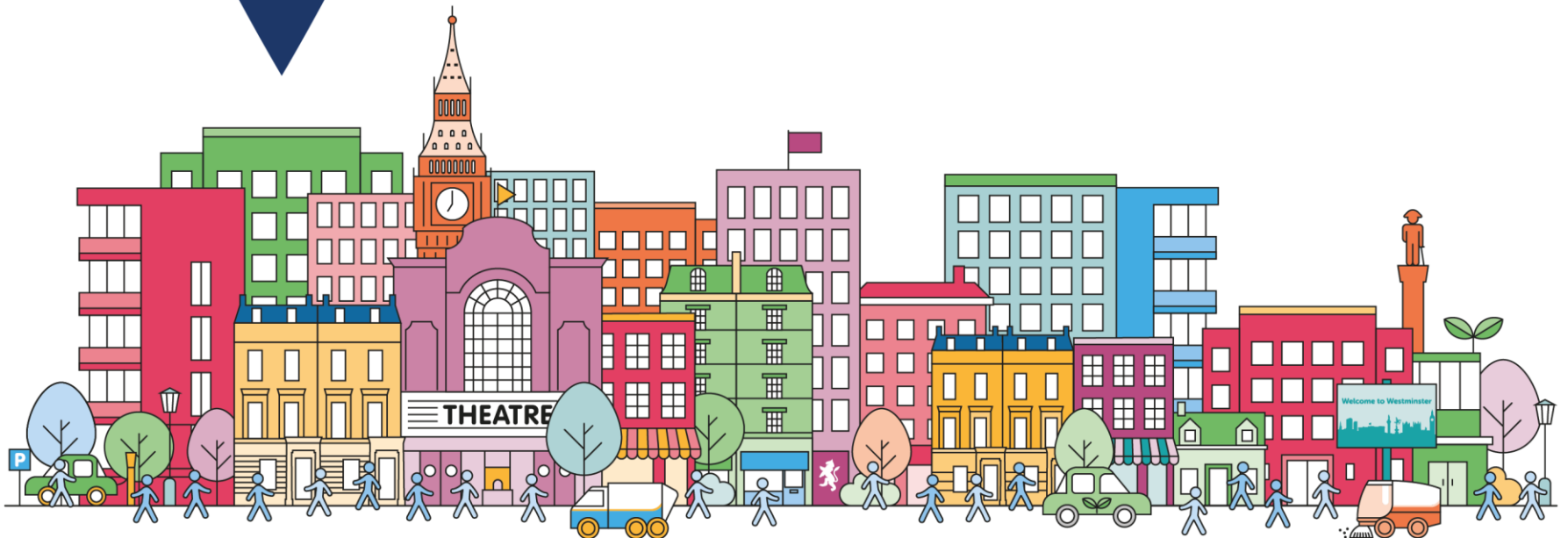




Budget and Performance Task Group

City Management and Communities

Richard Barker, Executive Director



Executive Summary

- In 2018/19 City Management & Communities was allocated a gross controllable expenditure budget of £137.331m and a gross income budget of £136.967m (net controllable budget £0.364m)
- The projected outturn variance for 2018/19 is to budget
- The budget envelope for 2019/20 contains pressures of £0.454m
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £4.794m



2019/20 Key Issues

- Delivery of further libraries service transformation
- Potential economic impacts on key income streams: Parking, Commercial Waste, Road Management
- Contract extension negotiations with Veolia for waste collection and street cleansing contract
- Procurement of new vehicles for the Waste Fleet
- Contract reprocurement work for Parking Business Processing & Technology and People & Resources contracts expiring in early 2020/21



City Management & Communities Budget 2018/19

The key controllable service area budgets for 2018/19 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Directorate central budgets	0.000	0.511	0.511
City Highways	(100.371)	41.746	(58.625)
Community Services	(3.875)	4.096	0.221
Libraries and culture	(3.514)	9.632	6.118
Public Protection and Licensing	(10.819)	19.820	9.001
Waste and Parks	(18.388)	61.526	43.138
TOTAL Budget 2018/19	(136.967)	137.331	0.364



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (1)

Information on the key savings initiatives is provided below:

Digital saving – Parking Permits (£0.293m): replacement of the current Parking Permit system and development of a generic permit solution to deliver a variety of permits and licences via MyWestminster Account using the Digital Platform.

Digital saving – Validation hub (licensing) (£0.055m): improve automation of licensing applications to reduce manual intervention, prevent unnecessary contacts and generate processing efficiencies.

Libraries and registrars commercial and business opportunities (£0.300m): building on existing commercial initiatives to provide additional income generating services in libraries/registrars including room hire, filming, advertising and events.

Community Services controllable spend review (£0.119m): review of prior year financial performance has identified £0.119m reduction in controllable spend as services are incorporated into the leisure contract.



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (2)

Information on the key savings initiatives is provided below:

Westminster Car Club (Parking) (£0.163m): additional income generated following the recent procurement of the new car club contract which introduced a flexible car sharing scheme to operate alongside the current fixed point model.

Regulatory support services & pre-application advice (£0.050m): additional income arising from enhanced offer to businesses in the areas of pre-application advice, training, consultancy services and primary authority activity, ensuring fee fully reflects cost of undertaking work.

Integrated Neighbourhoods Service - Phase 3 (£0.900m): continuation of development of a council-wide neighbourhood approach for a world class Westminster, where services are delivered locally and tailored to the needs of the community. Savings will be realised through integration of service improvement resources and by ensuring more effective coordination and delivery across City Management & Communities, Growth Planning and Housing and Public Health services.

Public Protection & Licensing fee review and additional income (£0.184m): following a review of fees and charges in the directorate opportunities for additional income have been identified in a number of areas including Houses of Multiple Occupation, Trading Standards, Street Trading and from the Proceeds of Crime Act.



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (3)

Information on the key savings initiatives is provided below:

Sports & Leisure – Phase II (£0.400m): savings will be delivered through increased income to the Council from the new Sports and Leisure contract which commenced in July 2016. The transformation programme promotes a fully commissioned sports & leisure service.

Libraries further service transformations (£0.200m): potential to drive savings and efficiencies through the introduction of Smart Open technology and further development of self-service.

Waste contract savings (£1.000m): deliver efficiency savings through the extension of the current Waste Collection and Street Cleansing Contract with Veolia.

Advertising on waste collection vehicles (£0.350m): generation of income through the installation of digital advertising panels on the council's fleet of waste collection vehicles.



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (4)

Information on the key savings initiatives is provided below:

Commercial waste income (£0.330m): increased income from commercial waste collection and disposal services through further marketing activities and enforcement action against unpaid commercial waste.

Parking debt recovery (£0.250m): income through additional debt recovery services provided under the new contract to improve on the recovery rates of outstanding parking debt.

Road Management: Reclassification of roads (£0.200m): review of classification of streets based on assessment against Government criteria with more streets falling into the Major category with increased fees.



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (5)

The directorate is therefore proposing a series of initiatives to support balancing the 2019/20 budget. These total £4.794 million.

Reference	Key Initiatives (section 1 of 2)	£m
1.3	Digital saving - validation hub	0.055
1.3	Digital saving – parking permits	0.293
2.9	Libraries: commercial and business opportunities	0.300
2.10	Community Services: controllable spend review	0.119
5.16	Westminster Car Club (Parking)	0.163
6.9	Regulatory support services & pre-application advice	0.050
6.11	Integrated Neighbourhood Services - Phase 3	0.900
6.13 (EIA)	Public Protection & Licensing fee review and additional income	0.184



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (6)

Reference	Key Initiatives (section 2 of 2)	£m
7.12	Sports & Leisure - Phase II	0.400
7.19 (EIA)	Libraries further service transformations	0.200
7.20	Waste contract savings	1.000
7.22	Advertising on waste collection vehicles	0.350
7.24	Commercial Waste Income	0.330
7.26	Parking Debt Recovery	0.250
7.27	Road Management: Reclassification of Roads	0.200
	Total	4.794



2019/20 Budget Pressures

Estimated Pressures	£m
Loss of passport and citizenship application checking income	0.100
Street cleansing costs	0.150
MOPAC funding reduction	0.204
TOTAL	0.454

Loss of passport and citizenship application checking income (£0.100m) - the Registrars service receives income from the Home Office for checking customer applications for British citizenship and passports. The Home Office is planning to procure this service nationally through an alternative supplier.

Street cleansing costs (£0.150m) – Increased footfall pressures following the opening of the Elizabeth line will require an increase in street cleansing resource in order to deliver to current performance levels.

MOPAC funding reduction (£0.204m) – Westminster receives funding from the Mayor’s Office for Policing and Crime through the London Crime Prevention Fund to prevent crime, support safer communities, and reduce reoffending. Westminster’s direct funding allocation has been reduced by 56%.



City Management & Communities Budget 2019/20

The key controllable service area budgets for 2019/20 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Directorate central budgets	0.000	0.511	0.511
City Highways	(100.984)	41.453	(59.531)
Community Services	(4.725)	3.527	(1.198)
Libraries and culture	(3.714)	9.432	5.718
Public Protection and Licensing	(10.815)	19.731	8.916
Waste and Parks	(19.068)	60.676	41.608
TOTAL Budget 2019/20	(139.306)	135.330	(3.976)



Consultations on 2019/20 proposals

The following public consultations have been arranged in respect of 2019/20 proposals:

Proposal name	Public Protection & Licensing fee review and additional income
Value (£'000)	184*
Consultation Period	August – October 2018
Status of consultation	In progress
Impact/amendments?	To be determined

* This saving relates to a number of fees across the Public Protection and Licensing service, of which one element is a review of Street Trading fees. It is this element of the saving only which is being consulted on.

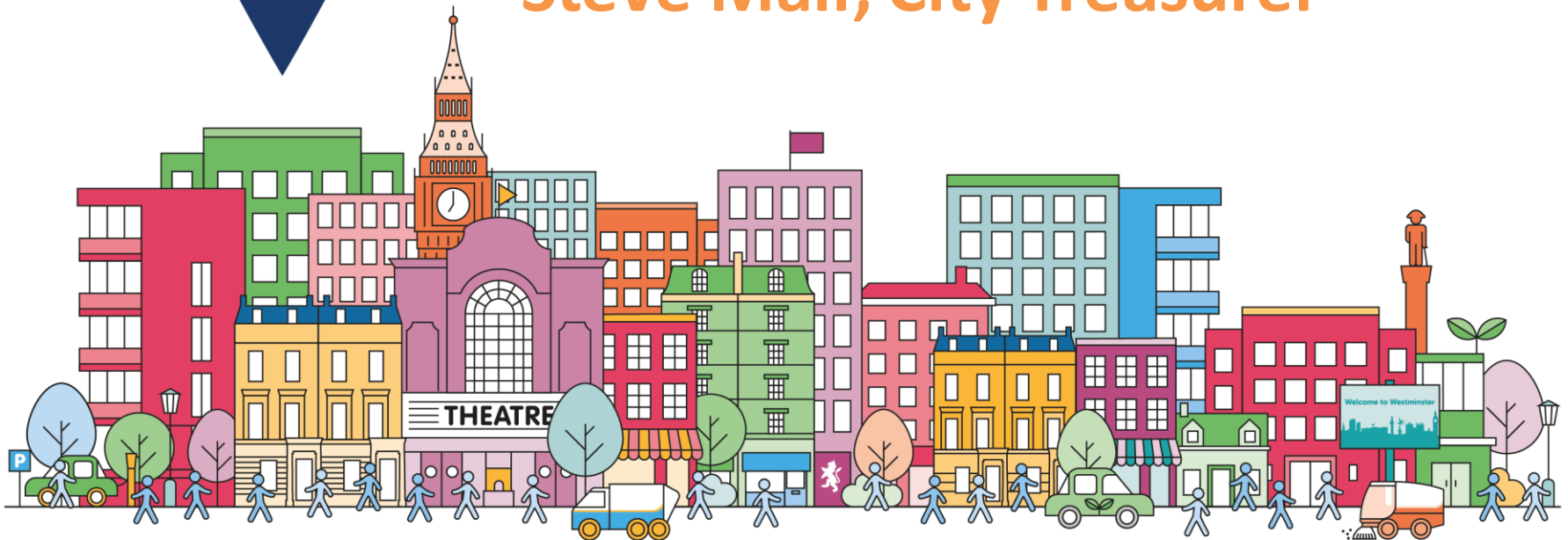




Budget and Performance Task Group

Corporate Services

Steve Mair, City Treasurer



Executive Summary

- In 2018/19 Corporate Services was allocated a gross controllable expenditure budget of £18.893m and a gross income budget of £5.893m (net controllable budget £13.000m)
- The projected outturn variance for 2018/19 is an overspend of £0.198m
- There are budget pressures of £2.100m for 2019/20
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £0.297m



2019/20 Key Issues

- Post implementation, monitoring the Managed Service Provider contract and the continuation of promoting SAP's self service functions within the Council
- WCC's senior management support for proactive management of IT accounts and supporting move to new ways of working (soft phones/Skype calling and "Bring Your Own Device")



Corporate Services Budget 2018/19

The key controllable service area budgets for 2018/19 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Information & Communication Technology	(0.718)	8.771	8.053
Procurement Services	-	1.597	1.597
People Services	(0.186)	2.103	1.917
Legal Services	(1.460)	0.089	(1.371)
Managed Services	(0.244)	1.460	1.216
Shared Corporate Services	(0.069)	0.394	0.325
Corporate Services Trading	(0.600)	-	(0.600)
Digital Programme	-	1.625	1.625
Electoral Services, Coroners and Land Charges	(2.616)	2.057	(0.559)
Complaints and Customers	-	0.226	0.226
Chief Executive's Office & Corporate Management	-	0.571	0.571
TOTAL Budget 2018/19	(5.893)	18.893	13.000



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals

The directorate is to support balancing the 2019/20 budget by delivering the following initiative.

Review of Corporate Services, pay and non pay budgets (£0.297m): The Corporate Services directorate will review vacancies that are generated in year and evaluate which posts can be closed and non pay budgets to understand key cost drivers, establish efficiencies to increase value for money (VFM) and realise cashable savings



2019/20 Budget Pressures

Estimated Pressures	£m
Managed Service Provider	1.750
Enhancement of the Maternity and Parental leave policies	0.350
TOTAL	2.100

Managed Service Provider (£1.750m) - expected increase in the contract price from the new Manager Service Provider post implementation of a Enterprise Resource Planning system (SAP) to replace Agresso

Enhancement of the Maternity and Parental leave policies (£0.350m) - this is anticipated to be a Council-wide cost impact. This will improve employee benefits by enhancing current policies to align to similar employers.



Corporate Services Budget 2019/20

The key controllable service area budgets for 2019/20 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
Information & Communication Technology	(0.718)	8.761	8.043
Procurement Services	-	1.576	1.576
People Services	(0.186)	2.370	2.184
Legal Services	(1.460)	0.089	(1.371)
Managed Services	(0.244)	3.210	2.966
Shared Corporate Services	-	0.142	0.142
Corporate Services Trading	(0.600)	-	(0.600)
Digital Programme	-	1.625	1.625
Electoral Services, Coroners and Land Charges	(2.616)	2.057	(0.559)
Complaints and Customers	-	0.226	0.226
Chief Executive's Office & Corporate Management	-	0.571	0.571
TOTAL Budget 2019/20	(5.824)	20.627	14.803



Consultations on 2019/20 proposals

There are no public consultations planned on any 2019/20 proposals.

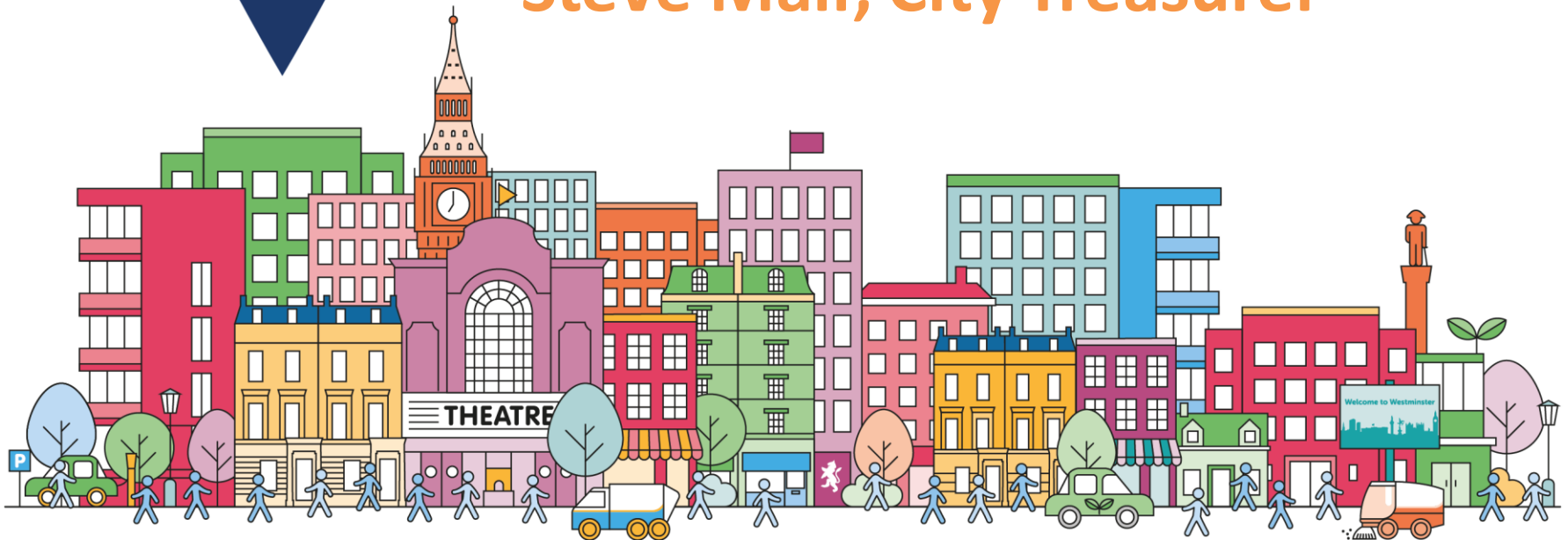




Budget and Performance Task Group

City Treasurer

Steve Mair, City Treasurer



Executive Summary

- In 2018/19 City Treasurer was allocated a gross controllable expenditure budget of £29.944m and a gross income budget of £18.060m (net controllable budget £11.884m)
- The projected outturn variance for 2018/19 is an underspend of £4.183m at period 4
- There are budget pressures of £1.516m in 2019/20
- The directorate has identified transformation, efficiencies, financing and commercial proposals totalling £20.617m



2019/20 Key Issues

- Embedding of the new Enterprise Resource Planning (ERP) system and the self service functions
- The outcome of the Government's Spending Review and impact on local government Fair Funding Review will be known and the Council will be required to mitigate any adverse impact
- Continuation of comprehensive staff training and development plan, ensuring highest professional and commercial standards with full staff engagement
- Uncertainty on the "High Street" and Business Rate appeals will continue to impact business rates yield which the Council will need to mitigate



City Treasurer Budget 2018/19

The key budgets for 2018/19 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
City Treasurer	(0.021)	0.310	0.289
Commercial and Financial Management	(0.246)	3.570	3.324
Corporate Finance	(0.884)	3.048	2.164
Treasury and Pensions	(6.055)	8.166	2.111
Revenues and Benefits	(10.854)	14.572	3.718
Chief Executive's Office	-	0.278	0.278
Total Controllable Budget 2018/19	(18.060)	29.944	11.884
Core funding and other non-core items*	(187.645)	41.964	(145.681)
Grand Total 2018/19	(205.705)	71.908	(133.797)

* This comprises core funding such as Revenue Support Grant, Business Rates, Council Tax as well as a combined budget for items such as capital financing costs, precepts and levies, superannuation contributions and risk.



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (1)

Information on the key savings initiatives is provided below:

Increase in council tax base (£0.475m): organic growth through the building of additional homes and enhancements to existing homes, as well as changes to eligibility for discounts (single person discount for example) result in a modest but steady annual increase in the tax base. This results in an increasing tax yield even though the average Band D amount remains constant

Revenue & Benefits – contract re-procurement (£2.965m): undertake a procurement exercise for a new contract, which will service the outsourced collection of council tax, business rate and the management of benefits. Savings are anticipated to be generated through a robust procurement process to ensure maximisation of value for money

City Treasurer’s – Treasury Management (£4.081m): the City Treasurer’s department will review opportunities to generate additional income from enhanced Treasury Management practices



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (2)

Information on the key savings initiatives is provided below:

Business rates (£9.701m): additional income is anticipated to be delivered through the business rates retention scheme. An additional £9.701 will become available in 2019/20

Capital programme slippage impact (£3.395m): the Capital Programme is assumed to have been funded based on an increasing level of revenue budgeted every year to cover financing costs. Due to slippage within the programme less is required than expected in 2019/20 to finance the programme



2019/20 Transformation, Efficiencies, Financing and Commercial Proposals (3)

The directorate is therefore proposing a series of initiatives to support balancing the 2019/20 budget. These total £20.617m.

Reference	Key Initiatives	£m
1.18	Increase in Council Tax Base	0.475
1.20	Revenue & Benefits – contract re-procurement	2.965
1.52	City Treasurers - Treasury Management	4.081
1.62	Business rates	9.701
1.67	Capital programme slippage impact	3.395
	Total	20.617



2019/20 Budget Pressures

Performance and Contracts (£1.516m) - this pressure is to be held within the non core items and to be allocated to service departments on a needs basis following the review of submission requests. It is held for the purpose of step-up adjustments and unplanned contract pressures across the Council

Budget Gap (£26.300m) – the budget gap for the Council for 2019/20 is wrapped into the core funding and other non-core items to take account of reductions in government funding, inflation, pension fund deficit recovery, the impact from the capital programme and other risks.



City Treasurer Budget 2019/20

The key budgets for 2019/20 are broken down as follows:

Service Area	Income £m	Expenditure £m	Net Budget £m
City Treasurer	(0.021)	0.310	0.289
Commercial and Financial Management	(0.246)	3.570	3.324
Corporate Finance	(0.884)	3.048	2.164
Treasury and Pensions	(10.136)	8.166	(1.970)
Revenues and Benefits	(10.854)	11.607	0.753
Chief Executive's Office	-	0.278	0.278
Total Controllable Budget 2019/20	(22.141)	26.979	4.838
Core funding and other non-core items*	(179.145)	47.709	(131.436)
Grand Total 2019/20	(201.286)	74.688	(126.598)

* This comprises core funding such as Revenue Support Grant, Business Rates, Council Tax as well as a combined budget for items such as capital financing costs, precepts and levies, superannuation contributions and risk.



Consultations on 2019/20 proposals

There are no public consultations planned on any 2019/20 proposals.

